Restamax Plc

FINANCIAL STATEMENTS

31.12.2017

Restamax Plc
Hatanpään valtatie 1 B
FI-33100 Tampere

Business ID 1952494-7
Domicile Tampere

Consolidated financial statements 31 December 2017
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Business ID 1952494-7

Annual report from the Board of Directors

Restamax Plc is the parent company of the Restamax Group. In addition to the parent company, the consolidated financial statements include 83 subsidiaries.

In the 2017 financial period, Restamax's strong growth continued, with profitability remaining at a good level. Improvement in the general financial situation in Finland had a positive impact on the restaurant business and labour hire.

Key events during the financial period

In 2017, the overall market of the restaurant field and labour hire grew in Finland. During the financial period, the Group strengthened the presence of both segments in many cities and also expanded its operations to new locations. Labour hire expanded and strengthened its operations particularly in the construction, industrial and logistics sectors. During the financial period, the Group concluded several corporate acquisitions especially in labour hire, and opened new restaurants.

Key figures concerning financial position and net income

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

TEUR	**2017**	**2016**	**2015**
Turnover	22 506,9	23 017,8	15 820,8
EBITDA	2 095,7	3 161,0	1 974,8
% of turnover	9,3 %	13,7 %	12,5 %
Operating profit	337,5	1 132,9	191,6
% of turnover	1,5 %	4,9 %	1,2 %
Return on equity %	12,1 %	13,5 %	11,0 %
Equity ratio %	52,3 %	58,5 %	54,2 %

Key figures describing financial position and net income of the Group

TEUR	**2017**	**2016**	**2015**
Turnover	185 856,2	130 071,9	113 618,1
Material margin	154 095,6	102 799,4	87 828,3
% of turnover	82,9 %	79,0 %	77,3 %
EBITDA	22 404	19 398,8	16 535,8
% of turnover	12,1 %	14,9 %	14,6 %
Operating profit	10 767	8 997,9	7 266,3
% of turnover	5,8 %	6,9 %	6,4 %
Total assets	133 060,5	97 666,0	90 579,6
Return on investment %	10,7 %	11,9 %	10,8 %
Return on equity %	12,1 %	14,0 %	12,1 %
Equity ratio %	35,3 %	45,2 %	44,4 %
Gearing ratio %	93,1 %	69,1 %	73,2 %
Staff expense %	46,3 %	36,9 %	33,9 %
Gross investments	24 524,8	10 174,5	16 891,7

Key figures per share

		2017	2016	2015
Earnings per share, undiluted	EUR	0,30	0,35	0,31
Earnings per share, diluted	EUR	0,30	0,35	0,31
Equity per share	EUR	2,7	2,65	2,48
Dividend per share	EUR	0.33 (*)	0,30	0,27
Dividend/earnings per share	%	108,4	85,7	87,1
Effective dividend yield	%	3,9	5,0	5,4
Price-to-earnings ratio (P/E)		28,57	17,2	16,2
Share price 31 December	EUR	8,57	6,01	5,01
Average share price	EUR	7,55	5,10	4,00
Highest share price during financial period	EUR	9,16	6,32	5,09
Lowest share price during financial period	EUR	5,71	4,28	3,48
Market value for shares	MEUR	142,43	99,88	82,06
Exchange of shares during financial period	pcs	2 624 943	7 501 446	4 134 568
Proportionate exchange of shares	%	15,79	45,14	25,24
Adjusted average number of shares during financial period	pcs	16 619 620	16 235 842	16 203 745
Adjusted average number of shares on 31 December	pcs	16 619 620	16 619 620	16 379 620

(*) Board of Directors' proposal.

Segment-specific key figures

Operating profit %		2017	2016	2015
Operating profit, % restaurant	%	5,7	6,9	6,5
Operating profit, % labour hire	%	5,1	4,7	3,2

EBITDA %		2017	2016	2015
EBITDA %, restaurant	%	13,4	15,3	14,8
EBITDA %, labour hire	%	8,7	10,1	8,9

Material margin %		2017	2016	2015
Material margin %, restaurant	%	74,1	74,6	74,3

Staff expense %		2017	2016	2015
Staff expense %, restaurant	%	28,0	28,1	28,5
Staff expense %, labour hire	%	83,7	85,5	85,2

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

Personnel information

Key figures describing the personnel of the parent company

	2017	2016	2015
Average number of employees	104	99	72
Salaries and fees for financial period	3 887,6	3 940,5	2 967,6

Key figures describing the personnel of the Group

	2017	2016	2015
Average number of employees			
Full-time staff	477	270	268
Part-time staff	1784	860	644
Salaries and fees	67 869,4	36 851,9	29 342,6

Segment-specific key figures describing the personnel

Average staff, **restaurant**	2017	2016	2015
Full-time staff	361	270	268
Part-time staff translated into full-time staff	143	110	103
Salaries and fees	16 127,9	13 266,4	12 625,5

Average staff, **labour hire**	2017	2016	2015
Full-time staff	116	0	0
Part-time staff translated into full-time staff	1641	750	541
Salaries and fees	51 741,9	23 585,5	16 717,1

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	10 498 944,43
Profit for the financial period	EUR	6 529 099,62
Unrestricted equity	EUR	54 569 557,59
of which distributable	EUR	54 569 557,59

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.33 per share (16,619,620 shares) be distributed from the profit for the financial period of EUR 6,529,099.62, amounting to EUR 5,484,474.60. According to the current understanding of the Board of Directors, the proposed distribution of dividends will not endanger the company's solvency.

Shares in the company

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 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.

Markku Virtanen was the CEO of the company up to 21 May 2017, Jarno Suominen performed the duties of the acting CEO from 22 May until 31 August 2017, and Juha Helminen was CEO from 1 September 2017. The auditors for the parent company and Group were Deloitte Oy, Authorised Public Accountants, with APA Hannu Mattila as the responsible auditor.

Subordinated loans

Subordinated loans, TEUR	**31.12.2017**	**31.12.2016**
Parent company	0,0	77,0
Group	220,0	297,0

Conditions for subordinated loan, EUR 220,000.00.
The company has received a subordinated loan defined in 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 the 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 signing 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 2017

In January 2017, Restamax Plc purchased 60% 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. Also in January, Rivermax Oy was established in which Restamax Plc has a 72% shareholding.

In January 2017, Smile Industries Jyväskylä Oy and Smile Industries Kuopio Oy were established. Restamax Plc's subsidiary Smile Industries Oy owns 100% of Smile Industries Jyväskylä Oy and 90% of Smile Industries Kuopio Oy.

In February 2017, Restamax Plc sold its entire shareholding of 70% of Max Siivouspalvelut Oy. Control of the shares was transferred on 28 February 2017. In February, the companies Skohan Oy and Somax Oy were established. Restamax Plc owns 75% of Skohan Oy and 70% of Somax Oy. Also in February, a 20% minority shareholding in Restamax Plc subsidiary Hernesaaren Ranta Oy was bought. This increases Restamax Plc's shareholding in Hernesaaren Ranta Oy to 80%.

In February 2017, Smile Industries Tampere Oy was established with Restamax Plc subsidiary Smile Industries Oy owning a 76.50% shareholding.

In March 2017, a 10% minority shareholding in Restamax Plc subsidiary Smile Palvelut Ilo Oy was bought. This increased the shareholding of Restamax Plc subsidiary Smile Henkilöstöpalvelut Oy in Smile Palvelut Ilo Oy to 90 %. In March, Smile ICT Oy was established with Restamax Plc subsidiary Smile Henkilöstöpalvelut Oy owning a 55 % shareholding.

In April 2017, Restamax Plc's subsidiary engaging in the restaurant business bought 80% of the shares in Tillikka Oy with a deed of sale dated 31 March 2017. The ownership of the shares was transferred on 1 April 2017.

In April 2017, Restamax Plc's subsidiary engaging in the labour hire business, Smile Henkilöstöpalvelut Oy, bought the entire shareholding of Smile Banssi Oy (formerly Pasianssi Oy) with a deed of sale dated 5 April 2017. The business and ownership of the object of the transaction were transferred to the Group on 5 April 2017.
Smile Banssi Oy's subsidiaries are Smile Banssi Etelä Oy (formerly Banssi etelä Oy), Smile Banssi Pohjoinen Oy (formerly Banssi pohjoinen Oy), Smile Banssi Häme Oy (formerly Banssi häme Oy), Smile Banssi Uusimaa Oy (formerly Banssi uusimaa Oy), Smile Banssi Itä Oy (formerly Banssi itä Oy), Smile Banssi Länsi Oy (formerly Banssi länsi Oy), Smile Banssi Keski Oy (formerly Banssi keski Oy), Smile Banssi Kaakko Oy (formerly Banssi kaakko Oy), Smile Banssi Lappi Oy (formerly Banssi lappi Oy), Smile Banssi Helsinki Oy (formerly Banssi Helsinki Oy), Smile Banssi Safety Oy (formerly Banssi Safety Oy), Smile Rmax Oy (formerly Banssi Hoiva Oy) and Talous Bandora Oy.

In April 2017, a private offering of shares was carried out in Restamax Plc's subsidiary Smile Henkilöstöpalvelut Oy. As a result of the offering, Restamax Plc's shareholding in Smile Henkilöstöpalvelut Oy is 80.77 %. Also in April, a share exchange was carried out in Smile MMS Oy, as a result of which Restamax Plc subsidiary Smile Henkilöstöpalvelut Oy owns 100% of shares in Smile MMS Oy.

In May 2017, Mikonkadun keidas Oy was established in which Restamax Plc has a 90% shareholding.

In June 2017 with a deed of sale dated 2 June 2017, Restamax Plc purchased 90% of the shares in Harry's Ravintolat Oy. The ownership of the shares was transferred on 2 June 2017. In June, Restamax Plc bought a 20% minority holding in its subsidiary Roska Yhtiöt Oy. As a result of the transaction, Roska Yhtiöt Oy is now a wholly-owned subsidiary of Restamax Plc.

In June 2017, a 10% minority shareholding in Restamax Plc subsidiary Smile Palvelut Ilo Oy was bought. This increased the shareholding of Restamax Plc subsidiary Smile Henkilöstöpalvelut Oy in Smile Palvelut Ilo Oy to 100 %.

In July 2017 with a deed of sale dated 1 July 2017, Restamax Plc's subsidiary engaging in the labour hire business purchased 100% of the shares in Smile Job Services One Oy (formerly Job Services One Oy). The right of ownership of the shares was transferred on 1 July 2017. In July, a private offering of shares was carried out in Smile Henkilöstöpalvelut Oy, as a result of which Restamax Plc's holding in Smile Henkilöstöpalvelut Oy is 78.35%.

In August 2017, Restamax Plc's wholly-owned subsidiary Ravintola Bodega Salud Oy was merged with its wholly-owned subsidiary Rengasravintolat Oy. Also in August, a 15% minority shareholding in Restamax Plc subsidiary Talous Bandora Oy was bought. This increases the shareholding of Restamax Plc subsidiary Smile Banssi Oy in Talous Bandora Oy to 66%.

In September 2017, Smile Education Oy was established, with Restamax Plc subsidiary Smile Henkilöstöpalvelut Oy owning a 51% shareholding.

In October 2017, Pyynikin Brewery Restaurants Oy was established, with Restamax Plc subsidiary Gastromax Oy owning a 85% shareholding. In October, Smile Industries Manse Oy and Smile Botnia Oy were also established. Restamax Plc subsidiary Smile Industries Tampere Oy owns 100% of Smile Industries Manse Oy and Smile Henkilöstöpalvelut Oy owns 90% of Smile Botnia Oy.

In November 2017, Restamax Plc bought an 18.18% minority shareholding in Smile Banssi Etelä Oy, a 20% minority shareholding in Smile Banssi Häme Oy, an 18.18% minority shareholding in Smile Banssi Uusimaa Oy, a 20% minority shareholding in Smile Banssi Itä Oy, a 20% minority shareholding in Smile Banssi Länsi Oy, a 20% minority shareholding in Smile Banssi Keski Oy, a 20% minority shareholding in Smile Banssi Lappi Oy, a 20% minority shareholding in Smile Banssi Helsinki Oy, a 30% minority shareholding in Smile Banssi Safety Oy, a 20% minority shareholding in Smile Banssi Kaakko Oy, a 20% minority shareholding in Smile Hoiva Oy an a 44% minority shareholding in Talous Badora Oy. As a result of the transactions, Restamax Plc subsidiary Smile Banssi Oy owns 90.91% of Smile Banssi Etelä Oy, 100% of Smile Banssi Häme Oy, 90.91% of Smile Banssi Uusimaa Oy, 100% of Smile Banssi Itä Oy, 100% of Smile Banssi Länsi Oy, 90% of Smile Banssi Keski Oy, 90% of Smile Banssi Lappi Oy, 100% of Smile Banssi Helsinki Oy, 100% of Smile Banssi Safety Oy, 90% of Smile Banssi Kaakko Oy, 100% of Smile Hoiva Oy and 100% of Talous Bandora Oy.

Account on the scope of research and development activities

The company is not engaged in any actual research activities. 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 2017, 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 operations

Generally negative financial development 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 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 parties 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 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 consumers. In the labour hire business, the ageing of the Finnish population and the decreasing of the relative number of people of working age will probably hamper the availability of labour.

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 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, labour legislation 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 share of Restamax’s business operations is subject to licences and closely controlled. Unexpected regulatory changes may adversely affect the company's operating activities, since Restamax's operating activities are significantly dependant on matters subject to a licence, such as licences to serve alcohol. 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 in any trial or authoritative process that is negative to the company may adversely affect the company's operating activities. Restamax has extensive operations all over Finland, and Group companies may become a party to or an object of a trial, authoritative process or legal action that is related to their operations. 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 or legal action 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 flows and 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.

Damage risks, sich as the fire risk, are covered with appropriate insurances, and they cover property risks, interruption risks and liability for damage risks. An external partner is used to take care of insurance issues. The intention of taking out insurance policies is to cover, at a sufficient protection level, all risks which it is sensible to protect against financially or for some other reason.

Goodwill has been tested during the last quarter of 2017. According to the impairment tests of these asset items, goodwill has not been impaired.

Shareholders

At the end of the 2017 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 (16,619,620). At the end of the financial period, the company did not possess any shares in Restamax Plc. Restamax Plc's subsidiary Smile Huippu Oy held 43,500 shares (43,500) on 31 December 2017, which is equivalent to approximately 0.26% of the company's entire share capital.

According to the list of shareholders, the company had 2,781 (2,052) shareholders on 29 December 2017.

On 29 December 2017, the company's ten largest shareholders were as follows:

Shareholder	Shares (pcs)	%
Pimu Capital Oy **	3 500 000	21,1
Laine Capital Oy *	3 036 000	18,3
Niemi Mika Rainer	2 236 789	13,5
Mr Max Oy*	1 574 064	9,5
Evli Suomi Pienyhtiöt	831 248	5,0
Sign Systems Finland Oy	751 540	4,5
Niemi Hanna-Stiina	414 822	2,5
Mutual Pension Insurance Company Ilmarinen	395 000	2,4
Laakkonen Mikko Kalervo	340 000	2,0
Elo Mutual Pension Insurance Company	271 566	1,6
Total	13 351 029	80,3

* Entity controlled by Board member Timo Laine.
** Entity controlled by Board member Mikko Aartio.

Non-financial information

Description of business model

Restamax's head office is in Tampere and the company also has regional offices at many locations around Finland. The Group has restaurants at many locations around Finland.

Restamax's business mainly comprises the production and provision of restaurant services and labour hire services. Purchases by Restamax Group from producers of products and services from outside the Group constitute approximately 19% of the Group's turnover. Restamax has approximately 520 producers and suppliers of products/goods and services from outside the Group.

Approximately 44.6% of the Group's turnover is spent on employee salaries and social security. Labour at the Group's branches is strongly local.

Environmental matters

In its operations, Restamax endeavours to take into account and reduce its environmental impact and to promote recycling. Restamax Group's restaurants comply with valid decrees concerning the recycling and sorting of waste. The Group estimates that the amount of food waste in its entire restaurant segment is approximately 0.1-0.2% of turnover per year. In 2018, Restamax Group has introduced the Hävikkimestari (waste master) programme together with L&T, by which it aims to minimise food waste.

In purchasing for Restamax's restaurant operations, different packaging material accumulates and efforts are made to recycle it. Restamax's environmental impact also concerns energy consumption on its premises, among other things. According to an estimate by Restamax, its own operations involve no fundamental risks to the environment. In 2017, electricity consumption was approximately €1.6 million in the entire Group.

Social and personnel matters

In personnel policy, Restamax aims to provide equal opportunities for all employees, ensure equal treatment and pay, as well as good working conditions. During spring 2018, Restamax will commission an even more extensive job satisfaction survey of personnel than before. Occupational well-being and recreational activities for personnel are an essential part of employee comfort and ability to cope. Restamax encourages and supports its personnel to cope better at work and to maintain their working capacity through partner benefits, among other things.

Restamax's restaurant segment annually employs approximately 800 people converted into full-time employees, as a result of which the equal treatment and maintenance of occupational well-being of personnel are important values for the Group.

In cooperation with Tredu (Tampere Vocational College), Restamax also organises the Restamax Academy. The aim of the Academy is to maintain the skills and constant development of personnel. The aim is also to offer personnel development opportunities and more diverse career paths. At Group level, the aim is to construct career paths more systematically.

Respect of human rights

Restamax supports human rights and principles concerning the development of working conditions. Respect of human rights concerns, among other things, the company's personnel and procurement policy. Restamax Group does not buy products or services from suppliers that violate or neglect national or international human rights conventions. Restamax's aim is to provide all employees with equal opportunities and treatment.

Prevention of corruption and bribery

Restamax does not accept bribery in any form in its operations. All the Group's financial transactions are entered in the accounts. The Group's financial transactions are audited through internal controls and in the annual audit. The Group's accounts are transparent for the financial management.

Board of Directors' authorisations

On 26 April 2017, 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 stock list of 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 upon by the Board of Directors. The maximum amount of the shares to be purchased is equivalent to approximately 4.8% of all the shares and votes of the company calculated using the share count on the publication date of the notice of the Annual General Meeting, 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 the other matters related to the purchase of the company's own shares. The authorisation will expire at the end of the 2018 Annual General Meeting, however no later than 18 months of the Annual General Meeting's authorisation decision.

The Annual General Meeting of 26 April 2017 authorised the Board of Directors to decide upon a share issue on the following terms: 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 ("Share Issue Authorisation"). The new shares can be issued and the company's own shares held by it can be assigned in one or more instalments, either with or without payment. The new shares can be issued and the company's own shares held by it can be assigned to company shareholders in proportion to the company shares that they already own or, deviating from the shareholders' pre-emptive right, in a special share issue if, from the company's perspective, there is a justified financial reason for it, such as the financing or implementation of corporate acquisitions or other arrangements, development of the company's equity structure, improvement of share liquidity or the implementation of company incentive schemes. 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. A special issue may only be arranged without payment if a justified financial reason exists in terms of the overall benefit of the company and all of its shareholders. The Board of Directors was authorised to decide on the other matters related to share issues. The Share Issue Authorisation will expire at the end of the Annual General Meeting of 2018, however no later than 18 months from the Annual General Meeting's Share Issue Authorisation decision.

Key events occurring after the closing date

Restamax Plc's subsidiary engaging in the labour hire business purchased the entire shareholding of Kymppi Service Oy with a deed of sale dated 18 January 2018. The right of ownership and management was transferred on 1 February 2018.

On 22 January 2018, Restamax announced plans to revamp its organisation and the structure of its Executive Team. Restamax's operational organisation was divided into three business units: Nightclubs, Food restaurants, and Pubs&Entertainment, each with their own responsible director. The position of Chief Procurement Officer (CPO) was established to strengthen purchasing operations and the efficiency thereof. The roles of sales and marketing strategy were increased in the organisation and, for that purpose, the position of Chief Commercial Officer (CCO) will be established.

On 13 March 2018, Restamax communicated that the Board of Directors has decided to review and evaluate the listing of the labour hire business comprising its subsidiary Smile Henkilöstöpalvelut Oy and its subgroup on the Nasdaq Helsinki Ltd Stock Exchange. The evaluation process will be carried out during spring 2018.

Restamax Plc's subsidiary engaging in the labour hire business, Smile Henkilöstöpalvelut Oy, bought 80% of the share capital of Adicio Oy. The right of ownership and management will transferred on 3 April 2018.

On 23 March 2018, Restamax communicated that it will expand its restaurant business operations to Denmark, where it will operate through its subsidiary Restamax Operations Denmark. The company will buy over 90% of the Danish Cock's & Cows and The Bird companies. Ownership will be transferred on 4 April 2018.

Prospects for 2018

In accordance with its strategy, Restamax expects the Group's turnover to increase and profitability to remain on a good level in both segments in the 2018 financial period. The restaurant segment is expected to reach a turnover of approximately MEUR 140 and in labour hire a turnover of approximately MEUR 110 is expected, the total turnover being some MEUR 240 after eliminations.

Restamax's goal is to reach a turnover of approximately MEUR 400 by the end of 2020 after internal eliminations. The goal of the restaurant segment is to reach a turnover of approximately MEUR 200, and the goal of the labour hire segment is to reach a turnover of approximately MEUR 220, by the end of 2020.

Restamax Plc
Business ID 1952494-7

Group income statement (IFRS)

EUR thousand	**Note**	**1 January 2017–31 December 2017**	**1 January 2016–31 December 2016**
Turnover	21	185 856,2	130 071,9
Other operating income	22	1 809,7	2 533,9
Materials and services	23	-35 774,4	-30 070,7
Staff expenses	24	-82 966,1	-45 311,7
Other operating expenses	26	-46 521,2	-37 824,6
EBITDA		**22 404,2**	**19 398,8**
Depreciations, amortisations and impairment	25	-11 637,4	-10 400,9
Operating profit		**10 766,7**	**8 997,9**
Share of associated company profit		68,3	-151,2
Financial income	27	42,9	186,6
Financial expenses	27	-2 853,2	-1 139,4
Financial expenses (net)	27	-2 810,3	-952,8
Profit/loss before taxes		**8 024,8**	**7 893,9**
Income taxes	28	-3 081,3	-1 933,8
Change in deferred taxes	17,28	548,2	-95,7
Profit for the financial period		**5 491,6**	**5 864,4**
Attributable to			
Parent company shareholders		5 057,8	5 608,1
Minority shareholders		433,8	256,3
Total		**5 491,6**	**5 864,4**
Earnings per share calculated from the profit to parent company shareholders			
Earnings per share (euros), undiluted, profit from the financial period	7	0,30	0,35
Earnings per share (euros), diluted, profit from the financial period	7	0,30	0,35

Comprehensive consolidated income statement

Profit for the financial period		**5 491,6**	**5 864,4**
Other comprehensive income for the financial period (after taxes):			
Financial assets available for sale	14	2,9	0,0
Total comprehensive income for the period		**5 494,5**	**5 864,4**
Attributable to:			
Parent company shareholders		5 060,7	5 608,1
Minority shareholders		433,8	256,3
Total		**5 494,5**	**5 864,4**

The notes on pages 15–68 are a material part of the financial statements.

Restamax Plc
Business ID 1952494-7

Group balance sheet (IFRS)

EUR thousand	Note	31.12.2017	31.12.2016
ASSETS			
Non-current assets			
Intangible assets	9	66 219,7	47 435,8
Property, plant and equipment	10	32 391,2	28 834,3
Shares in associated companies and joint ventures	11	2 938,0	1 178,8
Financial assets available for sale	14	685,1	620,2
Interest-bearing loans receivable	13	125,3	168,2
Non-interest-bearing other receivables	13	717,2	1 030,7
Deferred tax assets	17	594,9	142,1
Non-current assets total		**103 671,5**	**79 410,2**
Current assets			
Inventories	12	2 971,8	2 317,6
Interest-bearing loans receivable	13	0,0	30,0
Trade and other receivables	13	23 847,2	14 037,2
Cash and cash equivalents	15	2 570,0	1 871,1
Current assets total		**29 389,0**	**18 255,9**
Assets in total		**133 060,5**	**97 666,0**
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital	16	150,0	150,0
Invested unrestricted equity fund	16	40 510,2	36 586,1
Fair value fund	16	-4,5	-13,3
Own shares	16	-191,4	-191,4
Retained earnings	16	4 237,5	6 541,4
Equity loan	16	220,0	220,0
Total equity attributable to parent company shareholders		**44 921,7**	**43 292,8**
Minority shareholders	16	1 971,2	669,0
Equity, total		**46 892,9**	**43 961,8**
Non-current liabilities			
Deferred tax liabilities	17	1 928,5	703,0
Provisions	18	0,0	183,2
Financial liabilities	19	34 643,0	24 369,9
Trade payables and other liabilities	20	3 674,8	796,4
Non-current liabilities total		**40 246,2**	**26 052,5**
Current liabilities			
Financial liabilities	19	11 682,5	8 193,0
Trade payables and other liabilities	20	34 238,9	19 458,8
Current liabilities total		**45 921,4**	**27 651,7**
Liabilities total		**86 167,6**	**53 704,2**
Equity and liabilities in total		**133 060,5**	**97 666,0**

The notes on pages 15–68 are a material part of the financial statements.

Consolidated statement of changes in equity

Equity attributable to parent company shareholders

EUR thousand	Share capital	Invested unrestricted equity	Fair value fund	Own shares	Retained earnings	Equity loan	Total	Share of minority shareholders	Equity, total
Equity 1 January 2017	**150,0**	**36 586,1**	**-13,3**	**-191,4**	**6 541,4**	**220,0**	**43 292,8**	**669,0**	**43 961,8**
Comprehensive income of the review period									
Profit for the financial period					5 057,8		**5 057,8**	433,8	**5 491,6**
Financial assets available for sale					2,9		**2,9**		**2,9**
Total comprehensive income for the financial period	0,0	0,0	0,0	0,0	5 060,7	0,0	**5 060,7**	433,8	**5 494,5**
Other changes			8,8				**8,8**		**8,8**
Other changes total	0,0	0,0	8,8	0,0	0,0	0,0	**8,8**		**8,8**
Transactions with shareholders									
Equity loans							**0,0**		**0,0**
Dividend distribution					-4 985,9		**-4 985,9**	-491,6	**-5 477,5**
New issue		3 924,0					**3 924,0**	1 088,6	**5 012,6**
Acquisition of own shares							**0,0**		**0,0**
Changes in minority shareholders’ shares without a change in controlling interest					-2 378,7		**-2 378,7**	296,4	**-2 082,3**
Changes in minority shareholders’ shares that led to a change in controlling interest							**0,0**	-25,2	**-25,2**
Transactions with shareholders, total	**0,0**	**3 924,0**	**0,0**	**0,0**	**-7 364,6**	**0,0**	**-3 440,6**	**868,3**	**-2 572,3**
Equity 31 December 2017	**150,0**	**40 510,1**	**-4,5**	**-191,4**	**4 237,5**	**220,0**	**44 921,7**	**1 971,2**	**46 892,9**

Equity attributable to parent company shareholders

EUR thousand	Share capital	Invested unrestricted equity	Fair value fund	Own shares	Retained earnings	Equity loan	Total	Share of minority shareholders	Equity, total
Equity 1 January 2016	**150,0**	**33 937,3**	**-13,3**	**-972,6**	**6 293,1**	**220,0**	**39 614,5**	**428,9**	**40 043,4**
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 period	0,0	0,0	0,0	0,0	5 608,1	0,0	**5 608,1**	256,3	**5 864,4**
Transactions with shareholders									
Dividend distribution					-4 356,8		**-4 356,8**	-229,1	**-4 585,9**
New 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 a change in controlling interest					-221,9		**-221,9**	212,9	**-9,0**
Share acquisitions of minority shareholders that led to a change in controlling interest							**0,0**		**0,0**
Transactions with shareholders, total	**0,0**	**2 648,8**	**0,0**	**781,2**	**-5 359,9**	**0,0**	**-1 929,8**	**-16,2**	**-1 946,0**
Equity 31 December 2016	**150,0**	**36 586,1**	**-13,3**	**-191,4**	**6 541,3**	**220,0**	**43 292,8**	**669,0**	**43 961,8**

The notes on pages 15–68 are a material part of the financial statements.

Group cash flow statement (IFRS)

EUR thousand	2017	2016
Operating cash flow		
Profit for the financial period	5 491,6	5 864,4
Adjustments:		
Non-cash transactions	-190,6	-432,9
Depreciations, amortisations and impairment	11 637,4	10 400,9
Financial expenses (net)	2 810,3	952,8
Taxes	2 533,1	2 029,5
Share of profits or losses of associated company	-68,3	151,2
Cash flow before change in working capital	**22 213,6**	**18 965,9**
Changes in working capital:		
Increase (-)/deduction (+) in accounts receivable and other receivables	-4 356,2	-3 275,1
Increase (-)/deduction (+) in inventories	-378,4	-34,5
Increase (+)/deduction (-) in accounts payable and other liabilities	4 488,3	1 506,4
Change in working capital	**-246,3**	**-1 803,2**
Dividends received	3,4	0,0
Interest paid and other financial costs	-1 033,5	-1 021,4
Interest received	46,6	67,3
Taxes paid	-3 178,8	-2 687,0
Operating net cash flow	**17 804,9**	**13 521,6**
Investment cash flow		
Sales of available-for-sale financial assets	9,0	0,0
Investments in tangible and intangible assets (-)	-11 152,3	-7 193,0
Deduction (+)/increase (-) of non-current loans receivable	-110,7	94,7
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-7 226,7	-1 364,3
Sales of subsidiaries with time-of-acquisition liquid assets deducted	92,6	0,0
Business transactions, acquisitions (-)	-3 526,9	-1 507,7
Business transactions, sales (+)	126,4	126,8
Acquisition of the shares of minority shareholders (-)	-1 156,0	-110,0
Sales of the shares of minority shareholders (+)	0,0	0,5
Associated company shares purchased	-1 690,8	0,0
Investment net cash flow	**-24 635,5**	**-9 952,9**
Financial cash flow		
Non-current loans drawn (+)	19 135,0	21 740,0
Non-current loans repaid (-)	-6 589,5	-19 791,7
Current loans drawn (+)/repaid (-)	1 030,1	-1 207,1
Dividends paid	-6 046,1	-4 573,9
Finance net cash flow	**7 529,5**	**-3 832,7**
Change in liquid assets	**698,9**	**-264,1**
Liquid assets 1 Jan	**1 871,1**	**2 135,1**
Liquid assets 31 Dec	**2 570,0**	**1 871,1**
Change	**698,9**	**-264,1**

The notes on pages 15–68 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 services 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. The Group has 144 bars, restaurants and night clubs in different parts of the country; of these, 131 are operated by the Group, 9 are franchising outlets and 4 are sublet. The Group also engages in other activities that support the restaurant industry. The Group's restaurant concepts include Viihdemaailma Ilona, Classic American Diner, Colorado Bar & Grill, 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 27 March 2018. 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 sixth 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 2017, as well as the SIC and IFRIC interpretations issued in relation to them. The 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 in 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 following standards and amendments to standards have been adopted for the first time in the Group as of the financial period that begun on 1 January 2017:
- Recording deferred tax assets from unrealised losses – amendments to IAS 12,
- Project concerning the information to be presented in financial statements – amendments to IAS 7.

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

Use of estimates

Consolidation under the IFRS standards requires the use of specific estimates and assumptions that affect the figures reported. 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 deferred tax. Taxes are recorded through 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 recorded 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 recorded 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 recorded when the asset item or liability in question is one that would be originally entered into bookkeeping, there is no combination of business activities involved, and the entry of such an asset item 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 recorded 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 measured 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 a separate asset item 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 recorded.

A provision will be recorded 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 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 created when the Group, through involvement in the entity, is exposed to the entity's variable returns or is entitled to them, and can influence 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 control ceases to exist. The amount by which the acquisition cost exceeds the Group's share of the fair value of the purchased net identifiable assets is recorded 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 expenditure, excluding the expenditure from issuing current liability and equity convertible securities, has been recorded as expense. Any conditional additional purchase price has been measured at fair value at the moment of acquisition, and has been classified as liability or equity. Additional purchase price classified as liability is measured at fair value on each closing date, and the generated profit or loss is recorded through profit or loss. Additional purchase price classified as equity is not re-measured. Any non-controlling interests in the object acquired are measured at either fair value or an amount corresponding to the proportion of the non-controlling interests in the net identifiable assets of the object acquired. The measurement principle is defined separately for each business acquisition.

Intragroup 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 of the financial statements of 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 the 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. Comprehensive income is directed at minority shareholders, even if this would lead to the non-controlling interest becoming negative. The portion of equity belonging to minority shareholders is presented as a separate item on the balance sheet, as part of equity. Changes to the parent company's holding in a subsidiary that will not lead to a loss of control are recorded as transactions concerning equity. If an acquisition is completed in stages, the earlier holding is measured at fair value, and the generated profit or loss is recorded. When the Group loses its controlling interest in a subsidiary, the remaining portion is measured at fair value on the date of the loss of control, and the difference is recorded through profit or loss.

Associated companies are companies where the Group exercises a significant influence over the voting rights. A significant influence is mainly generated when the Group owns over 20 per cent of the company's voting rights, or when the Group exercises a significant influence but does not have a controlling interest. Associated companies are consolidated into the consolidated financial statements using the equity method. If the Group's share of the losses of an associated company exceeds the book value of the investment, the investment is recorded at zero value on the balance sheet; losses exceeding the book value are not consolidated unless the Group is committed to fulfilling the liabilities of the associated company. Any investment in an associated company includes the goodwill accrued from its acquisition. Unrealised gains between the Group and an associated company have been eliminated in accordance with the Group's holding. The portion of the associated companies' income from the financial period corresponding to the Group's holding is presented as a separate item after operating profit. Correspondingly, the Group's share of the changes recorded in the other items of the associated company'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 associated companies 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 of the Group's parent company.

Business transactions denominated in a foreign currency have been recorded 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 recorded through profit of loss. Foreign exchange gains and losses are included in the corresponding items above operating profit. The Group has minor items denominated in a foreign currency.

Property, plant and equipment

Property, plant and equipment have been measured at their original acquisition cost less 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 recorded 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 of the commodity can be reliably defined. Repair and maintenance costs are recorded through 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 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 of rental premises, for example.

Depreciation of property, plant and equipment is calculated as degressive depreciations from the book value, or as straight-line depreciations, where the acquisition cost is recorded 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 impairment when necessary. On each closing date, the Group evaluates whether there are signs that the value of an asset item has degraded. If the book value of an asset item is higher than its recoverable amount, the book value of the asset item 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 recording of depreciations is discontinued.

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

Intangible assets

The Group's intangible assets mainly consist of goodwill generated from the combination of business operations 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 recorded at the amount by which the assigned purchase consideration, the share of non-controlling interests in the object acquired and the previously 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 recorded; 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 measured according to their original acquisition cost less impairment.

Other intangible assets with a limited useful life that have been specified during the combination of business operations are recorded 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 measured at their original acquisition cost and depreciated as straight-line depreciations 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 any research and development costs in 2016-2017.

Impairment of tangible and intangible assets

On each closing date, the Group evaluates whether there are signs that the value of an asset item has degraded. If these signs should appear, the recoverable amount for the asset item is estimated. Furthermore, recoverable amounts are estimated each year for the following asset items, 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 record any impairment is examined on the level of the cash-flow 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 item less 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 item or cash-flow 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 item or cash-flow generating unit.

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

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

Lease agreements

The Group as a lessee

Lease agreements concerning property, plant and equipment where the Group has a material part of the risks and benefits of ownership are classified as finance lease agreements. Asset items acquired by means of such an agreement are recorded on 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 the same interest rate. The lease liabilities are included in financial liabilities.

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 recorded 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 on the balance sheet. They are depreciated over their useful life, similarly to property, plant and equipment used by the Group for similar purposes. Lease income is recorded into the income statement as annuities over the lease term.

Inventories

Inventories are measured according to their acquisition cost or their net realisable value, whichever is lower. Acquisition cost is defined using a weighted average price method. 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 less 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 recorded 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 recorded at the time of sale consists of the fair value of the compensation that is or will be received for the sold item, less 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 recorded 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 recorded as annuities over the lease period.

Interest and dividends

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

Non-current asset items classified as held for sale and discontinued operation

Non-current asset items (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 item 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 item (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 asset items classified as held for sale or the asset and liabilities of the disposal groups are measured according to the applicable IFRS standards. Starting from the classification, the asset items held for sale (or the disposal group) are measured at book value or fair value less the costs to sell, whichever is lower. The depreciation of these asset items is discontinued at the moment of classification.

Asset items in the disposal group that are not within the scope of the measurement rules of the IFRS 5 standard, as well as liabilities, are measured 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 under IFRS 5.

Net income for discontinued operations is presented as a separate item in the Group's statement of comprehensive income. Asset items held for sale, disposal groups, items related to asset items held for sale that are recorded 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 profit

The standard IAS 1 *Presentation of Financial Statements* does not define the concepts of EBITDA or operating profit. The Group has defined them in the following way: EBITDA is the net sum created when other operating income is added to 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 income statement assets other than those mentioned above are presented below EBITDA; operating profit is the resulting net sum when depreciations and any 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 measured 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 a separate asset item 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 recorded.

A provision will be recorded 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 deferred tax. Taxes are recorded through 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 recorded 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 recorded 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 recorded when the asset item or liability in question is one that would be originally entered into the bookkeeping, there is no combination of business operations involved, and the entry of such an asset item 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 assets

According to the IAS 39 standard, the Group's financial assets are classified into the following groups: financial assets recorded at fair value through 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 they 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 measured at fair value through 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 purchasing or selling the asset item.

An item belonging to financial assets is removed from the balance sheet whenever the Group waives its contractual rights to the item, the rights are dissolved or the Group loses control of the item.

The group of financial assets recorded at fair value through 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 recorded at fair value through profit or loss during their original recording. Unrealised and realised gains and losses are recorded 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 the 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 measured 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 recorded as equity in the fair value fund in the other items of the comprehensive income statement, taking the tax effects into account. Accumulated changes in fair value 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 IAS 39 standard, the Group's financial liabilities are included in the financial liabilities measured at amortised acquisition cost; they consist of loans from financial institutions, trade payables and other financial liabilities. Financial liabilities are originally recorded in bookkeeping at fair value. Transaction expenses are included in the original book value of the financial liabilities. Later, all financial liabilities are measured at amortised acquisition cost using the effective interest method. Financial liabilities are included in both the non-current and current liabilities.

Impairment of financial assets

On each closing date, the Group estimates whether objective evidence exists of the impairment 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 impairment of an available-for-sale share. If evidence of impairment 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 reversed by means of the income statement, whereas a later reversal of an impairment loss that involves interest instruments is recoded through profit or loss.

The Group will record 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 recorded 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 recording the impairment, the loss recorded is reversed and the reversal is recorded through 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 recorded at fair value on the balance sheet.

Borrowing costs

Borrowing costs are recorded as an expense for the period during which they were generated. Transaction costs accrued from the acquisition of loans are recognised 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 recorded as equity, wherein it reduces the purchase consideration received for the issue. If the company buys back its equity instruments, the acquisition cost of the instruments is deducted from equity.

Dividend distribution

Liability for dividend distribution to the Group's shareholders is recorded 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 according to which a company 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 company's normal operations in exchange for a compensation. The basic principle of the standard is that the company 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 company 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 concerning revenue recognition IAS 18 Revenue and IAS 11 Construction contracts and their related interpretations. 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. Primarily, the Group's restaurant business is retail trade, and labour hire is hour-based service activity. 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, under the IFRS 15 standard the initial payment from a franchise contract should be recognised throughout the contractual period, which is five years in all contracts. As a result of the introduction of the new credit loss model, the adjustment to be recorded in the opening balance of accumulated earnings on 1 January is not material.

· *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.

· On 1 January 2018, Restamax will adopt the IFRS 9 Financial Instruments standard. IFRS 9 Financial Instruments and the amendments thereto replace the current IAS 39 standard. The new standard includes renewed guidelines for the recognition and measurement of financial instruments. This also covers the new accounting process model concerning expected credit losses, to be applied to determine the impairment recorded for financial assets. The most significant impact of the adoption of IFRS 9 is caused by the new credit loss model. The new model is based on expected credit losses, whereas the current model is based on realised credit losses. This results in the growth of the credit loss provision upon the implementation of the new guidelines. IFRS 9 contains a procedure, simplified from the general credit loss model, for trade receivables, and for asset items which are based on customer contracts. According to this, the credit loss provision is recorded over the period of validity of the entire asset item to the amount of the expected credit losses, when the financial asset is recorded on the balance sheet for the first time. A majority of Restamax's financial assets falling within the sphere of the new credit loss model are processed in accordance with the simplified procedure described above, with the help of a provision matrix. With the adoption of the new credit loss model, an adjustment of MEUR 0.6 will be recorded in the opening balance of equity on 1 January 2018.

· 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 asset items 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 implementation of the new standard will affect how leases are presented in the consolidated financial statements.
The standard will have a material impact on Restamax Plc's consolidated financial statements, and it will significantly change the Group's operative EBITDA level. At the same time, the new recording practice will result in the deterioration of the Group's equity ratio. Restamax Plc will not adopt the standard before 1 January 2019. Restamax Plc will adjust the reference figures to meet the requirements of the standard. In the 2017 financial statements, the Group has some MEUR 73 of lease liabilities.

No other already published but not yet valid new standard, standard revision or IFRIC interpretation is expected to have an impact on the Group’s 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%.

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 CFO 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 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 2017. At the end of the year, cash and cash equivalents amounted to TEUR 2,570.0 (1,871.1 on 31 December 2016), in addition to which the Group had access to undrawn confirmed account credit limits totalling some MEUR 9.3 (31 December 2016: MEUR 4.9).

During the year, the Group drew TEUR 19,135.0 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 2017 was approximately 2.01% (2.3% in 2016).

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 2017 financial period, 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 financial assets or sources of financing.

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

31.12.2017 EUR thousand	Note	Balance sheet value	Cash flow	Less than 1 year	1 to less than 2 years	2–5 years	over 5 years
Financial liabilities	19	46 283,6	48 391,7	12 922,6	11 140,0	22 565,5	1 763,6

31.12.2016 EUR thousand	Note	Balance sheet value	Cash flow	Less 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

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, customer-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 customers of the labour hire segment have been paid marketing support, the earning of which is based on customers' 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 customers 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, customer-specific monitoring of trade receivables, effective collecting and checking of customers' 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 of the receivables is presented in note 13, Receivables.

During the financial period, the Group had TEUR 423.2 in credit losses recorded through profit or loss (TEUR 72.1 in 2016).

Capital management

The aim of the Group's capital management (equity vs. liabilities) is to create an optimal capital structure that can support business operations by ensuring normal operational prerequisites, and to increase shareholder value in the long term. The capital structure can be mainly affected by means of dividend distribution, subordinated loans and equity issues. The Group can also decide to sell its asset items 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 gearing ratios were as follows:

EUR thousand	**2017**	**2016**
Interest-bearing liabilities	46 344,8	32 562,9
Interest-bearing receivables	-125,3	-125,3
Cash and cash equivalents	-2 570,0	-1 871,1
Net liabilities	43 649,5	30 566,5
Equity, total	46 892,9	43 961,8
Gearing ratio	93,1 %	69,5 %

5 Acquired business operations

Changes in the shares of minority shareholders in 2017

On 27 January 2017, Restamax Plc purchased 20% of the share capital of Hernesaaren Ranta Oy. This increases Restamax Plc’s shareholding in Hernesaaren Ranta Oy to 80%. The purchase price was EUR 597,851.92. As a result of the acquisition, the share of minority shareholders decreased by TEUR 122.5 and earnings decreased by TEUR 475.3.

On 15 March 2017, Restamax Plc's subsidiary Smile Henkilöstöpalvelut Oy bought an additional 10% share in Smile Palvelut Ilo Oy (formerly Smile Palvelut Pori Oy). The purchase price was EUR 250.00. As a result of the acquisition, the share of the minority shareholders increased by TEUR 4.2 and earnings decreased by TEUR 4.5. On 19 June 2017, Smile Henkilöstöpalvelut Oy bought an additional 10% share in Smile Palvelut Ilo Oy. The purchase price was EUR 250.00. As a result of the acquisition, the share of the minority shareholders increased by TEUR 7.6 and earnings decreased by TEUR 7.9. As a result of the transactions, Smile Henkilöstöpalvelut Oy now owns 100% of Smile Palvelut Ilo.

On 6 April 2017, Restamax Plc's subsidiary Smile Henkilöstöpalvelut Oy bought an additional 30% share in Smile MMS Oy. This increased the shareholding of Smile Henkilöstöpalvelut Oy in Smile MMS Oy to 100%. The purchase price was EUR 725,390.00. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 82.1 and earnings decreased by TEUR 643.3.

On 21 August 2017, Restamax Plc's subsidiary Smile Banssi Oy bought an additional 15% share in Talous Bandora Oy. This increased the shareholding of Smile Banssi Oy in Talous Bandora Oy to 66%. The purchase price was EUR 375.00. As a result of the acquisition, earnings decreased by TEUR 0.4.

On 14 June 2017, Restamax Plc purchased an additional 20% share in Roska Yhtiöt Oy. This increases Restamax Plc’s shareholding in Roska Yhtiöt Oy to 100%. The purchase price was EUR 60,400.00. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 4.8 and earnings decreased by TEUR 55.6.

On 16 November 2017, Restamax Plc subsidiary Smile Banssi bought additional shares in its subsidiaries as follows: an 18.18% minority holding in Smile Banssi Etelä Oy, a 20% minority holding in Smile Banssi Häme Oy, an 18.18% minority holding in Smile Banssi Uusimaa Oy, a 20% minority holding in Smile Banssi Itä Oy, a 20% minority holding in Smile Banssi Länsi Oy, a 20% minority holding in Smile Banssi Keski Oy, a 20% minority holding in Smile Banssi Lappi Oy, a 20% minority holding in Smile Banssi Helsinki Oy, a 30% minority holding in Smile Banssi Safety Oy, a 20% minority holding in Smile Banssi Kaakko Oy, a 20% minority holding in Smile Hoiva Oy and a 44% minority holding in Talous Badora Oy. As a result of the transactions, Restamax Plc subsidiary Smile Banssi Oy owns 90.91% of Smile Banssi Etelä Oy, 100% of Smile Banssi Häme Oy, 90.91% of Smile Banssi Uusimaa Oy, 100% of Smile Banssi Itä Oy, 100% of Smile Banssi Länsi Oy, 90% of Smile Banssi Keski Oy, 90% of Smile Banssi Lappi Oy, 100% of Smile Banssi Helsinki Oy, 100% of Smile Banssi Safety Oy, 90% of Smile Banssi Kaakko Oy, 100% of Smile Hoiva Oy and 100% of Talous Bandora Oy. The purchase price was EUR 800,000.00. As a result of the acquisition, the share of minority shareholders decreased by TEUR 34.6 and earnings decreased by TEUR 765.4.

During the financial period, three private offerings of shares were carried out in Restamax Plc subsidiary Smile Henkilöstöpalvelut Oy, in which a total of 1,870,212 new shares in Smile Henkilöstöpalvelut Oy were subscribed to. After the offerings, Restamax Plc’s shareholding in Smile Henkilöstöpalvelut Oy is now 78.35%. As a result of the offerings, the share of earnings belonging to the Group decreased by TEUR 433.9, the share of invested unrestricted equity fund decreased by TEUR 1,088.6, and the share of minority shareholders increased by a total of TEUR 1,522.5.

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 220.0. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 79.0 and earnings decreased by TEUR 141.0.

Restamax Plc's subsidiary Smile Henkilöstöpalvelut Oy bought an additional 10% 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 minority shareholders increased by TEUR 4.1 and earnings decreased by TEUR 4.1.

Restamax Plc's subsidiary Kampin Sirkus Oy bought an additional 40% share in Markkinointitoimisto Aito Finland Oy. As a result of this acquisition, Kampin Sirkus Oy now owns 100% of Markkinointitoimisto Aito Finland Oy. The purchase price was EUR 0.00. As a result of the acquisition, the share of minority shareholders increased by TEUR 23.0 and earnings decreased by TEUR 21.8.

Acquisitions during the 2017 financial period

Acquired subsidiaries and businesses

Restamax Plc purchased 60% 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.

With a deed of sale dated 10 February 2017, Restamax Plc's subsidiary engaging in the restaurant business bought the businesses and equipment of Hullu Poro, Jackie Brown, Jackie Brown Gold, von Nottbeck in Näsilinna and the Laituri summer restaurant as well as the Kirjuri summer restaurant in Pori. The right of ownership and possession of the object of the transaction was transferred to the Group on 1 March 2017.

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.

With a deed of sale dated 17 February 2017, Restamax Plc bought the business of Yo-Talo, which is engaged in the restaurant and event business. The right of ownership and possession of the object of the transaction was transferred to Restamax Plc on 15 March 2017.

Restamax Plc's subsidiary engaging in the restaurant business purchased the restaurant business of restaurant Sinisoihtu with a deed of sale dated 31 March 2017. The right of ownership and possession of the object of the transaction was transferred upon the signing of the deed of sale.

With a deed of sale dated 5 April 2017, Restamax Plc bought the business and equipment of a restaurant in Eerikinkatu in Turku. The right of ownership of the object of the transaction was transferred on 11 April 2017.

With a deed of sale dated 27 January 2017, Restamax Plc bought the business and fixed assets of a restaurant situated at Eteläesplanadi 22. The right of ownership of the object of the transaction was transferred on 1 April 2017.

With a deed of sale dated 4 April 2017, Restamax Plc's subsidiary engaging in the restaurant business bought a café-restaurant business in the area of Ruovesi Harbour, with all related buildings and movable property. The right of ownership of the object of the transaction was transferred on 3 May 2017.

Restamax Plc's subsidiary engaging in the restaurant business purchased the business and fixed assets of a restaurant situated in Pori with a deed of sale dated 5 May 2017. The right of ownership of the object of the transaction was transferred on 5 May 2017.

With a deed of sale dated 2 June 2017, Restamax Plc purchased 90% of the shares in Harry's Ravintolat Oy. The ownership of the shares was transferred on 2 June 2017.

With a deed of sale dated 31 March 2017, Restamax Plc's subsidiary engaging in the restaurant business bought 80% of the shares in Tillikka Oy. The ownership of the shares was transferred on 1 April 2017.

With a deed of sale dated 25 October 2017, Restamax Plc's subsidiary engaging in the labour hire business purchased the restaurant labour hire business operations of Active People Oy. The right of ownership and possession of the object of the transaction was transferred on 31 October 2017. In connection with the transaction, a long customer contract was signed on restaurant labour hire services with Ravintola Santa Fé Oy.

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

Intangible assets	976,9
Tangible assets	1 325,2
Inventories	279,5
Current receivables	188,4
Cash and cash equivalents	559,8
Assets in total	**3 329,8**
Deferred tax liabilities	68,3
Financial liabilities	200,4
Other payables	527,7
Liabilities total	**796,4**
Net assets	**2 533,4**
Generation of goodwill through acquisitions:	
Total purchase consideration	6 187,8
Minority shareholders' share	-79,1
Net identifiable assets of the acquired entity	2 533,4
Goodwill	**3 733,5**

Restamax Plc's subsidiary engaging in the labour hire business, Smile Henkilöstöpalvelut Oy, bought the entire share capital of Smile Banssi Oy (formerly Pasianssi Oy) with a deed of sale dated 5 April 2017. The business and ownership of the object of the transaction were transferred to the Group on 5 April 2017.
Smile Banssi Oy's subsidiaries are Smile Banssi Etelä Oy (formerly Banssi etelä Oy), Smile Banssi Pohjoinen Oy (formerly Banssi pohjoinen Oy), Smile Banssi Häme Oy (formerly Banssi häme Oy), Smile Banssi Uusimaa Oy (formerly Banssi uusimaa Oy), Smile Banssi Itä Oy (formerly Banssi itä Oy), Smile Banssi Länsi Oy (formerly Banssi länsi Oy), Smile Banssi Keski Oy (formerly Banssi keski Oy), Smile Banssi Kaakko Oy (formerly Banssi kaakko Oy), Smile Banssi Lappi Oy (formerly Banssi lappi Oy), Smile Banssi Helsinki Oy (formerly Banssi Helsinki Oy), Smile Banssi Safety Oy (formerly Banssi Safety Oy), Smile Rmax Oy (formerly Banssi Hoiva Oy) and Talous Bandora Oy.

The sale value of assets regarding the shareholding of Smile Banssi Oy has been adjusted in the financial period. The adjustment has been recorded through profit or loss by reducing the sale price by TEUR 75.1.

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

Intangible assets	2 412,1
Tangible assets	42,3
Inventories	112,4
Investments	0,9
Non-current receivables	1,0
Current receivables	2 552,7
Cash and cash equivalents	970,5
Assets in total	**6 092,0**
Deferred tax liabilities	482,4
Financial liabilities	61,2
Other payables	3 306,3
Liabilities total	**3 849,9**
Net assets	**2 242,1**
Generation of goodwill through acquisitions:	
Total purchase consideration	7 609,8
Net identifiable assets of the acquired entity	2 242,1
Goodwill	**5 367,7**

With a deed of sale dated 1 July 2017, Restamax Plc's subsidiary engaging in the labour hire business purchased 100% of the shares in Smile Job Services One Oy (formerly Job Services One Oy). The right of ownership of the shares was transferred on 1 July 2017. A part of the sale price has been paid with Restamax Plc subsidiary's shares involving a fixed-term repurchase obligation. At the time of the closing of the accounts, the recorded sale price includes a share, which includes an assessment by the management on the future, final sale price to materialise.

The estimated additional purchase price regarding the shareholding of Smile Job Services One Oy has been adjusted in the financial period. The adjustment has been recorded through profit or loss by increasing the sale price by TEUR 1,711.1.

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

Intangible assets	3 718,2
Tangible assets	9,9
Current receivables	2 564,7
Cash and cash equivalents	865,6
Assets in total	**7 158,5**
Deferred tax liabilities	743,6
Other payables	2 674,2
Liabilities total	**3 417,9**
Net assets	**3 740,6**
Generation of goodwill through acquisitions:	
Total purchase consideration	**11 188,4**
Net identifiable assets of the acquired entity	3 740,6
Additional purchase price under the earn-out arrangement	**1 711,1 ***
Goodwill	**5 736,7**

* The additional purchase price under the earn-out arrangement has been recorded in the financial period through profit or loss in financing costs.

The acquisitions generated a total of TEUR 14,838.0 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 Group's other restaurant concepts and services. TEUR 7,107.3 of the intangible rights generated from the fair value allocation recorded are tax-deductible. The effect of the acquisitions on the Group's turnover for 2017 was TEUR 39,676.6, and the effect on the result of the financial period was TEUR 670.1.

The effect of the acquisitions on the Group's turnover for the entire financial period 1 January-31 December 2017 was TEUR 59,617.0, and the effect on the result of the financial period was TEUR 1,693.0.

Acquisitions during the 2016 financial period

Acquired subsidiaries and businesses

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 restaurant business of restaurant Namu and Showroom located in Helsinki through a deed of sale dated 24 March 2016. The business operations were transferred to Restamax Group on 1 April 2016.

Restamax Plc's subsidiary engaging in the labour hire business purchased 70% 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% 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% of the share capital of Cholo Oy, which engages in the restaurant business, and 100% 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 business operations and assets of the subsidiary acquired were as follows:

	Note		Values recorded
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 recorded as revenue 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 assets	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 the fair value allocation recorded 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 Group's turnover for the entire financial period 1 January-31 December 2016 would have been TEUR 14,357.6, and the effect on the result of the financial period TEUR 570.9.

6 Sold business operations

Business operations sold during the 2017 financial period

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

Name	Shareholding sold	Location	Date of control transfer
Max Siivouspalvelut Oy	70 %	Tampere	28.2.2017
Restaurant, Helsinginkatu 11	100 %	Helsinki	1.9.2017
Restaurant, Suupantie 6	100 %	Pirkkala	1.11.2017
Restaurant, Lönnrotinkatu 9	100 %	Helsinki	12.12.2017

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

Property, plant and equipment	65 386,86
Other asset items	229 695,57
Liabilities	-106 579,25
Net assets, total	188 503,18

At completed sales, there was impairment targeted at the goodwill recorded for the units. Goodwill impairment targeted at sales has been recorded as deduction of goodwill as follows:

Intangible rights, goodwill	158 340,85

Of completed sales, sales profit of TEUR 95.0, loss from the assignment of fixed assets of TEUR 2.2, and impairment loss of TEUR 24.7 were targeted at the comprehensive income statement.

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 recorded in the extensive consolidated income statement in the line "Depreciations, amortisations and impairment" as follows:

Intangible rights, goodwill	15,0

7 Earnings per share

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

	2017	**2016**
Profit for the financial period belonging to the shareholders of the parent company (TEUR)	5 060,7	5 608,1
Weighted average of the number of outstanding shares during the financial period	16 619 620	16 235 842
Earnings per share (euros), undiluted	0,30	0,35
Earnings per share (euros), diluted	0,30	0,35

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 70 concepts, approximately half of which are designed for duplication. Well-known restaurant concepts of the Group include Viihdemaailma Ilona, Classic American Diner, Daddy's Diner, Stefan's Steakhouse, Galaxie and Space Bowling & Billiards.

The labour hire segment offers labour hire services to companies operating in several different fields. The majority of the turnover of the segment is generated from the HoReCa and construction fields. The earnings from the segment are derived from labour hire activities.

	2017			
Net income	Restaurants	Labour hire	Eliminations	Group
Turnover	122 173,5	75 612,2	-11 929,5	185 856,2
Other operating income	2 188,3	231,7	-610,3	1 809,7
EBITDA	16 325,0	6 602,6	-523,5	22 404,2
Depreciations	-9 405,3	-2 768,7	536,5	-11 637,4
Operating profit	6 919,7	3 834,0	13,0	10 766,7
Profit/loss before taxes	6 344,1	1 680,6	0,0	8 024,8

In 1 January–31 December 2017, the labour hire segment includes as a cost non-recurring asset transfer tax in the total amount of EUR 299,569.34 resulting from the subsidiary transactions concluded.

In the financial period 1 January-31 December 2017, the financial costs of the Labour hire segment included the non-recurring item of the adjustment of TEUR 1,711.1 to the estimated additional sales price related to the share acquisition of Smile Job Service One Oy (now Smile Job Services Oy).

Assets	2017			
Assets of the reported segment	101 037,8	44 728,5	-12 705,8	133 060,5
Liabilities				
Liabilities of the reported segment	60 025,0	39 353,2	-13 210,5	86 167,6

	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	-517,8	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

In the labour hire segment, an additional non-recurring depreciation of€338,416.67 encumbering operating profit was made in 1 January-31 December 2016, resulting from the intangible assets measured earlier in 2014 on acquiring the labour hire business, which now that the Group has bought Namu are Group-internal.

Assets	2016			
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

9 Intangible assets

31.12.2017

EUR thousand	Goodwill	Intangible rights	Total
Acquisition cost 1 January 2017	38 067,5	15 821,7	53 889,0
Business combination	14 838,0	7 107,4	21 945,4
Additions	0,0	517,7	517,7
Deductions	-158,3	-0,5	-158,9
Transfers between items	0,0	369,0	369,0
Acquisition cost 31 January 2017	52 747,2	23 815,2	76 562,2
Accumulated depreciations and impairments 1 January 2017	-175,9	-6 277,6	-6 453,3
Impairments	-24,7	0,0	-24,7
Depreciations	0,0	-3 864,6	-3 864,6
Accumulated depreciations and impairments 31 December 2017	-200,6	-10 142,2	-10 342,6
Book value 31 December 2017	52 546,6	13 673,2	66 219,7
Book value 1 January 2017	37 891,6	9 544,3	47 435,8

31.12.2016

EUR thousand	Goodwill	Intangible rights	Total
Acquisition cost 1 January 2016	34 350,8	13 095,7	47 446,4
Business combination	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 January 2016	38 067,5	15 821,7	53 889,0
Accumulated depreciations and impairments 1 January 2016	-160,9	-3 484,2	-3 644,9
Impairments	-15,0	0,0	-15,0
Depreciations	0,0	-2 793,4	-2 793,4
Accumulated depreciations and impairments 31 December 2016	-175,9	-6 277,7	-6 453,3
Book value 31 December 2016	37 891,6	9 544,2	47 435,9
Book value 1 January 2016	34 189,9	9 611,7	43 801,7

Impairment testing

Impairment testing takes a group of units and other intangible assets with unlimited useful life that contains goodwill and generates cash flow and compares its book value to its recoverable amount. The judgement and future estimates of the company's management are central to the drafting of the impairment calculations. If the recoverable amount is lower than the book value entered on the balance sheet, the difference is recorded as an impairment loss decreasing income. The recoverable amount is the fair value of the group of cash-flow 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:

	31.12.2017		**31.12.2016**	
	Restaurants	Labour hire	Restaurants	Labour hire
Goodwill	34 618,7	17 927,9	31 677,5	6 214,1
Non-competition agreements	422,1	-	426,5	-

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 2017 and 31 December 2016, 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 period. 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 derived from the company's operations and on its financial position during the present review period and future review periods.

The forecast cash flows are based on the capacity of the group of cash-flow generating units 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-flow generating units or groups thereof mainly engage 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-flow 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-flow 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-flow generating units.

The impairment tests on 31 December 2017 and 31 December 2016 did not indicate a need for impairment of goodwill or non-competition agreements.

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

	31.12.2017		31.12.2016	
	Restaurants	Labour hire	Restaurants	Labour hire
Turnover growth, first year	17,9 %	40,7 %	-0,9 %	-9,8 %
Turnover growth, other years	0,0 %	0,0 %	0,0 %	0,0 %
EBITDA	15,1 %	11,5 %	15,0 %	10,4 %
Terminal growth assumption	0,0 %	0,0 %	0,0 %	0,0 %
Discount rate before taxes	9,4 %	9,5 %	6,8 %	6,8 %
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):

	31.12.2017		31.12.2016	
	Restaurants	Labour hire	Restaurants	Labour hire
Annual turnover reduction	1,5 %	1,8 %	1,3 %	1,9 %
Annual increase in operating costs	1,6 %	2,2 %	1,4 %	2,0 %
EBITDA	7,8 %	2,8 %	7,8 %	1,7 %

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 segment will lead to a situation where the recoverable amount might fall below the book value of the cash-flow 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

31.12.2017

EUR thousand	Machines and equipment	Improvement costs for rental premises	Buildings	Civil engineering areas	Prepayments and incomplete acquisitions	Total
Acquisition cost 1 January 2017	22 277,9	40 235,4	2 447,4	0,0	147,1	65 108,2
Additions	3 605,5	6 836,1	10,0	6,0	135,3	10 593,0
Business combination	936,6	40,9	250,0	150,0	0,0	1 377,4
Deductions	-143,1	-152,9	0,0	0,0	0,0	-296,0
Transfers between items	0,0	-369,0	0,0	0,0	0,0	-369,0
Acquisition cost 31 January 2017	26 676,9	46 590,4	2 707,4	156,0	282,4	76 413,6
Accumulated depreciations and impairments 1 January 2017	-12 768,6	-23 319,1	-186,3	0,0	0,0	-36 274,0
Impairments	0,0	0,0	0,0		0,0	0,0
Depreciations	-2 629,0	-5 032,3	-86,8		0,0	-7 748,1
Accumulated depreciations and impairments 31 December 2017	-15 397,6	-28 351,4	-273,1	0,0	0,0	-44 022,1
Book value 31 December 2017	11 279,3	18 239,0	2 434,4	156,1	282,4	32 391,4
Book value 1 January 2017	9 509,3	16 916,3	2 261,1	0,0	147,1	28 834,3

31.12.2016

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

<u>Finance lease agreements</u>

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

EUR thousand	**2017**	**2016**
Acquisition cost entered on the basis of finance lease agreements	487,5	707,3
Addition	0,0	132,3
Deduction	0,0	-352,1
Accumulated depreciations and impairments	-376,3	-301,1
Book value	111,3	186,4

11 Shares in associated companies and joint ventures

EUR thousand	Note	2017	2016
Book value 1 Jan		1 178,8	1 330,0
Additions	31	1 690,8	0,0
Share of the income of the financial period		172,3	-47,2
Intangible depreciation		-104,0	-104,0
Book value on 31 December		2 938,0	1 178,8

The financial year of the associated company is 1 June-31 May. The result of the associated company has been combined with the Group for the period 1 January-31 December 2017.

EUR thousand	2017	2016
Undepreciated goodwill in the associated company	749,0	749,0
Intangible rights in the associated company	520,0	520,0
- intangible depreciations with its tax effects	-208,0	-104,0
	1 061,0	1 165,0

Financial information about the associated company

EUR thousand	Assets	Liabilities	Turnover	Profit/loss	Share of ownership %
1 June 2017–31 December 2017					
Superpark Oy, domicile Sotkamo	18 612,4	15 096,2	8 379,2	112,9	30,29
Total	18 612,4	15 096,2	8 379,2	112,9	
1 June 2016–31 May 2017					
Superpark Oy, domicile Sotkamo	16 267,6	13 305,5	10 588,6	0,4	19.96 *
Total	16 267,6	13 305,5	10 588,6	0,4	

*average

Restamax Plc's previous holding in the company was 19.0% and, as a result of the transaction of 28 April 2017, 30.29%.

The company is consolidated as an associated company into Restamax's consolidated financial statements, even though the Group has less than 20% 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.

12 Inventories

EUR thousand	2017	2016
Restaurant goods inventory	2 831,1	2 317,6
Labour hire goods inventory	140,8	0,0
Total	2 971,8	2 317,6

During the reporting period, TEUR 32,005.0 was recorded in the income statement for materials and supplies and through stock value changes (TEUR 27,398.8 in 2016). In addition, TEUR 280.0 was recorded as expenses in the reporting period (TEUR 221.6 in 2016), which was used to reduce the book value of inventories.

13 Receivables

EUR thousand	2017	2016
Loans and other receivables (non-current)		
Interest-bearing loans receivable	125,3	168,2
Non-interest-bearing other receivables	717,2	1 030,7
Loans and other receivables (non-current), total	842,5	1 198,9
Trade and other receivables (current)		
Loans and other receivables (current)		
Trade receivables	17 302,0	9 417,3
Interest-bearing other receivables	0,0	30,0
Loans and other receivables (current), total	17 302,0	9 447,2
Prepayments and accrued income	4 510,6	3 364,1
Other non-interest-bearing receivables	2 034,6	1 255,8
	6 545,2	4 619,9
Trade and other receivables (current), total	23 847,2	14 067,2

Trade receivables

EUR thousand	2017	2016
Trade receivables	17 302,0	9 417,3
	17 302,0	9 417,3
Age distribution of trade receivables		
Not due	13 546,4	6 662,2
due, less than 3 months	1 982,9	1 390,9
due, more than 3 months	1 772,6	1 364,2
Total	17 302,0	9 417,3

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

The book value of trade and other receivables corresponds to their fair value. As concerns certain big labour hire customers, significant credit risk concentrations for the Group are related to receivables. 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 37.

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	2017	2016
Value at the beginning of the financial period		620,1	622,1
Business combination	5	0,0	0,0
Additions		65,0	0,1
Deductions		-0,1	-2,0
Changes in fair value recorded in equity		0,0	0,0
Value at the end of the financial period		685,1	620,1
Non-current portion		685,1	620,1

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

The fair values of 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 2016).

15 Cash and cash equivalents

EUR thousand	2017	2016
Cash in hand and bank accounts (Financial assets in the funds statement)	2 570,0	1 871,1

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. A 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 shareholders	Equity, total
1.1.2016	16 380,0	150,0	33 937,3	-13,3	220,0	-972,6	6 293,1	428,9	40 043,4
31.12.2016	16 620,0	150,0	36 586,1	-13,3	220,0	-191,4	6 541,4	669,0	43 961,8
1.1.2017	16 620,0	150,0	36 586,1	-13,3	220,0	-191,4	6 541,4	669,0	43 961,8
31.12.2017	16 619,6	150,0	40 510,2	-4,5	220,0	-191,4	4 237,5	1 971,2	46 892,9

All of the issued shares have been paid for.

Outstanding shares

pcs	2017	2016
1/1	16 576 120	16 136 120
Own shares acquired	-	-
Share issue	-	440 000
31/12	16 576 120	16 576 120

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 recorded in the share capital according to a specific decision.

EUR thousand	2017	2016
1/1	36 586,1	33 937,3
Share issue	3 924,0	2 648,8
31/12	40 510,1	36 586,1

Fair value fund

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

EUR thousand	2017	2016
Fair value fund	-4,5	-13,3

Own shares

Own shares include the acquisition cost of own shares in possession of the Group. Smile Huippu Oy, a company under the control of the Group, owns the own shares presented as deducted in the Group’s equity.

	2017 pcs	2017 TEUR	2016 pcs	2016 TEUR
1/1	43 500	-191,4	243 500	-972,6
Nullification of own shares	-	-	200 000	781,2
31/12	43 500	-191,4	43 500	-191,4

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 2017, dividends were distributed at EUR 0.30 per share, totalling TEUR 4,985.9 (in 2016, EUR 0.27 per share, totalling TEUR 4,356.8). After the end of the reporting period, the Board of Directors has proposed a dividend of EUR 0.33 per share, totalling TEUR 5,484.5 be distributed. The debt from the dividend proposed has not been entered into these financial statements.

17 Deferred tax assets and liabilities

Deferred taxes have been recorded for all temporary differences. The changes in deferred taxes during 2017 are as follows:

EUR thousand	1.1.2017	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31.12.2017
Deferred tax assets:					
Temporary differences					
From confirmed losses	465,4	21,4			486,8
From consolidated eliminations	174,3	118,6			292,9
From launch marketing expenses	37,5	28,1			65,6
From intangible rights	462,4	165,2			627,6
From finance lease liabilities	0,9	0,7			1,6
Other items	70,8	12,0			82,8
Netting from deferred tax liabilities	-1 069,0				-962,2
Deferred tax assets, total	142,1	346,0	0,0	0,0	595,0

EUR thousand	1.1.2017	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31.12.2017
Deferred tax liabilities:					
Temporary differences					
Amortisation of loan expenses using the effective interest method	3,8	4,8			8,6
From reversal of goodwill depreciation	725,0	231,5			956,5
From intangible rights	783,1	-449,4		1 294,4	1 628,1
From combination of business operations	115,5	0,6			116,1
Financial leasing	7,1	-2,0			5,1
Other items	137,3	38,9			176,2
Adjustment		-26,5			
Netting from deferred tax assets	-1 069,0				-962,2
Deferred tax liabilities, total	703,0	-202,1	0,0	1 294,4	1 928,5

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					
From confirmed losses	821,0	-355,6			465,4
From consolidated eliminations	160,9	13,4			174,3
From launch marketing expenses	45,1	-7,6			37,5
From intangible rights	225,3	237,1			462,4
From finance lease liabilities	2,3	-1,4			0,9
Other items	66,1	4,7			70,8
Netting from 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 the effective interest method	10,6	-6,8			3,8
From reversal of goodwill depreciation	502,9	222,1			725,0
Reconstruction of destroyed restaurant	22,8	-22,8			0,0
From intangible rights	813,4	-252,3		222,0	783,1
From combination of business operations	114,8	0,7			115,5
Financial leasing	9,5	-2,4			7,1
Other items	89,5	47,8			137,3
Netting from deferred tax assets	-752,4				-1 069,0
Deferred tax liabilities, total	811,2	-13,6	0,0	222,0	703,0

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

On 31 December 2017, the Group had TEUR 4,868.5 in confirmed losses (TEUR 3,129.31 on 31 December 2016) for which a deferred tax asset has not been recorded, since the realisation of the tax benefit included in them is not probable in the near future. These losses will expire in 2019-2026.

Deferred tax assets

EUR thousand	2017	2016
Deferred tax assets due in over 12 months	566,6	114,8
Deferred tax assets due in 12 months	28,3	27,3
Total	595,0	142,1

Deferred tax liabilities

EUR thousand	2017	2016
Deferred tax liabilities due in over 12 months	1 914,8	691,7
Deferred tax liabilities due in 12 months	13,6	11,2
Total	1 928,5	703,0

18 Provisions

EUR thousand	2017	2016
Value at the beginning of the financial period	183,2	93,2
Additions	0,0	183,2
Provisions used	-68,7	-93,2
Cancellations of unused provisions	-114,5	0,0
Value at the end of the financial period	0,0	183,2
Of which current	0,0	91,6
Non-current portion	0,0	91,6

The provisions include the rent of the still leased premises.

19 Financial liabilities

EUR thousand	2017	2016
Non-current financial liabilities measured at amortised acquisition cost		
Loans from financial institutions, non-current portion	34 566,2	24 200,8
Subordinated loans	41,9	77,0
Finance lease liabilities	34,8	92,2
Total	34 643,0	24 369,9
Current financial liabilities measured at amortised acquisition cost		
Loans from financial institutions, current portion	11 625,2	8 130,6
Finance lease liabilities	57,4	62,4
Total	11 682,5	8 193,0

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

Maturity of non-current financial liabilities

EUR thousand	2017	2016
less than 1 year	12 044,0	7 797,7
1 to less than 2 years	10 572,0	7 280,7
2-5 years	21 912,5	13 763,1
Over 5 years	1 797,1	3 721,4
Total	46 325,5	32 562,9

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)

	2017	2016
	%	%
Loans from financial institutions	2,0	2,3

The book value of 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	2017	2016
Gross amount of finance lease liabilities – minimum lease payments by maturity time		
less than 1 year	60,7	67,9
2-5 years	35,4	96,1
Total	96,1	164,0
Future finance costs	3,9	9,4
Present value of finance lease liabilities	92,2	154,6
The present value of finance lease liabilities will be due as follows		
less than 1 year	57,4	62,4
2–5 years	34,8	92,2
Total	92,2	154,6

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

20 Trade payables and other liabilities

EUR thousand	2017	2016
Non-current		
Advances received	80,6	136,3
Other non-interest-bearing liabilities	3 594,2	660,2
Non-current trade and other payables, total	3 674,8	796,4
Current		
Accounts payable	10 894,0	7 563,5
Advances received	91,7	254,9
Accruals and deferred income		
Salary debt	2 887,1	1 596,7
Holiday salary liabilities	4 532,9	2 689,9
Pension insurance	1 460,3	910,8
Taxes based on the taxable income from the financial period	1 237,7	706,6
Other accruals and deferred income	7 511,1	2 463,6
Accrued expenses, total	17 629,1	8 367,5
Other non-interest-bearing liabilities	5 624,1	3 272,8
Current trade and other payables, total	34 238,9	19 458,7

The fair values of trade and other payables are presented in note 37.

21 Turnover

EUR thousand	2017	2016
Sale of goods	105 203,2	92 083,5
Sale of services	80 653,0	37 988,3
Total	185 856,2	130 071,9

The sale of goods includes restaurant sales.

The sale of services includes restaurant service sales and labour hire sales, see note 8.

22 Other operating income

EUR thousand	2017	2016
Sales profit	4,6	0,0
Insurance compensation	100,0	882,0
Rental income	803,8	860,4
Other operating income	901,3	791,5
Total	1 809,7	2 533,9

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

23 Materials and services

EUR thousand	2017	2016
Acquisitions	31 760,6	27 272,5
External services	4 013,9	2 798,2
Total	35 774,4	30 070,7

External services consist of hired restaurant employees.

24 Costs related to employment benefits

EUR thousand	2017	2016
Salaries	67 869,4	36 851,9
Pension costs – defined contribution plans	12 778,7	6 901,7
Social security costs	2 318,0	1 558,1
Total	82 966,1	45 311,7

The management's employment benefits are presented in note 29, Events of related entities.

	2017	2016
Group personnel on average over financial period	2 261	1 130

25 Depreciations, amortisations and impairment

EUR thousand	2017	2016
Depreciations by commodity group		
Intangible assets		
Non-competition agreements	590,4	246,1
Beneficial lease agreement	51,0	171,0
Right to use a name	1 740,5	1 025,7
IT software	73,9	84,0
Agreements	1 408,8	1 266,6
Total	3 864,6	2 793,4
Tangible assets		
Improvement costs of rental premises	5 032,3	4 970,9
Buildings	86,8	106,5
Machines and equipment	2 629,0	2 503,9
Total	7 748,1	7 581,3
Impairment by commodity group		
Goodwill	24,7	15,0
Agreements	0,0	0,0
Improvement costs of rental premises	0,0	11,3
Fixed assets	0,0	0,0
Total	24,7	26,2
Depreciations, amortisations and impairment total	11 637,4	10 400,9

26 Other operating expenses

EUR thousand	2017	2016
Voluntary indirect employee costs	935,0	744,2
Costs for business premises	20 771,8	17 927,3
Costs for machinery and equipment	5 490,3	4 374,0
Travel expenses	1 669,6	475,8
Marketing, performer and entertainment expenses	10 980,4	9 858,0
Other costs*	6 674,0	4 445,2
Total	46 521,2	37 824,6

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

27 Financial income and expenses

EUR thousand	2017	2016
Financial income		
Other financial income	42,9	186,6
Total	42,9	186,6
Items recorded through profit or loss		
Impairment of shares in associated companies	0,0	-2,0
Impairment of receivables	-73,5	-78,0
Interest expense from financial liabilities measured at amortised acquisition cost	-1 002,1	-948,4
Other finance costs *	-1 777,6	-111,0
Total	-2 853,2	-1 139,4
Finance costs – net	-2 810,3	-952,8
Other comprehensive income items		
Financial assets available for sale	2,9	0,0
Total	2,9	0,0

* In the financial period 1 January-31 December 2017, an adjustment of TEUR 1711.1 on the estimated additional sales price related to the share acquisition of Smile Job Services One Oy (formerly Job Services One Oy) was recorded as a non-recurring item under other financing costs.

28 Income taxes

Tax constituents

EUR thousand	2017	2016
Tax based on the taxable income from the financial period	3 081,3	1 933,8
Change in deferred taxes	-548,2	95,7
Total	2 533,1	2 029,5

Tax cost balancing calculation

EUR thousand	2017	2016
Profit/loss before taxes	8 024,8	7 893,9
Tax calculated at the rate of 20%	1 605,0	1 578,8
Non-deductible expenses	382,6	225,0
Use of tax losses not recorded previously	-43,8	-22,9
Recorded deferred tax assets from confirmed losses of previous years	24,0	0,0
Non-recorded deferred tax assets from tax losses	575,1	335,7
Share of associated company's profits, deducted by taxes	13,7	-30,2
Tax-free income	-26,0	-72,5
Goodwill impairment	4,9	3,0
Taxes from earlier financial periods	-2,3	12,7
Tax expenses in income statement	2 533,1	2 029,5

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 the comprehensive income statement

	2017			2016		
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 Events of related entities

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 entities are the parent company, subsidiaries, associated company, the parent company's subsidiaries and the key management personnel. Key management personnel covers 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. Furthermore, Restamax's related entities 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 works in the management of the company or its parent company.

Management's employee benefits

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

EUR thousand	**2017**	**2016**
Salaries to the Executive Team (incl. CEO) with associated costs and other short-term employee benefits	983,2	841,4
Fees for the Board of Directors	85,0	83,8

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

EUR thousand	2017	2017	**2017**	2016	2016	**2016**
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, up to 22 May	109,8	0,0	109,8	156,1	0,0	156,1
Acting CEO Jarno Suominen, 22 May -	36,7	0,0	36,7	0,0	0,0	0,0
CEO Juha Helminen, 1 September -	52,9	0,0	52,9	0,0	0,0	0,0
Other Executive Team members	600,2	0,0	600,2	518,8	0,0	518,8
Total	799,6	0,0	799,6	674,9	0,0	674,9

Chief Executive Officer's pension commitments and termination compensation

The Chief Executive Officer is covered by the Employees Pensions Act that offers pension security based on the time of service and earnings in the manner defined in the Act. No separate retirement age provisions are included in the Chief Executive Officer's contract. The Chief Executive Officers’ accrued pension costs for the financial period were TEUR 37.8.

For the company, the CEO's term of notice is six (6) months; for the CEO, it is three (3) months. In addition to the pay for the term of notice, the Chief Executive Officer is not entitled to any separate termination compensation.

Fees for the Board of Directors

EUR thousand	2017	2016
Attendance allowances		
Timo Laine, Chairman of the Board of Directors	25,0	23,8
Mikko Aartio, member of the Board of Directors	10,0	10,0
Jarmo Viitala, member of the Board of Directors	10,0	10,0
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	10,0
Total	85,0	83,8

Transactions with associated companies

EUR thousand	Sales	Interest expenses	Rental expenses	Acquisitions	Rental income	Receivables	Liabilities
2017	1 732,8	0,9	1 167,9	3 791,1	1,4	479,4	522,3
2016	827,0	0,0	1 194,8	1 210,6	5,1	385,1	161,1

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

30 Auditor's fees

EUR thousand	2017	2016
Deloitte Oy, Authorised Public Accountants		
Audit	215,9	204,4
Other services	54,4	56,2
Total	270,3	260,6

31 Shares in subsidiaries and associated companies 31 December 2017

Subsidiaries consolidated into the consolidated financial statements	Share of ownership	Domicile
Beaniemax Oy	60,0 %	Tampere
Dinnermax Oy	70,0 %	Tampere
Gastromax Oy (Group)	70,0 %	Tampere
Pyynikin Brewery Restaurants Oy	85,0 %	Tampere
Harry's Ravintolat Oy	90,0 %	Helsinki
Hernesaaren Ranta Oy	80,0 %	Helsinki
Italpal Oy	100,0 %	Tampere
Kampin Sirkus Oy (Group)	90,0 %	Tampere
Markkinointitoimisto Aito Finland Oy	100,0 %	Tampere
Koskimax Oy	59,6 %	Tampere
Levin Ravintolakatu Oy	100,0 %	Helsinki
Max Consulting Oy (Group)	100,0 %	Tampere
Suomen Ravintolatoimi Oy (group)	42,1 %	Jyväskylä
Bistromax Oy	70,0 %	Tampere
Mikonkadun keidas Oy	90,0 %	Tampere
Northmax Oy	70,0 %	Tampere
Poolmax Oy	80,0 %	Tampere
Priima-Ravintolat Oy (Group)	63,8 %	Tampere
Rock Hard Catering Oy	88,0 %	Tampere
Tampereen Satamaravintolat Oy	100,0 %	Tampere
Purmax Oy	60,0 %	Tampere
Rengasravintolat Oy	100,0 %	Tampere
Restala Oy (Group)	100,0 %	Helsinki
Unioninkadun keidas Oy	82,0 %	Helsinki
Rivermax Oy (Group)	72,0 %	Tampere
Tillikka Oy	80,0 %	Tampere
Roska Yhtiöt Oy	100,0 %	Tampere
Skohan Oy	75,0 %	Tampere
Somax Oy	70,0 %	Tampere
Soolo Max Oy	70,0 %	Tampere
SRMax Oy	85,0 %	Tampere
Suomen Diner Ravintolat Oy	80,0 %	Tampere
Suomen Ravintolatoimi Oy	57,9 %	Jyväskylä
Suomen Siipiravintolat Oy	70,0 %	Tampere
Thai Papaya Oy	60,0 %	Helsinki
Tunturimax Oy	76,0 %	Tampere
Unioninkadun keidas Oy	18,0 %	Helsinki
Urban Group Oy (Group)	80,0 %	Helsinki
Cholo Oy	100,0 %	Helsinki
Sabor a México Oy	100,0 %	Helsinki

Smile Henkilöstöpalvelut Oy (Group)	78,4 %	Tampere
Happy Henkilöstöpalvelut Oy	100,0 %	Tampere
Job Services One Oy	100,0 %	Tampere
Max Henkilöstöpalvelut Oy	100,0 %	Tampere
Resta Henkilöstöpalvelut Oy	100,0 %	Tampere
RM Henkilöstöpalvelut Oy	100,0 %	Tampere
Smile Botnia Oy	90,0 %	Tampere
Smile Doctors Oy	71,3 %	Tampere
Smile Education Oy	51,0 %	Tampere
Smile Events & Promotions Oy	100,0 %	Tampere
Smile Huippu Oy (Group)	75,0 %	Kuopio
Smile Pavelut Jyväskylä Oy	100,0 %	Tampere
Smile ICT Oy	55,0 %	Tampere
Smile MMS Oy (Group)	100,0 %	Kuortane
Smile Industries Oy (Group)	100,0 %	Kuortane
Smile Industries Jyväskylä Oy	100,0 %	Tampere
Smile Industries Kuopio Oy	90,0 %	Tampere
Smile Industries Tampere Oy (Group)	76,5 %	Tampere
Smile Industries Manse Oy	100,0 %	Tampere
Smile MMS Työllistamispalvelut Oy	70,0 %	Kuortane
Smile Pohjanmaa Oy	72,0 %	Kuortane
Smile Palvelut Helsinki Oy	100,0 %	Tampere
Smile Palvelut Hämeenlinna Oy	100,0 %	Hämeenlinna
Smile Palvelut Pohjoinen Oy	100,0 %	Tampere
Smile Palvelut Ilo Oy	100,0 %	Tampere
Smile Palvelut Turku Oy	100,0 %	Tampere
Smile Railways Oy	100,0 %	Tampere
Smile Services Oy	100,0 %	Tampere
Smile Super Oy	100,0 %	Tampere
Smile Tampere Oy	100,0 %	Tampere
Smile Banssi Oy (Group)	100,0 %	Tampere
Smile Banssi Etelä Oy	90,9 %	Espoo
Smile Banssi Pohjoinen Oy	100,0 %	Espoo
Smile Banssi Häme Oy	100,0 %	Espoo
Smile Banssi Uusimaa Oy	90,9 %	Vantaa
Smile Banssi Itä Oy	100,0 %	Joensuu
Smile Banssi Länsi Oy	100,0 %	Turku
Smile Banssi Keski Oy	90,0 %	Jyväskylä
Smile Banssi Lappi Oy	90,0 %	Rovaniemi
Smile Banssi Helsinki Oy	100,0 %	Helsinki
Smile Banssi Safety Oy	100,0 %	Espoo
Smile Banssi Kaakko Oy	90,0 %	Lappeenranta
Smile Hoiva Oy	100,0 %	Espoo
Talous Bandora Oy	100,0 %	Espoo

Associated companies consolidated into the consolidated financial statements

SuperPark Oy	30,3 %	Sotkamo

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	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Priima-Ravintolat Oy Tampere	36,2 %	36,2 %	-50,5	-40,9	64,7	115,1
Gastromax Oy Tampere	30,0 %	30,0 %	-378,2	-359,9	1325,1	-946,8
Tunturimax Oy Tampere	24,0 %	35,0 %	48,6	18,7	92,5	63,0
Smile Henkilöstöpalvelut Oy - Group	78,4 %	93,0 %	568,4	224,1	2 391,5	484,5

Financial information:

EUR thousand

Priima-Ravintolat Oy	**2017**	**2016**
Turnover	3 305,9	4 322,3
Profit for the financial period	-139,3	-112,8
Non-current assets	1 949,7	2 351,1
Current assets	374,6	471,2
Non-current liabilities	1 026,3	1 323,6
Current liabilities	1 119,4	1 180,7
Operating cash flow	513,1	329,3
Investment cash flow	-87,9	-72,0
Financial cash flow	-454,6	-266,1

Gastromax Oy	**2017**	**2016**
Turnover	3 953,1	3 710,8
Profit for the financial period	-1 260,7	-1 199,7
Non-current assets	2 014,1	3 356,0
Current assets	1 483,1	317,6
Non-current liabilities	4 416,9	3 812,9
Current liabilities	3 497,2	3 016,8
Operating cash flow	-330,7	-697,5
Investment cash flow	-621,1	-188,2
Financial cash flow	950,2	880,5

Tunturimax Oy	**2017**	**2016**
Turnover	4 110,4	4 954,5
Profit for the financial period	202,7	78,0
Non-current assets	855,2	923,8
Current assets	817,8	743,6
Non-current liabilities	229,2	187,1
Current liabilities	1 058,4	1 217,7
Operating cash flow	351,5	462,0
Investment cash flow	-142,5	-41,3
Financial cash flow	-211,5	-442,4

Smile Henkilöstöpalvelut Oy - Group	2017	2016
Turnover	75 612,2	34 129,4
Profit for the financial period	392,8	833,9
Non-current assets	27 828,5	10 896,6
Current assets	16 900,0	7 348,0
Non-current liabilities	14 932,3	7 205,6
Current liabilities	24 420,8	11 250,5
Operating cash flow	4 543,6	1 176,6
Investment cash flow	-8 505,3	-1 363,6
Financial cash flow	3 803,5	366,7

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	2017	2016
In one year	15 987,8	13 271,1
In over one year and within five years maximum	41 559,9	32 893,9
In over five years	15 709,4	14 016,6
Total	73 257,1	60 181,6

In 2017, lease expenses of TEUR 15,951.0 (TEUR 14,002.6 in 2016) paid based on lease agreements were recorded through profit or loss.

The Group has sublet 15 restaurant premises. Lease expenses of TEUR 699.3 in 2017 (TEUR 945.4 in 2016) were recorded for these premises. Based on the sublease agreements, the future minimum lease payments will amount to TEUR 1,334.1 at the end of 2017 (TEUR 1,699.4 at the end of 2016).

The Group as a lessor

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

EUR thousand	2017	2016
In one year	678,8	990,6
In over one year and within five years maximum	1 022,5	1 516,7
In over five years	138,2	38,6
Total	1 839,5	2 546,0

33 Conditional liabilities and assets and commitments

EUR thousand	2017	2016
Liabilities with guarantees included on the balance sheet		
Loans from financial institutions, non-current	34 168,1	24 010,5
Loans from financial institutions, current	11 634,4	8 139,8
Total	45 802,5	32 150,3
Guarantees given on behalf of the Group		
Collateral notes secured by a mortgage	54 350,0	34 150,0
Real estate mortgage	4 096,8	4 096,8
Subsidiary shares	37 613,1	31 596,6
Other shares	164,8	164,8
Bank guarantees	3 414,9	3 717,8
Other guarantees	7 000,0	1 000,0
Total	106 639,5	74 726,0

EUR thousand	2017	2016
Commitments:		
Purchase commitment	600,0	200,0

Restamax Plc has committed to financing, when necessary, an associated company with a subordinated loan of a maximum of TEUR 2,000. After the end of the financial period, TEUR 500 of the loan is drawn.

With a deed of sale dated 1 July 2017, Restamax Plc’s subsidiary engaging in the labour hire business purchased 100% of the shares in Smile Job Services One Oy (formerly Job Services One Oy). A part of the sale price has been paid with Restamax Plc subsidiary’s shares involving a fixed-term repurchase obligation.

34 Classification of financial assets and liabilities

31.12.2017

EUR thousand	Measured at fair value through profit or loss	Available for sale	Loans and receivables	Into amortised acquisition cost	Fair value
Financial assets					
Interest-bearing loans receivable			125,3		125,3
Non-interest-bearing other receivables			1 222,0		1 222,0
Trade and other receivables			23 342,4		23 342,4
Unquoted shares		685,1			685,1
Cash and cash equivalents			2 570,0		2 570,0
Total		685,1	27 259,7		27 944,8
Book value, total		685,1	27 259,7		27 944,8
Financial liabilities					
Non-current financial liabilities				34 643,0	34 643,0
Non-current trade payables and other				3 674,8	3 674,8
Current financial liabilities				11 682,5	11 682,5
Current trade payables and other				34 238,9	34 238,9
Fair value, total				84 239,2	84 239,2
Book value, total				84 239,2	84 239,2

31.12.2016

EUR thousand	Measured at fair value through profit or loss	Available for sale	Loans and receivables	Into amortised acquisition cost	Fair value
Financial assets					
Interest-bearing loans receivable			198,2		198,2
Non-interest-bearing other receivables			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	0,0	0,0	0,0	52 818,1	52 818,1

35 Adjustments to operating cash flows

EUR thousand	2017	2016
Non-cash transactions		
Recognition of advertising space sales and contract compensation	-218,9	-232,2
Changes in provisions	-183,2	89,9
Accounts receivable write-off	430,0	22,2
Sale of fixed assets	-6,4	0,0
Other adjustments	-212,2	-312,8
Total	-190,6	-432,9

36 Net liabilities balancing calculation

Net liabilities

EUR thousand	2017
Cash and cash equivalents	2 570,0
Liquid investments	0,0
Loans - repayable within one year (incl. credit accounts)	-12 044,0
Loans - repayable within more than one year (incl.	-34 281,5
Net liabilities	-43 755,5
Cash and cash equivalents and liquid investments	2 570,0
Gross liabilities and variable-interest	-46 325,5
Net liabilities	-43 755,5

EUR thousand	**Other assets**		**Liabilities related to financing**		
	Cash and cash equivalents/credit Accounts	**Liquid investments**	**Loans within one year**	**Loans in more than one year**	**Total**
Net liabilities 31 December 2016	1 871,1		-7 797,7	-24 765,2	-30 691,8
Cash flows	698,9		-4 246,2	-9 254,8	-12 802,1
Acquisitions of subsidiaries - loans				-261,6	-261,6
Net liabilities 31 December 2017	2 570,0	0,0	-12 044,0	-34 281,5	-43 755,5

37 Fair values of financial instruments

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

		2017		2016	
MEUR	Note	Book value	Fair value	Book value	Fair value
Financial assets					
Financial assets available for sale	14	685,1	685,1	620,2	620,2
Interest-bearing loans receivable	13	125,3	125,3	198,2	198,2
Trade and other receivables	13	24 564,4	24 564,4	15 067,9	15 067,9
Cash and cash equivalents	15	2 570,0	2 570,0	1 871,1	1 871,1
Financial liabilities					
Non-current financial liabilities	19	34 643,0	34 643,0	24 369,9	24 369,9
Non-current trade payables and other liabilities	20	3 674,8	3 674,8	796,4	796,4
Current financial liabilities	19	11 682,5	11 682,5	8 193,0	8 193,0
Current trade payables and other liabilities	20	34 238,9	34 238,9	19 458,8	19 458,8

The following price quotations, assumptions and measurement 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 measured at fair value or acquisition cost, since it has been impossible to measure them at fair value using measurement 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 measured at fair value are either sellable on the secondary market or their measurement 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 discounting is not relevant when considering the maturity of the receivables.

Financial assets recorded at fair value through profit or loss

Financial assets recorded at fair value through profit or loss include financial asset items that have been acquired to be held for trading or that are classified to be recorded at fair value through profit or loss upon original recording.

Financial liabilities

The fair values of 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 discounting is not relevant when considering the maturity of the receivables.

Fair value hierarchy for financial assets measured at fair value

31.12.2017

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

31.12.2016

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

During the financial period which has ended, 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 of similar asset items 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 of these instruments, the Group uses generally accepted measurement 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 item or liability that is not based on verifiable market data; instead, they are largely based on the management's estimates and their use in generally accepted measurement models.

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

38 Key events occurring after the closing date

Restamax Plc’s subsidiary engaging in the labour hire business purchased the entire shareholding of Kymppi Service Oy with a deed of sale dated 18 January 2018. The right of ownership and management was transferred on 1 February 2018.

On 22 January 2018, Restamax announced plans to revamp its organisation and the structure of its Executive Team. Restamax's operational organisation was divided into three business units: Nightclubs, Food restaurants, and Pubs&Entertainment, each with their own responsible director. The position of Chief Procurement Officer (CPO) was established to strengthen purchasing operations and the efficiency thereof. The roles of sales and marketing strategy were increased in the organisation and, for that purpose, the position of Chief Commercial Officer (CCO) will be established.

On 13 March 2018, Restamax communicated that the Board of Directors has decided to review and evaluate the listing of the labour hire business comprising its subsidiary Smile Henkilöstöpalvelut Oy and its subgroup on the Nasdaq Helsinki Ltd Stock Exchange. The evaluation process will be carried out during spring 2018.

Restamax Plc’s subsidiary engaging in the labour hire business, Smile Henkilöstöpalvelut Oy, bought 80% of the share capital of Adicio Oy. The right of ownership and management will transferred on 3 April 2018.

On 23 March 2018, Restamax communicated that it will expand its restaurant business operations to Denmark, where it will operate through its subsidiary Restamax Operations Denmark. The company will buy over 90% of the Danish Cock’s & Cows and The Bird companies. Ownership will be transferred on 4 April 2018.

39 Calculation formulas for key figures

<u>Profitability</u>

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

<u>Financial position</u>

Equity ratio %

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

Gearing ratio %

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

<u>Key figures per share</u>

Dividends per share

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

Earnings per share

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

Dividend/earnings per share %

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

Equity per share, EUR

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

Dividend payout ratio, %

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

Effective dividend yield, %

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

Price-to-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 of share capital, EUR

Closing-date share price x number of shares

Restamax Plc
Business ID 1952494-7

INCOME STATEMENT (EUR)	1 January 2017–31 December 2017	1 January 2016–31 December 2016
TURNOVER	**22 506 866,56**	**23 017 768,84**
Other operating income	5 584 396,01	4 820 148,34
Materials and services		
Materials, supplies and goods		
Purchases during the financial period	-5 546 486,20	-5 091 454,88
Addition/reduction of stock	187 038,07	-21 091,66
External services	-3 080 443,24	-3 068 967,09
	-8 439 891,37	-8 181 513,63
Staff expenses		
Salaries and fees	-3 887 630,09	-3 940 485,50
Indirect employee costs		
Pension costs	-743 462,79	-753 365,62
Other indirect employee costs	-157 074,19	-233 531,07
	-4 788 167,07	-4 927 382,19
Depreciations, amortisations and impairment		
Scheduled depreciations	-1 758 255,28	-2 026 739,16
Impairment of non-current assets	0,00	-1 412,78
	-1 758 255,28	-2 028 151,94
Other operating expenses	-12 767 476,92	-11 567 994,40
OPERATING PROFIT (LOSS)	**337 471,93**	**1 132 875,02**
Financial income and expenses		
Income from shares in companies of the same Group	1 161 800,00	636 200,00
From others	1 140,00	
Other interest and financial income		
From companies in the same Group	1 141 485,10	1 002 552,83
From others	3 598,60	5 976,02
Impairments of cash equivalents in current assets	-64 240,00	-78 000,00
Interest expenses and other finance costs		
To companies in the same Group	-148,42	-9 673,19
To others	-773 749,01	-801 888,35
	1 469 886,27	755 167,31
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**1 807 358,20**	**1 888 042,33**
Appropriations		
Addition/reduction of depreciation difference	-90 825,26	1 230,29
Group contributions received/given	6 140 519,33	6 040 370,00
	6 049 694,07	6 041 600,29
Taxes for financial period	-1 327 952,65	-1 115 300,57
PROFIT (LOSS)	**6 529 099,62**	**6 814 342,05**

Restamax Plc
Business ID 1952494-7

BALANCE SHEET	**31.12.2017**	**31.12.2016**
(EUR)		
A S S E T S		
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	498 304,26	737 052,74
Other long-term expenditure	4 684 222,08	2 562 364,46
Advance payments	139 622,02	36 401,29
	5 322 148,36	3 335 818,49
Tangible assets		
Buildings and structures	2 180 419,08	2 261 139,77
Machines and equipment	2 923 674,73	2 481 730,33
Other tangible assets	1 393,44	1 393,44
Prepayments and incomplete acquisitions	126 529,31	0,00
	5 232 016,56	4 744 263,54
Investments		
Holdings in Group companies	37 613 128,43	34 965 324,91
Holdings in associated companies	3 047 895,23	1 330 000,00
Other shares and holdings	422 658,84	434 342,84
	41 083 682,50	36 729 667,75
NON-CURRENT ASSETS TOTAL	**51 637 847,42**	**44 809 749,78**
CURRENT ASSETS		
Inventories		
Finished goods/Items	569 500,65	382 462,58
	569 500,65	382 462,58
Non-current		
Non-current trade receivables	261 947,37	14 171,60
Receivables from Group companies	24 616 944,12	22 593 553,38
Loan assets	125 325,09	653 925,09
Other receivables	189 038,46	100 000,00
	25 193 255,04	23 361 650,07
Current		
Trade receivables	1 350 905,48	1 085 161,85
Receivables from Group companies	24 016 880,93	20 326 322,85
Loan assets	500 000,00	26 400,00
Other receivables	222 841,79	22 322,27
Prepayments and accrued income	806 264,71	636 046,59
	26 896 892,91	22 096 253,56
Cash and cash in bank	420 531,84	315 152,86
CURRENT ASSETS TOTAL	**53 080 180,44**	**46 155 519,07**
ASSETS TOTAL	**104 718 027,86**	**90 965 268,85**

BALANCE SHEET	**31.12.2017**	**31.12.2016**
(EUR)		
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	37 541 513,54
	37 541 513,54	37 541 513,54
Profit (loss) from previous financial periods	10 498 944,43	8 670 488,38
Profit (loss) from financial period	6 529 099,62	6 814 342,05
EQUITY TOTAL	**54 719 557,59**	**53 176 343,97**
APPROPRIATIONS		
Depreciation difference	224 231,73	133 406,47
TOTAL APPROPRIATIONS	**224 231,73**	**133 406,47**
COMPULSORY PROVISIONS		
Other compulsory provisions	0,00	183 151,52
COMPULSORY PROVISIONS TOTAL	**0,00**	**183 151,52**
CREDIT CAPITAL		
Non-current		
Subordinated loans	0,00	76 954,40
Loans from financial institutions	29 496 450,00	23 981 568,00
Liabilities to companies in the same Group	1 683 786,77	774 501,96
Other payables	0,00	460 164,05
	31 180 236,77	25 293 188,41
Current		
Loans from financial institutions	10 419 872,51	7 461 309,84
Advances received	1 635,51	12 575,31
Accounts payable	2 548 840,73	1 462 816,24
Liabilities to companies in the same Group	3 473 731,00	1 133 786,75
Other payables	596 063,11	413 244,98
Accruals and deferred income	1 553 858,91	1 695 445,36
	18 594 001,77	12 179 178,48
CREDIT CAPITAL TOTAL	**49 774 238,54**	**37 472 366,89**
LIABILITIES TOTAL	**104 718 027,86**	**90 965 268,85**

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2017

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 measurement and recognition

Measurement of non-current assets

Non-current assets are measured 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 as scheduled depreciations.

Basis of and changes to scheduled depreciations

Commodity group	Estimated service life	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

Measurement of current assets

Inventories are measured at their varying acquisition cost in accordance with the FIFO principle and the lowest value principle defined in Section 6(1) of Chapter 5 of the Accounting Act.

The sale receivables and other receivables marked under non-current assets are measured at their nominal value or their probable value, whichever is lowest.

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 recognised to correspond with the accruals-based salaries in the financial statements.

Measurement of credit capital

Liabilities are measured at their nominal value.

Own shares

Own shares purchased are recorded as deductions from the accumulated earnings from previous financial periods.

NOTES TO THE INCOME STATEMENT

Distribution of turnover	31.12.2017	31.12.2016
Restaurant business	22 223 676,83	22 662 539,99
Other business	283 189,73	355 228,85
	22 506 866,56	23 017 768,84

Other operating income	31.12.2017	31.12.2016
Sales profit	376 026,69	0,00
Rental income	251 996,46	161 422,58
Other miscellaneous operating income	145 573,19	835 298,09
Other miscellaneous operating income, Group	4 810 799,67	3 823 427,67
Total	5 584 396,01	4 820 148,34

Materials and services	31.12.2017	31.12.2016
Materials and supplies		
Purchases during the financial period	5 546 486,20	5 091 454,88
Changes in inventories	-187 038,07	21 091,66
External services	3 080 443,24	3 068 967,09
	8 439 891,37	8 181 513,63

Staff expenses	31.12.2017	31.12.2016
Number of staff		
Average number of staff	104	99
Total number of staff	104	99
Salaries and fees	3 887 630,09	3 940 485,50
Pension costs	743 462,79	753 365,62
Other indirect employee costs	157 074,19	233 531,07
Total	4 788 167,07	4 927 382,19
Fringe benefits (taxable value)	76 795,65	58 301,07

Other operating expenses	31.12.2017	31.12.2016
Voluntary indirect employee costs	234 773,35	237 781,31
Costs for business premises	7 131 972,97	6 661 586,65
Costs for machinery and equipment	1 068 058,84	906 562,60
Travel expenses	206 351,71	172 490,51
Marketing, performer and entertainment expenses	2 186 431,57	2 131 910,44
Other operating expenses	1 939 888,48	1 457 662,89
	12 767 476,92	11 567 994,40

Auditor services	31.12.2017	31.12.2016
Auditor's fee	80 850,00	50 750,00
Other services	41 598,28	86 862,00
Total	122 448,28	137 612,00

Financial income and expenses	**31.12.2017**	**31.12.2016**
Income from shares		
From companies in the same Group	1 161 800,00	636 200,00
From others	1 140,00	0,00
Impairment of investments in non-current assets		
From others	-64 240,00	-78 000,00
Interest and other financial income		
From companies in the same Group	1 141 485,10	1 002 552,83
From others	3 598,60	5 976,02
Interest and other financing expenses		
To companies in the same Group	-148,42	-9 673,19
To others	-773 749,01	-801 888,35
Total	1 469 886,27	755 167,31

In 2016, the company received EUR 70,000.00 from Restala Oy as advance dividends.

Appropriations	**31.12.2017**	**31.12.2016**
Difference of scheduled depreciations and depreciations made in taxation	-90 825,26	1 230,29
Group contributions received	6 140 519,33	6 199 000,00
Group contributions given	0,00	-158 630,00
Total	6 049 694,07	6 041 600,29

Income taxes	**31.12.2017**	**31.12.2016**
Income taxes from actual operations	1 327 864,19	1 115 300,57
Taxes from previous financial periods	88,46	0,00
	1 327 952,65	1 115 300,57

NOTES TO THE BALANCE SHEET
NOTES CONCERNING ASSETS ON THE BALANCE SHEET

Non-current assets

Intangible assets	Goodwill	Other intangible assets	Total
Book value 1 Jan	737 052,74	2 598 765,74	3 335 818,49
Additions	33 500,00	3 064 851,43	3 098 351,43
Deductions	0,00	-54,89	-54,89
Depreciation during the financial period	-272 248,48	-839 718,19	-1 111 966,67
Book value on 31 December	498 304,26	4 823 844,10	5 322 148,36

Tangible assets	Buildings	Machines and equipment	Other tangible assets	Prepayments and incomplete acquisitions	Total
Book value 1 Jan	2 261 139,77	2 481 730,33	1 393,44	0,00	4 744 263,54
Additions	0,00	1 124 865,24	0,00	126 529,31	1 251 394,55
Deductions	0,00	-117 352,92	0,00	0,00	-117 352,92
Depreciation during the financial period	-80 720,69	-565 567,92	0,00	0,00	-646 288,61
Book value on 31 December	2 180 419,08	2 923 674,73	1 393,44	126 529,31	5 232 016,56

Investments	Holdings in Group companies	Holdings in associated companies	Other shares and holdings	Total
Book value 1 Jan	34 965 324,91	1 330 000,00	434 342,84	36 729 667,75
Additions	2 649 553,52	1 717 895,23	0,00	4 367 448,75
Deductions	-1 750,00	0,00	-11 684,00	-13 434,00
Book value on 31 December	37 613 128,43	3 047 895,23	422 658,84	41 083 682,50

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

Holdings in Group companies

Company name and type	Domicile	Share %
Beaniemax Oy	Tampere	60,0 %
Dinnermax Oy	Tampere	70,0 %
Gastromax Oy (Group)	Tampere	70,0 %
Pyynikin Brewery Restaurants Oy	Tampere	85,0 %
Harry's Ravintolat Oy	Helsinki	90,0 %
Hernesaaren Ranta Oy	Helsinki	80,0 %
Italpal Oy	Tampere	100,0 %
Kampin Sirkus Oy (Group)	Tampere	90,0 %
Markkinointitoimisto Aito Finland Oy	Tampere	100,0 %
Koskimax Oy	Tampere	59,6 %
Levin Ravintolakatu Oy	Helsinki	100,0 %
Max Consulting Oy (Group)	Tampere	100,0 %
Suomen Ravintolatoimi Oy (group)	Jyväskylä	42,1 %
Bistromax Oy	Tampere	70,0 %
Mikonkadun keidas Oy	Tampere	90,0 %
Northmax Oy	Tampere	70,0 %
Poolmax Oy	Tampere	80,0 %
Priima-Ravintolat Oy (Group)	Tampere	63,8 %
Rock Hard Catering Oy	Tampere	88,0 %
Tampereen Satamaravintolat Oy	Tampere	100,0 %
Purmax Oy	Tampere	60,0 %
Rengasravintolat Oy	Tampere	100,0 %
Restala Oy (Group)	Helsinki	100,0 %
Unioninkadun keidas Oy	Helsinki	82,0 %
Rivermax Oy (Group)	Tampere	72,0 %
Tillikka Oy	Tampere	80,0 %
Roska Yhtiöt Oy	Tampere	100,0 %
Skohan Oy	Tampere	75,0 %
Somax Oy	Tampere	70,0 %
Soolo Max Oy	Tampere	70,0 %
SRMax Oy	Tampere	85,0 %
Suomen Diner Ravintolat Oy	Tampere	80,0 %
Suomen Ravintolatoimi Oy	Jyväskylä	57,9 %
Suomen Siipiravintolat Oy	Tampere	70,0 %
Thai Papaya Oy	Helsinki	60,0 %
Tunturimax Oy	Tampere	76,0 %
Unioninkadun keidas Oy	Helsinki	18,0 %
Urban Group Oy (Group)	Helsinki	80,0 %
Cholo Oy	Helsinki	100,0 %
Sabor a México Oy	Helsinki	100,0 %

Smile Henkilöstöpalvelut Oy (Group)	Tampere	78,4 %
Happy Henkilöstöpalvelut Oy	Tampere	100,0 %
Job Services One Oy	Tampere	100,0 %
Max Henkilöstöpalvelut Oy	Tampere	100,0 %
Resta Henkilöstöpalvelut Oy	Tampere	100,0 %
RM Henkilöstöpalvelut Oy	Tampere	100,0 %
Smile Botnia Oy	Tampere	90,0 %
Smile Doctors Oy	Tampere	71,3 %
Smile Education Oy	Tampere	51,0 %
Smile Events & Promotions Oy	Tampere	100,0 %
Smile Huippu Oy (Group)	Kuopio	75,0 %
Smile Pavelut Jyväskylä Oy	Tampere	100,0 %
Smile ICT Oy	Tampere	55,0 %
Smile MMS Oy (Group)	Kuortane	100,0 %
Smile Industries Oy (Group)	Kuortane	100,0 %
Smile Industries Jyväskylä Oy	Tampere	100,0 %
Smile Industries Kuopio Oy	Tampere	90,0 %
Smile Industries Tampere Oy (Group)	Tampere	76,5 %
Smile Industries Manse Oy	Tampere	100,0 %
Smile MMS Työllistamispalvelut Oy	Kuortane	70,0 %
Smile Pohjanmaa Oy	Kuortane	72,0 %
Smile Palvelut Helsinki Oy	Tampere	100,0 %
Smile Palvelut Hämeenlinna Oy	Hämeenlinna	100,0 %
Smile Palvelut Pohjoinen Oy	Tampere	100,0 %
Smile Palvelut Ilo Oy	Tampere	100,0 %
Smile Palvelut Turku Oy	Tampere	100,0 %
Smile Railways Oy	Tampere	100,0 %
Smile Services Oy	Tampere	100,0 %
Smile Super Oy	Tampere	100,0 %
Smile Tampere Oy	Tampere	100,0 %
Smile Banssi Oy (Group)	Tampere	100,0 %
Smile Banssi Etelä Oy	Espoo	90,9 %
Smile Banssi Pohjoinen Oy	Espoo	100,0 %
Smile Banssi Häme Oy	Espoo	100,0 %
Smile Banssi Uusimaa Oy	Vantaa	90,9 %
Smile Banssi Itä Oy	Joensuu	100,0 %
Smile Banssi Länsi Oy	Turku	100,0 %
Smile Banssi Keski Oy	Jyväskylä	90,0 %
Smile Banssi Lappi Oy	Rovaniemi	90,0 %
Smile Banssi Helsinki Oy	Helsinki	100,0 %
Smile Banssi Safety Oy	Espoo	100,0 %
Smile Banssi Kaakko Oy	Lappeenranta	90,0 %
Smile Hoiva Oy	Espoo	100,0 %
Talous Bandora Oy	Espoo	100,0 %

Holdings in associated companies

Company name and type	**Domicile**	**Share %**
SuperPark Oy	Sotkamo	30,3 %

Current assets

Inventories	**31.12.2017**	**31.12.2016**
Materials and supplies	569 500,65	382 462,58
	569 500,65	382 462,58

Receivables

Non-current receivables	**31.12.2017**	**31.12.2016**
Trade receivables	261 947,37	14 171,60
Loan assets	125 325,09	653 925,09
Other receivables	189 038,46	100 000,00
	576 310,92	768 096,69
Non-current receivables from companies in the same Group		
Loan assets	24 616 944,12	22 593 553,38
	24 616 944,12	22 593 553,38
Non-current receivables total	**25 193 255,04**	**23 361 650,07**

Current receivables		
Trade receivables	1 350 905,48	1 085 161,85
Loan assets	500 000,00	26 400,00
Other receivables	222 841,79	22 322,27
Prepayments and accrued income	806 264,71	636 046,59
	2 880 011,98	1 769 930,71
Current receivables from companies in the same Group		
Trade receivables	707 515,45	340 018,62
Prepayments and accrued income	1 371 115,73	382 139,69
Other receivables	7 800 019,33	6 269 000,00
Loan assets	14 138 230,42	13 335 164,54
	24 016 880,93	20 326 322,85
Current receivables total	**26 896 892,91**	**22 096 253,56**

Essential items of prepayments and accrued income		
Amortisations	88 238,65	60 433,47
Income tax receivables	137 270,01	0,00
Other prepayments and accrued income	580 756,05	575 613,12
Total	806 264,71	636 046,59

NOTES CONCERNING LIABILITIES ON THE BALANCE SHEET

Equity		**31.12.2017**	**31.12.2016**
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**
Invested unrestricted equity fund at the beginning of the financial period		37 541 513,54	34 892 713,54
Private offering		0,00	2 648 800,00
Invested unrestricted equity fund at the end of the financial period		**37 541 513,54**	**37 541 513,54**
Profit/loss from previous financial periods at the beginning of the financial period		8 670 488,38	7 805 976,94
Transfer of profit/loss from previous financial period		6 814 342,05	5 233 008,84
Dividend distribution		-4 985 886,00	-4 368 497,40
Profit/loss from previous financial periods at the end of the financial period		**10 498 944,43**	**8 670 488,38**
Profit/loss from financial period		**6 529 099,62**	**6 814 342,05**
Unrestricted equity at the end of the financial period in total		**54 569 557,59**	**53 026 343,97**
Equity, total		**54 719 557,59**	**53 176 343,97**

Calculation of distributable funds in equity		**31.12.2017**	**31.12.2016**
Profit from previous financial periods		10 498 944,43	8 670 488,38
Net income from financial period (profit + / loss -)	+	6 529 099,62	6 814 342,05
Invested unrestricted equity fund	+	37 541 513,54	37 541 513,54
Distributable funds total	=	**54 569 557,59**	**53 026 343,97**

Appropriations	**31.12.2017**	**31.12.2016**
Depreciation difference for buildings	37 924,48	29 374,56
Depreciation difference for machines and equipment	186 307,25	104 031,91
Total appropriations	224 231,73	133 406,47

Compulsory provisions	**31.12.2017**	**31.12.2016**
Rental provision	0,00	183 151,52
	0,00	183 151,52

Credit capital	**31.12.2017**	**31.12.2016**
Non-current credit capital		
Subordinated loans	0,00	76 954,40
Loans from financial institutions	29 496 450,00	23 981 568,00
Liabilities to companies in the same Group		
Other liabilities to Group companies	1 683 786,77	774 501,96
Advances received	0,00	0,00
	1 683 786,77	774 501,96
Other non-current liabilities	0,00	460 164,05
Non-current credit capital total	**31 180 236,77**	**25 293 188,41**

Liabilities that mature later than within five years	**31.12.2017**	**31.12.2016**
Loans from financial institutions	1 755,14	3 721,40

Current credit capital	**31.12.2017**	**31.12.2016**
Loans from financial institutions	10 419 872,51	7 461 309,84
Advances received	1 635,51	12 575,31
Accounts payable	2 548 840,73	1 462 816,24
Liabilities to companies in the same Group		
Accounts payable	1 039 282,06	402 094,85
Liabilities	2 422 524,51	674 964,66
Advances received	0,00	43 264,00
Accruals and deferred income	11 924,43	13 463,24
	3 473 731,00	1 133 786,75
Other payables	596 063,11	413 244,98
Accruals and deferred income	1 553 858,91	1 695 445,36
Current credit capital total	**18 594 001,77**	**12 179 178,48**

Essential items of accrued charges and deferred credits	**31.12.2017**	**31.12.2016**
Salary debt	256 108,63	266 215,36
Holiday salary debt	628 659,25	596 093,12
Pension insurance	193 945,97	178 441,73
Income tax liabilities	0,00	173 300,57
Other accruals and deferred income	475 145,06	481 394,58
Accrued expenses, total	1 553 858,91	1 695 445,36

The total balance of the consolidated 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.

NOTES CONCERNING GUARANTEES AND CONTINGENT LIABILITIES

Liabilities and guarantees by balance sheet item and guarantee type

Liabilities with guarantees included on the balance sheet	31.12.2017	31.12.2016
Loans from financial institutions, non-current	29 496 450,00	23 981 568,00
Loans from financial institutions, current	10 419 872,51	7 461 309,84
Total	39 916 322,51	31 442 877,84

Provided guarantees	31.12.2017	31.12.2016
Corporate mortgages given	34 150 000,00	34 150 000,00
Real estate mortgage	4 096 768,00	4 096 768,00
Bank guarantees	0,00	688 135,63
Mortgaged securities, shares in subsidiaries at book values	37 613 128,41	31 596 562,11
Other guarantees	7 000 000,00	1 000 000,00
Other guarantees given in total	82 859 896,41	71 531 465,74

Restamax Plc has committed to financing, when necessary, an associated company with a subordinated loan of a maximum of TEUR 2,000. After the end of the financial period, TEUR 500 of the loan is drawn.

Leasing rental agreement liabilities not included on the balance sheet	31.12.2017	31.12.2016
To be paid during the next financial period	1 974,35	5 549,88
To be paid later	503,33	2 480,00
Total	2 477,68	8 029,88
Total amount of open leasing rental agreements,	2 477,68	8 029,88
due during next financial period	1 974,35	5 549,88
due later	503,33	2 480,00
The agreements can be terminated by paying the residual value for the remaining instalments	2 477,68	8 029,88

Other liabilities

Other guarantee engagements not included or entered on the balance sheet

	31.12.2017	31.12.2016
Rental guarantee, VAT 0%	44 946 869,62	32 914 503,36
	44 946 869,62	32 914 503,36

	31.12.2017	31.12.2016
Smile Henkilöstöpalvelut Oy, purchase guarantee approx.	0,00	MEUR 2.1
Guarantee liability from purchases	600 000,00	200 000,00

Restamax Plc has provided an absolute guarantee for all of the companies in the Restamax Group as relates to accounts payable to the wholesalers, up to an amount of TEUR 600.

CASH FLOW STATEMENT FOR 1 JANUARY–31 DECEMBER 2017 € thousand	1 January–31 December 2017	1 January–31 December 2016
Operating cash flow:		
Profit (loss) before appropriations and taxes	1 807	1 888
Adjustments:		
Scheduled depreciations and impairment	1 758	2 028
Other income and expenses that do not incur payments	-54	-889
Financial income and expenses	-1 470	-755
Other adjustments	-307	83
Cash flow before change in working capital	1 734	2 355
Change in working capital:		
Increase (-)/deduction (+) in current interest-free receivables	-1170	319
Increase (-)/deduction (+) in inventories	-187	21
Increase (-)/deduction (+) in current interest-free liabilities	1914	-948
Operating cash flow before financial items and taxes	2 291	1 746
Interest and fees paid for other operating finance costs	-755	-757
Dividends received from business operations	1 233	1 516
Interest received from business operations	151	896
Immediate taxes paid	-1 636	-1 914
Cash flow before extraordinary items	1 285	1 488
Operating cash flow (A)	1 285	1 488
Investment cash flow:		
Investments in tangible and intangible assets	-4 709	-984
Income from assignment of tangible and intangible assets	55	1 082
Investments in other investments	-4 367	-779
Income from assignment of other investments	199	0
Deduction (+)/increase (-) of non-current loans receivable	-2 826	-2 245
Investment cash flow: (B)	-11 649	-2 926
Finance cash flow:		
Current loans drawn (+)/repaid (-)	3 565	-1 367
Non-current loans drawn (+)	13 560	21 740
Non-current loans repaid (-)	-7 673	-20 960
Dividends paid and other distribution of profits	-4 986	-4 368
Group contributions received (+)	6 162	6 424
Group contributions given (-)	-159	0
Finance cash flow: (C)	10 469	1 469
Change in cash and cash equivalents (A+B+C), increase (+)/deduction (-)	105	30
Cash and cash equivalents at the beginning of the financial period	315	158
Cash and cash equivalents transferred in merger	0	126
Cash and cash equivalents at the end of the financial period	421	315
Cash and cash equivalents at the end of the financial period, excluding the merger	105	30
Change	0	0

SIGNATURES FOR FINANCIAL STATEMENTS AND ANNUAL REPORT 31 DECEMBER 2017

Date and signatures

Tampere, 27 March 2018

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

AUDITOR'S NOTE

An audit report has been provided today.

Date and signature

Tampere __ March 2018

Deloitte Oy
Authorised Public Accountants

Hannu Mattila
APA

NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 2017

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
Financial statements	Separately bound/www.restamax.fi
Balance sheet specifications	Separately bound

	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