

EXTREMELY STRONG FIRST QUARTER, 18% NET SALES GROWTH AND 52% COMPARABLE EBITDA GROWTH COMPARED TO THE PREVIOUS YEAR**February-April 2016 (2-4/2015)**

- Chain-based net sales grew 18.3% (4.7%)
- Comparable net sales were 15.4 MEUR (13.1). Growth was 17.7%
- Comparable EBITDA was 1.29 MEUR (0.85). EBITDA growth was 52.0%
- Comparable EBIT was 1.05 MEUR (0.71)
- Net gearing was 29.2 percent (770.3%)
- Equity ratio was 52.0 percent (10.5%)

Guidance for the fiscal year 2017 unchanged

The Group estimates for the full financial year that the chain-based net sales will grow by over 5 percent as compared to the previous fiscal year and that comparable EBITDA will grow as compared to the previous year.

KEY FIGURES, EUR THOUSAND

	2-4/16	2-4/15	2/15-1/16
Comparable figures			
Comparable net sales	15 387	13 071	56 370
Comparable EBITDA	1 286	846	5 026
Comparable EBITDA of net sales, %	8.4%	6.5%	8.9%
Comparable EBIT net sales, %	1 045	714	4 274
	6.8%	5.5%	7.6%
Reported figures			
Chain-based net sales	20 407	17 243	77 266
Reported net sales	15 387	13 071	56 370
Reported EBITDA	1 286	236	4 187
Reported EBITDA of net sales, %	8.4%	1.8%	7.4%
Reported EBIT net sales, %	1 045	104	3 435
	6.8%	0.8%	6.1%
Earnings per share	0.10	0.00	0.05
Net cash flows from operating activities	1 442	-1 539	-671
Net cash used in investment activities	-117	-81	-1 770
Net gearing, %	29.2 %	770.3 %	31.8
Equity ratio, %	52.0 %	10.5 %	51.8

Tommi Tervanen, CEO of Kotipizza Group

“The first quarter of the year opened the first year which Kotipizza Group will spend fully as a listed company on the OMX Nasdaq Helsinki main list. The chain-based net sales growth also continued its almost historical pace during the quarter, as it did during the previous fiscal year. In April, the Kotipizza restaurant chain reached the highest monthly sales in its 29-year history. The chain-based net sales were 7.14 MEUR in April as the previous all record 7.07 MEUR was from July 2015. The Kotipizza chain’s net sales continued on a good level both in same-store sales and in number of customers. The number of customers increased 12.2% and the average purchase 6.1% in the brick-and-mortar restaurants. At the end of the review period, orders made through the online store amounted to nearly a tenth of the net sales in brick-and-mortar restaurants. The chain-based net sales growth was 18.3 percent in February–April, being clearly above the average growth in the Finnish fast food market.

The growth in net sales is particularly significant considering that the net amount of Kotipizza restaurants continued to decrease during the review period. At the end of the period, the number of Kotipizza restaurants was 254 (263). The decrease in the number of restaurants is due to the consistent closing of non-profitable restaurants. At the same time, the chain also invests in the opening of new brick-and-mortar restaurants, so it can be estimated that the number of restaurants will start growing again during 2016.

One of the main reasons for chain-based net sales growth is Kotipizza’s brand and concept renewal, which was started at full speed at the beginning of 2015. The renewal will be finalized by the end of this year. We expect that chain-based net sales will continue to develop favorably. Achieving similar relative growth figures will however become more challenging month after month as comparison months from the previous year are getting tougher.

The Group has consistently developed the Kotipizza chain in the spirit of the fast casual phenomenon, that is, emphasizing the freshness, authenticity and sustainability of the food. Part of the same emphasis is the Mexican-style Chalupa chain started in September 2015. Chalupa started to expand outside the Helsinki region during the quarter. At the end of the review period, three brick-and-mortar Chalupa restaurants were operating in Helsinki, one in Kauniainen and one in Tampere. In addition, Chalupa products were available in one Kotipizza lunch restaurant. It is notable that out of the three opened restaurants during the review period two are franchised.

Group net sales grew 17.7% in the first quarter of the year and were 15.4 MEUR (13.1). Comparable EBITDA was 1.29 MEUR (0.85) in the first quarter, a growth of 52.0%. Previous year’s EBITDA was still burdened by two administrative costs as company’s previous headquarter in Vaasa was closed at the end of May 2015. We were however on pace with our medium-term financial goals, both in terms of the development of chain-based sales as well as that of EBITDA. The financial standing of the Group is also on a solid ground, net gearing was 29 percent and equity ratio 52 percent at the end of the quarter.

There have not been any material changes in the market development after our financial year close at the end of January. We don’t expect any material changes to the chained fast food market this year compared to the previous year. The economic growth in Finland is expected to be slow and to underperform Eurozone. The development of the national economy has a direct impact to consumer demand and to demand for chained fast food. However, according to the statistics demand growth for fast food has been stable, surely following the overall economic development, during the past 15 years in Finland.

The growth of our chain-based net sales exceeded the market growth for chained fast food in year 2015 based on the ongoing concept renewal in Kotipizza, efficient marketing activities, innovative R&D and sustainable procurement. We don’t see any such structural changes in the market place that we would not expect our chain based net sales to grow in line with the fast food market growth in Finland or even to exceed the market growth in 2016.

We therefore estimate the group’s chain-based net sales will during the present financial year grow by over 5% as compared to the previous financial year, and the comparable gross margin/EBITDA will grow as compared to the previous financial year.”

GROUP NET SALES

February-April 2016

Chain-based net sales grew 18.3% (4.7%) year on year in the first quarter of the fiscal year and were 20.4 MEUR (17.2). The chain-based net sales growth was based on both an increase in the average purchase and an increase in the number of customers. Kotipizza's concept renewal proceeded to some 90 brick-and-mortar restaurants. This together with the comprehensive menu renewal done in summer 2014, successful new products together with targeted, influential and sustainability emphasized marketing has positively changed consumers' brand experience of Kotipizza. This is seen as an increase in the number of customers. In addition, the average number of brick-and-mortar restaurants increased by five restaurants compared to those from previous year.

The chain-based net sales are the total combined net sales of the company's franchisees, based on which the company's franchising fees are invoiced monthly. It also includes the sales of the restaurants owned directly by the group.

Group comparable net sales for the first quarter of the financial year were 15.4 MEUR (13.1) and they grew 17.7% compared to same period in the previous year. Reported net sales were 15.4 MEUR (13.1). Sales growth was mainly based on Foodstock's increased sales volume to Kotipizza underpinned by the good chain-based sales development. New customers of Foodstock, Fafa's and Espresso House, which were not yet Foodstock's customers in the previous year, increased net sales. The net sales of Foodstock grew 17.7% year on year in the first quarter of the fiscal year. The Kotipizza segment's net sales increased 11.8% compared to the previous year and were 3.1 MEUR (2.8). The Chalupa segment's net sales in the first quarter of the financial year were 0.2 MEUR (0.0).

GROUP EBIT

February-April 2016

Comparable EBIT of the Group was 1.05 MEUR (0.71) in the first quarter of the financial year. Reported EBIT was 1.05 MEUR (0.10). Reported EBIT did not include items affecting comparability. The reported EBIT of the previous year included 0.61 MEUR items affecting comparability. Out of this EUR 495 thousand were related to closing down company's previous headquarters and EUR 115 were related to Foodstock's accrual error.

The EBIT improved mainly due to volume improvement as the relative sales margin was practically on the previous year's level and fixed cost growth clearly below the volume growth. Clearly higher depreciations compared to the previous year (non cash item) had a negative impact on the EBIT.

SALES AND EBITDA OF THE SEGMENTS

KOTIPIZZA SEGMENT			
EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	3 096	2 770	11 784
Comparable gross margin/EBITDA	1 478	839	5 465
Depreciation and impairments	-147	-98	-584
Comparable EBIT	1 331	741	4 881
Reported gross margin/EBITDA	1 478	570	5 196
Reported EBIT	1 331	472	4 612

Olli Väätäinen, COO of Kotipizza Oyj

“The Kotipizza chain continued to reform strongly in the spirit of the fast casual phenomenon during the review period, continuing a facelift of the restaurant design. More than half of the chain’s brick-mortar restaurants have already been renovated. At the end of the review period, the number of restaurants was 254 (263). Kotipizza continued to develop its online store. At the end of the review period, orders made through the online store amounted to nearly a tenth of the net sales in brick-and-mortar restaurants. During the review period, Kotipizza’s own mobile app was also launched.”

February-April 2016

Net sales of Kotipizza for the first quarter of the financial year were 3.10 MEUR (2.77) and they increased 11.8% compared to same period in the previous year. The increase in net sales was based on growth in chain-based net sales and in consequence all franchising contract based net sales increased.

Kotipizza’s comparable EBITDA of was 1.48 MEUR (0.84) in the first quarter of the financial year and it grew 76.2% compared to same period in the previous year. Improvement in comparable EBITDA was mainly due to restructuring measures implemented in the segment’s operations and favourable development of chain-based net sales in Kotipizza. Reported EBITDA was 1.48 MEUR (0.57) in first quarter of the financial year. Reported EBITDA in Kotipizza did not include items affecting comparability in the first quarter. The previous year’s comparable EBITDA for the first quarter has been adjusted with EUR 269 thousand of items affecting comparability related to costs of closing down company’s previous headquarters.

FOODSTOCK SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	12 112	10 286	44 096
Comparable gross margin/EBITDA	334	215	964
Depreciation and impairments	-31	-28	-113
Comparable EBIT	303	187	851
Reported gross margin/EBITDA	334	100	849
Reported EBIT	303	72	736

Anssi Koivula, CEO of Helsinki Foodstock Oy

“The most significant development of the review period was that Helsinki Foodstock signed an agreement with Muurahaiskarhu Oy making it responsible for supply chain management for the Siipiravintola chain of restaurants in Finland. Within the Group, Foodstock’s operations have been especially affected by the Kotipizza chain’s growing emphasis on the sustainability and local ingredients. Foodstock has also taken part in the planning of the sourcing of the ingredients for the Chalupa chain. Chalupa’s sourcing has gradually been shifted to us and we are now responsible for a majority of the chain’s sourcing.”

February-April 2016

Net sales of Foodstock for the first quarter of the financial year were 12.11 MEUR (10.29) and they grew 17.7% compared to same period in the previous year. The growth in net sales was mainly due to favourable development of Kotipizza chain-based net sales, which had a positive boost to Foodstock’s delivery volumes for the chain. Net sales to the Rolls chain increased materially compared to the previous year. The number of restaurants in Foodstock’s customer Rolls increased materially compared to the previous year as Kotipizza sold its 55 Burger, Cola, Fries concept burger restaurants to Rolls. The positive volume effect of Foodstock’s new customers, like Fafa’s and Espresso House, were also visible in the reported numbers.

Foodstock’s comparable EBITDA improved and was 0.33 MEUR (0.22) in the first quarter of the financial year. Foodstock’s reported EBITDA was 0.33 MEUR (0.10) in the first quarter of the financial year. Reported EBITDA did not include items affecting comparability in the first quarter. Previous year’s EBITDA included EUR 115 thousand of items affecting comparability, which were related to Foodstock’s accrual error.

CHALUPA SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	180	0	443
Comparable gross margin/EBITDA	-72	0	-66
Depreciation and impairments	-12	0	-18
Comparable EBIT	-84	0	-84
Reported gross margin/EBITDA	-72	0	-66
Reported EBIT	-84	0	-84

Iman Gharagozlu, Creative Director of Chalupa Oy

“The work of refining, testing and documenting the Chalupa concept continued during the review period so that the chain can start expanding on a franchising basis. The most significant development of the review period was that the chain started its expansion outside the Helsinki region. Out of three restaurants opened during the review period two are run by franchisees. At the end of the review period altogether five Chalupa restaurants were operational and in addition Chalupa products were available in one of the Kotipizza’s lunch restaurants.”

February-April 2016

Chalupa’s net sales were 0.18 MEUR (0.00) in the first quarter of the financial year and comparable EBITDA together with reported EBITDA was -0.07 MEUR (0.00). Chalupa opened new restaurants in Kauniainen, Munkkiniemi in Helsinki, and Tampere during the review period. The two latter new restaurants were opened under franchising agreements.

OTHERS SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	0	15	47
Comparable gross margin/EBITDA	-454	-208	-1 337
Depreciation and impairments	-51	-6	-37
Comparable EBIT	-505	-214	-1 374
Reported gross margin/EBITDA	-454	-434	-1 792
Reported EBIT	-505	-440	-1 829

Others segment includes mainly operations of the group headquarters.

February-April 2016

Net sales of the Others segment were 0.00 MEUR (0.01) in the first quarter of the financial year. Comparable EBITDA was -0.45 MEUR (-0.21). Reported EBITDA was -0.45 MEUR (-0.43). Reported EBITDA did not include items affecting comparability. The previous year’s comparable EBITDA for the first quarter has been adjusted with EUR 266 thousand of items affecting comparability related to costs of closing down company’s previous headquarters.

FINANCIAL ITEMS AND RESULT

Finance costs of the Group were 0.20 MEUR (0.87). The materially higher financing costs in the previous year were based on materially more leveraged balance sheet structure together with higher interest rates on debt.

Group taxes were -0.20 MEUR (-0.11) in the financial year.

The result of the period was 0.66 MEUR (-0.66) in the financial year.

Earnings per share were 0.10 EUR (0.00) in the financial year.

THE GROUP'S FINANCIAL POSITION

Kotipizza Group's balance sheet total as of 30 April 2016 was 57.4 MEUR (51.3). The Group's non-current assets as at 30 April 2016 amounted to 40.5 MEUR (38.5), and current assets amounted to 16.9 MEUR (12.7).

The Group's net cash flow from operating activities for the financial year was 1.4 MEUR (-1.5). Working capital was tied up the amount of EUR 0.41 MEUR (released 0.44).

The net cash flow from investment activities for the period was -0.12 MEUR (-0.08). Investments in tangible and intangible assets for the period amounted to 0.38 MEUR (0.10), and proceeds from sales of tangible assets were 0.26 MEUR (0.00).

The net cash flow from financing activities was -0.38 MEUR (-0.05).

The Group's equity ratio was 52.0% (10.5%). The increase in equity ratio was due to share issue implemented and transferring company's shareholder loan and interest related to shareholder loan into equity in accordance with the initial public offering.

Interest-bearing debt amounted to 17.8 MEUR (36.1), of which current debt accounted for 0.84 MEUR (0.13). Kotipizza Group Oyj redeem in full its three-year unsecured bond with a nominal value 30 MEUR on 11 August 2015 with the proceeds from the 4 June 2015 announced and 6 October 2015 implemented Initial Public Offering and the new 17.0 MEUR term loans withdrawn on 7 August 2015. New term loans have covenants.

Further information on Kotipizza Group's financial risks is presented in the financial statements for the 31 January 2016.

INVESTMENTS

The gross investments for the period amounted to 0.38 MEUR (0.10). The Company's investments to fixed assets, related mainly to IT systems, amounted to 0.38 MEUR (0.10).

PERSONNEL

On 31 October 2015, Kotipizza Group employed 38 people, all of who worked in Finland. At the end of the previous financial year 31 January 2016, the Company employed 38 people, all of who worked in Finland.

BUSINESS ARRANGEMENTS

There were no business arrangements during the review period.

CHANGES IN THE MANAGEMENT

There were no changes in Kotipizza Group's operative management, Board of Directors or Management Board during the period.

MANAGEMENT BOARD

Kotipizza Group's Management Board comprises five members: Tommi Tervanen (CEO), Timo Pirskanen (CFO), Olli Väättäinen (Chief Operating Officer), Anssi Koivula (Chief Procurement Officer) and Antti Isokangas (Chief Communications and Corporate Responsibility Officer).

SHARES AND SHARE CAPITAL

Kotipizza Group Oyj's share capital at the end of the review period was EUR 80,000.00 and it comprised 6,351,201 shares. At the beginning of the review period 1 February 2016 the number of the shares was 6,351,201. At the end of the period, the Company had 600 (9) shareholders. The Company does not hold any treasury shares.

Information about the company's shareholder structure by sector and size of holding, the largest shareholders and Board of Director and Corporate Management Board interests can be viewed on the company's website at www.kotipizzagroup.com.

RESOLUTIONS OF THE GENERAL MEETINGS

Kotipizza Group's Annual General Meeting held on 11 May 2016 resolved that no dividend is paid for the financial period ending 31 January 2016, but EUR 0,35 per share is paid from the reserves for invested unrestricted equity.

The AMG adopted the financial statements for financial year ending 31 January 2016 and discharged the members of the Board of Directors and CEO from liability for the financial year ending 31 January 2016.

The AGM resolved the number of Board members to be six. Johan Wentzel, Minna Nissinen, Petri Parvinen, Kim Hanslin and Kalle Ruuskanen were re-elected as members of Board of Directors for a term of office that lasts until the end of the next AGM. Marjatta Rytömaa was elected as a new member. Johan Wentzel was re-elected as Chairman of the Board of Directors.

The AGM resolved that the members of the Board will be paid as follows: Chairman of the Board of Directors Johan Wentzel and member Marjatta Rytömaa EUR 500 per month (EUR 6 000 p.a.) and other members of the Board of Directors EUR 2 000 per month (EUR 24 000 p.a.) each.

The AGM resolved that the remuneration for the auditor be paid according to invoice approved by the company. The AGM resolved to re-elect audit firm Ernst & Young Oy as the company's auditor for a term that ends at the closing of the next AGM.

The AGM resolved to authorize the Board of Directors to decide on a share issue on following terms:

- 1 The authorization may be used in full or in part by issuing shares in Kotipizza Group Oyj in one or more issues so that the maximum number of shares issued is 635 000 shares.
- 2 The Board of Directors may also decide on a directed share issue in deviation from the shareholders' pre-emptive rights in case there is a weighty financial reason to do so, such as in order to finance or carry out acquisitions or other business transactions, develop the company's capital structure, or in order to use the shares for an incentive scheme. The Board of Directors would be authorized to decide to whom and in which order the shares will be issued. In the share issues shares may be issued for subscription against payment or without charge.
- 3 Based on the authorization, the Board of Directors is also authorized to decide on a share issue without payment directed to the company itself, provided that the number of shares held by the company after the issue would be a maximum of 10 per cent of all shares in the company. This amount includes shares held by the company and its subsidiaries in the manner provided for in Chapter 15, section 11 (1) of the Companies Act.
- 4 This authorization includes the right for the Board of Directors to decide on the terms and conditions of the share issues and measures related to the share issues in accordance with the Companies Act, including the right to decide whether the subscription price will be recognized in full or in part in the invested unrestricted equity reserve or as an increase to the share capital.
- 5 The authorization is valid until 31 July 2017.

6 The authorization will supersede the authorization to decide upon share issues given to the company's Board of Directors on 28 May 2015.

RISKS AND UNCERTAINTIES

In the long term, Kotipizza Group's operative risks and uncertainties relate to a possible failure in predicting consumer preferences and in creating attractive new concepts, as well as to new business risks related to possible expansion to new cities and abroad. The competitive situation is expected to remain harsh in the fast food industry. Company's management cannot affect the general market development and consumer behaviour with its actions.

Restaurant openings also have a material impact on company's franchising, rent, entry, building, operating system, training and other income, income received from selling raw materials and supplies and transport and flow of goods related income and thus to the company's financial result.

Kotipizza Group is currently launching a new fast casual concept, which is reported as Chalupa segment. Launching a new business concept has several risks related e.g. anticipation of consumer needs, habits, taste and behaviour. Launching a new concept has a risk of not reaching an established position at the market and not having a well-established clientele. Failure in launching a new concept causes costs to the company and has a material adverse impact on company's brand, financial position and financial result.

EVENTS AFTER THE REPORT PERIOD

The company announced on 6 May 2016 that the Board of Directors of Kotipizza Group Oyj had resolved on a new long-term share-based incentive program targeted to the executive board. In the earning period 1.2.2016-31.1.2019 the performance measures applied are the average growth of Kotipizza Group chain's total sales and earnings per share in the three-year earning period. Based on earning period 1.2.2016-31.1.2019 at maximum 47.204 performance shares can be given as reward, which includes the cash payment portion of the reward. The potential reward is to be paid as combination of shares (50%) and a cash payment (50%). The Board of Directors thus anticipates that the maximum dilutive effect on the number of the company's registered shares for the first earning period is 0,37, should the reward realise in full.

The company announced on 30 May 2016 that the members of the Marketing Co-operative of the Kotipizza chain had decided to change the co-operative into a Franchisee co-operative. The change is going to have a financial effect on Kotipizza Group Oyj. Funds collected for Kotipizza's countrywide marketing, 4 per cent of the sales of the Kotipizza chain, are going to be invoiced to the Kotipizza segment starting 1 July 2016. Previously, the funds were collected to the Marketing Co-operative, independent of the Group. This will grow the segment's, and thus the Group's, turnover without affecting profit, but will have an effect on relative profitability. In 2015, the Marketing Co-operative had a turnover of approximately 3.2 million Euros. The change did not have any effect on the company's first quarter numbers.

OUTLOOK FOR THE FINANCIAL YEAR 2017 UNCHANGED

Demand for chained fast food is estimated to remain stable. The economic growth in Finland is expected to be slow and to clearly underperform Eurozone. According to estimates the national economy in Finland is expected to remain on the previous years' level or to even slightly decline. The development of the national economy has a direct impact to consumer demand and to demand for chained fast food. According to the Finnish Hospitality Association (MaRa) the turnover of the chained based fast food restaurants in Finland grew 5.7% in 2015. Demand for fast food has according to statistics remained relatively stable, surely following the overall development of the economy. According to MaRa's statistics turnover of the chained based fast food restaurants in Finland has grown 2.2 percent a year (CAGR) in years 2000-2015.

The growth of our chain-based net sales exceeded the market growth for chained fast food in year 2015 based on the ongoing concept renewal in Kotipizza, efficient marketing activities, innovative R&D and sustainable procurement. According to the Group management, there are currently no such structural changes seen in the market place that the management would not expect company's chain based net sales to grow in line with the fast food market growth in Finland or even to exceed the market growth in 2016.

The Company estimates the chain-based net sales will grow during the present financial year by over 5 percent as compared to the previous financial year, and the comparable gross margin (EBITDA) will grow as compared to the previous financial year.

ACCOUNTING POLICIES

Kotipizza Group's unaudited interim report for the three-month period ending 30 April 2016, including the audited comparison figures for the three-month period ending 30 April 2015, have been prepared according to IAS 34 and applying the same accounting principles that were used in the previous audited full year financial statements.

SUMMARY OF THE FINANCIAL STATEMENT AND NOTES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2-4/16	2-4/15	2/15-1/16
	000 €	000 €	000 €
Continuing operations			
Net sales	15 387	13 071	56 370
Other income	48	39	126
Change in inventory of raw materials and finished goods (+/-)	-495	699	458
Raw materials and finished goods (-)	-11 631	-11 009	-45 106
Employee benefits/expenses (-)	-828	-1 347	-3 605
Depreciations (-)	-241	-132	-735
Impairments (-)	0	0	-17
Goodwill impairment (-)	0	0	0
Contingent consideration (-)	0	0	0
Other operating expenses (-)	-1 195	-1 217	-4 056
Operating profit	1 045	104	3 435
Finance income	10	1	28
Finance costs	-200	-868	-3 011
Loss / profit before taxes from continuing operations	855	-763	452
Income taxes	-200	109	-124
Loss / profit for the period from continuing operations	655	-654	328
Discontinued operations			
Loss after tax for the period from discontinued operations	0	-6	-113
Loss / profit for the period	655	-660	215
Earnings per share, EUR:			
Basic, profit for the period attributable to ordinary equity holders of the parent (no dilutive instruments)	0,10	0,00	0,05
Earnings per share for continuing operations, EUR:			
Basic, profit for the period attributable to ordinary equity holders of the parent (no dilutive instruments)	0,10	0,00	0,08

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	<u>2-4/16</u>	<u>2-4/15</u>	<u>2/15-1/16</u>
	000 €	000 €	000 €
Profit (loss) for the period)	655	-660	215
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges	10	0	-367
Exchange differences on translation of foreign operations	0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	10	0	-367
Other comprehensive income for the period, net of tax	8	0	-294
Total comprehensive income for the period, net of tax	663	-660	-79
Attributable to:			
Owners of the company	697	-660	-45
Non-controlling interest	-34	0	-34
	663	-660	-79

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.4.2016	30.4.2015	31.1.2016
	000 €	000 €	000 €
Assets			
Non-current assets			
Property, plant and equipment	1 449	771	1 002
Goodwill	35 819	35 819	35 819
Intangible assets	2 332	1 236	2 118
Non-current financial assets	2	2	2
Non-current receivables	560	485	783
Deferred tax assets	288	186	289
	40 450	38 499	40 013
Current assets			
Inventories	2 867	3 642	3 385
Trade and other receivables	4 941	5 302	4 945
Current tax receivables	58	245	58
Prepayments	0	0	0
Cash and cash equivalents	9 050	3 528	8 099
	16 916	12 717	16 487
Assets classified as held for sale	15	35	19
Total Assets	57 381	51 251	56 519
	30.4.2016	30.4.2015	31.1.2016
	000 €	000 €	000 €
Equity and liabilities			
Share capital	80	80	80
Translation differences	0	0	0
Fund for invested unrestricted equity	29 818	5 362	29 818
Retained earnings	73	-1 238	-624
Non-controlling interests	-48	20	-14
Total equity	29 923	4 224	29 260
Non-current liabilities			
Interest bearing loans and borrowings	16 939	35 937	16 363
Financial liabilities at fair value through profit or loss	357	152	367
Other non-current liabilities	2 449	4 162	2 462
Deferred tax liabilities	54	70	54
	19 799	40 321	19 246
Non-current liabilities			
Interest bearing loans and borrowings	841	130	1 041
Trade and other payables	6 562	6 511	6 882
Provisions	57	0	90
Current tax liabilities	199	10	0
	7 659	6 651	8 013
Liabilities related to assets held for sale	0	55	0
Total liabilities	27 458	47 027	27 259
Total shareholders' equity and liabilities	57 381	51 251	56 519

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to owners of the company						
EUR THOUSAND	Share capital	Fund for invested unrestricted equity	Retained earnings	Translation differences	Non-controlling interest	Total equity
1 February 2016	80	29 818	-624	0	-14	29 260
Result for the period	0	0	697	0	-34	663
Other comprehensive income	0	0	0	0	0	0
Total incomprehensive income for the period	0	0	697	0	-34	663
Share issue	0	0	0	0	0	0
Initial public offering costs	0	0	0	0	0	0
Other change	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
30 April 2016	80	29 818	73	0	-48	29 923

Equity attributable to owners of the company						
EUR THOUSAND	Share capital	Fund for invested unrestricted equity	Retained earnings	Translation differences	Non-controlling interest	Total equity
1 February 2015	80	5 362	-579	0	0	4 863
Result for the period	0	0	-660	0	0	-535
Other comprehensive income	0	0	0	0	0	0
Total incomprehensive income for the period	0	0	-660	0	0	-660
Share issue	0	0	0	0	20	20
Dividends	0	0	0	0	0	0
Other change	0	0	1	0	0	1
30 April 2015	80	5 362	1 238	0	20	4 224

CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>2-4/2016</u>	<u>2-4/2015</u>
	000 €	000 €
Operating activities		
Profit before tax	855	-763
Loss for discontinued operations	0	-7
Adjustments to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	118	54
Depreciation and impairment of intangible assets	123	78
Depreciation and write-downs of discontinued operations	0	0
Contingent considerations	0	0
Gain on disposal of property, plant and equipment	-35	0
Finance income	-10	-1
Finance costs	200	868
Change in working capital		
Change in trade and other receivables (+/-)	208	422
Change in inventories (+/-)	518	-704
Change in trade and other payables (+/-)	-312	-153
Change in provisions (+/-)	-33	0
Interest paid (-)	-198	-1 319
Interest received	10	1
Income tax paid (-)	-2	-15
Net cash flows from operating activities	1442	-1539
Investing activities		
Acquisition of subsidiaries	0	20
Investments for tangible assets (-)	-40	-15
Investments for non-tangible assets (-)	-337	-86
Repayment for loan assets	0	0
Proceeds from sale of assets-held-for-sale	0	0
Sale of property, plant and equipment	260	0
Net cash flows used in investing activities	-117	-81
Financing activities		
Funds received from the share issue	0	0
Loans withdrawal	0	0
Loans repayments (-)	-187	0
Finance lease payments (+/-)	-187	-53
Net cash flow used in financing activities	-374	-53
Net change in cash and cash equivalents	951	-1673
Cash and cash equivalents at 1 February	8099	5201
Cash and cash equivalents at 30 April	9050	3528

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SEGMENT INFORMATION

Reported segment information of the Group has been changed due to establishing the new Chalupa segment. Franchising and Kotipizza segments in the previous audited financial statements have been combined to the Kotipizza segment and Wholesale segment is now reported as the Foodstock segment. In addition to these operational segments a new operational Chalupa segment has been established. Business administration segment in the previous audited financial statements is now reported as Others segment.

KOTIPIZZA SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	3 096	2 770	11 784
Comparable gross margin/EBITDA	1 478	839	5 465
Depreciation and impairments	-147	-98	-584
Comparable EBIT	1 331	741	4 881
Reported gross margin/EBITDA	1 478	570	5 196
Reported EBIT	1 331	472	4 612

FOODSTOCK SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	12 112	10 286	44 096
Comparable gross margin/EBITDA	334	215	964
Depreciation and impairments	-31	-28	-113
Comparable EBIT	303	187	851
Reported gross margin/EBITDA	334	100	849
Reported EBIT	303	72	736

CHALUPA SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	180	0	443
Comparable gross margin/EBITDA	-72	0	-66
Depreciation and impairments	-12	0	-18
Comparable EBIT	-84	0	-84
Reported gross margin/EBITDA	-72	0	-66
Reported EBIT	-84	0	-84

OTHERS SEGMENT

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	0	15	47
Comparable gross margin/EBITDA	-454	-208	-1 337
Depreciation and impairments	-51	-6	-37
Comparable EBIT	-505	-214	-1 374
Reported gross margin/EBITDA	-454	-434	-1 792
Reported EBIT	-505	-440	-1 829

ALL SEGMENTS TOGETHER

EUR THOUSAND	2-4/16	2-4/15	2/15-1/16
Net sales	15 387	13 071	56 370
Comparable gross margin/EBITDA	1 286	846	5 026
Depreciation and impairments	-241	-132	-752
Comparable EBIT	1 045	714	4 274
Reported gross margin/EBITDA	1 286	236	4 187
Reported EBIT	1 045	104	3 435

NOTE 2. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The non-current assets held for sale and discontinued operations were related to Kotipizza Segment's Russian operations, Domi-pizzapalat, sale of Franchising segment's 55 Burger, Cola, Fries concept and divestment of the Financial management services segment. Selling price of the both divested businesses, Financial management services and 55 Burger, Cola, Fries concept, was 1 euro.

	<u>30/04/16</u>	<u>30/04/15</u>
	000 €	000 €
Net sales	0	20
Other operating income	0	0
Depreciation	0	0
Expenses	0	-27
Operating loss (EBIT)	0	-7
Finance costs	0	0
Capital loss related to discontinued operations	0	0
Loss for the period from a discontinued operation before tax	0	-7
Tax impact	0	1
Loss for the period from the discontinued operations	0	-6
Earnings per share for discontinued operations, EUR:		
Basic, profit for the period attributable to ordinary equity holders of the parent (no dilutive instruments)	0,0	0,0

The major classes of assets and liabilities related to discontinued operations:

	<u>30/04/16</u>	<u>30/04/15</u>
	000 €	000 €
Assets		
Inventories	0	9
Trade receivable and other receivables	15	26
Assets related to discontinued operations	15	35
Liabilities		
Received collaterals	0	15
Other liabilities	0	11
Accrued expenses	0	29
Liabilities related to discontinued operations	0	55

Cash flows related to discontinued operations are not reported separately, and due to this, the information cannot be accurately reported.

NOTE 3. RELATED PARTY TRANSACTIONS

Parties are considered to be related when a party has control or significant influence over the other party relating to decision-making in connection to its finances and business. The Group's related parties include the parent company, subsidiaries, members of the board of directors and management board, managing director and their family members. The key management comprises the members of the management board. The table below sets forth the total amounts of related party transactions carried out during the period. The terms and conditions of the related party transactions correspond terms and conditions applied to transactions between independent parties.

	Interest paid	Amounts owed to related parties	Purchases from related parties	Outstanding trade payables	Sales to related parties	Outstanding trade receivables
	000 €	000 €	000 €	000 €	000 €	000 €
Key management of the group						
2-4/16	0	0	9	3	0	0
2-4/15	0	0	27	9	136	87
Other related parties						
2-4/16	0	0	139	29	0	0
2-4/15	0	0	216	68	0	0
Controlling entities						
2-4/16	0	0	0	0	0	0
2-4/15	100	0	0	0	0	0
Companies controlled by the members of the Board						
2-4/16	0	0	0	0	0	0
2-4/15	0	0	3	0	0	0

	2-4/16		2-4/15	
	Salaries	Pension expenses	Salaries	Pension expenses
	000 €	000 €	000 €	000 €
Management and key personnel of the Group:	184	35	129	23

The salaries of the Group's management and key personnel include car and telephone benefits, and there are no other benefits. No benefits are applied after service, and the Group has not paid any share-based payments. Key management personnel have not been granted a loan, and the Group has not guaranteed loans to the management personnel.

Managing director and board members:	2-4/16		2-4/15	
	Salaries	Pension expenses	Salaries	Pension expenses
	000 €	000 €	000 €	000 €
Tommi Tervanen, CEO	54	10	51	9
Johan Wentzel, Chairman of the Board	1,5	0	1,5	0
Kim Hanslin, Board member	6	0	6	0
Minna Nissinen, Board member from 1 January 2015	6	0	6	0
Petri Parvinen, Board member from 1 January 2015	6	0	6	0
Kalle Ruuskanen, Board member from 1 January 2015	6	0	6	0
Mikael Autio, Board member from 1 February 2015	1,5	0	1,5	0

NOTE 4. EMPLOYEE BENEFITS EXPENSE

All employee benefits expenses are included in administrative (fixed) expenses.

	2-4/16	2-4/15
	000 €	000 €
Wages and salaries	665	1 145
Social security costs	45	80
Pension costs (defined contribution plans)	118	122
Total employee benefits expense	828	1 347

NOTE 5. CONTINGENT LIABILITIES

<u>Commitments</u>	30/04/16	30/04/15
	000 €	000 €
Leasing commitments	107	32
Secondary commitments	0	23
Rental guarantees	641	590
Bank guarantees	420	920
Rental commitments for premises	3 379	3 426
Loans from financial institutions	16 625	0
Guarantees for other than Group companies	415	661
<u>Guarantees</u>		
Pledged deposits	146	361
Business mortgages	17 500	2 500
Guarantees	20	640
Pledged shares, book value	30 487	0
General guarantee for other Group companies	unlimited	

In Helsinki on 20 June 2016

Kotipizza Group Oyj's Board of Directors

Further information: CEO Tommi Tervanen, tel. +358 207 716, and CFO Timo Pirskanen, tel. +358 207 716 747

CALCULATION OF KEY FIGURES

Adjusted operating profit	Operating profit adjusted with non-recurring sales profit and loss and with expenses from restructuring of the Company's operations and personnel reductions
Adjusted operating profit %	Adjusted operating profit / Net sales * 100
Operating profit	Reported operating profit
Operating profit, %	Operating profit / Net sales * 100
Return on equity	Net result / Equity * 100
Equity ratio	Equity / Total assets * 100
Earning per share	Loss / profit for the period / Number of shares
Net gearing	(Interest-bearing debt – liquid assets) / Own assets * 100 where Own assets = Equity in the balance sheet + Voluntary provisions + Equity's subordinated loans
Adjusted EBITDA	EBITDA adjusted with non-recurring sales profit and loss and with expenses from restructuring of the Company's operations and personnel reductions
Adjusted EBITDA %	Adjusted EBITDA / Net sales * 100
EBITDA	Net sales + Other income +/- Change in inventory of raw materials and finished goods - Raw materials and finished goods - Employee benefits/expenses - Other operating expenses
EBITDA %	EBITDA / Net sales * 1000