Restamax Plc

FINANCIAL STATEMENTS

31.12.2016

Restamax Plc
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FI-33100 Tampere

Business ID 1952494-7
Domicile Tampere

Restamax Plc
Consolidated financial statements 31 December 2016
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Restamax Plc is the parent company of the Restamax Group. In addition to the parent company, the consolidated financial statements include 54 subsidiaries.

Restamax's strong growth continued in the 2016 financial period. The market situation in the restaurant sector remained challenging in 2016, but Restamax succeeded in maintaining long-term profitability at a good level. The growth and profitability of the labour hire business met the Company's expectations.

Key events during the annual period

No major changes occurred in the market situation concerning any of the Company's activities during the financial period. The general economic situation and the market situation in the sector continued to be challenging, although the sector's economy did improve slightly during the financial period. During the financial period, the Group strengthened its presence in many towns and cities and also expanded its business to new locations. The Group was able to establish itself reasonably well on the new markets. During the financial period, the Group made several corporate acquisitions, opened numerous new restaurants and expanded its labour hire operations. The Group sold the business operations of a few small restaurants during the financial period.

Key figures concerning financial position and net income

Key figures describing financial position and net income of parent company (FAS)

TEUR	**2016**	**2015**	**2014**
Turnover	23 017,8	15 820,8	12 933,7
EBITDA	3 161,0	1 974,8	708,5
% of turnover	13,7 %	12,5 %	5,5 %
Operating profit	1 132,9	191,6	-352,2
% of turnover	4,9 %	1,2 %	-2,7 %
Return on equity %	13,5 %	11,0 %	26,3 %
Equity ratio %	58,5 %	54,2 %	61,0 %

Key figures describing financial position and net income of the Group

TEUR	**2016**	**2015**	**2014**
Turnover	130 071,9	113 618,1	86 653,3
Material margin	102 799,4	87 828,3	64 936,7
% of turnover	79,0 %	77,3 %	74,9 %
EBITDA	19 398,8	16 535,8	12 008,4
% of turnover	14,9 %	14,6 %	13,9 %
Operating profit	8 997,9	7 266,3	5 264,9
% of turnover	6,9 %	6,4 %	6,1 %
Total assets	97 666,0	90 579,6	84 184,0
Return on investment %	11,9 %	10,8 %	10,5 %
Return on equity %	14,0 %	12,1 %	9,8 %
Equity ratio %	45,2 %	44,4 %	47,2 %
Gearing ratio %	69,1 %	73,2 %	48,1 %
Staff expense %	36,9 %	33,9 %	30,7 %
Gross investments	10 174,5	16 891,7	27 942,0

Key figures per share

		2016	2015	2014
Earnings per share, undiluted	EUR	0,35	0,31	0,22
Earnings per share, diluted	EUR	0,35	0,31	0,22

Equity per share	EUR	2,65	2,48	2,41
Dividend per share	EUR	0.30 (**)	0,27	0,22
Dividend/earnings per share	%	85,7	87,1	100,0
Effective dividend yield	%	5,0	5,4	6,3
Profit/earnings ratio (P/E)		17,2	16,2	15,9

Share price 31 December	EUR	6,01	5,01	3,50
Average share price	EUR	5,10	4,00	4,00
Highest share price during financial period	EUR	6,32	5,09	4,69
Lowest share price during financial period	EUR	4,28	3,48	3,45

Market value for shares	MEUR	99,88	82,06	57,33
Exchange of shares during financial period	pcs	7 501 446	4 134 568	977 071
Proportionate exchange of shares	%	45,14	25,24	5,97

Adjusted average number of shares during financial period	pcs	16 235 842	16 203 745	16 024 620
Adjusted average number of shares on 31 December	pcs	16 619 620	16 379 620	16 379 620

(**) Board of Directors' proposal

Segment-specific key figures

Operating profit %		2016	2015	2014
Operating profit, % restaurant	%	6,9	6,5	5,9
Operating profit, % labour hire	%	4,7	3,2	4,5

EBITDA %		2016	2015	2014
EBITDA %, restaurant	%	15,3	14,8	13,7
EBITDA %, labour hire	%	10,1	8,9	10,2

Material margin %		2016	2015	2014
Material margin %, restaurant	%	74,6	74,3	74,0

Staff expense %		2016	2015	2014
Staff expenses %, restaurant	%	28,1	28,5	29,6
Staff expenses %, labour hire	%	85,5	85,2	84,0

The calculation formulae for the key figures are presented in note 38.

Personnel information

Key figures describing the personnel of the parent company

	2016	2015	2014
Average number of employees	99	72	66
Salaries and fees for financial period	3 940,5	2 967,6	2 532,7

Key figures describing the personnel of the Group

	2016	2015	2014
Average number of employees			
Full-time/part-time	1020	809	584
Part-time staff	110	103	101
Salaries and fees	36 851,9	29 342,6	16 319,1

Segment-specific key figures describing the personnel

Average staff, **restaurant**	2016	2015	2014
Full-time staff	270	268	220
Part-time staff translated into full-term staff	110	103	101
Salaries and fees	13 266,4	12 625,5	11 629,5

Average staff, **labour hire**	2016	2015	2014
Full-time/part-time	750	541	364
Salaries and fees	23 585,5	16 717,1	4 689,6

Proposal from the Board of Directors concerning actions to be taken regarding the profit of the parent company

Unrestricted equity fund	EUR	37 541 513,54
Profit funds from previous years	EUR	8 670 488,38
Profit from financial period	EUR	6 814 342,05
Unrestricted equity	EUR	53 026 343,97
of which distributable	EUR	53 026 343,97

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.30 per share (16,619,620 shares) be distributed from the profit for the financial period of EUR 6,814,342.05, amounting to EUR 4,985,886.00. According to the current understanding of the Board of Directors, the proposed distribution of dividends will not endanger the Company's solvency.

Company's shares

In November 2016, in a share issue concerning the exchange of shares of Restala Oy, Restamax Plc issued 440,000 new shares. In connection with this, 200,000 of the Company's own shares were nullified. At the time of the closing of the accounts, the Company had 16,619,620 shares. All shares have an equal right to dividends and the Company assets. One share equals one vote at the general meeting. The Company's shares are listed at NASDAQ OMX Helsinki Oy.

Organisation, management and auditor of parent company

During the financial period, the parent company's Board of Directors had the following permanent members: Timo Laine, Mikko Aartio, Mika Niemi, Petri Olkinuora, Jarmo Viitala and Timo Everi.

The Chief Executive Officer of the Company was Markku Virtanen. The auditors for the parent company and the Group were Deloitte & Touche Oy, Authorised Public Accountants, with Hannu Mattila APA as the responsible auditor.

Subordinated loans

Subordinated loans, TEUR	**31.12.2016**	**31.12.2015**
parent company	77,0	241,0
Group	297,0	461,0

Conditions for subordinated loan, EUR 76,954.40.
The Company has received a subordinated loan in accordance with Chapter 12 of the Limited Liability Companies Act. The loan period is approximately 7 years. The loan is repaid in equal instalments twice per year: on 30 June and 31 December. The instalments amount to EUR 70,000.00–110,000.00.

In case of bankruptcy or liquidation, the capital and interest of the loan can be repaid at a lower priority compared to all other creditors, but before the proportional share of the shareholders.

The capital can only be repaid and interest paid to the extent where the total amount of unrestricted equity and subordinated loans at time of payment exceeds the loss confirmed for the last completed financial period or the loss included on the balance sheet of a later financial statement.

The repayment of capital and its interest requires that the Group has an equity ratio of at least 30.0 per cent. If the equity ratio condition is not met, the planned repayments and interest payments are postponed. Company equity allowing, an interest of 3.0 per cent + the 12-month Euribor rate will be paid on the loan. The interest is paid twice per year: on 30 June and 31 December. The reference rate is verified on 1 July each year.

Conditions for subordinated loan, EUR 220,000.00.
The Company has received a subordinated loan in accordance with Chapter 12 of the Limited Liability Companies Act.

In the event of the dissolution, liquidation and bankruptcy of the debtor, the subordinated loan can be repaid at a lower priority compared to all other creditors, but before the proportional share of the shareholders.

During the debtor's operations, the subordinated loan can only be repaid in part or in full to the extent where the total amount of the debtor's unrestricted equity and subordinated loans at time of payment exceeds the debtor's loss confirmed for the last completed financial period or the loss included on the balance sheet of a later financial statement.

This subordinated loan has a higher priority to the debtor's assets than subordinated loans that have been issued to the debtor after the date of signature of this agreement. The debtor undertakes to adhere to the order of priority described above in all financing activities.

The repayment of the subordinated loan does not have a due date, and it will only be repaid to the creditor upon the decision of the debtor. The creditor does not have the right to demand the repayment of the subordinated loan.

However, if Restamax Plc's holding in the debtor Company falls under 50 per cent, the subordinated loan capital will become due and payable immediately.

No interest will be paid on the subordinated loan, and the repayment of the loan has not been secured with collateral.

Changes in Group structure in 2016

In January 2016, wholly-owned subsidiaries Beefmax Oy, Baarisalkku Oy, Eiran Musiikkiteatteri Oy and Barmax Oy were merged with Restamax Plc. Also in January 2016, Dinnermax Oy was established of which Restamax Plc owns 70 per cent. In January, Aleksanterin Ravintolat Oy and Ruma Oy were merged with Restamax Plc's subsidiary Priima-Ravintolat Oy, and Eiran Tivoli Oy and JVP Security Oy were merged with Restamax Plc's subsidiary Suomen Ravintolatoimi Oy. Also in January, Ravintola Wanha Posti Oy, Tampereen Espanjalaiset Ravintolat Oy and Wood Roasted Restaurants Oy were merged with Restamax Plc's subsidiary Rengasravintolat Oy.

In February 2016, PurMax Oy was established of which Restamax Plc owns 60 per cent. Also in February, Smile Retail Oy (now Smile Services Oy) was established, all of whose share capital is owned by Smile Henkilöstöpalvelut Oy on 31 December 2016.

In March 2016, Restamax Plc sold 20 per cent of its shares in Roska Yhtiöt Oy.

In April 2016, Restamax Plc purchased 80 per cent of the share capital of Urban Group Oy. In April, Urban Group Oy bought 100 per cent of Sabor a Mexico Oy and Cholo Oy.

In May 2016, Smile Henkilöstöpalvelut Oy bought 70 per cent of the shares in the present Smile MMS Oy, which continues to own 70 per cent of the present Smile MMS Työllistämispalvelut Oy. In May 2016, Smile Industries Oy was established, a wholly-owned subsidiary of Smile MMS Oy.

In August 2016, Restamax Plc's wholly-owned subsidiary Onemax Oy was merged with Restamax Plc.
In September 2016, Restamax increased its ownership in Tunturimax Oy by purchasing 11 per cent of the company's shares.

In November 2016, Restamax Plc purchased all shares in Restala Oy through an exchange of shares. Restala Oy owns 82 per cent of Unioninkadun keidas Oy. In connection with this, Restamax Plc also bought the remaining 18 per cent of the shares in Unioninkadun keidas Oy. In November 2016, wholly-owned subsidiaries of Smile Henkilöstöpalvelut Oy, RM Henkilöstöpalvelut Oy, Smile Railways Oy and Smile Super Oy, were established. Also in November, Smile Pohjanmaa Oy, a subsidiary of Smile MMS Oy, was established.

In December 2016, Kampin Sirkus Oy, a subsidiary of Restamax Plc, bought 20 per cent of the shares in Aito Finland Oy, as a result of which Kampin Sirkus Oy now owns all of Aito Finland Oy. In December, a deed of sale was signed by which the entire share capital of Thai Papaya Oy was transferred to Restamax Plc on 1 January 2017.

Account on the scope of research and development activities

The Company is not involved in research activities per se. The Company's research activities mainly consist of developing new restaurant concepts and the further development of existing concepts.

Corporate governance statement

Restamax has prepared a separate corporate governance statement for 2016, in accordance with the recommendations of the Corporate Governance Code for Finnish listed companies. The statement is available at the Company website at www.restamax.fi.

Assessment of risks and uncertainties related to the Company's operation

Generally negative financial developments may adversely affect the Company's operating activities and net income. Recession affects the purchasing behaviour and purchasing power of consumers and companies.

Changes in the competitive environment and other competitive risks within the Company's industry segment may adversely affect the Company's operating activities. The restaurant business is a highly competitive industry segment. The Company competes with thousands of other actors offering restaurant services across its geographical areas of operation.

Changes in the competing environment, and the Company's potential failure to adapt to or manage these changes, as well as other competitive risks, should they be realised, may materially affect the operating activities, financial position, operating income and future outlook of the Company or a unit thereof, and the share price of the Company.

Anticipating the needs, preferences and behaviour of the consumers is one of the greatest challenges in the restaurant industry. These needs are affected by changes in society, such as the general increase in purchasing power and the overall age structure. Restamax aims to develop its service concept in a manner that can anticipate the needs and preferences of the consumers.

General leasing level developments and increases in lease costs, the price of alcohol and foodstuffs as well as salary expenses may adversely affect the Company's operating activities. The cost of premises, in particular, makes up a significant part of Restamax's operating expenses. Restamax's premises are primarily leased, so the general level of rent and development thereof have a major impact on the Company's operations. Although Restamax aims to carefully select the premises that it leases, and to sign long-term, low-cost lease agreements, lease costs may increase due to the general development of the leasing level and due to reasons attributable to the lessors. A significant increase in salary expenses may also adversely affect the Company's operating income. Furthermore, an increase in the price of alcohol and foodstuffs may reduce Restamax's profit margins.

Changes in the regulation environment, especially changes in laws related to serving alcoholic beverages and foodstuffs or variations in their interpretation may adversely affect the Company's operating activities. The restaurant and night club business that Restamax is involved in is heavily regulated in Finland. The administrative and regulatory authorities interpret the laws and stipulations applied to Restamax; these are related to alcohol, rights to serve alcohol, and foodstuffs, food safety and hygiene. The interpretations and practices of the authorities may also vary greatly between different regions. The laws and stipulations often impose fairly strict, and sometimes even retroactive, responsibilities for costs and damages. Restamax strives to practise its operations in accordance with all applicable decrees and regulations and other legal provisions.

A significant part of Restamax’s business operations is subject to licences and closely monitored. Unexpected changes in the regulation may adversely affect the Company's operating activities, since Restamax's operating activities are significantly reliable on matters subject to licence, such as the licences to serve alcohol and the licences to extend the serving time. A significant portion of Restamax's turnover is created by the sale of alcoholic beverages; therefore, the Company's sales may be materially affected by the temporary or permanent withdrawal of its licences to serve alcohol.

A ruling during a trial or an authoritative process that is negative to the Company may adversely affect the Company's operating activities. Restamax has extensive operations all over Finland, and its affiliated companies may become a party or an object of a trial, authoritative process or claim that is related to their operation. Due to the nature of trials, authoritative processes and other adversarial processes and claims, their outcome is difficult to anticipate, and no reliable predictions can be made concerning such processes or claims that are currently pending or that can be expected in the future. Any ruling that is negative to Restamax in any trial, authoritative process claim or complaint may have a materially adverse effect on the operating activities, financial position, operating income and future outlook of Restamax or one of its units, and the share price.

The primary financial risks for the Company are liquidity, interest and credit risks. The Company finances its operating activities and growth using income from operations as well as equity and credit capital. The financial position and liquidity of the Company are affected by its future cash flow and its related risk factors, and the availability of financing. The majority of the Group's labour hire business is targeted at the restaurant industry. Therefore, any changes on the restaurant market and in the level of employment in the field will also affect the Group’s labour hire business. The labour hire business may increase the Group's credit losses.

Goodwill has been tested during the last quarter of 2016. According to the impairment tests of these assets, goodwill has not been impaired.

Shareholders

At the end of the 2016 financial period, Restamax Plc's share capital stood at EUR 150,000 (EUR 150,000) and the total number of shares stood at 16,619,620 (16,379,620). At the end of the financial period, the Company did not hold Restamax Plc shares (200,000). Restamax Plc's subsidiary Smile Huippu Oy held 43,500 shares (43,500) on 31 December 2016, which is equivalent to approximately 0.26% of the Company's entire share capital.

According to the list of shareholders, the Company had 2,052 (1,610) shareholders on 30 December 2016 and 2,226 shareholders on 13 March 2017.

On 13 March 2017, the Company's ten largest shareholders were as follows:

Shareholder	Shares (pcs)	%
Laine Capital Oy *	3 036 000	18,27
Pimu Capital Oy **	3 000 000	18,05
Niemi Mika Rainer	2 236 789	13,46
Mr Max Oy***	1 599 994	9,63
Sign Systems Finland Oy	1 001 540	6,03
Evli Suomi Pienyhtiöt	822 791	4,95
Niemi Hanna-Stiina	469 237	2,82
Finngastro Oy****	365 000	2,20
Laakkonen Mikko Kalervo	340 000	2,05
Keskinäinen Työeläkevakuutusyhtiö Elo	271 566	1,63
Total	13 142 917	79,08

* Entity controlled by Board member Timo Laine.
** Entity controlled by Board member Mikko Aartio.
*** Entity controlled by Board members Timo Laine and Mikko Aartio.
*'** Entity controlled by CEO Markku Virtanen.

Board of Directors' authorisations

On 27 April 2016, the Annual General Meeting authorised the Board to decide on using the Company’s unrestricted equity to purchase no more than 800,000 of the Company’s own shares in one or several tranches, taking into account the stipulations of the Limited Liability Companies Act regarding the maximum number of shares in possession of the Company and under the following terms: The Company’s own shares shall be purchased with the funds from the Company’s unrestricted equity, decreasing the distributable profits of the Company. The shares shall be purchased in trading on the regulated market in the Helsinki Stock Exchange, and therefore the purchase takes place by private placing and not in relation to the shares owned by the shareholders. The sum paid for the shares is the price announced on the acquisition day for Restamax Plc’s shares on the regulated market on the main list of the Helsinki Stock Exchange. The shares are purchased in trading organised by NASDAQ Helsinki Oy in accordance with its rules and regulations. The shares can be purchased for financing or carrying out possible corporate acquisitions or other arrangements, to implement incentive schemes within the Company, or for other purposes decided by the Board. The maximum amount of the shares to be purchased is equivalent of approximately 4.9 per cent of all the shares and votes of the Company, so the purchase of the shares does not have a significant influence on the share ownership and the distribution of voting rights in the Company. The Board of Directors shall decide on other matters related to the purchase of the Company’s own shares. The authorisation will expire at the end of the 2017 Annual General Meeting, however no later than 18 months of the Annual General Meeting's authorisation decision.

The decision made by the Annual General Meeting on 23 April 2014, as proposed by the Board of Directors, was effective in the 2016 financial period. The decision authorised the Board to decide on the issue of shares and the issue of special rights entitling to shares referred to in Section 10(1) of the Limited Liability Companies Act as follows: With this authorisation, the Board may decide to issue a maximum of 1,500,000 new shares, and to transfer no more than 800,000 of the Company’s own shares held by the Company. The Company can use the authorisation at once or in several parts. New shares can be issued, and the Company’s own shares held by the Company can be transferred either against compensation or free of charge. The new shares can be issued and the Company’s own shares held by the Company can be transferred to the shareholders of the Company in proportion to their current shareholdings in the Company or in deviation from the shareholders pre-emptive rights by way of direct issue. The issue of new shares or transfer of the Company’s own shares held by the Company can also take place against apport property or by using a claim for the Company held by the subscriber to redeem the amount to be paid for the issue price or the price to be paid for the shares. The issue price of new shares and the sum the be paid for the Company’s shares held by the Company is subscribed in the reserve for invested non-restricted equity. With this authorisation, the Board can provide options and other special rights referred to in Section 1 of Chapter 10 of the Companies Act that entitle to receive new shares or the Company’s shares held by the Company against payment and under the preconditions stated by the law. The Board decides on all the other matters related to issue of shares and special rights referred to in Section 1 of Chapter 10 of the Companies Act. This authorisation will remain valid until 30 June 2017, and it overrides all previous authorisations to decide on the issue of shares and the issue of special rights entitling to shares.

Key events occurring after the closing date

Restamax Plc purchased 60 per cent of the share capital of a company called Thai Papaya Oy engaged in the restaurant business, with a deed of sale dated 29 December 2016. The ownership of the shares was transferred to Restamax Plc on 1 January 2017.

In January 2017,Restamax Oy subscribed to 72 per cent of the shares in Rivermax Oy, which was being established. Rivermax Oy bought the Tampere restaurants Hullu Poro, Jackie Brown Gold, Näsilinnan von Nottbeck and the summer restaurants Little Joe and Laituri and, in Pori, the Café Europa and Kirjuri summer restaurant.

Restamax Plc's subsidiary engaging in the restaurant business purchased the restaurant business of restaurant Gloria operating in Joensuu with a deed of sale dated 27 January 2017. The right of ownership and management of Gloria was transferred to the Group on 1 March 2017.

After the end of the financial period, the subsidiaries Smile Industries Kuopio Oy, Smile Industries Jyväskylä Oy and Smile Industries Tampere Oy were established in the labour hire segment.

Restamax Plc's long-serving CEO Markku Virtanen will leave his position for personal reasons on 30 June 2017.

Prospects for 2017

Restamax expects the Group's turnover to increase and profitability to remain on a good level in the 2017 financial year. The Company's goal is to reach a turnover of MEUR 180 by the end of 2018.

Group income statement (IFRS)

EUR thousand	Note	016–31 December 2016	015–31 December 2015
Turnover	21	130 071,9	113 618,1
Other operating income	22	2 533,9	1 281,0
Materials and services	23	-30 070,7	-28 361,2
Staff expenses	24	-45 311,7	-35 960,4
Other operating expenses	26	-37 824,6	-34 041,5
EBITDA		**19 398,8**	**16 535,8**
Depreciations, amortisations and impairment	25	-10 400,9	-9 269,5
Operating profit		**8 997,9**	**7 266,3**
Share of associate profits		-151,2	0,0
Financial income	27	186,6	41,5
Financial expenses	27	-1 139,4	-1 236,5
Financial expenses (net)	27	-952,8	-1 195,0
Profit/loss before taxes		**7 893,9**	**6 071,3**
Income taxes	28	-1 933,8	-1 977,9
Change in deferred taxes	17,28	-95,7	715,3
Profit for the financial period		**5 864,4**	**4 808,8**
Attributable to			
parent company shareholders		5 608,1	5 050,0
Minority shareholders		256,3	-241,1
Total		**5 864,4**	**4 808,8**
Earnings per share calculated from the profit to parent company shareholders			
Earnings per share (euros), undiluted, profit from financial period	7	0,35	0,31
Earnings per share (euros), diluted, profit from financial period	7	0,35	0,31
Comprehensive consolidated income statement			
Profit for the financial period		**5 864,4**	**4 808,8**
Other comprehensive income for the financial period (after t			
Financial assets available for sale	14	0,0	0,0
Total comprehensive income for the period		**5 864,4**	**4 808,8**
Attributable to:			
parent company shareholders		5 608,1	5 050,0
Minority shareholders		256,3	-241,1
Total		**5 864,4**	**4 808,8**

The notes on pages 13–63 are a material part of the financial statements.

EUR thousand	Note	31.12.2016	31.12.2015
ASSETS			
Non-current assets			
Intangible assets	9	47 435,8	43 801,7
Property, plant and equipment	10	28 834,3	29 003,3
Shares of associates and joint ventures	11	1 178,8	1 330,0
Financial assets available for sale	14	620,2	622,1
Interest-bearing loans receivable	13	168,2	178,9
Non-interest-bearing other receivables	13	1 030,7	996,6
Deferred tax assets	17	142,1	568,1
Non-current assets total		**79 410,2**	**76 500,6**
Current assets			
Inventories	12	2 317,6	2 054,8
Interest-bearing loans receivable	13	30,0	67,5
Trade and other receivables	13	14 037,2	9 821,6
Cash and cash equivalents	15	1 871,1	2 135,1
Current assets total		**18 255,9**	**14 079,0**
Assets in total		**97 666,0**	**90 579,6**
EQUITY AND LIABILITIES			
Equity attributable to parent company sharehold(			
Share capital	16	150,0	150,0
Invested unrestricted equity fund	16	36 586,1	33 937,3
Fair value fund	16	-13,3	-13,3
Own shares	16	-191,4	-972,6
Retained earnings	16	6 541,4	6 293,1
Equity loan	16	220,0	220,0
Total equity attributable to parent company shareholders		**43 292,8**	**39 614,5**
Minority shareholders	16	669,0	428,9
Equity total		**43 961,8**	**40 043,4**
Non-current liabilities			
Deferred tax liabilities	17	703,0	811,2
Provisions	18	183,2	93,2
Financial liabilities	19	24 369,9	22 170,3
Trade payables and other liabilities	20	796,4	722,1
Non-current liabilities total		**26 052,5**	**23 796,8**
Current liabilities			
Financial liabilities	19	8 193,0	9 227,9
Trade payables and other liabilities	20	19 458,8	17 511,6
Current liabilities total		**27 651,7**	**26 739,4**
Liabilities total		**53 704,2**	**50 536,2**
Equity and liabilities in total		**97 666,0**	**90 579,6**

The notes on pages 13–63 are a material part of the financial statements.

Consolidated statement of changes in equity

EUR thousand	Note	Share capital	cted equity	Fair value fund	Own shares	Retained earnings	Equity loan	Total	Share of minority shareholders	Equity total
		Equity attributable to parent company shareholders								
Equity, 01/01/2016	16	**150,0**	**33 937,3**	**-13,3**	**-972,6**	**6 293,1**	**220,0**	**39 614,5**	**428,9**	**40 043,4**
Total comprehensive income of the review period										
Profit for the financial period						5 608,1		**5 608,1**	256,3	**5 864,4**
Total comprehensive income for the financial peric		0,0	0,0	0,0	0,0	5 608,1	0,0	**5 608,1**	256,3	**5 864,4**
Transactions with shareholders										
Equity loans	16							**0,0**		**0,0**
Dividend distribution	16					-4 356,8		**-4 356,8**	-229,1	**-4 585,8**
Share issue			2 648,8					**2 648,8**		**2 648,8**
Nullification of own shares					781,2	-781,2		**0,0**		**0,0**
Changes in minority shareholders' shares without change in controlling interest						-221,9		**-221,9**	212,9	**-9,0**
Transactions with shareholders, total		**0,0**	**2 648,8**	**0,0**	**781,2**	**-5 359,8**	**0,0**	**-1 929,8**	**-16,2**	**-1 946,0**
Equity, 31/12/2016	16	**150,0**	**36 586,1**	**-13,3**	**-191,4**	**6 541,5**	**220,0**	**43 292,8**	**669,0**	**43 961,8**

EUR thousand	Note	Share capital	cted equity	Fair value fund	Own shares	Retained earnings	Equity loan	Total	Share of minority shareholders	Equity total
		Equity attributable to parent company shareholders								
Equity, 01/01/2015	16	**150,0**	**33 937,3**	**-13,3**	**-441,7**	**5 197,6**	**220,0**	**39 049,9**	**354,8**	**39 404,7**
Total comprehensive income of the review period										
Profit for the financial period						5 050,0		**5 050,0**	-241,1	**4 808,8**
Total comprehensive income for the financial peric		0,0	0,0	0,0	0,0	5 050,0	0,0	**5 050,0**	-241,1	**4 808,8**
Transactions with shareholders										
Dividend distribution	16					-3 565,5		**-3 565,5**	-380,4	**-3 945,9**
Acquisition of own shares					-530,9			**-530,9**		**-530,9**
Changes in minority shareholders' shares without change in controlling interest						-389,0		**-389,0**	378,7	**-10,3**
Share acquisitions of minority shareholders that led to a change in controlling interest								**0,0**	317,0	**317,0**
Transactions with shareholders, total		**0,0**	**0,0**	**0,0**	**-530,9**	**-3 954,4**	**0,0**	**-4 485,4**	**315,3**	**-4 170,1**
Equity, 31/12/2015	16	**150,0**	**33 937,3**	**-13,3**	**-972,6**	**6 293,1**	**220,0**	**39 614,5**	**428,9**	**40 043,4**

The notes on pages 13–63 are a material part of the financial statements

EUR thousand	2016	2015
Operating cash flow		
Profit from financial period	5 864,4	4 808,8
Adjustments:		
Non-cash transactions	-432,9	-61,2
Depreciations, amortisations and impairment	10 400,9	9 269,5
Financial expenses (net)	952,8	1 195,0
Taxes	2 029,5	1 262,5
Share of profits or losses of associates	151,2	0,0
Cash flow before change in working capital	**18 965,9**	**16 474,7**
Changes in working capital:		
Increase (-)/deduction (+) in accounts receivable and other receivab	-3 275,1	-1 657,4
Increase (-)/deduction (+) in inventories	-34,5	170,2
Increase (+)/deduction (-) in accounts payable and other liabilities	1 506,4	-2 013,6
Change in working capital	**-1 803,2**	**-3 500,8**
Dividends received	0,0	0,0
Interest paid and other financial costs	-1 021,4	-1 092,1
Interest received	67,3	41,0
Taxes paid	-2 687,0	434,6
Operating net cash flow	**13 521,6**	**12 357,3**
Investment cash flow		
Investments in tangible and intangible assets (-)	-7 193,0	-10 491,6
Deduction (+)/increase (-) of non-current loans receivable	94,7	-121,2
Acquisition of subsidiaries with time-of-acquisition liquid assets deduct	-1 364,3	-3 602,2
Business transactions, acquisitions (-)	-1 507,7	-1 683,7
Business transactions, sales (+)	126,8	149,6
Acquisition of the shares of minority shareholders (-)	-110,0	-0,5
Sales of the shares of minority shareholders (+)	0,5	66,7
Associate shares purchased	0,0	-1 330,0
Investment net cash flow	**-9 952,9**	**-17 012,9**
Financial cash flow		
Acquisition of own shares (-)	0,0	-530,5
Non-current loans drawn (+)	21 740,0	11 000,0
Non-current loans repaid (-)	-19 791,7	-4 404,5
Current loans drawn (+)/repaid (-)	-1 207,1	-227,6
Amortisations of finance leases (-)	0,0	-55,3
Dividends paid	-4 573,9	-4 233,8
Finance net cash flow	**-3 832,7**	**1 548,2**
Change in liquid assets	**-264,1**	**-3 107,4**
Liquid assets 1 Jan	**2 135,1**	**5 242,5**
Liquid assets 31 Dec	**1 871,1**	**2 135,1**
Change	**-264,1**	**-3 107,4**

The notes on pages 13–63 are a material part of the financial statements.

1 Notes to consolidated financial statements

Basic information about the Group

The Group's main industry segment is the production of restaurant and labour hire services.

The Group's parent company is Restamax Plc. The parent company's domicile is Tampere, its home state is Finland and its registered address is Hatanpään valtatie 1 B, 33100 Tampere.

Restamax Plc and its subsidiaries (collectively referred to as “Restamax” or the “Group”) are a Finnish Group that operates in the fields of restaurant and labour hire business; its operations are entirely concentrated in Finland. The Group includes 118 bars, restaurants and night clubs in different parts of the country; of these, 111 are operated by the Group and 7 are sublet. The Group also has other operating activities that support the restaurant industry. The Group's restaurant concepts include Viihdemaailma Ilona, Classic American Diner, Stefan's Steakhouse and entertainment centres Galaxie and Space Bowling & Billiards.

A copy of the consolidated financial statements is available at the website www.restamax.fi or in the main office of the Group's parent company at the above address.

Restamax Plc's Board of Directors has approved the publication of these financial statements in its meeting on 03/04/2017. According to the Finnish Limited Liability Companies Act, shareholders are authorised to approve or reject the financial statements in a general meeting held after its publication. The general meeting can also decide on the amendment of the financial statements.

Accounting principles

These are the fifth financial statements of the Restamax Group that have been drawn up under the International Financial Reporting Standards (IFRS), and they have been drawn up following the IAS and IFRS standards in force as of 31 December 2016, as well as the SIC and IFRIC interpretations issued in relation to them. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in the EU’s regulation (EC) No. 1606/2002 and embodied in the Finnish Accounting Act and provisions issued under it. The notes to the consolidated financial statements have also been prepared in accordance with the requirements of Finnish accounting legislation and Community law that complement the IFRS regulations.

The information in the consolidated financial statements is based on original acquisition costs, except where otherwise stated in the accounting principles.

Monetary figures in the financial statements are expressed in thousands of euros unless otherwise stated. The Company's functional currency is the euro.

New standards and interpretations applied

The consolidated financial statements have been prepared in compliance with the same principles as in 2015, with the exception of the following new and revised standards and interpretations. The introduction of these new or revised standards and interpretations has not had a significant impact on the consolidated financial statements, but they may have an impact on the handling or presentation of future business and events in the financial statements.

- IAS 1 *Presentation of Financial Statements* amendment *Disclosure Initiative* .

- IFRS 11 *t Arrangements* amendment *The bookkeeping processing of the acquisition the share of joint operations* .

- IFRS 10 *Consolidated Financial Statements* , IFRS 12*Disclosure of Interest in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* amendment *Applying the Consolidation Exception* .

- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* amendment *Clarification of approved methods of depreciation* .

- IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* amendment *Productive assets* .

- IAS 19 *Employee Benefits* amendment *Benefit-based employee benefits: Payments made by employees* .

Annual Improvements to IFRS 2012 – 2014 .

2 Accounting principles requiring management consideration and key factors of uncertainty related to estimates

Use of estimates

Consolidation in accordance with the IFRS standards requires the use of specific estimates and assumptions that affect the reported figures. The estimates and assumptions included in the financial statements are based on the management's best possible opinion on the closing date. These estimates and assumptions affect the assets and liabilities on the balance sheet, the presentation of contingent assets and liabilities in the notes, and the income and expenses from the financial period. The estimates are based on earlier experience, market information and several other assumptions that may be considered reasonable, but the actual figures may differ from these values due to different assumptions or conditions. The management must employ its judgment when following the accounting principles, and it must prepare estimates concerning income tax, goodwill impairment tests, reservations and contingent liabilities, for example. These policies and estimates require the management to make subjective and complicated, judgment-based estimates, such as those concerning the effects of factors that are uncertain by nature.

Income taxes

The tax costs in the income statement are based on the taxable income from the financial period and the deferred tax. Taxes are recognised in profit or loss, except in cases where they are directly related to items registered as equity or other items in the total comprehensive income. In these cases, their tax effects are also registered as equity in these items. Tax based on the taxable income from the financial period is calculated using the taxable income and the applicable tax rate in each country. The taxes are adjusted by any taxes related to previous financial periods.

Deferred tax is calculated for any temporary differences between carrying amounts and tax bases. The largest temporary differences are generated by the differences between the carrying amounts and tax bases of property, plant and equipment, fair value adjustments of assets and liabilities during business combinations, and unused tax losses. Deferred taxes have been calculated using the tax rates that have been enacted or substantively enacted on the date of the closing of the books.

Deferred tax assets are registered up to the probable amount of future taxable income against which the temporary difference can be utilised. The prerequisites for recording deferred tax assets are estimated in this respect on each closing date.

However, deferred tax liabilities are not entered when the asset or liability in question is one that would be originally entered into the bookkeeping, business combination is not involved, and the entry of such an asset or liability does not affect the result of the bookkeeping or the taxable income at the time when the business transaction takes place.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset the current tax assets and liabilities, and when the deferred tax assets and liabilities are related to taxes on income collected by the same recipient, either from the same taxpayer or different taxpayers, when the aim is to realise the asset and liability in their net amounts.

Provisions and contingent liabilities

A provision is entered when the Group has a judicial and constructive obligation for payment on the basis of a past event, the realisation of the obligation is probable and the size of the obligation can be reliably estimated.

Provisions are recognised at the present value required to cover the obligation. The discount factor used for calculating the present value is selected in a manner where it is representative of the market opinion of the value of money over time and the risks related to the obligation. If a part of the liability can be received as reimbursement from a third party, the reimbursement will be registered as separable assets when the reimbursement has been practically ensured. The provision amounts are estimated on each closing date, and their amounts are adjusted to correspond to the best possible estimate at the moment of inspection. Changes in the provisions are entered in the income statement under the same item as the one where the provision was originally entered.

A provision will be entered for a contract that generates a loss when the necessary expenditures required to fulfil the obligations outweigh the benefits received from the contract.

A contingent liability is a possible liability arising from past events whose existence will only be confirmed when an uncertain event outside the Group's control is realised. A present obligation that is not likely to cause a payment obligation, or whose size cannot be reliably determined is also considered to be a contingent liability. Contingent liabilities are presented in the notes to the financial statements.

Estimated goodwill impairment

Impairment testing compares the book value of a Group of units including goodwill and generating cash flow to its recoverable amount per year, and determines its possible impairment. The recoverable amount from the Group of units generating cash flow is based on utility value calculations. The discount rate takes industry-specific factors into account.

In the testing, the recoverable amount is estimated using budgets, forecasts and terminal periods, and the sensitivity of the calculations is analysed in terms of changes to the discount rate, profitability and residual values. Changes to these estimates or the structure or number of the units or unit Groups may cause impairment of the fair values of commodities or the goodwill. The estimates concern the expected selling prices of the products, the expected price development of the product costs, and the discount rate.

3 Accounting principles of the consolidated financial statements

Consolidation principles

Subsidiaries are companies where the Group has a controlling interest. Control is established when the Group, through involvement in the entity, is exposed to the entity's variable returns or is entitled to it, and can affect these returns by exercising its power on the entity.

The acquisition method has been used to eliminate mutual share ownership between the Group's companies. Subsidiaries are consolidated into the consolidated financial statements starting from the date when control is transferred to the Group; assigned subsidiaries are retained in the consolidated financial statements until the date when the control ceases. The amount by which the acquisition cost exceeds the Group's share of the fair value of the purchased net identifiable assets is recognised as goodwill. If the acquisition cost is lower than the net assets of the acquired subsidiary, the difference is marked as income in the income statement.

Acquisition-related expenditures, excluding the expenditures from issuing current liability and equity convertible securities, have been recognised as expenses. Any contingent additional purchase price has been recognised at fair value at the moment of the acquisition, and has been classified as liability or equity, accordingly. Additional purchase price classified as liability is recognised at fair value for each closing date, and the generated profit or loss is recognised. Additional purchase price classified as equity will not be recognised again. Any possible non-controlling interests in the object of acquisition are recognised at either fair value or an amount corresponding to the proportion of non-controlling interests in the net identifiable assets of the object of acquisition. The recognition principle is defined separately for each business acquisition.

Intra-Group transactions, receivables and payables as well as unrealised gains are eliminated when drawing up the consolidated financial statements. Unrealised losses are not eliminated if the loss is caused by impairment. Where necessary, the accounting principles for subsidiaries have been amended to correspond to those of the Group.

The distribution of the profit or loss for the financial period between the owners of the parent company and the minority shareholders is presented in an income statement. The distribution of the comprehensive income between the owners of the parent company and the minority shareholders is presented together with the comprehensive income statement. The comprehensive income is directed towards the minority shareholders, even if this should lead to the non-controlling interests becoming negative. The portion of equity belonging to the minority shareholders is presented as a separate item on the balance sheet, as part of equity. Changes to the parent company's ownership interest in the subsidiary that will not lead to loss of control are recognised as operating activities involving equity. If an acquisition is completed in stages, the earlier ownership interest is recognised at fair value, and the generated profit or loss is recognised. When the Group loses controlling interest in a subsidiary, the remaining portion is recognised at fair value on the date of the loss of control, and the difference is recognised in profit or loss.

Associates are companies where the Group has significant influence. Significant influence is mainly generated when the Group owns over 20 per cent of the Company's voting rights, or when the Group has significant influence, but does not have a controlling interest. Associates are consolidated into the consolidated financial statements by using the equity method. If the Group's share of the losses of an associate exceeds the book value of the investment, the investment is recognised at zero value in the balance sheet; losses exceeding the book value are not consolidated unless the Group is committed to fulfilling the liabilities of the associate. Investment in an associate includes the accrued goodwill. Unrealised gains between the Group and associate have been eliminated in accordance with the Group's ownership interest. The portion of the associates' income from the financial period corresponding to the Group's ownership interest is presented as a separate item after the operating profit. Correspondingly, the Group's share of the changes registered in the other items of the associate's comprehensive income is entered in the other items of the Group's comprehensive income.

The consolidated financial statements include the parent company Restamax Plc and its subsidiaries with their subsidiaries. The subsidiaries and associates consolidated into the consolidated financial statements are itemised in note 31.

Segment reporting

The Group's operating segments, which are also reported segments, are the Group's strategic business units: restaurants and labour hire. These business units produce different products and services and they are managed as separate units, since their business requires applying a different strategy. The Group's Executive Team has been named as the top operative decision-maker responsible for resource allocation and income estimates. The Group operates solely on the domestic market.

The segment information presented by the Group is based on the management's internal reporting that is prepared in accordance with the IFRS standards. The pricing between segments is based on a fair market price. The Group's assets and liabilities are not focused or monitored per segment in internal financial reporting.

The Group's evaluation of profitability and decisions concerning the resources to be allocated to a segment are based on the segments' EBITDA. It is the understanding of the management that this is the most suitable benchmark for comparing the profitability of the segments to other companies in their respective fields.

Items denominated in a foreign currency

The consolidated financial statements are presented in euros, which is the operating and presentation currency for the Group's parent company.

Business transactions denominated in a foreign currency have been recognised in the functional currency, using the exchange rate in force on the date of the transaction. Monetary items denominated in a foreign currency have been converted into the functional currency using the exchange rates on the end date of the reporting period. Profits and losses generated by business transactions denominated in a foreign currency and conversion of monetary items have been recognised. Foreign exchange gains and losses are included in the corresponding items above the operating income. The Group has minor items denominated in a foreign currency.

Property, plant and equipment

Property, plant and equipment have been recognised according to their original acquisition cost deducted by the accumulated depreciations and devaluations. The original acquisition cost includes the immediate costs for the purchase. Expenditure accumulated later is only included in the book value or entered as a separate commodity if it is likely that the future economic benefit related to the commodity will be to the benefit of the Group, and if the acquisition cost for the commodity can be reliably defined. Repair and maintenance costs are recognised in profit or loss for the period during which they were realised. If a fixed asset commodity consists of several parts with useful lives of different lengths, each part is processed as a separate commodity. As is typical for the industry segment, property, plant and equipment also includes periodic modification and renovation costs of the rental premises of restaurants; these consist of the interior finishing work for rental premises, for example.

Depreciation of property, plant and equipment is calculated as degressive depreciation from book value, or as straight-line depreciation, where the acquisition cost is entered as expense over the useful lives as follows:

Machinery and equipment, residual value depreciation 25.0 per cent
Modification and renovation expenses for rental premises 5–10 years
Buildings 30 years

The residual values of tangible assets and their useful lives are verified at least once per year on the closing date, and adjusted by their devaluation when necessary. On each closing date, the Group will evaluate whether there are signs that the value of an asset has degraded. If the book value of an asset is higher than its recoverable amount, the book value of the asset will be immediately lowered to match the recoverable amount. When property, plant and equipment are classified as available for sale in accordance with the IFRS 5 standard, the entry of depreciations is discontinued.

The profits and losses from the sales of tangible assets are included in the income statement as other gains or expenses from operating activities.

Intangible assets

The Group's intangible assets mainly consist of goodwill generated from business combination as well as other intangible assets resulting from the same, such as the rights to use names, non-competition agreements and beneficial lease agreements.

Goodwill generated from the combination of business operations is recognised at the amount by which the assigned purchase consideration, the share of non-controlling interests in the object of acquisition and the earlier owned share combined exceed the fair value of the acquired net assets.

Depreciations of goodwill or other intangible assets with unlimited useful lives are not entered; instead, they are tested for possible impairment each year. Non-competition agreements that are valid until further notice are considered to have an unlimited useful life. Goodwill and the non-competition agreements mentioned above are recognised according to their original acquisition cost deducted by the devaluation.

Other intangible assets with a limited useful life that have been specified during business combination are registered separately from goodwill on the balance sheet if they fit the definition of a commodity and can be itemised, or if they are created by agreements or legal rights and their fair value can be reliably defined. Such intangible assets are recognised according to their original acquisition cost and depreciated using straight-line depreciation during their known or estimated useful life as follows:

Right to use a name	5-10 years
Non-competition agreement (limited)	2-3 years
Beneficial lease agreements	2-10 years
Customer agreements	3-10 years

The Group did not have research and development costs in 2015–2016.

Impairment of tangible and intangible assets

On each closing date, the Group evaluates whether there are signs that the value of an asset has degraded. If these signs should appear, the recoverable amount for the asset is estimated. Furthermore, recoverable amounts are estimated each year for the following assets, regardless of whether there are signs that their value has degraded: goodwill, intangible assets with unlimited useful lives and incomplete intangible assets. The need to enter a devaluation is examined on the level of the cash-generating unit or units, that is, the lowest level that is mostly independent of the other units and whose cash flow can be separated from the other cash flows.

The recoverable amount is the fair value of the asset deducted by the costs to sell, or the utility value, if it is higher. The utility value refers to the estimated deferred net cash flows that are available from the asset or cash-generating unit, discounted to their present value. The discount rate is the rate before tax that presents the market's view of the value of money over time, and the special risks related to the asset or cash-generating unit.

An impairment loss is entered when the book value of an asset is lower than its recoverable amount. The impairment loss is immediately entered in the income statement. The impairment loss of a cash-generating unit is primarily allocated to reduce the goodwill of a cash-generating unit, and secondarily, it is used to impair the unit's other assets on a pro rata basis. The useful life of the depreciable asset is reassessed when an impairment loss is entered. An impairment loss entered for an asset is withdrawn whenever a change occurs in the estimates that have been used to determine the recoverable amount for the asset.

However, impairment loss is only withdrawn up to the book value of the commodity without any impairment loss. Impairment loss for goodwill is not withdrawn under any circumstances.

Lease agreements

The Group as a lessee

Lease agreements concerning property, plant and equipment where the Group receives a material part of the risks and benefits of ownership are classified as finance lease agreements. Assets acquired by means of such an agreement is entered in the balance sheet at the commencement of the lease term at the fair value of the commodity, or at the present value of the minimum lease payments, whichever is lower. Commodities acquired using finance lease agreements are depreciated over the useful life of the commodity, or, whenever there is no certainty that ownership rights will be transferred to the lessee after the lease term, over a lease term that is shorter than the useful life. The lease payments paid are divided between finance charges and repayment of debt over the lease term, so that the remaining debt for each period will have a similar interest rate. The lease liabilities are included in financial liability.

Lease agreements where the lessor is responsible for the risks and benefits of ownership are processed as other lease agreements. Lease payments on the basis of other lease agreements are entered in the income statement as annuities over the lease term.

The Group as a lessor

Commodities leased out with agreements other than finance lease agreements are included in the property, plant and equipment of the balance sheet. They are depreciated over their useful life, similarly to property, plant and equipment that is being used by the Group for similar purposes. Lease income is entered into the income statement as annuities over the lease term.

Inventories

Inventories are recognised according to their purchase cost or their net realisable value, whichever is lower. Acquisition cost is defined using a weighted average price method. The acquisition cost includes the immediate expenses for the purchase, with value added tax deducted. The net realisable value is the estimated selling price that can be achieved during ordinary course of business, deducted by the costs to sell.

Inventories include ingredients for restaurant food as well as alcohol and tobacco products.

Pension obligations

Pension obligations are defined as benefit-based or defined contribution plans. The Group's pension plans in Finland, as required by legislation, have been classified as defined contribution plans. In a defined contribution plan, the Group pays fixed fees for a pension plan to a pension insurance Company. The Group is not legally or constructively obligated to make additional payments if the recipient of the payments does not have sufficient funds to pay the pension benefits that the employees have earned for the current period or periods preceding it. In a defined contribution plan, the payments made are entered into the income statement for the financial period that the charge applies to.

Income recognition principles

Sale of goods

The Group's turnover is mostly generated from the sale of drinks, food and cigarettes within its restaurant business.

The amount of profit entered at the time of sale consists of the fair value of the compensation that is or will be received for the sold item, deducted by any value added tax as well as volume discounts and other discounts. Most of the Group's income is generated from retail sales, where the payment instruments are cash and credit cards.

Sale of services

Sale of services is entered as income for the financial period during which the service is performed and during which the financial benefits from the service will probably be received. The sale of services is also included in the Group's turnover.

The Group's service sales income is formed by the sales of labour hire operations, advertising space, marketing space or other similar space, as well as tickets.

Rental income

Rental income is recognised as annuities over the lease period.

Interest and dividends

Interest income is entered using the effective interest method, and dividend yield is entered for the period during which the right to the dividend has been generated.

Non-current assets classified as held for sale and discontinued operation

Non-current assets (or disposal groups) and assets and liabilities related to discontinued operation are classified as held for sale if the amount corresponding to their book value will mostly be generated by the sale of the asset instead of continued use. The prerequisites for classification as held for sale are considered to be met when the sale is highly probable and the asset (or disposal Group) can be immediately sold in its present condition using common terms, and when the management is committed to the sale and the sale is expected to take place within one year from the classification.

Immediately before the classification, the assets classified as held for sale or the assets and liabilities of the disposal groups are recognised according to the applicable IFRS standards. Starting from the classification, the assets held for sale (or the disposal group) are recognised at book value or fair value deducted by the costs to sell, whichever is lower. The depreciation of these assets is discontinued at the moment of classification.

Assets in the disposal group that are not within the scope of the IFRS 5 standard recognition rules, as well as liabilities, are recognised according to the applicable IFRS standards even after the moment of classification.

Discontinued operation refers to a part of the Group that has been discontinued or classified as held for sale and that meets the classification criteria for discontinued operation in accordance with IFRS 5.

The net income for discontinued operations is presented as a separate item in the Group's statement of comprehensive income. Assets held for sale, disposal groups, items related to assets held for sale that are registered in other items of the comprehensive income and liabilities included in the disposal Group are presented separately from the other items on the balance sheet.

EBITDA and operating income

The standard IAS 1 *Presentation of Financial Statements* does not define the concepts of EBITDA or operating income. The Group has defined them in the following way: EBITDA is the net sum created when other operating income is added to the turnover, and the acquisition costs of materials and services adjusted by the changes in the inventory, staff expenses and other operating costs are deducted.

All the income statement assets other than those mentioned above are presented below EBITDA; operating income is the resulting net sum when depreciations and any possible impairment loss is deducted from EBITDA. Exchange differences are included in EBITDA, if they are due to items related to operating activities; otherwise, they are entered under financial items.

Provisions and contingent liabilities

A provision is entered when the Group has a judicial or constructive obligation for payment on the basis of a past event, the realisation of the obligation is probable and the size of the obligation can be reliably estimated. Provisions are recognised at the present value required to cover the obligation. The discount factor used for calculating the present value is selected in a manner where it is representative of the market opinion of the value of money over time and the risks related to the obligation. If a part of the liability can be received as reimbursement from a third party, the reimbursement will be registered as separable assets when the reimbursement has been practically ensured. The provision amounts are estimated on each closing date, and their amounts are adjusted to correspond to the best possible estimate at the moment of inspection. Changes in the provisions are entered in the income statement under the same item as the one where the provision was originally entered.

A provision will be entered for a contract that generates a loss when the necessary expenditures required to fulfil the obligations outweigh the benefits received from the contract.

A contingent liability is a possible liability arising from past events whose existence will only be confirmed when an uncertain event outside the Group's control is realised. A present obligation that is not likely to cause a payment obligation, or whose size cannot be reliably determined is also considered to be a contingent liability. Contingent liabilities are presented in the notes.

Income taxes

The tax costs in the income statement are based on the taxable income from the financial period and the deferred tax. Taxes are recognised in profit or loss, except in cases where they are directly related to items registered as equity or other items in the total comprehensive income. In these cases, their tax effects are also registered as equity in these items. Tax based on the taxable income from the financial period is calculated using the taxable income and the applicable tax rate in each country. The taxes are adjusted by any taxes related to previous financial periods.

Deferred tax is calculated for any temporary differences between carrying amounts and tax bases. The largest temporary differences are generated by the differences between the carrying amounts and tax bases of property, plant and equipment, fair value adjustments of assets and liabilities during business combinations, and unused tax losses. Deferred taxes have been calculated using the tax rates that have been enacted or substantively enacted on the date of the closing of the books.

Deferred tax assets are registered up to the probable amount of future taxable income against which the temporary difference can be utilised. The prerequisites for recording deferred tax assets are estimated in this respect on each closing date.

However, deferred tax liabilities are not entered when the asset or liability in question is one that would be originally entered into the bookkeeping, business combination is not involved, and the entry of such an asset or liability does not affect the result of the bookkeeping or the taxable income at the time when the business transaction takes place.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset the current tax assets and liabilities, and when the deferred tax assets and liabilities are related to taxes on income collected by the same recipient, either from the same taxpayer or different taxpayers, when the aim is to realise the asset and liability in their net amounts.

Financial assets and liabilities

Financial reserves

According to the IAS 39 standard, the Group's financial assets are classified into the following groups: financial assets recognised at fair value in profit or loss, loans and receivables and available-for-sale financial assets. The classification is performed on the basis of the purpose of the acquisition of the financial assets, and the assets are classified during their original acquisition.

Transaction expenses are included in the original book value of the financial assets mentioned above whenever the item is not recognised at fair value in profit or loss. All purchases and sales of financial assets are entered on their trade date, which is the date when the Group commits to purchase or sell the asset.

Financial assets are derecognised whenever the Group waives its contractual rights to the item, the rights are dissolved or the Group loses control of the asset.

The Group of financial assets recognised at fair value in profit or loss includes financial assets that have been acquired to be held for trading, such as derivatives and interest funds, or that are classified to be recognised at fair value in profit or loss during their original entry. Unrealised and realised gains and losses are entered into the income statement for the financial period during which they are generated.

Loans and other receivables are non-derivative financial assets that are generated by handing over goods, services or money to the debtor. Loans and receivables are not quoted on the marketplace, and the payments related to them are either fixed or they can be determined. Their measurement basis is an amortised acquisition cost using the effective interest method. On the balance sheet, they are included in the trade and other receivables group as current or non-current assets according to their nature; they are non-current, if they fall due no sooner than in 12 months' time.

Available-for-sale financial assets are non-derivative assets that have been expressly classified into this group or that have not been classified into any others. They are non-current assets, unless the intention is to retain them for less than 12 months after the closing date; in this case, they are included in current assets. Available-for-sale financial assets may consist of shares and holdings. They are recognised at fair value, or, whenever fair value cannot be reliably defined, at their acquisition cost. Changes in the fair value of available-for-sale financial assets are entered as equity in the fair value fund in the other items of the comprehensive income statement, taking into account the tax effects. Accumulated fair value changes are moved from equity into the income statement when the investment is sold or whenever its value has degraded to the point where an impairment loss must be entered for the investment.

Financial liabilities

According to standard IAS 39, the Group's financial liabilities are included in the financial liabilities recognised at amortised cost; they consist of loans from financial institutions, trade payables and other financial liabilities. Financial liabilities are originally registered in the books and records at fair value. Transaction expenses are included in the original book value of the financial liabilities. Later, all financial liabilities are recognised at amortised acquisition cost using the effective interest method. Financial liabilities are included in both the non-current and current liabilities.

Devaluation of financial assets

On each closing date, the Group estimates whether objective evidence exists of the devaluation of an individual financial asset or a group thereof. If the fair value of share investments has fallen substantially below their acquisition cost for a period defined by the Group, this is considered evidence of the devaluation of an available-for-sale share. If evidence of devaluation exists, the loss accumulated in the fair value fund is moved to the income statement. The impairment loss of equity convertible investments classified as available-for-sale financial assets is not withdrawn by means of the income statement, whereas a later cancellation of an impairment loss that involves interest instruments is recognised in profit or loss.

The Group will enter an impairment loss for trade receivables or other receivables when objective evidence exists that the counterparty will be unable to fulfil its obligation. Substantial financial difficulties on part of the debtor, probability of bankruptcy or default of payment constitute evidence of impairment. The size of the impairment loss entered in the income statement is defined as the difference between the book value of the receivable and the current value of the deferred cash flows discounted by the effective rate. If the amount of impairment loss is reduced during a later financial period, and the reduction can be objectively considered to be related to an event that took place after the entry of the impairment, the entered loss is withdrawn and the withdrawal is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash money, money on bank accounts, bank deposits that may be withdrawn upon request, as well as other current and highly liquid investments that can be easily converted into a predetermined cash amount and that carry a low risk of value changes. Items classified as cash and cash equivalent have at most three months' maturity from the date of acquisition. Cash and cash equivalents are recognised at fair value on the balance sheet.

Borrowing costs

Borrowing costs are recognised as an expense for the period during which they were generated. Transaction costs accrued from the acquisition of loans are amortised as interest expenses using the effective interest method.

Share capital

Share capital consists solely of ordinary shares. The immediate expenditure from the issue or acquisition of new shares or other equity instruments, exclusive of tax, is recognised as equity, wherein it reduces the purchase consideration received for the issue. If the Company buys back its equity instruments, the acquisition cost for the instruments is deducted from equity.

Dividend distribution

Liability for dividend distribution to the Group's shareholders is recognised for the period during which the general meeting approved the distribution of dividends.

New and revised standards and interpretations to be applied later

IASB has published the following new and revised standards that the Group has not yet applied. The Group will be applying them starting from the effective date of each standard or interpretation, or, whenever the effective date is not the first day of the financial period, starting from the financial period following the effective date. (* The amendments have not yet been approved for application within the EU.)

· IFRS 15 *Revenue from Contracts with Customers** (effective in the EU for financial periods beginning on or after 1 January 2018). IFRS 15 defines a single revenue recognition model that a community must apply for the recognition of all customer contracts. The customer is a party that has entered into a contract with the Company to receive goods and services produced by the community's normal operations in exchange for a compensation. The basic principle of the standard is that the community must recognise revenue in such a way that they entries describe the provision of the promised goods and services to the customer, and the monetary amount must reflect the compensation to which the community expects to be entitled in exchange for the goods and services in question. The standard contains a significant number of requirements concerning notes. IFRS 15 Replaces the present standards dealing with the recognition of income IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations. Based on an analysis made by the Group, no significant changes to recognition of income are expected as a result of the new standard. The Group's payment obligations consist of the supply of hired labour, individual goods and services in restaurants and sales revenue from advertising and marketing facilities. The Group's restaurant business is basically retail trade, and labour hire is hourly-based service activity. The Group will continue to analyse the impact of the standard during 2017. In the Group's franchise business, the contractual party makes an initial payment at the beginning of the contractual relationship. According to the Group's analysis, according to the IFRS 15 standard the initial payment from a franchise contract should be scheduled throughout the contractual period, which is five years in all contracts.

· *Clarifications* IFRS 15 *Revenue from Contracts with Customers* * (effective for financial periods beginning on or after 1 January 2018) was published in April 2016. The clarifications give additional guidance (a) for the recognition of contractual obligations, (b) for the assessment of the client-agent relationship and (c) for the application of licensing. The clarifications are not expected to have a significant impact on the Group. The Group is examining the clarifications in connection with the introduction of the IFRS 15 standard.

· IFRS 9 *Financial instruments and amendments made to them* (effective within the EU for financial period beginning on or after 1 January 2018). IFRS 9 is a project consisting of multiple portions, which replaces the current IAS 39 *Financial Instruments: Recognition and Measurement* standard. According to the section of IFRS 9 concerning classification and measurement, the classification and measurement of a Company's financial assets depends on the Company's business model and the specific characteristics of the contractual cash flows. The rules concerning the classification and measurement of financial liabilities are largely based on the requirements in the current IAS 39. With the general hedge accounting model introduced in IFRS 9, financial statements reporting reflects the Company's risk management practices more clearly since the applications of hedge accounting will be expanded. In addition to this, efficiency testing has been updated and replaced with the principle of ”financial connection”. The IFRS 9 impairment model is based on expected credit losses instead of observed credit losses in accordance with IAS 39. There is no longer need to wait for the occurrence of a credit event in order to record credit losses. Instead, the Company always records expected credit losses and changes in them on each closing date as a result of the change in credit risk after the original entry. The standard also includes several new notes requirements regarding corporate risk management. The Group does not expect the standard significantly to affect the company's result or financial position.

· IFRS 16*Leases** was published in January 2016 (effective for financial periods beginning on or after 1 January 2019). IFRS 16 establishes the requirements for recognition, measurement, presentation and disclosure of leases. According to the standard, all leases of the lessee are processed in the same way such that the lessee records the assets and liabilities of all leases on the balance sheet, unless the rental period is 12 months or shorter, or unless the value of the leased property is low. The lessors further categorise the leases into finance leases and other leases. The financial statements processing of the lessor's leases in adherence to IFRS 16 remains largely unchanged compared to the current standards. The implementation of the new standard will affect how leases are presented in the consolidated financial statements. The Group expects that the standard will significantly affect the results and financial position, because most of the Group's restaurants operate on leased premises. The Group will more closely analyse the impact of the standard during 2017.

· No other new standard, amendment to a standard or IFRIC interpretation already published but not yet effective is expected to have an impact on Group reporting.

4 Management of financial

Risk management principles and process

The Group's operating activities expose it to certain financial risks, such as the effects of changes in interest rates. A key principle of the Group's risk management is the unpredictability of the financial markets and the aim to minimise their adverse effects on the Group's net income. The Group's financial management identifies and estimates the risks and, whenever necessary, acquires the instruments to protect the Group against the risks.

The Group's financing policy guides all of its financing transactions. The main risks on the financing market are explained below.

Interest rate risk

The Group's interest rate risk is mainly caused by non-current loans that have been taken out with a variable interest rate. The Group is not presently hedging against the interest rate risk. The interest rates for the loans vary between the 1- and 6-month Euribor rates plus margins of 1.65–2.00 per cent.

The Group's income and operative cash flows are mostly independent of the variations in the market rates of interest. The Group's main exposure to interest rate risk is a result of the variable interest rates, and the risk is mainly considered to relate to the loan portfolio. On the closing date, 100.0 % of the Group's loans had variable interest rates.

Liquidity risk

The Group aims to continuously estimate and follow up on the financing required for the operating activities, such as by performing a monthly analysis of the utilisation rate of the restaurants, the development of sales and investment needs, in order to ensure that the Group has sufficient liquid assets to finance its operations and pay back due loans. The Financial Director analyses the need for possible additional financing.

The aim is to ensure the availability and flexibility of Group financing by using sufficient credit limit reserves, a balanced loan maturity distribution and sufficiently long loan periods, and by using several financial institutions and forms of financing when necessary. The Group's financing activities determine the optimum cash liquidity.

The Group's liquidity remained good throughout 2016. At the end of the year, cash and cash equivalents amounted to TEUR 1,871.1 (2,135.1 on 31 December 2015), in addition to which the Group had access to undrawn confirmed account credit limits totalling some MEUR 4.9 (31 December 2015: MEUR 3.0).

During the year, the Group drew TEUR 21,740.0 of new non-current financing for its investments. The loan period for these financing arrangements is 5–6 years. The average annual interest rate for the Group's gross interest-bearing liabilities in 2016 was approximately 2.3 % (2.3 % in 2015).

The most important loan covenants are reported to the creditors each quarter. If the Group violates the terms of the loan covenant, the creditor may require faster repayment for the loans. The management regularly monitors the fulfilment of the loan covenant terms. During the financial period 2016, the Group has been able to fulfil all the loan covenant terms related to specific operative cash flow objectives, equity ratio and amount of investment.

The Group's management has not identified any significant accumulation or liquidity risk in the financial assets or sources of financing.

The following table presents the maturity analysis. Negative numbers indicate incoming cash flow. The numbers are undiscounted and include interest payments, capital amortisation and repayments.

31.12.2016							
MEUR	Note	ınce sheet value	Cash flow	ess than 1 year	1 to less than 2 years	2–5 years	over 5 years
Financial liabilities	19	32 562,9	34 505,5	8 504,4	14 038,1	8 180,4	3 782,6

31.12.2015							
MEUR	Note	ınce sheet value	Cash flow	Less than 1 yea	1 to less than 2 years	2–5 years	over 5 years
Financial liabilities	19	31 398,1	33 288,0	10 105,6	14 295,2	8 887,2	0,0

Credit risk

The Group's course of action defines the creditworthiness requirements for the customers' counterparties. The primary method of payment within the Group is cash. The business operations of the labour hire segment are based on invoice sales. The credit risk management and credit control have been centralised to be handled by the Group's financial management.

As regards the receivables of the restaurant segment, the Group does not have any material credit risk accumulation, since the receivables consist of several items. Risks related to trade receivables and other receivables of the restaurant segment are minimised using short payment terms, client-specific monitoring of trade receivables, and effective collection.

As concerns trade receivables, the labour hire segment has a credit loss risk typical of the nature of its business and the field. In addition, certain big clients of the labour hire segment have been paid marketing support, the earning of which is based on clients' future purchases and the payment of the trade receivables generated from them. In the labour hire segment, the trade receivables and marketing supports of certain big clients together form significant credit risk concentrations. The risks linked with the trade receivables and other receivables of the labour hire segment are minimised by means of terms of payment of the receivables, client-specific monitoring of trade receivables, effective collecting and checking of clients' creditworthiness requirements, and in part also through various collateral arrangements.

The labour hire business may increase the Group's credit losses or the need for making credit loss reservations.

The maturity distribution for receivables is presented in note 13, Receivables.

During the financial period, the Group had TEUR 72.1 in credit losses recognised through profit or loss for 2016 and TEUR 477.3 for 2015.

Capital management

The aim of the Group's capital management (equity vs. liabilities) is to create an optimal capital structure that can support operating activities by ensuring normal operational prerequisites, and to increase shareholder value in the long term. The capital structure can be mainly affected by means of distribution of dividends, subordinated loans and equity issues. The Group can also decide to sell its assets in order to reduce its liabilities. The managed capital is the equity indicated in the consolidated balance sheet. An optimal capital structure also reduces capital costs.

The Group's net gearing was as follows:

MEUR	2016	2015
Interest-bearing liabilities	32 562,9	31 598,1
Interest-bearing receivables	-125,3	-150,3
Cash and cash equivalents	-1 871,1	-2 135,1
Net liabilities	30 566,5	29 312,7
Equity total	43 961,8	40 043,4
Gearing ratio	69,1 %	73,2 %

5 Acquired business operations

Changes in the shares of minority shareholders in 2016

On 19 September 2016, the Group bought an additional 11 per cent share of Tunturimax Oy. As a result of the acquisition, the Group now owns 76 per cent of the share capital of the Company. The purchase price was TEUR 220. As a result of the acquisition, the share of the minority shareholders was decreased by TEUR 79.0 and earnings were reduced by TEUR 141.0.

Restamax Plc's subsidiary Smile Henkilöstöpalvelut Oy bought an additional 10 per cent share in Smile Retail Oy (now Smile Services Oy). Smile Henkilöstöpalvelut Oy owns 100 per cent of Smile Retail Oy (now Smile Services Oy) as a result of the transaction. The purchase price was EUR 250.00. As a result of the acquisition, the share of the minority shareholders was increased by TEUR 4.1 and earnings were reduced by TEUR 4.1.

Restamax Plc's subsidiary Kampin Sirkus Oy bought an additional 40 per cent share in Markkinointitoimisto Aito Finland Oy. As a result of the acquisition, Kampin Sirkus Oy owns 100 per cent of Markkinointitoimisto Aito Finland Oy. The purchase price was EUR 0.0. As a result of the acquisition, the share of the minority shareholders was increased by TEUR 23.0 and earnings were reduced by TEUR 21.8.

Changes in the shares of minority shareholders in 2015

On 20 May 2015, the Group acquired an additional 20.0 per cent share of Aleksanterin Ravintolat Oy's share capital and now owns 100 per cent of the Company's share capital. The purchase price was EUR 1. As a result of the acquisition, the share of the minority shareholders was increased by TEUR 4.2 and earnings were reduced by TEUR 4.3.

On 30 April 2015, the Group acquired an additional 20.0 per cent share of Eiran Musiikkiteatteri Oy's share capital and now owns the entire share capital of the Company. The purchase price was EUR 500.0. As a result of the acquisition, the share of the minority shareholders was increased by TEUR 380.6 and earnings were reduced by TEUR 372.1.

Acquisitions during the 2016 financial period

Acquired subsidiaries and businesse

Restamax Plc's subsidiary engaging in the restaurant business purchased the restaurant business of Food Bar & Kitchen operating in Jyväskylä through a deed of sale dated 2 January 2016.

Restamax Plc's subsidiary engaging in the labour hire business purchased the labour hire business of Tor through a deed of sale dated 1 January 2016.

Restamax Plc's subsidiary engaging in the restaurant business purchased the Namu restaurant and the restaurant business of Showroom in Helsinki through a deed of sale dated 24 March 2016. The business was transferred to the Restamax Group on 1 April 2016.

Restamax Plc's subsidiary engaging in the labour hire business purchased 70 per cent of the share capital of limited liability Company Make My Solutions Oy with a deed of sale dated 23 March 2016 (the name of the Company was changed to Smile MMS Oy on 2 May 2015). Smile MMS Oy owns 70 per cent of the share capital of Smile MMS Työllistämispalvelut Oy, which engages in the labour hire business. The ownership of the shares which the transaction concerns was transferred to Restamax Group on 1 May 2016.

Restamax Plc purchased 80 per cent of the share capital of Urban Group Oy with a deed of sale dated 29 April 2016. Urban Group Oy owns 100 per cent of the share capital of Cholo Oy, which engages in the restaurant business, and 100 per cent of the share capital of Sabor a México Oy, which engages in the restaurant business. The ownership of the shares which the transaction concerns was transferred to Restamax Group on signing the deed of sale.

At the moment of transfer of control, the values of the businesses acquired were as follows:

	Note		
Tangible assets	10		753,5
Intangible assets	9		1 345,3
Inventories	12		30,7
Trade and other receivables			666,7
Cash and cash equivalents			596,2
Assets in total			**3 392,4**
Financial liabilities			-42,0
Deferred tax liabilities	17		-76,0
Other payables			-949,5
Liabilities total			**-1 067,6**
Net assets			**2 324,8**
Generation of goodwill through acquisitions:			
Total purchase consideration			
Cash assets		2 643,0	
Liabilities		404,7	3 047,7
Minority shareholders' share			263,7
Net identifiable assets of the acquired entity			2 324,8
Goodwill			**1 299,5**
Negative goodwill from one acquisition, which has been entered as income in other operating income			-312,8

On 14 November 2016, Restamax Plc agreed with the owners of Restala Oy on the exchange of shares, whereby Restamax Plc acquired the entire share capital of Restala Oy, 116,465 shares, in a private placement by issuing 440,000.00 Restamax Plc shares to the owners of Restala Oy. Restala Oy owns 82 per cent of Unioninkadun keidas Oy, which engages in the restaurant business.

With a deed of sale dated 15 November 2016, Restamax purchased 18 per cent of the shares in Unioninkadun keidas Oy, which is engaged in the restaurant business.

At the moment of transfer of control, the values of the businesses acquired were as follows:

	Note		
Intangible	9		1 089,3
Tangible assets	10		391,3
Inventories	12		205,3
Investments			0,1
Trade and other receivables			411,3
Cash and cash equivalents			225,2
Assets in total			**2 322,6**
Financial liabilities	19		-338,3
Other payables			-1 165,9
Deferred tax liabilities			-146,0
Liabilities total			**-1 650,1**
Net assets			**672,4**
Generation of goodwill through acquisitions:			
Total purchase consideration			
Cash assets		500,0	
Shares		2 596,0	3 096,0
Net identifiable assets of the acquired entity			672,4
Goodwill			**2 423,6**

The acquisitions generated a total of TEUR 3,723.0 in goodwill based on expected synergy benefits, establishment into new market areas and expected gains from combining the acquired restaurants and labour hire operations with the other restaurant concepts and services. TEUR 2,434.6 of the intangible rights generated from recognised fair value allocation are tax-deductible. The effect of the acquisitions on the Group's turnover for 2016 was TEUR 10,023.0, and the effect on the result of the financial period was TEUR 612.4.

The effect of the acquisitions on the turnover for the entire financial period 1 January–31 December 2016 would have been TEUR 14,357.6, and on the results for the period TEUR 570.9.

Acquisitions during the 2015 financial period

Acquired subsidiaries and businesses

Restamax Plc purchased the operations of the Tivoli and Apollo nightclubs in Oulu and the Cabaret nightclub in Pori through an acquisition realised on 31 December 2014. Restamax gained ownership of the business operations of the nightclubs on 1 January 2015.

Restamax Plc’s subsidiary Priima-Ravintolat Oy, which engages in the restaurant business, purchased all shares in Tampereen Satamaravintolat Oy, which engages in the restaurant business, with a bill of sale dated 20 February 2015.

On 2 April 2015, Restamax Plc purchased all shares in Italpal Oy, which engages in the restaurant business.

Restamax Plc on 1 June 2015 purchased all shares in Levin Ravintolakatu Oy, which engages in the restaurant business.

Restamax Plc's subsidiary Northmax Oy, which engages in the restaurant business, purchased the restaurant business operations of Restaurant Gloria and Pub Gloria, located in Oulu, in July 2015.

On 1 October 2015, Restamax Plc purchased 70 % of the share capital of Suomen Siipiravintolat Oy and 60 per cent of the share capital of Hernesaaren Ranta Oy, both of which engage in the restaurant business.

At the moment of transfer of control, the values of the business and assets of the subsidiary acquired were as follows:

	Note	Recognised values
Tangible assets	10	2 114,9
Intangible fixed assets	9	1 494,2
Investments	14	682,2
Inventories		230,8
Current receivables		640,9
Cash and cash equivalents		391,2
Assets in total		5 554,2
Deferred tax liabilities	17	327,9
Other payables		2 481,8
Liabilities total		2 809,7
Net assets		2 744,6
Generation of goodwill through acquisitions:		
Total purchase consideration		6 248,6
Net identifiable assets of the acquired entity		2 744,6
Minority shareholders’ share		-317,0
Goodwill		3 821,1

The acquisitions generated a total of TEUR 3,821.1 in goodwill based on expected synergy benefits, establishment into new market areas and expected gains from combining the acquired restaurants and labour hire operations with the other restaurant concepts and services. TEUR 1,490.0 of the intangible rights generated from recognised fair value allocation are tax deductible. The effect of the acquisitions on the Group's turnover for 2015 was TEUR 9,625.5, and the effect on the result of the financial period was TEUR 793.6.

6 Sold business operations

Business operations sold during the 2016 financial period

During the financial period, the Group sold shares in restaurant businesses as follows:

Name	Sold	Location	Date of control transfer
Restaurant Minibaari	100 %	Tampere	18.4.2016

The assets of the sold restaurant at the time of the transfer of control were as follows:

Property, plant and equipment	43,6

There was impairment targeted at this transaction, at the goodwill recorded for the unit. Impairment losses have been recognised in the extensive consolidated income statement in the line "Depreciations, amortisations and impairment" as follows:

Intangible rights, goodwill	15,0

Business operations sold during the 2015 financial period

During the financial period, the Group sold shares in restaurant businesses as follows:

Name	Shareholding	Location	Date of control transfer
Restaurant Alabama	100 %	Nokia	1.6.2015
Ristorante Como	100 %	Helsinki	18.9.2015

At the moment of transfer, the values of the assets sold were in total as follows:

Goodwill	82,6
Property, plant and equipment	165,7
Net assets, total	248,3

There were impairments with regard to these sales, at the goodwill recorded for the unit. Impairment losses have been recognised in the extensive consolidated income statement in the line "Depreciations, amortisations and impairment" as follows:

Intangible rights - goodwill	67,9

A depreciation of TEUR 20.4 has been entered under other operating expenses.

7 Earnings per share

The undiluted earnings per share is calculated by dividing the parent company's profit belonging to the shareholders by the weighted average of the outstanding shares during the financial period.

	2016	**2015**
Parent company's profit from the financial period belonging to the owners (TEUR)	5 608,1	5 050,0
Weighted average of the number of outstanding shares during the financial period	16 235 842	16 203 745
Earnings per share (euros), undiluted	0,35	0,31
Earnings per share (euros), diluted	0,35	0,31

The Group does not have any diluting instruments, i.e. instruments that increase the number of ordinary shares.

8 Operating segments

The Group has two reported operating segments, which are its strategic business units.

The Group's reported operating segments are as follows:

Restaurants	Production of restaurant services
Labour hire	Production of labour hire services

The restaurants segment operates in all sectors of the restaurant business, offering different types of restaurant experiences to customers' needs; the segment operates on the principle of "from the morning until late at night", offering both restaurants and nightclubs. The segment has a total of 60 concepts, approximately half of which are designed for duplication. Well-known restaurant concepts of the Group include Viihdemaailma Ilona, Classic American Diner, Stefan's Steakhouse, Galaxie and Space Bowling & Billiards.

The labour hire segment offers labour services mainly to companies in the restaurant and HoReCa fields. The earnings from the segment come from labour hire activities.

	2016			
Net income	Restaurants	Labour hire	Eliminations	Group
Turnover	107 544,2	34 129,4	-11 601,7	130 071,9
Other operating income	3 036,2	69,2	-571,5	2 533,9
EBITDA	16 475,1	3 441,5	-517,5	19 398,8
Depreciations	-9 074,1	-1 844,6	517,8	-10 400,9
Operating profit	7 401,0	1 596,9	0,0	8 997,9
Profit/loss before taxes	6 547,2	1 358,4	-11,7	7 893,9

	2016			
Assets				
Assets of the reported segment	91 114,9	18 244,6	-11 693,4	97 666,0
Liabilities				
Liabilities of the reported segment	48 649,0	18 456,2	-13 401,0	53 704,2

	2015			
Net income	Restaurants	Labour hire	Eliminations	Group
Turnover	100 315,2	24 151,3	-10 848,4	113 618,1
Other operating income	1 726,6	2,2	-447,8	1 281,0
EBITDA	14 801,1	2 160,7	-425,9	16 535,8
Depreciations	-8 309,4	-1 385,9	425,9	-9 269,5
Operating profit	6 491,6	774,7	0,0	7 266,3
Profit/loss before taxes	5 599,2	481,7	-9,6	6 071,3

In the labour hire segment, a credit loss entry of about EUR 381,000 and an impairment of intangible assets in the amount of EUR 297,000.

	2015			
Assets				
Assets of the reported segment	85 770,8	15 861,1	-11 052,2	90 579,6
Liabilities				
Liabilities of the reported segment	45 857,7	17 361,1	-12 682,6	50 536,2

9 Intangible assets

31.12.2016

EUR thousand	Note	Goodwill	Intangible rights	Total
Acquisition cost 01/01/2016		34 350,8	13 095,7	47 446,4
Business combination	5	3 723,0	2 075,3	5 798,3
Additions		0,0	1 037,9	1 037,9
Deductions		-6,4	-387,2	-393,6
Acquisition cost 31/12/2016		38 067,5	15 821,7	53 889,0
Accumulated depreciations and impairments 01/01/2016		-160,9	-3 484,2	-3 644,9
Impairments	25	-15,0	0,0	-15,0
Depreciations	25	0,0	-2 793,4	-2 793,4
Accumulated depreciations and impairments 31/12/2016		-175,9	-6 277,6	-6 453,3
Book value 31/12/2016		37 891,6	9 544,3	47 435,8
Book value 01/01/2016		34 189,9	9 611,7	43 801,7

31.12.2015

EUR thousand	Note	Goodwill	Intangible rights	Total
Acquisition cost 01/01/2015		30 299,0	11 355,0	41 653,9
Business combination	5	3 821,1	1 494,2	5 315,3
Additions		313,3	1 769,8	2 083,1
Deductions		-82,7	-1 523,3	-1 606,0
Acquisition cost 31/12/2015		34 350,8	13 095,7	47 446,4
Accumulated depreciations and impairments 01/01/2015		-160,9	-1 251,3	-1 412,2
Impairments	25	0,0	-296,9	-296,9
Depreciations	25	0,0	-1 935,9	-1 935,9
Accumulated depreciations and impairments 31/12/2015		-160,9	-3 484,2	-3 644,9
Book value 31/12/2015		34 189,9	9 611,7	43 801,7
Book value 01/01/2015		30 138,1	10 103,7	40 241,8

An advance payment of TEUR 1,500.0 generated from a business acquisition carried out in the 2014 financial period is included in the 1 January 2015 opening balance of intangible rights. During the financial period, TEUR 450.0 and TEUR 760.0 of the advance payment were allocated to tangible assets and goodwill, respectively, based on the purchase cost calculation completed on the acquisition. The allocation is presented as a deduction of intangible rights, and as an increase generated by the business acquisitions of tangible assets and goodwill.

TEUR 313.3 of the business acquisition carried out in the 2014 financial period is included in the 1 January 2015 opening balance of intangible rights. The sum for the financial period has been allocated in goodwill in accordance with the final purchase cost calculation. The allocation is presented as a deduction of intangible rights, and as an increase generated by the business acquisitions of goodwill.

Impairment testing

Impairment testing takes a Group of units and other intangible assets with unlimited useful life that entails goodwill and generate cash flow and compares its book value to its recoverable amount. The judgement and future estimates of the Company management are central to the drafting of the impairment calculations. If the recoverable amount is lower than the book value on the balance sheet, the difference is recognised as an impairment loss affecting income. The recoverable amount is the fair value of the cash-generating units deducted by the costs to sell, or the utility value, whichever is higher. For the impairment testing, the recoverable amount used has been the value in use calculated by means of the discounted cash flow (DCF) method.

Goodwill and non-competition agreements with unlimited durations are allocated as follows within the Group:

	31.12.2016		**31.12.2015**	
	Restaurants	Labour hire	Restaurants	Labour hire
Goodwill	31 677,5	6 214,1	28 806,9	5 383,1
Non-competition agreements	426,5	-	426,9	-

Impairment tests are performed for goodwill and non-competition agreements each year and whenever an external or internal factor can be expected to cause changes that may potentially lead to impairment. Impairment tests were performed on 31 December 2016 and 31 December 2015, using the then-current book values and calculations of future cash flows.

The impairment calculations are based on cash flow predictions in the budget drafted by the Group's Executive Team and approved by its Board of Directors, added by the forecast and terminal periods. The length of the forecast period used for the impairment calculations is 4 years.

Drawing up calculations using the DCF model requires forecasts and assumptions, the most significant of which involve turnover growth, cost development, level of maintenance investments and changes in the discount rate. It is possible that the assumptions related to the cash flow forecasts are not realised, and the resulting impairments of goodwill or non-competition agreements may have a materially adverse effect on the income from the Company's operations and its financial position during present and future review periods.

The forecast cash flows are based on the capacity of the cash-generating unit Group that the Group owned on the testing date. In other words, expansion investments have not been taken into account in the cash flow estimates. The Group's cash-generating units or Groups thereof are mainly involved in the restaurant business and the labour hire business. The expansion of operating activities into new areas inside Finland is capacity expansion, and the investing activities related to it or gains derived from it have not been included in the calculations.

The Company has two groups of cash-generating units, which are used to monitor goodwill, and, therefore, all goodwill and non-competition agreements with unlimited durations are allocated to this group. According to the Company's strategy, its restaurant network forms a unified group of cash-generating units due to their centralised management, service marketing, service production methods, significant centralised purchases and other group services. Correspondingly, the labour hire operations acquired late in the summer of 2014 form a single group of cash-generating units.

The impairment tests on 31 December 2016 and 31 December 2015 did not indicate a need for impairment of goodwill or non-competition agreements.

The assumptions used in calculating utility value, by testing date:

	31.12.2016		**31.12.2015**	
	Restaurants	Labour hire	Restaurants	Labour hire
Turnover growth, first year	-0,9 %	-9,8 %	-4,4 %	15,5 %
Turnover growth, other years	0,0 %	0,0 %	0,0 %	0,0 %
EBITDA	15,0 %	10,4 %	15,0 %	11,3 %
Terminal growth assumption	0,0 %	0,0 %	0,0 %	0,0 %
Discount rate before taxes	6,8 %	6,8 %	7,8 %	7,8 %
Change in net working capital	0,0 %	0,0 %	0,0 %	0,0 %

Based on the sensitivity analysis, the following changes in the key items of the calculations may occur at testing time without creating a need to impair the existing goodwill or non-competition agreements (assuming that no changes occur in the other key assumptions of the calculations):

	31.12.2016		**31.12.2015**	
	Restaurants	Labour hire	Restaurants	Labour hire
Annual turnover reduction	1,3 %	1,9 %	0,7 %	1,9 %
Annual increase in operating costs	1,4 %	2,0 %	0,8 %	2,0 %
EBITDA	7,8 %	1,7 %	11,4 %	1,6 %

The Company's utility value is not particularly sensitive to changes in the discount rates used in the calculations. According to the assessment of the management, when estimated conservatively, no reasonably possible change in any of the assumptions of the Restaurants and Labour Hire segments will lead to a situation where the recoverable amount might fall below the book value of the cash-generating units.

However, maintaining the levels of utility value calculated requires that, in accordance with the Company strategy, turnover and EBITDA are kept at an acceptable level, competitiveness is retained, new restaurant concepts are developed, the customer base of labour hire operations is expanded and competitive pricing and reasonable cost management are maintained through constant supervision.

10 Property, plant and equipment

31.12.2016

EUR thousand	Note	Machines and equipment	Improvement costs for rental premises	Buildings	Prepayments and incomplete acquisitions	Total
Acquisition cost 01/01/2016		19 266,6	35 946,4	2 421,6	49,7	57 684,7
Additions		2 072,7	4 299,7	25,8	97,4	6 495,6
Business combination	5	1 098,9	46,0			1 144,9
Deductions		-160,2	-56,7			-216,9
Acquisition cost 31/12/2016		22 277,9	40 235,4	2 447,4	147,1	65 108,3
Accumulated depreciations and impairments 01/01/2016		-10 264,7	-18 336,9	-79,8	0,0	-28 681,4
Impairments	25	0,0	-11,3	0,0	0,0	-11,3
Depreciations	25	-2 503,9	-4 970,9	-106,5	0,0	-7 581,3
Accumulated depreciations and impairments 31/12/2016		-12 768,6	-23 319,1	-186,3	0,0	-36 274,0
Book value 31/12/2016		9 509,3	16 916,3	2 261,1	147,1	28 834,3
Book value 01/01/2016		9 001,9	17 609,5	2 341,8	49,7	29 003,3

31.12.2015

EUR thousand	Note	Machines and equipment	Improvement costs for rental premises	Buildings	Prepayments and incomplete acquisitions	Total
Acquisition cost 01/01/2015		14 627,7	29 225,2	2 100,0	912,2	46 865,4
Additions		3 581,5	6 227,2	321,6	0,0	10 130,3
Business combination	5	1 211,1	903,8	0,0	0,0	2 114,9
Deductions		-153,7	-409,8	0,0	-862,5	-1 426,0
Acquisition cost 31/12/2015		19 266,6	35 946,4	2 421,6	49,7	57 684,7
Accumulated depreciations and impairments 01/01/2015		-7 945,7	-13 698,9	0,0	0,0	-21 644,6
Impairments	25	-0,9	-153,4	0,0	0,0	-154,3
Depreciations	25	-2 318,1	-4 484,6	-79,8	0,0	-6 882,5
Accumulated depreciations and impairments 31/12/2015		-10 264,7	-18 336,9	-79,8	0,0	-28 681,4
Book value 31/12/2015		9 001,9	17 609,5	2 341,8	49,7	29 003,3
Book value 01/01/2015		6 682,0	15 526,6	2 100,0	912,2	25 220,8

<u>Finance lease agreements</u>

Property, plant and equipment includes commodities leased with finance lease agreements as follows:

EUR thousand	**2016**	**2015**
Acquisition cost entered on the basis of finance lease agreements	707,3	246,6
Addition	132,3	460,7
Deduction	-352,1	0,0
Accumulated depreciations and impairments	-301,1	-199,0
Book value	186,5	508,4

11 Shares of associates and joint ventures

EUR thousand	Note	2016	2015
Book value 1 Jan		1 330,0	0,0
Additions	31	0,0	1 330,0
Share of the financial period's income		-47,2	0,0
Intangible depreciation		-104,0	0,0
Book value on 31 December		1 178,8	1 330,0

The financial period of the associate is 1 June–31 May The result of the associate has been combined with the Group result for the period 1 January–31 December 2016.

EUR thousand	2016	2015
Unimpaired goodwill in the associate	749,0	749,0
Intangible rights in the associate	520,0	520,0
- intangible depreciation with its tax effects	-104,0	0,0
	1 165,0	1 269,0

Financial information about the associate

EUR thousand	Assets	Liabilities	Turnover	Profit/loss	Share of ownership %
1 June 2016–31 December 2016					
Superpark Oy, domicile Sotkamo	12 906,6	10 509,6	5 069,0	-564,7	19,02
Total	12 906,6	10 509,6	5 069,0	-564,7	
1 June 2015–31 May 2016					
Superpark Oy, domicile Sotkamo	10 650,2	7 536,6	8 899,1	594,0	19,02
Total	10 650,2	7 536,6	8 899,1	594,0	

The Company is consolidated as an associate into Restamax's consolidated financial statements, even though the Group has less than 20 per cent of the shares and votes, as the Group has considerable influence in the company through a contractual right to appoint one of the five Board members.

The Company shares were subscribed by Restamax Plc on 16 December 2015, which is why the result has not been consolidated into the Group for 2015.

12 Inventories

EUR thousand	2016	2015
Restaurant goods inventory	2 317,6	2 054,8
Total	2 317,6	2 054,8

During the reporting period, TEUR 27,398.8 was entered into the income statement for materials and supplies and through stock value changes (TEUR 25,747.4 in 2015). In addition, the amount recorded as expenses for the financial period stood at TEUR 221.6 (TEUR 198.2 in 2015), which was used to reduce the book value of inventories.

13 Receivables

EUR thousand	2016	2015
Loans and other receivables (non-current)		
Interest-bearing loans receivable	168,2	178,9
Non-interest-bearing other receivables	1 030,7	996,6
Loans and other receivables (non-current), total	1 198,9	1 175,5
Trade and other receivables (current)		
Loans and other receivables (current)		
Trade receivables	9 417,3	6 198,7
Interest-bearing other receivables	30,0	67,5
Loans and other receivables (current), total	9 447,2	6 266,1
Prepayments and accrued income	3 364,1	2 639,6
Other non-interest-bearing receivables	1 255,8	983,3
	4 619,9	3 622,9
Trade and other receivables (current), total	14 067,2	9 889,1

Trade receivables

EUR thousand	2016	2015
Trade receivables	9 417,3	6 198,7
	9 417,3	6 198,7
Age distribution for trade receivables		
Not due	6 662,2	3 483,5
due, less than 3 months	1 390,9	2 011,8
due, more than 3 months	1 364,2	703,4
Total	9 417,3	6 198,7

The most significant accrued income items consist of pension insurance, income tax, discount amortisation and advance items.

The book value for trade and other receivables corresponds to their fair value. Significant credit risk concentrations for the Group are related to receivables as concerns certain big labour hire clients. The balance sheet values correspond to the monetary amount that is the maximum credit risk if the counterparties cannot fulfil their obligations related to the receivables. The fair values of receivables are presented in note 36.

14 Financial assets available for sale

Financial assets include shares and other investments. At present, all investments have been classified as available for sale.

Financial assets available for sale

EUR thousand	Note	**2016**	**2015**
Value at the beginning of the financial period		622,1	348,6
Business combination	5	0,0	682,2
Additions		0,1	271,3
Deductions		-2,0	-680,0
Changes in fair value recognised in equity		0,0	0,0
Value at the end of the financial period		620,2	622,1
Non-current portion		620,2	622,1

The available-for-sale financial assets are non-current and they consist of unquoted shares and holdings in euros that are recognised at fair value or purchase price whenever the fair value cannot be reliably determined.

The fair values for available-for-sale financial assets are presented in note 36. No financial assets are due. Impairments targeting financial assets totalling EUR 0.0 have been recorded (0.0 in 2015).

15 Cash and cash equivalents

EUR thousand	Note	**2016**	**2015**
Cash in hand and bank accounts (Financial assets in funds statement)	34	1 871,1	2 135,1

There is no significant credit risk accumulation related to cash and cash equivalent. The balance sheet values correspond to the monetary amount that is the maximum credit risk if the counterparties cannot fulfil their obligations related to the receivables.

16 Equity

Restamax Plc has one series of shares where all shares are equally entitled to dividends. One share equals one vote at the general meeting. Restamax Plc has 16,619,620 shares. The share has no nominal value.

EUR thousand	Shares, 1,000 pcs	Share capital	Invested unrestricted equity fund	Fair value fund	Equity convertible loan	Own shares	Retained earnings	Share of minority share holders	Equity total
1.1.2015	16 380,0	150	33 937,3	-13,3	220,0	-441,7	5 197,6	354,8	39 404,7
31.12.2015	16 380,0	150	33 937,3	-13,3	220,0	-972,6	6 293,1	428,9	40 043,4
1.1.2016	16 380,0	150	33 937,3	-13,3	220,0	-972,6	6 293,1	428,9	40 043,4
31.12.2016	16 620,0	150	36 586,1	-13,3	220,0	-191,4	6 541,4	669,0	43 961,8

All of the issued shares have been paid for.

External shares

pcs	2016	2015
1/1	16 136 120	16 266 820
Own shares acquired	-	130 700
Share issue	440 000	-
31/12	16 576 120	16 136 120

Invested unrestricted equity fund

The invested unrestricted equity fund includes other equity convertible investments and the portion of the share subscription price that is not registered in the share capital according to a specific decision.

EUR thousand	2016	2015
1.1.	33 937	33 937,3
Share issue	2 649	0,0
31.12.	36 586	33 937,3

Fair value fund

The value changes of the available-for-sale financial assets from the moment of acquisition are entered in the fair value fund, deducted by the deferred taxes.

EUR thousand	2016	2015
Fair value fund	-13,3	-13,3

Own shares

Own shares include the acquisition cost of the Company's own shares held by the Group. The company Smile Huippu Oy, which is controlled by the Group, owns the Company's own shares presented as a deduction in the Group's equity.

	2016 pcs	2016 TEUR	2015 pcs	2015 TEUR
1.1.	243 500	-972,6	112 800	-441,7
Own shares acquired	-	-	130 700	-530,9
Nullification of own shares	200 000	781,2	-	-
31.12.	43 500	-191,4	243 500	-972,6

Equity loan

Equity convertible loans include the interest-free capital loans with no maturity that the owners have granted to the Group. Equity convertible loans have no due date, but the Group has the right (not an obligation) to redeem the loan if so desired.

Dividends

In 2016, dividends were distributed at EUR 0.27 per share, totalling TEUR 4,356.8 (in 2015, EUR 0.22 per share, totalling TEUR 3,603.5). After the end of the reporting period, the Board of Directors has proposed a dividend of EUR 0.30 per share, totalling TEUR 4,985.9 be distributed. The debt from the proposed dividends has not been entered into these financial statements.

17 Deferred tax assets and liabilities

Deferred taxes have been recognised for all temporary differences. The changes in deferred taxes during 2016 are as follows:

EUR thousand	1.1.2016	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31.12.2016
Deferred tax assets:					
Temporary differences					
For confirmed losses	821,0	-355,6			465,4
For consolidated eliminations	160,9	13,4			174,3
For launch marketing expenses	45,1	-7,6			37,5
For intangible rights	225,3	237,1			462,4
For finance lease liabilities	2,3	-1,4			0,9
Other items	66,1	4,7			70,8
Netting for deferred tax liabilities	-752,4				-1 069,0
Deferred tax assets, total	568,1	-109,4	0,0	0,0	142,1

EUR thousand	1.1.2016	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31.12.2016
Deferred tax liabilities:					
Temporary differences					
Amortisation of loan expenses using effective interest method	10,6	-6,8			3,8
For withdrawal of goodwill depreciation	502,9	222,1			725,0
Reconstruction of destroyed restaurant	22,8	-22,8			0,0
For intangible rights	813,4	-252,3		222,0	783,1
For business combination	114,8	0,7			115,5
Financial leasing	9,5	-2,4			7,1
Other items	89,5	47,8			137,3
Netting for deferred tax assets	-752,4				-1 069,0
Deferred tax liabilities, total	811,2	-13,6	0,0	222,0	703,0

EUR thousand	1.1.2015	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31.12.2015
Deferred tax assets:					
Temporary differences					
For confirmed losses	404,1	416,9			821,0
For consolidated eliminations	141,0	19,9			160,9
For launch marketing expenses	38,9	6,2			45,1
For intangible rights	59,3	166,0			225,3
For finance lease liabilities	6,7	-4,4			2,3
Other items	0,0	66,1			66,1
Netting for deferred tax liabilities	-374,2				-752,4
Deferred tax assets, total	275,8	670,7	0,0	0,0	568,1

EUR thousand	1.1.2015	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31.12.2015
Deferred tax liabilities:					
Temporary differences					
Amortisation of loan expenses using effective interest method	25,2	-14,6			10,6
For withdrawal of goodwill depreciation	317,3	185,6			502,9
Reconstruction of destroyed restaurant	57,0	-34,2			22,8
For intangible rights	758,4	-284,0		339,0	813,4
For business combination	114,8	0,0			114,8
Financial leasing	5,9	3,6			9,5
Other items	0,0	98,8		-9,3	89,5
Netting for deferred tax assets	-374,2				-752,4
Deferred tax liabilities, total	904,4	-44,8	0,0	329,7	811,2

Deferred tax assets and liabilities have been given as net amounts whenever the entity has a legally enforceable right to mutually offset the recognised items and the deferred tax assets are related to the same tax recipient.

On 31 December 2016, the Group had TEUR 3,129.3 (TEUR 1,507.1 on 31 December 2015) for which a deferred tax asset has not been recognised, since the realisation of the included tax benefit is not probable in the near future. These losses will expire in 2019–2025.

Deferred tax assets

EUR thousand	2016	2015
Deferred tax assets due in over 12 months	114,8	75,3
Deferred tax assets due in 12 months	27,3	492,7
Total	142,1	568,1

Deferred tax liabilities

EUR thousand	2016	2015
Deferred tax liabilities due in over 12 months	691,7	716,3
Deferred tax liabilities due in 12 months	11,2	94,9
Total	703,0	811,2

18 Provisions

EUR thousand	2016	2015
Value at the beginning of the financial period	93,2	80,3
Additions	183,2	124,3
Provisions used	-93,2	-111,4
Value at the end of the financial period	183,2	93,2
Of which current	91,6	93,2
Non-current portion	91,6	0,0

The provisions include the rent of the still leased premises.

19 Financial liabilities

EUR thousand	2016	2015
Non-current financial liabilities recognised at amortised acquisition cost		
Loans from financial institutions, non-current portion	24 200,8	21 654,5
Subordinated loans	77,0	241,0
Finance lease liabilities	92,2	274,8
Total	24 369,9	22 170,3
Current financial liabilities recognised at amortised acquisition cost		
Loans from financial institutions, current portion	8 130,6	9 146,2
Finance lease liabilities	62,4	81,6
Total	8 193,0	9 227,9

The Group's assets (listed in note 33) is lodged as security for the loans from financial institutions.

Maturity of non-current financial liabilities

EUR thousand	2016	2015
less than 1 year	7 797,7	9 272,1
1 to less than 2 years	7 280,7	13 452,3
2-5 years	13 763,1	8 673,7
Over 5 years	3 721,4	0,0
Total	32 562,9	31 398,2

The Group's loans from financial institutions have a variable interest rate, and the loans are priced every 1–6 months.

Average interest rates for the Group's loans from financial institutions (including current loans from financial institutions)

	2016	2015
	%	%
Loans from financial institutions	2,3	2,3

The book value for interest-bearing loans corresponds to their fair value, since the loans are re-priced on the closing date. The Group's interest-bearing liabilities are in euros.

Maturity of finance lease liabilities

EUR thousand	2016	2015
Gross amount of finance lease liabilities – minimum lease payments by maturity time		
less than 1 year	67,9	155,8
2-5 years	96,1	384,5
Total	164,0	540,2
Future finance costs	9,4	183,8
Present value of finance lease liabilities	154,6	356,4
The present value of finance lease liabilities will be due as follows		
less than 1 year	62,4	81,8
2–5 years	92,2	274,8
Total	154,6	356,6

Finance lease liabilities consist of restaurant furnishing leased from a financing company.

20 Trade payables and other liabilities

EUR thousand	2016	2015
Long-term		
Advances received	136,3	261,9
Other non-interest-bearing liabilities	660,2	460,1
Non-current trade and other payables, total	796,4	722,1
Short-term		
Accounts payable	7 563,5	6 490,4
Advances received	254,9	192,4
Accruals and deferred income		
Salary debt	1 596,7	1 179,3
Holiday salary liabilities	2 689,9	2 465,5
Pension insurance	910,8	737,6
Taxes based on taxable income from financial period	706,6	1 324,2
Other accruals and deferred income	2 463,6	2 324,4
Accrued expenses, total	8 367,5	8 031,0
Other non-interest-bearing liabilities	3 272,8	2 797,8
Current trade and other payables, total	19 458,8	17 511,6

The fair values for trade and other payables are presented in note 36.

21 Turnover

EUR thousand	2016	2015
Sale of goods	92 083,5	85 586,5
Sale of services	37 988,3	28 031,6
Total	130 071,9	113 618,1

The sale of goods includes restaurant sales.

The sale of services includes the sale of restaurants, services and the sale of labour hire operations, see note 8.

22 Other operating income

EUR thousand	2016	2015
Sales profit	0,0	81,9
Insurance compensation	882,0	19,3
Rental income	860,4	664,9
Other operating income	791,5	514,8
Sale of goods, total	2 533,9	1 281,0

Rental income includes the rental of flats. Other business income mainly comprised income from rented personnel in the restaurant segment, payments received from employment and apprenticeships and negative goodwill that has been recognised as income.

23 Materials and services

EUR thousand	2016	2015
Acquisitions	27 272,5	25 700,2
External services	2 798,2	2 661,1
Sale of goods, total	30 070,7	28 361,3

External services consists of rented restaurant employees.

24 Costs related to employment benefits

EUR thousand	2016	2015
Salaries	36 851,9	29 342,6
Pension costs – defined contribution plans	6 901,7	5 530,1
Social security costs	1 558,1	1 087,7
Total	45 311,7	35 960,4

The management's employment benefits are presented in note 29, insider events.

	2016	2015
Group personnel on average over financial period	1 130	912

25 Depreciations, amortisations and impairment

EUR thousand	2016	2015
Depreciations by commodity group		
Intangible assets		
Non-competition agreements	246,1	145,6
Beneficial lease agreement	171,0	211,0
Right to use a name	1 025,7	864,2
IT software	84,0	78,3
Agreements	1 266,6	636,8
Total	2 793,4	1 935,8
Tangible assets		
Improvement costs for rental premises	4 970,9	4 484,6
Buildings	106,5	79,8
Machines and equipment	2 503,9	2 318,1
Total	7 581,3	6 882,4
Impairment by commodity group		
Goodwill	15,0	0,0
Agreements	0,0	296,9
Improvement costs for rental premises	11,3	153,4
Fixed assets	0,0	0,9
Total	26,2	451,2
Depreciations, amortisations and impairment total	10 400,9	9 269,5

26 Other operating expenses

EUR thousand	2016	2015
Voluntary indirect employee costs	744,2	582,3
Costs for business premises	17 927,3	16 756,2
Costs for machinery and equipment	4 374,0	3 763,8
Travel expenses	475,8	347,6
Marketing, performer and entertainment expenses	9 858,0	8 195,0
Other costs*	4 445,2	4 396,7
Total	37 824,6	34 041,5

* Other costs consist of several items that are not individually relevant.

27 Financing income and expenses

EUR thousand	2016	2015
Financial income		
Other financial income	186,6	41,5
Total	186,6	41,5
Items recognised in profit or loss		
Impairment of shares in associates	-2,0	0,0
Impairment of receivables	-78,0	-290,0
Interest expense from financial liabilities recognised at amortised acquisition cost	-948,4	-863,5
Other finance costs	-111,0	-83,0
Total	-1 139,4	-1 236,5
Finance costs – net	-952,8	-1 195,0
Other comprehensive income items		
Financial assets available for sale	0,0	0,0
Total	0,0	0,0

28 Income taxes

Tax constituents

EUR thousand	2016	2015
Tax based on taxable income from financial period	1 933,8	1 977,9
Change in deferred taxes	95,7	-715,3
Total	2 029,5	1 262,5

Tax cost balancing calculation

EUR thousand	2016	2015
Profit/loss before taxes	7 893,9	6 071,3
Tax calculated at rate of 20 per cent	1 578,8	1 214,3
Non-deductible expenses	225,0	87,8
Use of tax losses not registered previously	-22,9	-14,0
Recognised deferred tax assets for confirmed losses of previous years	0,0	-379,9
Non-recognised deferred tax assets for tax losses	335,7	347,7
Share of associate's profits, deducted by taxes	-30,2	0,0
Tax-free income	-72,5	-2,1
Goodwill impairment	3,0	13,6
Taxes from earlier financial periods	12,7	-4,8
Tax expenses in income statement	2 029,5	1 262,5

Deferred tax assets and tax liabilities have been calculated using the Finnish tax rate of 20.0 per cent.

Taxes related to other items in comprehensive income statement

	2016			2015		
EUR thousand	Before taxes	Effect of tax	After taxes	Before taxes	Effect of tax	After taxes
Assets available for sale	0,0	0,0	0,0	0,0	0,0	0,0

29 Assoc. company events

Parties are considered to be related when one party can exercise control, shared control or significant influence over the other in decision-making involving its economy and operating activities. The Group's related parties are the parent company, subsidiaries, associates, the parent company's subsidiaries and the key management personnel. Key management personnel are the members of the Board of Directors, the Group's Executive Team and the Chief Executive Officer and his/her deputy, as well as their close family members. The Chief Executive Officer has had no deputy. Furthermore, Restamax's related parties include any owners who can exercise control or significant influence in Restamax, the companies where the said owners have a controlling interest, and companies where a person exercising control over Restamax exercises significant influence or is a part of the management of the Company or its parent company.

Management employee benefits

The management employee benefits have been presented on a cash basis.

EUR thousand	**2016**	**2015**
Salaries for the Executive Team (incl. CEO) with associated costs and other short-term employee benefits	841,4	776,2
Fees for the Board of Directors	83,8	78,8

Fees and benefits for Chief Executive Officer and other Executive Team members

EUR thousand	2016	2016	**2016**	2015	2015	**2015**
Salaries and fees	Salary with benefits	Attendance allowances for the Board of Directors	**Total**	Salary with benefits	Attendance allowances for the Board of Directors	**Total**
CEO Markku Virtanen	156,1	0,0	156,1	158,0	0,0	158,0
Other Executive Team members	518,8	0,0	518,8	477,9	0,0	477,9
Total	674,9	0,0	674,9	635,9	0,0	635,9

Chief Executive Officer's pension commitments and termination compensation

Chief Executive Officer Markku Virtanen is covered by the Employees Pensions Act that offers pension security based on time of service and earnings in the manner defined in the Act. No separate provisions for retirement age are included in the chief executive officer's contract. The Chief Executive Officer's accrued pension costs for the financial period were TEUR 30.

The termination time of the Chief Executive Officer's working contract is 6 months for both parties. In addition to the pay for the notice period, the Chief Executive Officer is not entitled to any separate termination compensation.

Fees for the Board of Directors

EUR thousand	2016	2015
Attendance allowances		
Timo Laine, Chairman of the Board of Directors	23,8	20,0
Mikko Aartio, member of the Board of Directors	10,0	10,0
Jarmo Viitala, member of the Board of Directors	10,0	10,0
Sami Asikainen, member of the Board of Directors (until 22 April 2015)	0,0	2,5
Petri Olkinuora, member of the Board of Directors	20,0	20,0
Mika Niemi, member of the Board of Directors (from 23 April 2014)	10,0	10,0
Timo Everi, member of the Board of Directors (from 22 April 2015)	10,0	6,3
Total	83,8	78,8

Transactions with associated companies

EUR thousand	Sales	Interest expenses	Rental expenses	Acquisitions	Rental income	Receivables	Liabilities
2016	827,0	0,0	1 194,8	1 210,6	5,1	385,1	161,1
2015	556,8	0,0	1 371,5	955,3	4,7	288,8	1 107,7

Transactions with associates have been completed applying the same terms as transactions with independent parties.

Loans granted to key management personnel

EUR thousand	2016	2015
At the beginning of the financial period	0,0	48,0
Change in the Executive Team	0,0	0,0
Loans granted during the financial period	0,0	0,0
Loans repaid	0,0	-45,5
Interest charged	0,0	0,5
Interest payments received during the financial period	0,0	-2,9
At the end of the financial period	0,0	0,0

Loans have been granted until further notice and will be paid back when agreed. The interest rate will be determined separately on an annual basis.

30 Auditor's fees

EUR thousand	2016	2015
Deloitte & Touche Oy, Authorised Public Accountants		
Audit	204,4	179,7
Other services	56,2	74,3
Total	260,6	254,0

31 Shares in subsidiaries and associates 31/12/2016

Subsidiaries consolidated into the consolidated financial statements	Share of ownership	Domicile
Max Siivouspalvelut Oy	70,0 %	Tampere
Koskimax Oy	59,6 %	Tampere
Suomen Diner Ravintolat Oy	80,0 %	Tampere
SRMax Oy	85,0 %	Tampere
Gastromax Oy	70,0 %	Tampere
Soolo Max Oy	70,0 %	Tampere
Tunturimax Oy	76,0 %	Tampere
Beaniemax Oy	60,0 %	Tampere
Roska Yhtiöt Oy	80,0 %	Tampere
Italpal Oy	100,0 %	Tampere
Northmax Oy	70,0 %	Tampere
Levin Ravintolakatu Oy	100,0 %	Helsinki
Suomen Siipiravintolat Oy	70,0 %	Tampere
Hernesaaren Ranta Oy	60,0 %	Helsinki
Dinnermax Oy	70,0 %	Tampere
Purmax Oy	60,0 %	Tampere
Kampin Sirkus Oy (Group)	90,0 %	Tampere
Markkinointitoimisto Aito Finland Oy	100,0 %	Tampere
Poolmax Oy	80,0 %	Tampere
Priima-Ravintolat Oy	63,8 %	Tampere
Rock Hard Catering Oy	88,0 %	Tampere
Tampereen Satamaravintolat Oy	100,0 %	Tampere
Suomen Ravintolatoimi Oy	57,9 %	Jyväskylä
Max Consulting Oy	100,0 %	Tampere
Suomen Ravintolatoimi Oy	42,1 %	Jyväskylä
Bistromax Oy	70,0 %	Tampere
Rengasravintolat Oy (Group)	100,0 %	Tampere
Ravintola Bodega Salud Oy	100,0 %	Tampere
Urban Group Oy	80,0 %	Helsinki
Sabor a México Oy	100,0 %	Helsinki
Cholo Oy	100,0 %	Helsinki
Restala Oy (Group)	100,0 %	Helsinki
Unioninkadun keidas Oy	82,0 %	Helsinki
Unioninkadun keidas Oy	18,0 %	Helsinki
Smile Henkilöstöpalvelut Oy (Group)	93,0 %	Tampere
Max Henkilöstöpalvelut Oy	100,0 %	Tampere
Resta Henkilöstöpalvelut Oy	100,0 %	Tampere
Smile Palvelut Pori Oy	80,0 %	Tampere
Smile Tampere Oy	100,0 %	Tampere
Smile Palvelut Turku Oy	100,0 %	Tampere
Smile Palvelut Hämeenlinna Oy	100,0 %	Hämeenlinna
Smile Huippu Oy	75,0 %	Kuopio
Smile Palvelut Jyväskylä Oy	100,0 %	Tampere
Happy Henkilöstöpalvelut Oy	100,0 %	Tampere
Smile Events & Promotions Oy	100,0 %	Tampere
Smile Palvelut Helsinki Oy	100,0 %	Tampere
Smile Doctors Oy	75,0 %	Tampere
Smile Palvelut Pohjoinen Oy	100,0 %	Tampere
Smile Services Oy	100,0 %	Tampere
Smile MMS Oy	70,0 %	Kuortane
Smile MMS Työllistämispalvelut Oy	70,0 %	Kuortane
Smile Industries Oy	100,0 %	Kuortane
Smile Pohjanmaa Oy	72,0 %	Kuortane
RM Henkilöstöpalvelut Oy	100,0 %	Tampere
Smile Railways Oy	100,0 %	Tampere
Smile Super Oy	100,0 %	Tampere

Associates consolidated into the consolidated financial statements		
SuperPark Oy	19,0 %	Sotkamo

The Company's result was consolidated into the consolidated financial statements for the period 1 January–31 December 2016. The Company's financial period is 1 June–31 May.

The Company's result has not been consolidated into the 2015 consolidated financial statements since the shares were purchased on 16 December 2015.

Share of the most significant minority shareholders:

EUR thousand	Minority shareholders' share		Minority shareholders' share of profit from the financial period		Minority shareholders' share of capital	
Company and domicile	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Priima-Ravintolat Oy Tampere	36,2 %	36,2 %	-40,9	-133,0	115,1	156,0
Gastromax Oy Tampere	30,0 %	30,0 %	-359,9	-326,8	-946,8	-586,9
Tunturimax Oy Tampere	24,0 %	35,0 %	18,7	23,2	63,0	64,6

Financial information:

EUR thousand

Priima-Ravintolat Oy	**2016**	**2015**
Turnover	4 322,3	3 867,7
Profit for the financial period	-112,8	-367,3
Non-current assets	2 351,1	2 648,9
Current assets	471,2	414,9
Non-current liabilities	1 323,6	1 349,0
Current liabilities	1 180,7	1 284,2
Operating cash flow	329,3	302,1
Investment cash flow	-72,0	-1 391,3
Financial cash flow	-266,1	1 009,9

Gastromax Oy	**2016**	**2015**
Turnover	3 710,8	5 497,7
Profit for the financial period	-1 199,7	-1 089,2
Non-current assets	3 356,0	3 935,3
Current assets	317,6	268,6
Non-current liabilities	3 812,9	3 285,0
Current liabilities	3 016,8	2 875,4
Operating cash flow	-697,5	-1 137,4
Investment cash flow	-188,2	-1 624,2
Financial cash flow	880,5	2 582,8

Tunturimax Oy	**2016**	**2015**
Turnover	4 954,5	5 092,5
Profit for the financial period	78,0	66,3
Non-current assets	923,8	1 183,2
Current assets	743,6	885,5
Non-current liabilities	187,1	453,6
Current liabilities	1 217,7	1 430,4
Operating cash flow	462,0	34,3
Investment cash flow	-41,3	-357,3
Financial cash flow	-442,4	10,0

32 Other lease agreements

The Group as a lessee

The Group has leased many of the restaurant and office premises that it uses. The lease terms are on average between two to fifteen years, and often include the option of continuing the agreement past the original termination date. The lease agreements often have a fixed lease with an index condition or are turnover-based. Some of the lease agreements are valid until further notice, with a notice period of 2 months.

Minimum lease payments to be made based on other rental agreements that cannot be annulled:

EUR thousand	**2016**	**2015**
In one year	13 271,1	12 182,3
In over one year and within five years maximum	32 893,9	33 471,1
In over five years	14 016,6	15 490,4
Total	60 181,6	61 143,8

In 2016, lease expenses of TEUR 14,002.6 (TEUR 12,791.7 in 2015) paid based on lease agreements were recorded through profit and loss.

The Group has sublet 7 restaurant premises. Lease expenses of TEUR 945.4 in 2016 (TEUR 1,027.3 in 2015) were recorded for these premises. Based on the sublease agreements, the future minimum lease payments will amount to TEUR 1,699.4 at the end of 2016 (TEUR 1,836.0 at the end of 2015).

The Group as a lessor

Minimum deferred lease payments to be made based on other rental agreements that cannot be annulled:

EUR thousand	**2016**	**2015**
In one year	990,6	909,6
In over one year and within five years maximum	1 516,7	1 783,4
In over five years	38,6	0,0
Total	2 546,0	2 693,0

33 Conditional liabilities and assets and commitments

EUR thousand	2016	2015
Liabilities with guarantees included on the balance sheet		
Loans from financial institutions, non-current	24 010,5	21 689,9
Loans from financial institutions, current	8 139,8	9 163,8
Total	32 150,3	30 853,7
Guarantees given on behalf of the Group		
Collateral notes secured by a mortgage	34 150,0	16 400,0
Real estate mortgages	4 096,8	2 500,0
Subsidiary shares	31 596,6	25 800,8
Other shares	164,8	164,8
Bank guarantees	3 717,8	2 564,8
Other guarantees	1 000,0	2 785,0
Total	74 726,0	50 215,4

EUR thousand	2016	2015
Commitments:		
Purchase commitment	200,0	200,0

34 Classification of financial assets and liabilities

31.12.2016

EUR thousand	Recognised at fair value in profit or loss	Available for sale	Loans and receivables	Into amortised acquisition cost	Fair value
Financial reserves					
Interest-bearing loans receivable			198,2		198,2
Non-interest-bearing other			1 095,7		1 095,7
Trade and other receivables			13 972,2		13 972,2
Unquoted shares		620,2			620,2
Cash and cash equivalents			1 871,1		1 871,1
Total		620,2	17 137,2		17 757,4
Book value, total		620,2	17 137,2		17 757,4
Financial liabilities					
Non-current financial liabilities				24 369,9	24 369,9
Non-current trade payables and other				796,4	796,4
Current financial liabilities				8 193,0	8 193,0
Current trade payables and other				19 458,8	19 458,8
Fair value, total				52 818,1	52 818,1
Book value, total				52 818,1	52 818,1

31.12.2015

EUR thousand	Recognised at fair value in profit or loss	Available for sale	Loans and receivables	Into amortised acquisition cost	Fair value
Financial reserves					
Interest-bearing loans receivable			246,4		246,4
Non-interest-bearing other			1 042,6		1 042,6
Trade and other receivables			9 775,6		9 775,6
Unquoted shares		622,1			622,1
Cash and cash equivalents			2 135,1		2 135,1
Total		622,1	13 199,7		13 821,8
Book value, total		622,1	13 199,7		13 821,8
Financial liabilities					
Non-current financial liabilities				22 170,3	22 170,3
Non-current trade payables and other liabilities				722,1	722,1
Current financial liabilities				9 227,9	9 227,9
Current trade payables and other liabilities				17 511,6	17 511,6
Fair value, total				49 631,9	49 631,9
Book value, total	0,0	0,0	0,0	49 631,9	49 631,9

35 Adjustments to cash flow from operating activities

EUR thousand	2016	2015
Non-cash transactions		
Recognition of advertising space sales and contract compensation	-232,2	-367,0
Changes in provisions	89,9	0,0
Accounts receivable write-off	22,2	476,1
Sale of fixed assets	0,0	-114,1
Other adjustments	-312,8	-56,2
Total	-432,9	-61,2

36 Fair values of financial instruments

Below are the fair value definition principles for all financial instruments. The table also presents in detail the values and book values for each item; these correspond to the values in the consolidated balance sheet.

		2016		2015	
MEUR	Note	Book value	Fair value	Book value	Fair value
Financial reserves					
Financial assets available for sale	14	620,2	620,2	622,1	622,1
Interest-bearing loans receivable	13	198,2	198,2	246,4	246,4
Trade and other receivables	13	15 067,9	15 067,9	10 818,2	10 818,2
Cash and cash equivalents	16	1 871,1	1 871,1	2 135,1	2 135,1
Financial liabilities					
Non-current financial liabilities	20	24 369,9	24 369,9	22 170,3	22 170,3
Non-current trade payables and other liabilities	21	796,4	796,4	722,1	722,1
Current financial liabilities	20	8 193,0	8 193,0	9 227,9	9 227,9
Current trade payables and other liabilities	21	19 458,8	19 458,8	17 511,6	17 511,6

The following price quotations, assumptions and recognition models have been used when determining the fair values of the financial assets and liabilities presented in the table:

Financial assets available for sale

Financial assets available for sale mostly consist of Finnish holdings and Finnish unquoted shares. Unquoted share investments have been recognised at fair value or acquisition cost, since it has been impossible to recognise them at fair value using valuation techniques. It has been impossible to determine the fair value of investments and the estimate varies greatly, or the probabilities of different estimates within the range of variation cannot be reasonably determined and used to determine the fair value. Financial assets recognised at fair value are either sellable on the secondary market or their recognition uses the bid price on the counterparty's closing date.

Trade and other receivables

The original book value of the receivables corresponds to their fair value, since the effect of the discounting is not relevant when considering the maturity of the receivables.

Financial assets recognised at fair value through profit and loss

Financial assets recognised at fair value through profit and loss include financial asset items that have been acquired to be held for trading or that are classified to be recognised at fair value through profit and loss in the original entry.

Financial liabilities

The fair values for liabilities are based on discounted cash flows. The discount rate used has been the rate at which the Group could take out a similar external loan on the closing date. The total interest consists of the risk-free interest and a company-specific risk premium. The re-pricing date for the loans is 31 December, which means that the book values for the loans correspond to their market values.

Trade payables and other liabilities

The original book value of the trade and other receivables corresponds to their fair value, since the effect of the discounting is not relevant when considering the maturity of the receivables.

Fair value hierarchy for financial assets recognised at fair value

31.12.2016

EUR thousand	Level 1	Level 2	Level 3	Total
Assets				
Financial assets available for sale				
- equity securities	0,0	0,0	0,0	0,0
Assets in total	0,0	0,0	0,0	0,0

31.12.2015

EUR thousand	Level 1	Level 2	Level 3	Total
Assets				
Financial assets available for sale				
- equity securities	0,0	0,0	0,0	0,0
Assets in total	0,0	0,0	0,0	0,0

During the closed financial period, there were no transfers between the fair value hierarchy levels 1, 2 or 3.

The fair values at hierarchy level 1 are based on the quoted prices for similar assets or liabilities on the market. The shares and holdings of the Group consist of unquoted items.

The fair values for instruments at level 2 are based on significantly different input information than the quoted prices at level 1, but are nevertheless based on information (i.e. prices) or indirect information (i.e. derived from prices). In determining the fair value for these instruments, the Group uses generally accepted valuation models whose input information is largely based on verifiable market data.

The fair values of instruments at level 3 are based on input information concerning the asset or liability that is not based on verifiable market data; instead, they are largely based on management estimates and their use in generally accepted valuation models.

Other available-for-sale financial assets have been recognised at acquisition cost, since the fair value cannot be reliably determined.

37 Key events occurring after the closing date

Restamax Plc purchased 60 per cent of the share capital of a Company called Thai Papaya Oy engaged in the restaurant business, with a deed of sale dated 29 December 2016. The ownership of the shares was transferred to Restamax Plc on 1 January 2017.

On 10 January 2017, Restamax Plc founded a new subsidiary, Rivermax Oy. Through a deed of sale dated 10 February 2017, Rivermax Oy bought the Tampere-based restaurants Tammer Golf, Näsilinna, Hullu Poro, Jackie Brown and Jackie Gold (the so-called Koskikeskus restaurant world) and Laituri and the Pori-based restaurant Kirjuri.

Restamax Plc's subsidiary engaging in the restaurant business purchased the restaurant business of restaurant Gloria operating in Joensuu with a deed of sale dated 27 January 2017. The right of ownership and management of Gloria was transferred to the Group on 1 March 2017.

After the end of the financial period, the subsidiaries Smile Industries Kuopio Oy, Smile Industries Jyväskylä Oy and Smile Industries Tampere Oy were established in the labour hire segment.

Restamax Plc's long-serving CEO Markku Virtanen will leave his position for personal reasons on 30 June 2017.

38 Calculation formulas for key figures

Profitability

Return on equity %

$$\frac{\text{Profit (profit belonging to owners of parent company + profit belonging to minority shareholders)}}{\text{Equity on average (belonging to owners of parent company and minority shareholders)}} * 100$$

Return on investment %

$$\frac{\text{Net profit/loss + finance costs + taxes (12 months)}}{\text{Invested capital on average (belonging to owners of parent company and minority shareholders)}} *100$$

Material margin

Turnover - acquisitions +- change in inventories

Staff expense %

$$\frac{\text{Staff expenses + External services}}{\text{Turnover}} * 100$$

EBITDA

Earnings + depreciations and impairment

Financial position

Equity ratio %

$$\frac{\text{Equity}}{\text{Total assets - Advances received}} * 100$$

Gearing ratio %

$$\frac{\text{Interest-bearing net financial liabilities}}{\text{Equity (belonging to owners of parent company and minority shareholders)}} * 100$$

Key figures per share

Dividends per share

$$\frac{\text{Distribution of dividends for financial period}}{\text{Undiluted number of shares on closing date}}$$

Earnings per share

$$\frac{\text{Net income for financial period - non-controlling interests}}{\text{Number of shares, excluding shares controlled by Company itself, on average over financial period}}$$

Equity per share, EUR

$$\frac{\text{Equity attributable to parent company shareholders}}{\text{Number of shares at the end of the financial period, excluding shares controlled by Company itself}}$$

Dividend payout ratio, %

$$\frac{\text{(Dividend per share)}}{\text{Earnings per share}} * 100$$

Effective dividend yield, %

$$\frac{\text{Dividends per share}}{\text{Share price on closing date}} * 100$$

Profit/earnings ratio (P/E)

$$\frac{\text{Share price on closing date}}{\text{Earnings per share}}$$

Average share price

$$\frac{\text{Total trading in share in euros}}{\text{Number of traded shares on average over financial period}}$$

Market value for share capital, EUR

Share price on closing date x number of shares

INCOME STATEMENT	**1 January 2016– 31 December 2016**	**1 January 2015– 31 December 2015**
(EUR)		
TURNOVER	**23 017 768,84**	**15 820 814,74**
Other operating income	4 820 148,34	3 514 259,19
Materials and services		
Materials, supplies and goods		
Purchases during the financial period	-5 091 454,88	-3 147 482,81
Addition/reduction of stock	-21 091,66	20 896,18
External services	-3 068 967,09	-2 289 650,54
	-8 181 513,63	-5 416 237,17
Staff expenses		
Salaries and fees	-3 940 485,50	-2 967 577,32
Indirect employee costs		
Pension costs	-753 365,62	-581 053,16
Other indirect employee costs	-233 531,07	-120 530,89
	-4 927 382,19	-3 669 161,37
Depreciations, amortisations and impairment		
Depreciations according to plan	-2 026 739,16	-1 629 745,05
Impairment of non-current assets	-1 412,78	-153 424,84
	-2 028 151,94	-1 783 169,89
Other operating expenses	-11 567 994,40	-8 274 921,80
OPERATING PROFIT (LOSS)	**1 132 875,02**	**191 583,70**
Financing income and expenses		
Income from shares in companies of the same Group	636 200,00	1 362 151,35
Other interest and financing income		
From companies in the same Group	1 002 552,83	816 769,68
From others	5 976,02	11 056,98
Impairments of cash equivalents in current assets	-78 000,00	-1 894 493,76
Interest expenses and other finance costs		
To companies in the same Group	-9 673,19	-56 528,18
To others	-801 888,35	-697 631,38
	755 167,31	-458 675,31
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**1 888 042,33**	**-267 091,61**
Appropriations		
Addition/reduction of depreciation difference	1 230,29	-134 636,76
Group contributions received/given	6 040 370,00	7 099 102,69
	6 041 600,29	6 964 465,93
Taxes for financial period	-1 115 300,57	-1 464 365,48
PROFIT (LOSS)	**6 814 342,05**	**5 233 008,84**

BALANCE SHEET	**31.12.2016**	**31.12.2015**
(EUR)		
A S S E T S		
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	737 052,74	651 727,45
Other long-term expenditure	2 562 364,46	2 524 895,36
Advance payments	36 401,29	57 589,70
	3 335 818,49	3 234 212,51
Tangible assets		
Buildings and structures	2 261 139,77	2 341 860,46
Machines and equipment	2 481 730,33	2 443 902,35
Other tangible assets	1 393,44	2 806,22
Prepayments and incomplete acquisitions	0,00	34 591,81
	4 744 263,54	4 823 160,84
Investments		
Holdings in Group undertakings	34 965 324,91	32 028 867,32
Holdings in associated companies	1 330 000,00	1 330 000,00
Other shares and holdings	434 342,84	283 130,07
	36 729 667,75	33 641 997,39
NON-CURRENT ASSETS TOTAL	**44 809 749,78**	**41 699 370,74**
CURRENT ASSETS		
Inventories		
Finished goods/Items	382 462,58	240 287,65
	382 462,58	240 287,65
Long-term		
Non-current trade receivables	14 171,60	0,00
Receivables from Group companies	22 593 553,38	22 179 963,71
Loan assets	653 925,09	678 925,09
Other receivables	100 000,00	72 000,00
	23 361 650,07	22 930 888,80
Short-term		
Trade receivables	1 085 161,85	521 827,96
Receivables from Group companies	20 326 322,85	22 290 726,66
Loan assets	26 400,00	26 400,00
Other receivables	22 322,27	9 402,97
Prepayments and accrued income	636 046,59	1 160 867,32
	22 096 253,56	24 009 224,91
Cash and cash in bank	315 152,86	158 389,32
CURRENT ASSETS TOTAL	**46 155 519,07**	**47 338 790,68**
ASSETS TOTAL	**90 965 268,85**	**89 038 161,42**

BALANCE SHEET (EUR)	**31.12.2016**	**31.12.2015**
L I A B I L I T I E S		
EQUITY		
Share capital	150 000,00	150 000,00
	150 000,00	150 000,00
Other reserves		
Invested unrestricted equity fund	37 541 513,54	34 892 713,54
	37 541 513,54	34 892 713,54
Profit (loss) from previous financial periods	8 670 488,38	7 805 976,94
Profit (loss) from financial period	6 814 342,05	5 233 008,84
EQUITY TOTAL	**53 176 343,97**	**48 081 699,32**
APPROPRIATIONS		
Depreciation difference	133 406,47	134 636,76
TOTAL APPROPRIATIONS	**133 406,47**	**134 636,76**
COMPULSORY PROVISIONS		
Other compulsory provisions	183 151,52	0,00
COMPULSORY PROVISIONS TOTAL	**183 151,52**	**0,00**
CREDIT CAPITAL		
Long-term		
Subordinated loans	76 954,40	241 008,00
Loans from financial institutions	23 981 568,00	21 536 591,44
Liabilities to companies in the same Group	774 501,96	3 090 516,59
Other payables	460 164,05	460 132,05
	25 293 188,41	25 328 248,08
Short-term		
Loans from financial institutions	7 461 309,84	8 130 092,42
Advances received	12 575,31	14 105,51
Accounts payable	1 462 816,24	1 132 723,24
Liabilities to companies in the same Group	1 133 786,75	4 081 533,46
Other payables	413 244,98	204 946,99
Accruals and deferred income	1 695 445,36	1 930 175,64
	12 179 178,48	15 493 577,26
CREDIT CAPITAL TOTAL	**37 472 366,89**	**40 821 825,34**
LIABILITIES TOTAL	**90 965 268,85**	**89 038 161,42**

NOTES TO THE FINANCIAL STATEMENTS 31/12/2016

NOTES CONCERNING THE PREPARATION OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

Restamax Plc's financial period is 1 January–31 December. The financial statements have been prepared in accordance with the Finnish Accounting Act (FAS).

Principles and methods of valuation and accrual

Valuation of non-current assets

Non-current assets have been valued at their acquisition cost less the accrued depreciation.
The notes for the non-current assets only present the acquisition costs for those non-current assets whose acquisition costs have not been completely depreciated according to the plan.

Basis of and changes to planned depreciation

Commodity group	Estimated service l	Depreciation percentage	Depreciation method
Buildings	30 years		straight-line depreciation
Goodwill	5–7 years		straight-line depreciation
Other intangible assets	3–10 years		straight-line depreciation
Machines and equipment		25	residue cost depreciation

Valuation of current assets

Inventories have been valued according to their varying purchase cost in accordance with the FIFO principle and the lowest value principle in Chapter 5 Section 6(1) of the Accounting Act.

The trade receivables and other receivables marked under non-current assets have been recognised according to their nominal value or their probable value, whichever is lowest.

Comparability of information from previous financial period

When comparing information from this financial period with the previous financial period, the mergers that took place on 1 January 2016 must be taken into account.

Because of this, consecutive financial periods are not mutually comparable.

Pension coverage for personnel

The pension coverage for the Company's personnel has been arranged in external pension insurance companies. Pension insurance payments

have been amortised to correspond with the accruals-based salaries in the financial statements.

Valuation of credit capital

Payables have been valued according to their nominal value.

Own shares

Own shares purchased will be recognised as deductions from the accumulated earnings from previous financial periods.

Distribution of turnover	**31.12.2016**	**31.12.2015**
Restaurant business	22 662 539,99	15 790 717,97
Other business	355 228,85	30 096,77
	23 017 768,84	15 820 814,74

Other operating income	**31.12.2016**	**31.12.2015**
Sales profit	0,00	298 756,23
Rental income	161 422,58	1 317 062,33
Other miscellaneous operating income	835 298,09	105 226,36
Other miscellaneous operating income, Group	3 823 427,67	1 793 214,27
Total	4 820 148,34	3 514 259,19

Materials and services	**31.12.2016**	**31.12.2015**
Materials and supplies		
Purchases during the financial period	5 091 454,88	3 147 482,81
Changes in inventories	21 091,66	-20 896,18
External services	3 068 967,09	2 289 650,54
	8 181 513,63	5 416 237,17

Staff expenses	**31.12.2016**	**31.12.2015**
Number of staff		
Average number of staff	99	72
Total number of staff	99	72
Salaries and fees	3 940 485,50	2 967 577,32
Pension costs	753 365,62	581 053,16
Other indirect employee costs	233 531,07	120 530,89
Total	4 927 382,19	3 669 161,37
Fringe benefits (taxable value)	58 301,07	43 182,03

Other operating expenses	**31.12.2016**	**31.12.2015**
Voluntary indirect employee costs	237 781,31	166 803,42
Costs for business premises	6 661 586,65	4 639 942,51
Costs for machinery and equipment	906 562,60	714 006,98
Travel expenses	172 490,51	183 632,96
Marketing, performer and entertainment expenses	2 131 910,44	1 355 461,92
Other operating expenses	1 457 662,89	1 215 074,01
	11 567 994,40	8 274 921,80

Auditor services	**31.12.2016**	**31.12.2015**
Auditor's fee	50 750,00	57 700,00
Other services	86 862,00	82 161,60
Total	137 612,00	139 861,60

Financing income and expenses	**31.12.2016**	**31.12.2015**
Income from shares in companies of the same Group	636 200,00	1 362 151,35
Impairment of investments in non-current assets		
To companies in the same Group	0,00	-1 894 493,76
From others	-78 000,00	0,00
Interest and other financing income		
From companies in the same Group	1 002 552,83	816 769,68
From others	5 976,02	11 056,98
Interest and other financing expenses		
To companies in the same Group	-9 673,19	-56 528,18
To others	-801 888,35	-697 631,38
Total	755 167,31	-458 675,31

In 2016, the Company received EUR 70,000.00 from Restala Oy as advance dividends.
In 2015, the Company received EUR 950,000.00 from Italpal Oy as advance dividends.

Appropriations	**31.12.2016**	**31.12.2015**
Difference of planned depreciations and depreciations made in taxation	1 230,29	-134 636,76
Group contributions received	6 199 000,00	7 099 102,69
Group contributions given	-158 630,00	0,00
Total	6 041 600,29	6 964 465,93

Income taxes	**31.12.2016**	**31.12.2015**
Income taxes from actual operations	1 115 300,57	1 464 733,91
Taxes from previous financial periods	0,00	-368,43
	1 115 300,57	1 464 365,48

NOTES CONCERNING ASSETS ON THE BALANCE SHEET

Non-current assets

Intangible assets	Goodwill	Other intangible assets	Total
Book value 1 Jan	651 727,45	2 582 485,06	3 234 212,51
Additions	360 776,15	1 054 052,07	1 414 828,22
Deductions	0,00	-28 523,17	-28 523,17
Transfer between items	0,00	-21 188,41	-21 188,41
Depreciation during the financial period	-275 450,86	-988 059,81	-1 263 510,67
Book value on 31 December	737 052,74	2 598 765,74	3 335 818,49

Tangible assets	Buildings	Machines and equipment	Other tangible assets	Prepayments and incomplete acquisitions	Total
Book value 1 Jan	2 341 860,46	2 443 902,35	2 806,22	34 591,81	4 823 160,84
Additions	0,00	904 072,68	0,00	0,00	904 072,68
Transfer between items	0,00	0,00	0,00	-34 591,81	-34 591,81
Deductions	0,00	-183 736,90	-1 412,78	0,00	-185 149,68
Depreciation during the financial pe	-80 720,69	-682 507,80	0,00	0,00	-763 228,49
Book value on 31 December	2 261 139,77	2 481 730,33	1 393,44	0,00	4 744 263,54

Investments	Holdings in Group undertakings	Holdings in associated companies	Other shares and holdings	Total
Book value 1 Jan	31 861 867,32	1 330 000,00	283 130,07	33 474 997,39
Additions	3 594 982,80	0,00	0,00	3 594 982,80
Transfers between items	-491 525,21	0,00	151 212,77	-340 312,44
Book value on 31 December	34 965 324,91	1 330 000,00	434 342,84	36 729 667,75

Company's shares in other companies where its ownership exceeds 20 per cent

Company name and type	Domicile	Share %
Max Siivouspalvelut Oy	Tampere	70,0 %
Koskimax Oy	Tampere	59,6 %
Suomen Diner Ravintolat Oy	Tampere	80,0 %
SRMax Oy	Tampere	85,0 %
Gastromax Oy	Tampere	70,0 %
Soolo Max Oy	Tampere	70,0 %
Tunturimax Oy	Tampere	76,0 %
Beaniemax Oy	Tampere	60,0 %
Roska Yhtiöt Oy	Tampere	80,0 %
Italpal Oy	Tampere	100,0 %
Northmax Oy	Tampere	70,0 %
Levin Ravintolakatu Oy	Helsinki	100,0 %
Suomen Siipiravintolat Oy	Tampere	70,0 %
Hernesaaren Ranta Oy	Helsinki	60,0 %
Dinnermax Oy	Tampere	70,0 %
Purmax Oy	Tampere	60,0 %
Kampin Sirkus Oy (Group)	Tampere	90,0 %
Markkinointitoimisto Aito Finland Oy	Tampere	100,0 %
Poolmax Oy	Tampere	80,0 %
Priima-Ravintolat Oy	Tampere	63,8 %
Rock Hard Catering Oy	Tampere	88,0 %
Tampereen Satamaravintolat Oy	Tampere	100,0 %
Suomen Ravintolatoimi Oy	Jyväskylä	57,9 %
Max Consulting Oy	Tampere	100,0 %
Suomen Ravintolatoimi Oy	Jyväskylä	42,1 %
Bistromax Oy	Tampere	70,0 %
Rengasravintolat Oy (Group)	Tampere	100,0 %
Ravintola Bodega Salud Oy	Tampere	100,0 %
Urban Group Oy	Helsinki	80,0 %
Sabor a México Oy	Helsinki	100,0 %
Cholo Oy	Helsinki	100,0 %
Restala Oy (Group)	Helsinki	100,0 %
Unioninkadun keidas Oy	Helsinki	82,0 %
Unioninkadun keidas Oy	Helsinki	18,0 %
Smile Henkilöstöpalvelut Oy (Group)	Tampere	93,0 %
Max Henkilöstöpalvelut Oy	Tampere	100,0 %
Resta Henkilöstöpalvelut Oy	Tampere	100,0 %
Smile Palvelut Pori Oy	Tampere	80,0 %
Smile Tampere Oy	Tampere	100,0 %
Smile Palvelut Turku Oy	Tampere	100,0 %
Smile Palvelut Hämeenlinna Oy	Hämeenlinna	100,0 %
Smile Huippu Oy	Kuopio	75,0 %
Smile Palvelut Jyväskylä Oy	Tampere	100,0 %
Happy Henkilöstöpalvelut Oy	Tampere	100,0 %
Smile Events & Promotions Oy	Tampere	100,0 %
Smile Palvelut Helsinki Oy	Tampere	100,0 %
Smile Doctors Oy	Tampere	75,0 %
Smile Palvelut Pohjoinen Oy	Tampere	100,0 %
Smile Services Oy	Tampere	100,0 %
Smile MMS Oy	Kuortane	70,0 %
Smile MMS Työllistämispalvelut Oy	Kuortane	70,0 %
Smile Industries Oy	Kuortane	100,0 %
Smile Pohjanmaa Oy	Kuortane	72,0 %
RM Henkilöstöpalvelut Oy	Tampere	100,0 %
Smile Railways Oy	Tampere	100,0 %
Smile Super Oy	Tampere	100,0 %

Holdings in associated companies

Company name and type	Domicile	Share %
SuperPark Oy	Sotkamo	19,0 %

The company has been consolidated into Restamax's consolidated financial statements as an associate, even though the Group has less than 20 per cent of the shares and votes, as the Group has considerable control in the company through a contractual right to appoint one of the five Board members.

Current assets

Inventories	**31.12.2016**	**31.12.2015**
Materials and supplies	382 462,58	240 287,65
	382 462,58	240 287,65

Receivables

Non-current receivables	**31.12.2016**	**31.12.2015**
Trade receivables	14 171,60	0,00
Loan assets	653 925,09	678 925,09
Other receivables	100 000,00	72 000,00
	768 096,69	750 925,09
Non-current receivables from companies in the same Group		
Loan assets	22 593 553,38	22 179 963,71
	22 593 553,38	22 179 963,71
Non-current receivables total	**23 361 650,07**	**22 930 888,80**
Current receivables		
Trade receivables	1 085 161,85	521 827,96
Loan assets	26 400,00	26 411,00
Other receivables	22 322,27	9 402,97
Prepayments and accrued income	636 046,59	1 160 867,32
	1 769 930,71	1 718 509,25
Current receivables from companies in the same Group		
Trade receivables	340 018,62	439 816,73
Prepayments and accrued income	382 139,69	270 400,42
Other receivables from the same Group	6 269 000,00	8 673 102,69
Loan assets	13 335 164,54	12 907 406,82
	20 326 322,85	22 290 726,66
Current receivables total	**22 096 253,56**	**24 009 235,91**

Essential items of prepayments and accrued income		
Amortisations	60 433,47	75 206,83
Other prepayments and accrued income	575 613,12	1 085 660,49
Total	636 046,59	1 160 867,32

Equity		**31.12.2016**	**31.12.2015**
Share capital at the beginning of the financial period		150 000,00	150 000,00
Share capital at the end of the financial period		150 000,00	150 000,00
Invested equity at the end of the financial period in total		**150 000,00**	**150 000,00**
Inv. Invested unrestricted equity fund at beginning of FP		34 892 713,54	34 892 713,54
Private offering		2 648 800,00	0,00
Inv. Invested unrestricted equity fund at end of FP		**37 541 513,54**	**34 892 713,54**
Profit/loss from previous financial periods at the beginning of the financial period		7 805 976,94	1 884 840,79
Transfer of profit/loss from previous financial period		5 233 008,84	10 027 067,44
Dividend distribution		-4 368 497,40	-3 575 026,40
Own shares		0,00	-530 904,89
Profit/loss from previous financial periods at the end of the financial period		**8 670 488,38**	**7 805 976,94**
Profit/loss from financial period		**6 814 342,05**	**5 233 008,84**
Unrestricted equity at the end of the financial period in total		**53 026 343,97**	**47 931 699,32**
Equity total		**53 176 343,97**	**48 081 699,32**

Calculation of distributable equity funds		**31.12.2016**	**31.12.2015**
Profit from previous financial periods		8 670 488,38	7 805 976,94
Net income from financial period (profit + / loss -)	+	6 814 342,05	5 233 008,84
Invested unrestricted equity fund	+	37 541 513,54	34 892 713,54
Distributable funds total	=	**53 026 343,97**	**47 931 699,32**

Own shares

On 1 January 2016, Restamax Plc held 200,000 of its own shares. On 14 November 2016, the Company cancelled its own shares.

At the end of the financial period, Restamax Plc held none of its own shares.

Appropriations	**31.12.2016**	**31.12.2015**
Depreciation difference for buildings	29 374,56	17 105,03
Depreciation difference for machines and equipment	104 031,91	117 531,73
Total appropriations	133 406,47	134 636,76

Compulsory provisions	**31.12.2016**	**31.12.2015**
Rental provision	183 151,52	0,00
	183 151,52	0,00

Credit capital	**31.12.2016**	**31.12.2015**
Non-current credit capital		
Subordinated loans	76 954,40	241 008,00
Loans from financial institutions	23 981 568,00	21 536 591,44
Liabilities to companies in the same Group		
Other liabilities to Group companies	774 501,96	2 999 956,59
Advances received	0,00	90 560,00
	774 501,96	3 090 516,59
Other non-current liabilities	460 164,05	460 132,05
Non-current credit capital total	**25 293 188,41**	**25 328 248,08**

Liabilities that mature later than within five years	**31.12.2016**	**31.12.2015**
Loans from financial institutions	3 721,40	0,00

Current credit capital	**31.12.2016**	**31.12.2015**
Loans from financial institutions	7 461 309,84	8 130 092,42
Advances received	12 575,31	14 105,51
Accounts payable	1 462 816,24	1 132 723,24
Liabilities to companies in the same Group		
Accounts payable	402 094,85	312 352,47
Liabilities	674 964,66	1 999 971,07
Advances received	43 264,00	168 000,00
Accruals and deferred income	13 463,24	1 601 209,92
	1 133 786,75	4 081 533,46
Other payables	413 244,98	204 946,99
Accruals and deferred income	1 695 445,36	1 930 175,64
Current credit capital total	**12 179 178,48**	**15 493 577,26**

Essential items of accrued charges and deferred credits	**31.12.2016**	**31.12.2015**
Salary debt	266 215,36	175 540,17
Holiday salary debt	596 093,12	421 822,22
Pension insurance	178 441,73	166 546,41
Income tax liabilities	173 300,57	967 733,91
Other accruals and deferred income	481 394,58	198 532,93
Accrued expenses, total	1 695 445,36	1 930 175,64

The total balance of the Group account is presented in current liabilities. The parent company's receivable or liability is presented as a receivable from Group companies or a liability to Group companies.

Liabilities and guarantees by balance sheet item and guarantee type

Liabilities with guarantees included on the balance sheet	31.12.2016	31.12.2015
Loans from financial institutions, non-current	23 981 568,00	21 536 591,44
Loans from financial institutions, current	7 461 309,84	8 130 092,42
Total	31 442 877,84	29 666 683,86

Provided guarantees	31.12.2016	31.12.2015
Mortgages on Company assets	34 150 000,00	15 650 000,00
Real estate mortgages	4 096 768,00	2 500 000,00
Bank guarantees	688 135,63	1 653 895,93
Mortgaged securities, shares in subsidiaries at book values	31 596 562,11	25 800 812,42
Other guarantees	1 000 000,00	2 785 000,00
Other provided guarantees in total	71 531 465,74	48 389 708,35

Furthermore, Restamax Oyj has provided an absolute guarantee for all of the companies in the Restamax Group as relates to accounts payable to the wholesaler, up to an amount of EUR 200,000.

Leasing rental agreement liabilities not included on the balance sheet	31.12.2016	31.12.2015
To be paid during the next financial period	5 549,88	13 084,57
To be paid later	2 480,00	6 834,20
Total	8 029,88	19 918,77
Total amount of open leasing rental agreements,	8 029,88	19 918,77
due during next financial period	5 549,88	13 084,57
due later	2 480,00	6 834,20
The agreements can be terminated by paying the residual value for the remaining instalments	8 029,88	19 918,77

Other liabilities

Other guarantee engagements not included or marked on the balance sheet

	31.12.2016	31.12.2015
Rental guarantee, VAT 0 per cent	32 914 503,36	32 055 342,81
	32 914 503,36	32 055 342,81

	31.12.2016	31.12.2015
Staff Henkilöstöpalvelut Oy, purchase guarantee approx.	MEUR 2.1	MEUR 12.9
Guarantee liability from purchases	200 000,00	200 000,00

FUNDS STATEMENT FOR 1 JANUARY–31 DECEMBER 2016

€ thousand	1 January– 31 December 2016	1 January– 31 December 2015
Operating cash flow:		
Profit (loss) before extraordinary items	1 888	-267
Adjustments:		
Planned depreciations and impairment	2 028	1 783
Other income and expenses that do not incur payments	-889	-199
Financing income and expenses	-755	459
Other adjustments	83	-297
Cash flow before change in working capital	2 355	1 478
Change in working capital:		
Increase (-)/deduction (+) in current interest-free receivables	319	-417
Increase (-)/deduction (+) in inventories	21	-21
Increase (-)/deduction (+) in current interest-free payables	-948	1 534
Operating cash flow before financial items and taxes	1 746	2 574
Interest and fees paid for other operating finance costs	-757	-797
Dividends received from operation	1 516	10 174
Interest received from operation	896	938
Immediate taxes paid	-1 914	-497
Cash flow before extraordinary items	1 488	12 392
Operating cash flow (A)	1 488	12 392
Investment cash flow:		
Investments in tangible and intangible assets	-984	-943
Income from assignment of tangible and intangible assets	1 082	1 291
Investments in other investments	-779	-5 739
Deduction (+)/increase (-) of non-current loans receivable	-2 245	-13 849
Investment cash flow: (B)	-2 926	-19 240
Finance cash flow:		
Acquisition of own shares (-)	0	-531
Current loans drawn (+)/repaid (-)	-1 367	1 956
Non-current loans drawn (+)	21 740	11 000
Non-current loans repaid (-)	-20 960	-4 824
Dividends paid and other distribution of profits	-4 368	-3 575
Group contributions received (+)	6 424	2 537
Finance cash flow: (C)	1 469	6 563
Change in cash and cash equivalents (A+B+C), increase (+)/deduction (-)	30	-285
Cash and cash equivalents at the beginning of the financial period	158	444
Cash and cash equivalents transferred in merger	126	
Cash and cash equivalents at the end of the financial period	315	158
Cash and cash equivalents at the end of the financial period, excluding the mer	30	-285
Change	0	0

SIGNATURES FOR FINANCIAL STATEMENTS AND ANNUAL REPORT 31 DECEMBER 2016

DATE AND SIGNATURES

Tampere, 3 April 2017

Timo Laine Chairman of the Board of Directors	Mikko Aartio
Timo Everi	Mika Niemi
Petri Olkinuora	Jarmo Viitala
Markku Virtanen CEO	

AUDITOR'S NOTE

An audit report has been provided today.

Date and signatures

Tampere, 3 April 2017

Deloitte & Touche Oy
Authorised Public Accountants

Hannu Mattila
APA

NOTES TO FINANCIAL STATEMENTS 31/12/2016

List of accounting books, receipt types and storage methods

	Storage method
General journal	Electronic archive
Nominal ledger	Electronic archive
Accounts receivable	Electronic archive
Accounts payable	Electronic archive
Payroll accounting	Paper documents/Electronic archive
Balance sheet book	Separately bound/ www.restamax.fi
Balance sheet specifications	Paper prints

	Receipt type
Manual entry	80000
Account receipts (TITO)	170000
Sales invoice sums	120001
Payments	70000
Purchase invoices	200000
Payment of the purchase invoice	40000
Kasperi receipts	160000
eAttest amortisation	150000
Allocation receipts	100001
External preliminary systems	300000
Receipt of notes to the accounts	LTT01