

NOHO

NORDIC HOSPITALITY PARTNERS

Half-year Report 1 January-30 June 2022



NOHO PARTNERS PLC'S HALF-YEAR REPORT

1 JANUARY–30 JUNE 2022

The best quarter in the company's history
– turnover and profitability at record-high levels

APRIL–JUNE 2022 IN BRIEF

Entire Group

- Turnover increased by 161.5% to MEUR 90.2 (MEUR 34.5).
- EBIT increased by 991.2% to MEUR 16.1 (MEUR -1.8).
- The EBIT percentage was 17.9% (-5.2%)
- The result for the financial period was MEUR 10.5 (MEUR -4.3), an increase of 347.4%.
- Earnings per share were EUR 0.45 (EUR -0.18), an increase of 349.0%.
- Operational EBITDA increased by 2,533.4% to MEUR 18.3 (MEUR 0.7).

JANUARY–JUNE 2022 IN BRIEF

Entire Group

- Turnover increased by 153.8% to MEUR 138.7 (MEUR 54.7).
- EBIT increased by 228.4% to MEUR 14.8 (MEUR -11.5).
- The EBIT percentage was 10.7% (-21.1%)
- The result for the financial period was MEUR 7.0 (MEUR -15.0), an increase of 146.5%.
- Earnings per share were EUR 0.27 (EUR -0.67), an increase of 140.8%.
- Operational EBITDA increased by 422.7% to MEUR 19.4 (MEUR -6.0).

Unless otherwise stated, figures in parentheses refer to the corresponding period last year.

KEY FIGURES

NoHo Partners Group, total

(MEUR)	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	Change	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	Change	1 Jan.–31 Dec. 2021
Turnover	90.2	34.5	161.5%	138.7	54.7	153.8%	186.1
Operational EBITDA	18.3	0.7	2,533.4%	19.4	-6.0	422.7%	11.3
EBIT	16.1	-1.8	991.2%	14.8	-11.5	228.4%	-0.9
EBIT, %	17.9%	-5.2%		10.7 %	-21.1%		-0.5%
Result of the financial period	10.5	-4.3	347.4%	7.0	-15.0	146.5%	-10.3
Earnings per share (EUR) for the review period attributable to the owners of the company	0.45	-0.18	349.0%	0.27	-0.67	140.8%	-0.55
Interest-bearing net liabilities excluding IFRS 16 impact				126.9	163.7	-22.5%	151.9
Gearing ratio excluding IFRS 16 impact, %				138.7%	231.3%		203.1%
Material margin, %	75.1%	74.0%		74.8%	72.8%		74.4%
Personnel expenses, %	31.9%	37.0%		34.0%	41.2%		36.0%

Segment-specific key figures are presented on page 6.

FUTURE OUTLOOK**PROFIT GUIDANCE AS OF 22 JUNE 2022:**

NoHo Partners estimates that, during the financial period 2022, it will achieve total turnover of approximately MEUR 300 and an EBIT margin of over 8% in the restaurant business.

The Group's long-term guidance remains unchanged: The Group aims to achieve turnover of approximately MEUR 400 and an EBIT margin of approximately 10% during 2024. The company aims for the ratio of net debt to operational EBITDA, adjusted for IFRS 16 lease liability, to be under 3 and for dividends to be paid during the strategy period 2022–2024.

The company published its last monthly report on the development of its business for June 2022. Going forward, the company will report on the development of its business and publish financial information on a quarterly basis.

PREVIOUS PROFIT GUIDANCE (10 MAY 2022):

NoHo Partners estimates that, during the financial period 2022, it will achieve a total turnover of approximately MEUR 300 and an EBIT margin of approximately 7% in the restaurant business.

The Group aims to achieve turnover of approximately MEUR 400 and an EBIT margin of approximately 10% during 2024. The company aims for the ratio of net debt to operational EBITDA, adjusted for IFRS 16 lease liability, to be under 3 and for dividends to be paid during the strategy period 2022–2024.

The Group will update the estimate for the next financial period on an annual basis in conjunction with the publication of the financial statements release. The company will provide monthly reports on the development of its business during the second quarter of 2022.

THE MARKET

The COVID-19 pandemic has had a significant impact on the company's business operations, market and the restaurant industry as a whole. In the first quarter of 2022, the company operated in a highly restricted or closed business environment in all of its operating countries. Following the lifting of the restrictions, private consumption in restaurants recovered rapidly and demand in the second quarter was strong as the market normalised. Corporate sales and event sales have recovered gradually.

The business outlook for the tourism and restaurant sector has improved as the pandemic has eased, but the outlook and consumer confidence have been weakened by the uncertain geopolitical climate and the general rise in costs. The company will continue to take active measures to prepare for potentially rapid changes in the market situation by actively monitoring operational efficiency and pricing points, using centralised procurement agreements and engaging in regular dialogue with suppliers and other partners. In spite of the uncertainties in the market, the company expects the demand for restaurant services to remain at a good level during the rest of 2022.

In a normal operating environment in the restaurant business, most of the profits are made during the second half of the year due to the seasonal nature of the business.

REVIEW BY THE CEO

The second quarter of 2022 was the first period to be free of business restrictions in the company's markets since 2019. The measures taken over the past two years to develop the Group's restaurant portfolio and improve the cost structure are now fully evident as demand and volume grow. All of the Group's key figures are now at a higher level than before the COVID-19 crisis. Our relative profitability for the quarter was high at 17.9%. That figure includes MEUR 4.3 in compensation paid by the Finnish state for the business restrictions that were in place in January–February, which was recognised during the review period. Without the compensation received from the state, the Group's EBIT percentage was at an all-time high of 13.1% in the second quarter.

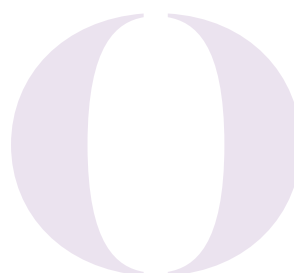
The excellent profit performance was driven by strong consumer demand as well as the Group's determined efforts to develop its portfolio. We have been successful in launching new concepts and eliminated less profitable units from our portfolio. Major individual factors underpinning the strong profit performance also included Nokia Arena – which had a particularly good start to its operations by hosting Finnish league ice hockey playoff games and the Ice Hockey World Championships – as well as the turnaround achieved in the Danish operations and the strong demand for the entertainment venues.

The company's financial position has also developed in the right direction, driven by strong growth and profitability. Supported by strong cash flow, the company has amortised its loans ahead of schedule and strengthened its equity by converting the Tesi loan taken out during the COVID-19 pandemic into equity in an arrangement valued at over MEUR 10. The parties that invested in the company in the arrangement included not only the largest shareholders but also the company's senior management and new members of the Board of Directors. The ratio of net debt to operational EBITDA has fallen below 3.5, which reduces interest expenses in accordance with the company's financing agreement. During the review period, a computational expense of MEUR 0.8 was recognised in financial items in relation to a change in the market price of Eezy shares, which are classified as an asset held for sale.

The outlook for the rest of the year is overshadowed by economic uncertainties and pressures on consumer purchasing power. During the first half of the year, we have been very successful in protecting sales margins through purchasing agreements and dynamic pricing. This provides more of a buffer and room to manoeuvre with regard to pricing and marketing, particularly in the fast food segment. The booking situation for the final quarter – which is the most important period of the year – looks good, especially as far as weekends are concerned. In the autumn, the company will launch an extensive recruitment campaign that is aimed at finding new personnel to meet the labour shortages affecting the entire industry.

During the review period, the company strengthened its organisation and focused particularly on the priorities highlighted in its growth strategy by creating a separate organisation focused on the fast food business and by strengthening the country organisations in Denmark and Norway. After two difficult years, the company had a flying start to the second quarter and a return to the path of profitable growth, where the goal is to achieve turnover of MEUR 400 and EBIT of MEUR 40 by the end of 2024.

Aku Vikström
CEO, NoHo Partners



IMPLEMENTATION OF THE STRATEGY

After the COVID-19 pandemic has eased and restrictions have been lifted, the company has continued to implement a strategy of profitable growth.

Strategic priorities:

- Profitable growth in the Norwegian restaurant market through acquisitions
- Scaling up the Friends & Brgrs chain to a national level
- Large and profitable urban projects

The goal is to accelerate growth in the Norwegian restaurant market through acquisitions. The Wiigen restaurant was opened in Oslo's Aker Brygge district in the second quarter.

The goal is to scale around 10 new restaurants in the Friends & Brgrs chain on an annual basis. Four new restaurants in the chain were opened during January–July 2022.

With regard to large and profitable urban projects, the capacity of Nokia Arena in Tampere, Finland, was fully utilised during the lively spring of playoff competition in the Finnish ice hockey league, and the Ice Hockey World Championships in May went very well and generated turnover of approximately MEUR 5.7.

BUSINESS SEGMENTS

As of 1 January 2022, NoHo Partners' business consists of two business segments, which are reported separately:

- Finnish operations
- International business

TURNOVER AND INCOME

JANUARY–JUNE 2022

Entire Group

During the second quarter, the company operated in an unrestricted business environment in all of its operating countries. The Group's turnover in April–June 2022 was MEUR 90.2, which represents an increase of 162% compared to the corresponding period in 2021 and an increase of 33% compared to the corresponding period in 2019, before the COVID-19 pandemic. In January–June 2022, turnover amounted to MEUR 138.7, representing growth of 154% compared to the corresponding period in the previous year and growth of 15% compared to the corresponding period in 2019, in spite of the restricted business environment in the first months of the year.

The lifting of restaurant restrictions was reflected in strong customer demand and turnover growth in the second quarter. Growth was further boosted by the release of pent-up demand and the Ice Hockey World Championships held in the company's main markets in Finland, Helsinki and Tampere, which had an effect of approximately MEUR 5.7 on the company's turnover in May.

Operational EBITDA reached an all-time high in April–June 2022: MEUR 18.3, including MEUR 4.3 in retrospectively confirmed government assistance from the Finnish state in relation to the business restrictions that were in place in January–February 2022. The operational EBITDA for January–June 2022 was MEUR 19.4, representing an increase of 423% compared to the previous year.

EBIT in April–June 2022 also reached an all-time high of MEUR 16.1 (179%), or MEUR 11.8 (13.1%) adjusted for the financial support received from the Finnish state. The result for April–June 2022 was MEUR 10.5, representing growth of 347% compared to the corresponding period last year. The result for the review period was affected by an expense of MEUR 0.8 recognised in financial items due to the market value of Eezy Plc shares, classified as held for sale, falling below the book value.

In January–June 2022, EBIT was MEUR 14.8 (10.7%) and the result was MEUR 7.0, representing an increase of 147% compared to the corresponding period last year.

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Finnish operations

There was a strong recovery in consumer demand after restrictions were lifted in March, and consumer demand remained strong throughout the second quarter. Corporate sales and event sales returned to normal during the review period.

At the end of June 2022, the operations consisted of 211 restaurants across Finland. Restaurants represented 44% of the turnover of Finnish operations in the second quarter, with entertainment venues representing 41% and fast food restaurants 15%. The excellent profit performance of entertainment venues and the company's largest urban project, Nokia Arena, helped the business achieve a record-high result. Nokia Arena's share of turnover in the first half of the year was over MEUR 10, or approximately 9%.

In April–June 2022, turnover increased by 144% compared to the corresponding period last year and by 29% compared to the corresponding period in 2019. In January–June 2022, turnover increased by 121% compared to the corresponding period last year and by 5% compared to the corresponding period in 2019, in spite of the restrictions that were in place in the first months of the year.

EBIT in April–June 2022 was MEUR 14.6 (20.0%), or MEUR 10.3 (14.1%) when adjusted for the retrospectively confirmed financial support from the Finnish state, representing the highest level the company has ever achieved. In January–June 2022, EBIT was MEUR 12.2 (11.1%). The EBIT achieved by the company is strong evidence of successful portfolio development and the improvement of relative profitability.

The company has been able to balance the effects of inflation on its business through centralised purchasing agreements and price increases, and the general rise in prices has not affected the material margin for the time being. In spite of the labour shortages in the sector, the company also performed well in recruitment and resource allocation during the first half of the year, and the growth in turnover has kept personnel expenses at a good level.

KEY FIGURES, FINNISH OPERATIONS							
(MEUR)	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	Change	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	Change	1 Jan.–31 Dec. 2021
Turnover	72.9	299	144.0%	110.2	499	120.8%	158.1
Operational EBITDA	15.9	1.3	1,162.9%	15.1	-4.2	458.4%	9.3
EBIT	14.6	-0.2	8,655.1%	12.2	-7.8	256.6%	1.0
EBIT, %	20.0%	-0.6%		11.1%	-15.6%		0.6%
Material margin, %	75.1%	73.7%		74.6%	73.1%		74.6%
Personnel expenses, %	31.5%	35.4%		33.2%	38.1%		34.7%

International business

At the end of June 2022, the business consisted of 40 restaurants: 21 in Norway and 19 in Denmark. The restaurants in Norway generated 64% and the restaurants in Denmark 36% of the turnover in April–June 2022.

Business in Norway and Denmark recovered quickly after the restrictions were lifted in February 2022. In the early part of the year, while restrictions were still in place, government support measures continued in both countries in proportion to the reduction in turnover.

The international business is progressing according to forecasts and the Group's strategy. The long-term development of the portfolio and operational activities is reflected in strong turnover and profitability in Norway and and EBIT in Denmark returning to positive territory by a clear margin in the first half of the year, which is a strong indication that the implementation of the turn-around programme has been successful.

KEY FIGURES, INTERNATIONAL BUSINESS							
(MEUR)	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	Change	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	Change	1 Jan.–31 Dec. 2021
Turnover	17.3	4.6	274.9%	28.5	4.8	500.0%	28.0
Operational EBITDA	2.4	-0.6	534.2%	4.3	-1.8	339.2%	2.0
EBIT	1.5	-1.6	194.4%	2.6	-3.7	169.5%	-1.9
EBIT, %	8.9%	-35.5%		9.1%	-78.6%		-6.6%
Material margin, %	75.1%	76.1%		75.6%	70.1%		73.4%
Personnel expenses, %	33.5%	47.6%		37.1%	73.7%		43.7%

HALF-YEAR REPORT 1 JANUARY–30 JUNE 2022

TURNOVER BY BUSINESS AREAS

In accordance with the reorganisation measures announced on 9 June 2022, the company now uses the term “fast food business” for the business that was previously referred to as the “fast casual” business. The allocation of units to the business area has been adjusted in accordance with the new structure, and this has also been taken into account in the comparison figures.

FINNISH OPERATIONS	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Restaurants					
Turnover, MEUR	32.2	11.7	49.4	21.1	72.7
Percentage of total turnover	35.7%	34.0%	35.6%	38.5%	39.1%
Change in turnover	174.8%	-	134.6%	-	-
Units, number	92	86	92	86	96
Entertainment venues					
Turnover, MEUR	29.9	9.8	41.3	12.9	50.6
Percentage of total turnover	33.1%	28.5%	29.8%	23.6%	27.2%
Change in turnover	204.4%	-	219.9%	-	-
Units, number	71	63	71	63	72
Fast food restaurants					
Turnover, MEUR	10.8	8.3	19.4	15.9	34.8
Percentage of total turnover	12.0%	24.2%	14.0%	29.1%	18.7%
Change in turnover	29.5%	-	22.2%	-	-
Units, number	48	41	48	41	45

INTERNATIONAL BUSINESS	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Norway					
Turnover, MEUR	11.1	2.1	19.0	2.3	16.8
Percentage of total turnover	12.3%	6.1%	13.7%	4.1%	9.0%
Change in turnover	425.3%	-	737.2%	-	-
Units, number	21	18	21	18	21
Denmark					
Turnover, MEUR	6.2	2.5	9.5	2.5	11.2
Percentage of total turnover	6.9%	7.2%	6.9%	4.5%	6.0%
Change in turnover	147.5%	-	283.6%	-	-
Units, number	19	21	19	21	19

THE IMPACT OF THE COVID-19 PANDEMIC ON THE GROUP'S BUSINESS

The COVID-19 pandemic has had a significant impact on the Group's business since March 2020. The restrictions imposed on the restaurant industry by governments in order to mitigate the pandemic and the impacts of the pandemic on customer demand have had a highly negative effect on NoHo Partners' business operations and financial results. The Group has taken determined action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In Finland, strict restrictions on restaurants were in place in January and continued until 14 February 2022, after which alcohol service ended at 11 p.m. and opening hours ended at midnight for all restaurants. At the same time, restrictions on assembly were lifted. The restaurant restrictions in Finland were lifted completely on 1 March 2022.

In Denmark, restaurants had to close at 11 p.m. in January, with alcohol service ending at 10 p.m. Customer capacity was restricted to half of normal and nightclubs were closed. All restaurant restrictions were lifted on 1 February 2022.

In Norway, the ban on the sale of alcohol lasted one month and ended on 14 January 2022, after which all restaurants were allowed to serve alcohol until 11 p.m. and stay open until midnight. Customer capacity was restricted to half of normal and table service was required. The restaurant restrictions, with the exception of the prohibition of dancing and the requirement to maintain safe distances of one metre, were lifted on 1 February 2022, and the remaining restrictions were lifted on 12 February 2022.

A report on the impacts of the pandemic and changes in restaurant restrictions for the comparison period 2021 is presented in the section Accounting principles, page 25, Note 1 of the Financial statements release 2021.

Government assistance during the state of emergency

In April–June 2022, the company received retrospectively confirmed government assistance from the Finnish state in the amount of MEUR 4.3. The government assistance was intended for medium-sized and large enterprises and concerned the January–February 2022 period, during which business activities were restricted or completely blocked by government orders.

The support received from the Danish state in January–June 2022 amounted to approximately MEUR 0.8 and the support received from the Norwegian state amounted to MEUR 1.7. Government assistance received by the Group totalled approximately MEUR 6.9 in January–June 2022.

A more detailed account of government assistance and the distribution thereof is presented in Note 4 Government grants in the half-year report.

CASH FLOW, INVESTMENTS AND FINANCING

The Group's operating net cash flow in January–June 2022 was MEUR 32.8 (MEUR 12.8). The total half-year change in working capital is not material, although the amount of working capital has fluctuated significantly during January–June 2022 due to the business restrictions that were in place in the early months of the year and their subsequent lifting.

The investment net cash flow in January–June 2022 was MEUR -2.2 (MEUR 0.7) including MEUR 4.2 of positive cash flow from the sale of Eezy Plc's shares, which were classified as held for sale. The investment net cash flow also included the opening of four new Friends & Brgrs restaurants, the opening of the Wiigen restaurant in Oslo, Norway and the acquisition of the restaurant Origo in Hanko, Finland.

Financial net cash flow amounted to MEUR -33.4 (MEUR -9.0), including MEUR 12.8 in amortisation of financial institution loans, of which an instalment of MEUR 4.0 due in August was paid in advance. Financial cash flow also includes the repayment of a loan of MEUR 1.8 related to the Tesi arrangement.

The Group's interest-bearing net liabilities excluding the impact of IFRS 16 liabilities decreased in the first half of the year by MEUR 25 and amounted to MEUR 126.9. The decrease was attributable to the strong profit performance in the second quarter and the Tesi convertible loan arrangement carried out in May, which reduced net debt by over MEUR 10. The Group's gearing ratio excluding the impact of IFRS 16 liabilities decreased from 203% at the beginning of the financial period to 139%.

Adjusted net finance costs in January–June were MEUR 6.9 (MEUR 6.3), of which the share of IFRS 16 interest expenses was MEUR 3.6 (MEUR 2.8).

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

DECISIONS BY THE ANNUAL GENERAL MEETING

NoHo Partners Plc's Annual General Meeting was held in Tampere, Finland, on 27 April 2022. In addition to attending the meeting, the shareholders were offered the opportunity to vote in advance on certain items on the agenda of the Annual General Meeting and to ask questions on the agenda of the Annual General Meeting. The shareholders also had the opportunity to watch the Annual General Meeting via a webcast. The AGM approved all of the proposals submitted to the AGM and approved the Remuneration Report. The AGM adopted the financial statements for 2021 and discharged the company's management from liability for the financial period 1 January 2021–31 December 2021. The AGM decided that, based on the balance sheet adopted for the financial period that ended on 31 December 2021, no dividends will be distributed. The AGM decided that the Board of Directors comprise six (6) members and selected Ernst & Young Oy as the company's auditor. The decisions of the Annual General Meeting are presented in more detail in the stock exchange release published on 27 April 2022.

ESTABLISHMENT OF COMMITTEES

On 10 May 2022, the company announced that its Board of Directors has decided to establish a Nomination and Remuneration Committee and an Audit Committee. The Chairman of the Nomination and Remuneration Committee is Yrjö Närhinen and the members are Timo Laine and Mia Ahlström. Kai Seikku has been elected as Chairman of the Audit Committee and Petri Olkinuora as a member.

TESI CONVERTIBLE LOAN ARRANGEMENT

On 13 May 2022, the company announced that its Board of Directors had approved the subscription of shares based on special rights issued by the company. Based on the subscriptions, the company issued a total of 1,266,300 new shares. The subscriptions were related to an arrangement whereby the management and domestic investors of NoHo Partners Plc acquired a majority of the convertible capital loan granted to the company by Finnish Industry Investment Ltd (Tesi) and converted their purchase into new shares in the company. The company repaid the remaining portion of the loan principal and interest, approximately one-sixth, to Tesi using its cash assets.

Shares in the company were subscribed for by Veikko Laine Oy, Länsiauto Oy, AH Capital Oy and PowerBank Ventures Ltd. Additionally, shares were subscribed for by Laine Capital Oy, owned by the chairman of the company's Board of Directors Timo Laine, vice-chairman of the Board of Directors Yrjö Närhinen through an asset management company he uses, and Seico Investments Ltd, owned by member of the Board of Directors Kai Seikku. Shares were also subscribed for by the company's Chief Executive Officer Aku Vikström, Deputy Chief Executive Officer Jarno Suominen and Chief Financial Officer Jarno Vilponen.

On 18 May 2022, the company announced that the 1,266,300 new shares that were issued had been registered in the Trade Register. The total number of the company's shares after the registration of the new shares was 20,529,073.

REORGANISATION OF THE LEADERSHIP TEAM

On 9 June 2022, the company announced it had reorganised the structure of its Leadership Team to accelerate its new growth strategy. With the changes made, the company seeks clearer accountability and allocation of resources behind its strategic growth platforms. At the same time, the company will strengthen the role of country-specific Leadership Teams and invest in the future growth and internationalisation of the Fast food business. The company's strategy and its implementation, financing, acquisitions and procurement will be concentrated in the Group operations.

Aku Vikström will continue as the Group CEO and Chairman of the Group's Executive Team. The other members of the Group's Executive Team are Deputy CEO Jarno Suominen, CFO Jarno Vilponen and, as a new member, Director of the Fast food business Tuomas Piirtola, whose task is to develop the scalable brand business in Finland and internationally. In addition, the company has established four Leadership Teams with profit responsibility: Finland, Norway, Denmark and Fast food.

PUBLICATION OF SUSTAINABILITY PROGRAMME AND ESG PRINCIPLES

On 10 June 2022, NoHo Partners published its sustainability programme and a report on its ESG principles. The sustainability report explains how NoHo Partners promoted environmental, social and governance (ESG) objectives in 2021 and outlines how the company will implement sustainable business according to its sustainability programme in the coming years.

During 2021, NoHo Partners identified the most important focus areas related to the environment, social well-being and governance, built a roadmap of responsibility for the coming years and set targets for its operations. Next, the company will promote a comprehensive responsibility programme together with its personnel and key stakeholders.

THE GROUP ISSUED A PROFIT WARNING

On 22 June 2022, NoHo Partners announced it was updating its outlook and increasing its guidance concerning the EBIT margin of the restaurant business in 2022. The company estimated that the full-year EBIT margin of the restaurant business will exceed 8%, supported by better-than-expected earnings development in the spring and early summer and compensation decisions confirmed by the Finnish, Norwegian and Danish governments for the first half of the year.

RESTAURANT OPENINGS IN THE SECOND QUARTER OF 2022:

- Friends & Brgrs, Lauttasaari Helsinki, Finland
- Hook, Jyväskylä, Finland
- Babylon Club & Garden, Helsinki, Finland
- Wiigen, Oslo, Norway
- Camping Book1, Århus, Denmark
- Wallis', Hanko, Finland

EVENTS AFTER THE REPORTING PERIOD

DIRECTED SHARE ISSUE AS PART OF THE ACQUISITION OF THE ENTIRE SHARE CAPITAL OF SEA HORSE OY

On 1 July 2022, NoHo Partners announced it would acquire the entire share capital of Sea Horse Oy. As part of the acquisition, a share issue was directed to Fonda Oy as the seller of Sea Horse Oy. Sea Horse Oy owns the restaurant Sea Horse, which operates in Helsinki. After the transaction, Sea Horse Oy is fully owned by NoHo Partners. The purchase price for all of the shares in Sea Horse Oy was approximately EUR 2,000,000, of which approximately EUR 620,000 was paid in cash. The remaining part of the purchase price will be paid with the new shares. Additionally, the seller is entitled to an earn-out purchase price payable in cash subject to the fulfilment of certain turnover-related criteria as stipulated by the share purchase agreement.

The subscription price of the new shares was EUR 8.083 per share, corresponding to the average volume-weighted trading price of the NoHo Partners share on the official list of Nasdaq Helsinki Ltd during the preceding three months (1 April–30 June 2022). The new shares were registered in the Trade Register on 7 July 2022 and trading began on 8 July 2022. As a result of the share issue, the total number of NoHo Partners shares increased to 20,699,801.

NEW RESTAURANTS

- Friends & Brgrs, Itis shopping centre, Helsinki, Finland
- Sea Horse, Helsinki, Finland
- Lulu's Helsinki, Finland
- Postkontoret, Oslo, Norway

PERSONNEL

During the period 1 January–30 June 2022, the restaurant operations of the NoHo Partners Group employed on average 1,284 (773) full-time employees and 682 (541) part-time employees converted into full-time employees as well as 327 (135) rented employees converted into full-time employees.

Depending on the season, some 2,100 people converted into full-time employees work at the Group at the same time under normal circumstances.

NEAR-TERM RISKS AND UNCERTAINTIES

The near-term risks and uncertainties described in this section can potentially have a significant impact on NoHo Partners' business, financial results and future outlook over the next 12 months. The table describes the risks as well as measures to prepare for them and minimise them.

<p>Geopolitical situation</p>	<p>The uncertain geopolitical situation may have an impact on the company's market environment. For the time being, the company does not see a significant impact on demand in its operating countries.</p> <p>The rise in the general cost level caused by the prevailing global situation has an impact on the company's business. To mitigate the impact, the company has prepared for rising raw material prices, for example, through the centralisation of purchase and sales agreements as well as price increases.</p>
<p>The COVID-19 pandemic</p>	<p>The restaurant industry is a cyclically sensitive sector that reacts quickly to economic cycles, seasonal variation and external disruptions. The COVID-19 pandemic is a good example of an external factor that significantly impacts the industry and its development.</p> <p>The COVID-19 pandemic has had a significant impact on the business operations of NoHo Partners in all of the countries in which it operates. The key risks caused by the pandemic have been related to the health and safety of the Group's employees and customers as well as loss of turnover, cash flow, liquidity, solvency and profit. The prolongation of the COVID-19 pandemic and its impacts on the market, customer behaviour, the demand for restaurant services, the national economy and the financial markets are all factors that increase uncertainty in the near term and the longer term.</p> <p>For the financial period 2022, a significant risk is related to the negative business impacts of the pandemic due to possible emergence of new virus variants and potential resulting business restrictions. The potential deterioration of the pandemic situation, restrictions imposed by the authorities and related news coverage may have a significant impact on consumer behaviour. The protection provided by vaccinations has a significant impact on the recovery of the restaurant industry in the company's operating countries.</p> <p>If the restrictions were to be further tightened by the Finnish Government due to a deteriorating pandemic situation or if the Finnish Government decides to again declare a state of emergency and orders restaurants to close, leading to the sudden stoppage of business operations, working capital could eat into cash assets due to the resulting demand shock. Possible restriction measures can lead to a deterioration of the cash position and impaired equity of the company due to lower profitability. The Group has prepared for these risks with the financing package it negotiated, by steering its operations with a focus on the cash flow, by reassessing the amount and timing of future investments and other financing arrangements.</p> <p>The cumulative cash flow of operations as well as existing liquid assets and available limits cover working capital required by the Group. The Group's new financing package, which was negotiated with its financing providers in February 2021, secures the Group's long-term financial position and facilitates the measures of the reconstruction programme.</p>
<p>General financial situation and changes in customer demand</p>	<p>The sales and profitability of restaurant services are affected by the financial situation of households and the development of purchasing power and corporate sales. The business outlook for the tourism and restaurant sector and consumer confidence have been weakened by the uncertain geopolitical climate and the general rise in costs. At the beginning of 2022, consumer confidence in the economy in Finland was at an average level, but it subsequently declined significantly in March-April and, in July, reached the lowest level seen since records began (1995–2002).</p> <p>Inflation and weakening consumer purchasing power and confidence constitute a risk to the development of NoHo Partners' turnover and cash flow. The adaptation of operating costs and the ability to mount an agile response to changes in customer demand are key ways for the Group to influence the development of turnover and EBIT.</p>
<p>Liquidity risk</p>	<p>NoHo Partners aims to ensure adequate financial assets to meet its business and financing needs. When the COVID-19 pandemic hit, the Group shifted from profit-oriented decision-making to cash flow-oriented decision-making. As the pandemic eased and the market opened up, the company returned from cash flow-oriented decision-making to profit-oriented decision-making. The Group's financing needs will be covered by optimising working capital and through external financing arrangements so that the Group has sufficient liquidity or unwithdrawn committed credit arrangements at its disposal. The operational monitoring and management of liquidity risk are centralised in the Group's finance department, where the sufficiency of financing is managed based on rolling forecasts.</p> <p>However, unexpected legislative amendments, such as the temporary implementation of the Emergency Powers Act and lockdown, might have a negative effect on the company's liquidity. According to the present view of the Group's management, the Group's current financing arrangements together with the cumulative cash flow of operations as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months, in spite of the potential prolongation of the uncertain market situation caused by the pandemic.</p>

Financial risks	<p>The Group strives to assess and track the amount of funding required by the business during the exceptional circumstances, for example by performing a weekly analysis of the utilisation rate of the restaurants and the development of sales, in order to ensure that the Group has sufficient working capital and liquid assets to fund the operations and repay loans that fall due. The aim is to ensure the availability and flexibility of Group financing through sufficient credit limit reserves, a balanced loan maturity distribution and sufficiently long loan periods as well as using several financial institutions and forms of financing, when necessary.</p> <p>Changes in the macroeconomic environment or the general financing market situation may negatively affect the company's liquidity as well as the availability, price and other terms and conditions of financing.</p>
Amendments to legislation	<p>Changes in regulations governing the restaurant business in the Group's various markets may have a negative impact on the Group's operations. Regulatory changes concerning, for example, alcohol, food and labour laws and value added taxation may affect the company's business.</p>
Rent level development	<p>Business premises expenses constitute a significant share of NoHo Partners' operating expenses. The Group's business premises are primarily leased, so the development of the general level of rents has a significant impact on the Group's operations.</p>
Labour market situation and labour supply	<p>Due to the pandemic, the labour market situation in the Group's operating countries is challenging, which may also influence NoHo Partners' operations in the future. There is a labour shortage in the restaurant industry, and the future availability of labour can be seen as one uncertainty factor.</p>
Goodwill write-off risk	<p>The Group has a significant amount of goodwill on the consolidated balance sheet, which is subject to a write-off risk in the event that the Group's expected future cash flows decline permanently due to the pandemic or other internal or external factors.</p>

Tampere, 9 August 2022

NOHO PARTNERS PLC

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NOHO PARTNERS PLC is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history. The Group companies include some 250 restaurants in Finland, Denmark and Norway. The well-known restaurant concepts of the company include Elite, Savoy, Teatteri, Sea Horse, Stefan's Steakhouse, Palace, Löyly, Hanko Sushi, Friends & Brgrs, Campingen and Cock's & Cows. Depending on the season, the Group employs approximately 2,100 people converted into full-time employees. The Group aims to achieve turnover of MEUR 400 by the end of 2024. The company's vision is to be the leading restaurant company in Northern Europe.

Half-year Report 1 January-30 June 2022:

Table Section and Notes



Half-year Report 1 January–30 June 2022: Table Section and Notes

The information presented in the Half-year Report has not been audited

Consolidated statement of profit or loss and other comprehensive income (IFRS)

MEUR	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Turnover	90.2	34.5	138.7	54.7	186.1
Other operating income	6.1	5.2	9.8	10.2	17.5
Raw materials and supplies	-31.2	-11.8	-47.4	-19.1	-63.8
Employee benefits	-20.6	-10.4	-35.8	-19.1	-52.7
Other operating expenses	-16.9	-8.2	-27.3	-15.5	-41.1
Depreciation, amortisation and impairment losses	-11.6	-11.5	-23.3	-22.9	-47.1
Share of profit of associated company	0.0	0.4	0.0	0.3	0.3
EBIT	16.1	-1.8	14.8	-11.5	-0.9
Financial income	0.7	0.0	1.2	0.6	1.1
Interest expenses on financial liabilities	-1.3	-1.5	-2.8	-2.8	-6.0
Interest expenses for right-of-use assets	-1.9	-1.4	-3.6	-2.8	-5.9
Other finance costs	-0.9	-0.8	-1.2	-1.0	-1.1
Net finance costs	-3.5	-3.7	-6.4	-6.0	-11.9
Result before tax	12.7	-5.5	8.4	-17.6	-12.8
Tax based on the taxable income from the financial period	-1.5	0.1	-2.2	0.0	-1.2
Change in deferred taxes	-0.6	1.1	0.8	2.6	3.7
Income tax	-2.1	1.3	-1.4	2.6	2.4
Result of the financial period	10.5	-4.3	7.0	-15.0	-10.3
Result of the financial period attributable to:					
Owners of the Company	8.9	-3.5	5.5	-12.9	-10.6
Non-controlling interests	1.6	-0.7	1.5	-2.1	0.3
Total	10.5	-4.3	7.0	-15.0	-10.3
Earnings per share calculated from the result of the review period for owners of the Company					
Basic earnings per share (EUR)	0.45	-0.18	0.27	-0.67	-0.55
Diluted earnings per share (EUR)	0.45	-0.18	0.27	-0.67	-0.55
Consolidated statement of comprehensive income					
Result of the financial period	10.5	-4.3	7.0	-15.0	-10.3
Other comprehensive income items (after tax):					
Foreign currency translation differences, foreign operations	-0.8	0.0	-0.9	-0.1	-0.2
Other comprehensive income items that may be subsequently reclassified to profit or loss, total	-0.8	0.0	-0.9	-0.1	-0.2
Total comprehensive income for the period	9.7	-4.3	6.1	-15.1	-10.5
Distribution of the comprehensive income for the financial period					
Owners of the Company	8.1	-3.6	4.6	-13.0	-10.8
Non-controlling interests	1.6	-0.7	1.5	-2.1	0.3
Total	9.7	-4.3	6.1	-15.1	-10.5

Non-recurring items for the financial period 1 January–30 June 2022

The capital gain of MEUR 0.4 arising from the sale of Eezy Plc shares during the period 1 January–31 March 2022 is included in other operating income. Effective from 1 April 2022, the company has changed the classification of its shareholding in Eezy Plc from a business-related asset to an investment asset. Consequently, items related to Eezy Plc are presented in financial items going forward. Impairment of MEUR 0.8 was recognised in finance costs, under other finance costs in the income statement, for the review period 1 April–30 June 2022. More information on the treatment of Eezy Plc shares in the income statement is presented in the notes on page 19.

Consolidated balance sheet (IFRS)

MEUR	30 June 2022	30 June 2021	31 December 2021
ASSETS			
Non-current assets			
Goodwill	136.9	135.9	137.1
Intangible assets	38.1	42.6	40.4
Property, plant and equipment	47.3	45.6	47.2
Right-of-use assets	167.4	151.4	162.2
Shares in associated companies and joint ventures	0.0	0.4	0.0
Other investments	0.3	0.3	0.3
Loan receivables	0.3	0.1	0.6
Other receivables	2.7	3.7	2.7
Deferred tax assets	15.2	11.8	10.3
Non-current assets	408.2	391.8	408.8
Current assets			
Inventories	6.5	4.4	5.0
Loan receivables	0.9	0.3	0.8
Trade and other receivables	20.2	15.8	16.2
Cash and cash equivalents	3.5	7.6	6.4
Current assets total	31.1	28.1	28.4
Non-current assets held for sale	25.6	32.2	30.1
TOTAL ASSETS	464.9	452.1	459.3
EQUITY AND LIABILITIES			
Equity			
Share capital	0.2	0.2	0.2
Invested unrestricted equity fund	68.9	58.4	58.4
Retained earnings	10.3	4.6	5.8
Total equity attributable to owners of the parent company	79.4	63.1	64.4
Non-controlling interests	5.7	2.8	5.0
Total equity	85.1	65.9	69.4
Non-current liabilities			
Deferred tax liabilities	9.5	7.9	5.3
Financial liabilities	96.8	132.4	113.2
Liabilities for right-of-use assets	145.8	129.1	139.6
Other payables	2.7	4.4	3.6
Non-current liabilities	254.8	273.8	261.8
Current liabilities			
Financial liabilities	34.7	40.1	46.4
Provisions	0.0	0.1	0.1
Liabilities for right-of-use assets	29.6	28.3	29.4
Income tax liability	3.5	1.0	2.3
Trade and other payables	57.3	43.0	49.9
Current liabilities	125.1	112.4	128.1
Total liabilities	379.9	386.2	389.9
TOTAL EQUITY AND LIABILITIES	464.9	452.1	459.3

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Consolidated statement of changes in equity

Consolidated statement of changes in equity

Equity attributable to owners of the Company

2022 MEUR	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	TOTAL	Non-controlling interests	EQUITY, TOTAL
Equity at 1 January	0.2	58.4	-0.1	5.9	64.4	5.0	69.4
Total comprehensive income for the period							
Result of the financial period				5.5	5.5	1.5	7.0
Other comprehensive income items (after taxes)							
Foreign currency translation differences, foreign operations			-0.9		-0.9	0.0	-0.9
Total comprehensive income for the period	0.0	0.0	-0.9	5.5	4.6	1.5	6.1
Transactions with shareholders							
Contributions and distributions							
Dividend distribution					0.0	-0.7	-0.7
Issue of ordinary shares		0.3			0.3		0.3
Convertible bond conversion		10.2			10.2		10.2
Share-based payments				0.5	0.5		0.5
TOTAL	0.0	10.5	0.0	0.5	10.9	-0.7	10.3
Changes in ownership interests							
No change in control				-0.5	-0.5	-0.2	-0.7
Change in control					0.0		0.0
TOTAL	0.0	0.0	0.0	-0.5	-0.5	-0.2	-0.7
Total transactions with owners	0.0	10.5	0.0	0.0	10.5	-0.9	9.6
Equity at 30 June	0.2	68.9	-1.0	11.3	79.4	5.7	85.1

Consolidated statement of changes in equity

Equity attributable to owners of the Company

2021 MEUR	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	TOTAL	Non-controlling interests	EQUITY, TOTAL
Equity at 1 January	0.2	58.4	0.0	17.5	76.1	4.8	81.0
Total comprehensive income for the period							
Result of the financial period				-12.9	-12.9	-2.1	-15.0
Other comprehensive income items (after taxes)							
Foreign currency translation differences, foreign operations			-0.1		-0.1	0.0	-0.1
Total comprehensive income for the period	0.0	0.0	-0.1	-12.9	-13.0	-2.1	-15.1
Transactions with shareholders							
Contributions and distributions							
Dividend distribution					0.0	-0.2	-0.2
Issue of ordinary shares					0.0		0.0
Share-based payments					0.0		0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Changes in ownership interests							
No change in control				0.0	0.0	0.0	0.0
Change in control					0.0	0.2	0.2
TOTAL	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Total transactions with owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity at 30 June	0.2	58.4	0.0	4.6	63.1	2.8	65.9

Consolidated statement of cash flows (IFRS)

MEUR	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Cash flows from operating activities			
Result of the reporting period	7.0	-15.0	-10.3
Adjustments to the result of the reporting period			
Non-cash transactions	-2.0	-1.0	-1.8
Depreciation, amortisation and impairment losses	23.3	22.9	47.1
Net finance costs	6.4	6.0	11.9
Tax expense	1.4	-2.6	-2.4
Share of profit of associated company	0.0	-0.3	-0.3
Cash flow before change in working capital	36.1	10.1	44.1
Changes in working capital			
Trade and other receivables	-4.1	-2.2	-1.9
Inventories	-1.5	-0.7	-1.3
Trade and other payables	8.6	10.8	15.7
Changes in working capital	3.0	7.9	12.5
Dividend income	0.5	0.6	0.9
Interest paid and other finance costs	-6.6	-5.5	-11.2
Interest received and other finance income	0.0	0.0	0.1
Income taxes paid	-0.3	-0.4	-1.3
Net cash from operating activities	32.8	12.8	45.0
Cash flows from investing activities			
Acquisition of tangible and intangible assets	-5.6	-2.3	-9.2
Change in other non-current receivables	-0.2	-0.1	-0.2
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-0.1	-2.8	-3.5
Business acquisitions	-0.6	-0.4	-1.1
Business divestment	0.2	-0.1	0.3
Sales of shares of associated companies	4.2	6.2	9.0
Associated company shares purchased	0.0	0.0	0.0
Net cash flows from investing activities	-2.2	0.7	-4.7
Cash flows from financing activities			
Proceeds from non-current loans and borrowings	0.0	7.5	7.0
Payment of non-current loans and borrowings	-14.6	0.0	-12.1
Proceeds from/repayments of current loans and borrowings	-3.4	-3.0	-4.2
Current commercial papers repaid	0.0	-0.5	-0.5
Acquisition of non-controlling interests	-0.1	-0.1	-0.6
Payment of liabilities for right-of-use assets	-14.6	-12.7	-25.9
Dividend distribution	-0.7	-0.2	-0.7
Net cash from financing activities	-33.4	-9.0	-37.1
Change in cash and cash equivalents	-2.9	4.5	3.3
Cash and cash equivalents at the beginning of the financial period	6.4	3.1	3.1
Cash and cash equivalents at the end of the reporting period	3.5	7.6	6.4
Change in cash and cash equivalents	-2.9	4.5	3.3

Notes

1. Accounting principles

This unaudited half-year report has been prepared observing the IAS 34 Interim Financial Reporting standard. The half-year report should be read together with the 2021 IFRS consolidated financial statements. The half-year report has been prepared by observing the same accounting principles as with the 2021 IFRS consolidated financial statements, with the exception of the new amendments to the IFRS standards effective as of 1 January 2022. The changes are described in the 2021 IFRS consolidated financial statements.

Preparing the consolidated financial statements under the IFRS requires the use of the management's estimates and assumptions, which affects the amounts of assets and liabilities as well as revenue and costs on the balance sheet. Although the assessments are based on the management's best perception at the moment, it is possible that realisations may deviate from the original assessments and presumptions. Due to uncertainty caused by the COVID-19 pandemic, the management has to exercise more discretion in assessing certain estimated items and the going concern status.

Effective from 1 April 2022, the company classified intra-group loans as net investments for which no repayment period has been defined. Starting from the date of classification, exchange rate differences related to the loans are recognised in other comprehensive income items and presented in translation differences in equity. During the second quarter, MEUR 0.8 in unrealised exchange rate losses were generated and recognised in translation differences. Unrealised exchange rate gains of MEUR 0.4 generated before the date of classification are included in financial income.

All figures are presented as millions of euros (MEUR) and have been rounded to the nearest 0.1 million euros; thus the sum of individual figures may deviate from the total sum presented.

Segment Information

NoHo Partners has begun to disclose restaurant business figures broken down into the business in Finland and the international business. Segment-specific information is presented in Note 3.

Going concern assumption

In the two previous years, NoHo Partners has taken determined action to reduce the COVID-19 pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In February 2021, the Group negotiated a financing agreement with its financing providers, securing the Group's financial position for the coming years and facilitating measures to be taken in the rebuilding phase. As the ultimate duration and overall impacts of the pandemic are difficult to predict, its effects on NoHo Partners' future turnover, result, cash flow and financial position may deviate from the current estimates and assumptions of the management.

On 13 May 2022, the company issued a release regarding an arrangement whereby the management and domestic investors of NoHo Partners Plc acquired a majority of the convertible capital loan granted to the company by Finnish Industry Investment Ltd (Tesi) and converted their purchase into new shares in the company. The company repaid the remaining portion of the loan principal and interest, approximately one-sixth, to Tesi using its cash assets. As a result of the arrangement, the company's equity was strengthened and its net debt decreased by over MEUR 10. The arrangement provided the company with financial flexibility, which will drive the implementation of future growth projects as part of the company's strategy for profitable growth. The company issued a total of 1,266,300 new shares in connection with the arrangement.

Starting from the beginning of March, the company has operated in an unrestricted business environment in all of its operating countries, and its operations have been significantly cash flow positive since that time.

According to the management, the cumulative cash flow of operations, the funding agreement negotiated in 2021 as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months. In addition, the Group has a shareholding in Eezy Plc that has a market value of approximately MEUR 26 and is classified as an asset held for sale. Through the gradual reduction of its shareholding and the positive cash flow produced by the Group, the Group aims to finance the growth targets for the strategy period 2022–2024 and simultaneously strengthen the Group's balance sheet position. The view of the Group management is that there are grounds for assuming that the business operations of NoHo Partners Group will continue.

If, going forward, the restaurant operations are restricted significantly and for a long time, due to the pandemic or another similar external factor by the government, and the Group is not able to secure adequate additional financing or support from the government, and cannot renegotiate loan amortisation plans or receive sufficient additional debt or equity financing for its operations from the market, there may be uncertainty concerning the continuity of the Group's operations.

Valuation of the associated company Eezy Plc and change of its classification from a business-related asset to an investment asset

On 11 June 2021, the Group published its updated strategy and financial targets for the strategy period 2022–2024. In connection with this, the Group decided to classify its shareholding in Eezy Plc as an asset held for sale. The Group plans to gradually reduce its shareholdings in Eezy to finance future growth projects and, if necessary, strengthen its balance sheet position.

Non-current assets are classified as held for sale if the amount equivalent to their carrying amount will primarily accumulate from the sale of the assets rather than their 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 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 are measured according to the applicable IFRS standards. Starting from the moment of classification, the asset items held for sale are measured at carrying amount or fair value less the costs of selling, whichever is lower. Depreciation on these asset items is discontinued and the share of the associated company's result is no longer recognised after the classification. Assets held for sale are presented separately from other assets on the balance sheet.

After the classification, the company's shareholding in Eezy Plc has decreased from 25.3 per cent to 20.5 per cent and the company's representation on the Board of Directors of Eezy Plc decreased from two members to one member in the second quarter of 2022. Taking into account the classification of the shareholding as an asset held for sale, the decrease in the shareholding and the change in the number of the company's representatives on the Board of Directors of Eezy Plc, the company has changed the treatment of Eezy Plc from a business-related asset to an investment asset effective from 12 April 2022. As a result of the change in classification, items related to Eezy Plc will be recognised in financial items, below EBIT, going forward.

On 30 June 2022, NoHo Partners owned 5,139,745 shares in Eezy Plc, corresponding to a holding of approximately 20.5 per cent. The book value of the shares on NoHo Partners Plc's balance sheet is MEUR 25.6, corresponding to EUR 4.98 per share. The balance sheet value of the shareholding in Eezy Plc was EUR 5.14 per share on NoHo Partners Plc's balance sheet on 31 March 2022. At the end of the review period on 30 June 2022, the market value of Eezy Plc was EUR 4.98 per share. Due to the change in the market value of Eezy in the second quarter, the company recognised impairment of MEUR 0.8 in finance costs, under other financial items in the income statement. If the fair value of Eezy Plc returns to its original book value, the recognised impairment will be reversed up to the original value (EUR 5.14/share).

2. Turnover

DISTRIBUTION OF TURNOVER BETWEEN GOODS AND SERVICES

MEUR	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Sale of goods	82.2	32.8	126.5	51.7	170.7
Sale of services	8.0	1.7	12.2	3.0	15.3
Total	90.2	34.5	138.7	54.7	186.1

DISTRIBUTION OF TURNOVER BY BUSINESS AREA

MEUR	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Restaurants	32.2	11.7	49.4	21.1	72.7
Entertainment venues	29.9	9.8	41.3	12.9	50.6
Fast food restaurants	10.8	8.3	19.4	15.9	34.8
Restaurants in Norway	11.1	2.1	19.0	2.3	16.8
Restaurants in Denmark	6.2	2.5	9.5	2.5	11.2
Total	90.2	34.5	138.7	54.7	186.1

The sale of goods primarily comprises food and beverage sales by restaurant operations to private and corporate customers. The services include restaurants' service sales and marketing support payments received. The Group has sales in Finland, Denmark and Norway.

In accordance with the reorganisation measures announced on 9 June 2022, the company now uses the term "fast food business" for the business that was previously referred to as the "fast casual" business. The allocation of units to the business area has been adjusted in accordance with the new structure, and this has also been taken into account in the comparison figures.

Asset and debt items based on contracts with customers

Of asset items based on contracts, a total of MEUR 0.1 (–0.4) was recognised as credit losses and IFRS 9 credit loss provisions during the period 1 January–30 June 2022.

The Group has no asset items recognised for the costs of obtaining or fulfilling contracts with customers. The Group's contracts with customers do not include restitution or repayment obligations or special warranty terms.

Restaurants sell gift cards, which are presented in current liabilities. Gift card revenue is recognised when the card is used. On 30 June 2022, the value of gift cards sold was EUR 2.7 million, and they are expected to be recognised as revenue during the next 12 months.

3. Segment Information

During the COVID-19 pandemic, the Group has started to separately monitor the profitability figures of the Group's Finnish operations and its international business. With the restrictions related to the pandemic being lifted and the business returning to normal, the Group has made the decision to divide its operations into two operational reported segments: the Finnish operations and the international business. At the same time, NoHo Partners has begun to monitor the segments' business operations separately and they are managed as separate units. The Country Managers of the international business are responsible for their business areas and participate in the international business steering group work on their business areas. Selections, product pricing and marketing measures are decided at the country level.

Business management needs vary from segment to segment, as the maturity of the business operations is very different. The company's position in the Finnish market has stabilised, and in addition to managing daily operational activities, it focuses on seeking growth in accordance with its strategy, both from the scaling up of the Friends & Brgrs chain to the national level as

well as from large and profitable urban projects. With regard to international business operations, the company focuses on the implementation of the Danish profitability programme and the acceleration of Norwegian growth through acquisitions.

The Group's supreme operational decision-maker, NoHo Partners' Executive Team, is responsible for resource allocation and income estimates. 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 evaluation of profitability and decisions concerning the resources to be allocated to a segment are based on the segments' EBIT. 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. Financial income and expenses are not monitored at the segment level, as the Group financing mainly manages the Group's liquid assets and financial liabilities.

SEGMENT REPORTING

MEUR	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Turnover					
Finland	72.9	299	110.2	499	158.1
International	17.3	4.6	28.5	4.8	28.0
Eliminations	0.0	0.0	0.0	0.0	0.0
Group	90.2	34.5	138.7	54.7	186.1
Other operating income					
Finland	5.7	3.7	7.1	5.6	9.4
International	0.5	1.4	2.7	4.6	8.1
Eliminations	0.0	0.0	0.0	0.0	0.0
Group	6.1	5.2	9.8	10.2	17.5
Depreciation, amortisation and impairment losses					
Finland	-8.8	-8.7	-17.8	-17.6	-36.4
International	-2.8	-2.8	-5.5	-5.2	-10.7
Eliminations	0.0	0.0	0.0	0.0	0.0
Group	-11.6	-11.5	-23.3	-22.9	-47.1
EBIT					
Finland	14.6	-0.2	12.2	-7.8	1.0
International	1.5	-1.6	2.6	-3.7	-1.9
Eliminations	0.0	0.0	0.0	0.0	0.0
Group	16.1	-1.8	14.8	-11.5	-0.9
Operational EBITDA					
Finland	15.9	1.3	15.1	-4.2	9.3
International	2.4	-0.6	4.3	-1.8	2.0
Group	18.3	0.7	19.4	-6.0	11.3
Assets					
Finland			399.9	400.6	400.6
International			113.6	97.9	106.3
Eliminations			-48.6	-46.3	-47.6
Group			464.9	452.1	459.3
Liabilities					
Finland			303.3	322.3	319.7
International			125.2	110.3	117.8
Eliminations			-48.6	-46.3	-47.6
Group			379.9	386.2	389.9

4. Government grants

The impacts of the COVID-19 pandemic on the Group's business operations are described above on page 8 of the commentary section.

Finland

During the review period, the company received MEUR 4.3 in compensation for uncovered fixed expenses from the Finnish state pursuant to the retrospectively confirmed Act on Support for Business Costs. The aid is intended primarily for medium-sized and large enterprises for the period from December 2021 to February 2022, during which business activities were restricted or completely blocked by government orders.

Norway

In January 2022, while the restrictions were in force, the Norwegian state covered up to 85 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. Waste was reimbursed at a rate of 100% and the turnover of cancelled events at a rate of 70%. The wage subsidy was 80 per cent (up to NOK 30,000 per month). In addition, in the second quarter, the municipality of Oslo paid additional support to companies whose turnover decreased due to the restrictions in effect at the beginning of the year.

Denmark

In Denmark, while the restrictions were in force in the first quarter, the state supported companies in the restaurant industry by covering 80 per cent of their fixed expenses, relative to the decline in turnover. In January 2022, in addition to this, the wage subsidy was 90 per cent of the wages of hourly paid workers and 75 per cent of the salaries of monthly wage earners.

SPECIFICATION OF GOVERNMENT GRANTS

MEUR	1 Apr.– 30 Jun. 2022	1 Apr.– 30 Jun. 2021	1 Jan.– 30 Jun. 2022	1 Jan.– 30 Jun. 2021	1 Jan.– 31 Dec. 2021
Finland					
Compensation for restriction of operations/closure compensation *	0.0	1.8	0.0	1.8	1.8
Business cost support/compensation for fixed expenses **	4.3	1.0	4.3	2.0	2.5
Development grant/Ministry of Education and Culture general grant	0.0	0.0	0.0	0.0	0.2
Norway					
Compensation for fixed expenses	0.3	1.1	1.3	2.4	3.8
Compensation related to wage expenses	0.1	0.0	0.4	0.0	0.4
Denmark					
Compensation for fixed expenses	0.0	0.4	0.6	1.4	2.5
Compensation related to wage expenses	0.0	0.2	0.2	0.9	1.1
Total	4.8	4.5	6.9	8.5	12.2

* Includes closure compensation for medium-sized and large companies in 2021.

** Includes compensation for uncovered fixed expenses in accordance with the 2021 EU state subsidy programme and business cost support.

Government grants are recognised when it is reasonably certain that the related conditions are met and the grants will be received. The management estimates that the aforementioned conditions are satisfied for the grants recognised during the financial period. The Group has not received direct benefits from government support of any other type.

Government grants related to expenses are entered on the balance sheet as deferred income and recognised through profit or loss under other operating income for the periods corresponding to the expenses that they cover.

5. Changes in Group Structure

ACQUIRED SUBSIDIARIES AND BUSINESSES

Acquired company or business	Transfer of the right of ownership and management	Shareholding acquired
Restaurant business, Restaurant Origo	3 January 2022	-

TOTAL VALUE OF THE ASSETS AND LIABILITIES ACQUIRED BY THE GROUP AT THE MOMENT OF TRANSFER OF CONTROL

MEUR	Restaurant Origo
Assets	
Intangible assets	0.1
Tangible assets	0.1
Inventories	0.0
Assets in total	0.3
Liabilities	
Other payables	0.0
Net assets	0.2
Total purchase consideration at time of acquisition:	
Share of purchase consideration consisting of cash and cash equivalents	0.6
Total purchase consideration in total	0.6
Generation of goodwill through acquisitions:	
Total purchase consideration	0.6
Net identifiable assets of the acquired entity	0.2
Goodwill	0.4

The acquisition cost calculations are preliminary. The acquisition does not involve material costs of external expert services.

IFRS 16 RIGHT-OF-USE ASSETS OF THE ACQUIRED BUSINESSES

MEUR	Total acquisitions
Restaurant Origo	0.6

Determination of contingent transaction prices

The amount of the transaction price for Dubliners, DOD, MEO, Rådhuskroken, SFB and Complete Security, acquired in 2019, that was paid at the time of acquisition was MEUR 7.2. The contracts between NoHo Partners and Crea Diem AS include put and call options, due in 2023, for redeeming shares in non-controlling interests' possession. The company has estimated that the probability of exercising the options is high. The shareholding of non-controlling interests, MEUR 1.4, is presented as a contingent additional transaction price under liabilities. According to the contracts, the fair value of the companies will be determined in 2023.

Of the transaction price for the acquisition of The Bird Mother ApS, acquired in 2018, a total of MEUR 1.4 was paid at the time of acquisition. The remainder of the transaction price will be determined according to the actual EBITDA for January–December 2022 and the multiplier stipulated by the acquisition agreement. The estimated earn-out amounts to MEUR 0.5.

SOLD BUSINESS OPERATIONS

GROUP'S SHARES IN SUBSIDIARIES AND BUSINESSES SOLD DURING THE FINANCIAL PERIOD

Name	Shareholding sold	Location	Date of control transfer
Restaurant business, Ravnsborggade 14	-	Copenhagen	1 January 2022
Restaurant business, Kuopio	-	Kuopio	1 January 2022
Restaurant business, Skatten	-	Oslo	1 March 2022

**TOTAL VALUE OF THE ASSETS AND LIABILITIES SOLD BY THE GROUP
AT THE MOMENT OF TRANSFER OF CONTROL:**

Goodwill	0.1
Intangible fixed assets	0.0
Property, plant and equipment	0.0
Right-of-use assets	1.0
Other asset items	0.1
Liabilities for right-of-use assets	-1.0
Net assets, total.....	0.1

Gains on disposal totalling MEUR 0.1 were recognised in the income statement.

EVENTS AFTER THE REPORTING PERIOD

On 1 July 2022, the company announced a directed share issue as a part of NoHo Partners' acquisition of the entire share capital of Sea Horse Oy. Sea Horse Oy owns restaurant Sea Horse, which operates in Helsinki. After the transaction, Sea Horse Oy is fully owned by NoHo Partners. The purchase price for all of the shares in Sea Horse Oy, after fair value adjustments, is approximately EUR 2,000,000, of which approximately EUR 620,000 was paid in cash. A total of 170,728 new shares were issued to the seller in a directed share issue. Additionally, the seller is entitled to an earn-out purchase price payable in cash subject to the fulfilment of certain turnover-related criteria as stipulated by the share purchase agreement.

On 1 July 2022, NoHo Norway As, a subsidiary of NoHo Partners Plc, acquired the entire share capital of Tøyen Kulturhus As. Tøyen Kulturhus As owns the Postkontoret restaurant located in Oslo.

AT THE MOMENT OF TRANSFER OF CONTROL, THE VALUES OF THE BUSINESSES ACQUIRED WERE AS FOLLOWS

MEUR	Tøyen Kulturhus As	Sea Horse Oy	Total acquisitions
Assets			
Intangible assets	0.3	0.7	0.9
Tangible assets	0.0	0.1	0.1
Non-current receivables	0.0	0.0	0.0
Current receivables	0.1	0.0	0.1
Inventories	0.0	0.0	0.1
Cash and cash equivalents	0.4	0.3	0.7
Assets in total	0.8	1.2	2.0
Liabilities			
Deferred tax liabilities	0.1	0.1	0.2
Other payables	0.3	0.2	0.5
Total liabilities	0.4	0.4	0.8
Net assets	0.4	0.8	1.2
Total purchase consideration at time of acquisition:			
Share of purchase consideration consisting of cash and cash equivalents	1.6	0.6	2.2
Share of equity of the purchase consideration	0.0	1.3	1.3
Contingent purchase consideration	0.0	0.3	0.3
Total purchase consideration in total	1.6	2.2	3.8
Generation of goodwill through acquisitions:			
Total purchase consideration	1.6	2.2	3.8
Net identifiable assets of the acquired entity	0.4	0.8	1.2
Goodwill	1.2	1.4	2.6

The acquisition cost calculations are preliminary. The acquisition does not involve material costs of external expert services.

IFRS 16 RIGHT-OF-USE ASSETS OF THE ACQUIRED BUSINESSES

MEUR	Total acquisitions
Sea Horse Oy	1.0
Tøyen Kulturhus As	0.4

6. Intangible and Tangible Assets

MEUR			
Goodwill	30 June 2022	30 June 2021	31 December 2021
Book value at the beginning of the period	1371	135.2	135.2
Business acquisitions	0.4	0.5	1.1
Deductions	-0.1	-0.1	-0.3
Translation differences	-0.5	0.4	0.6
Transfers between account types	0.0	0.0	0.4
Book value at the end of the review period	136.9	135.9	137.1

Intangible assets	30 June 2022	30 June 2021	31 December 2021
Book value at the beginning of the period	40.4	44.6	44.6
Business acquisitions	0.1	0.5	0.8
Increase	0.0	0.0	0.1
Depreciation, amortisation and impairment losses	-2.3	-2.6	-5.0
Deductions	-0.1	-0.1	-0.3
Translation differences	-0.1	0.2	0.2
Book value at the end of the review period	38.1	42.6	40.4

Tangible assets	30 June 2022	30 June 2021	31 December 2021
Book value at the beginning of the period	47.2	48.5	48.5
Business acquisitions	0.1	0.2	0.7
Increase	5.1	2.3	10.2
Depreciation, amortisation and impairment losses	-4.7	-5.1	-11.8
Deductions	-0.1	-0.4	-0.8
Translation differences	-0.2	0.2	0.3
Book value at the end of the review period	47.3	45.6	47.2

7. Lease agreements

During the review period, the Group's rent concessions amounted to approximately MEUR 0.5. Most of the rent concessions concern international businesses. The Group has applied the practical expedient stipulated by the amendment to not treat rent concessions granted due to the COVID-19 pandemic as changes in leases under IFRS 16. Starting from the fourth quarter of 2021, the Group has applied a practical relief to equipment leases, in accordance with which the Group combines leases with similar characteristics in the portfolio. The Group regularly assesses the size and composition of the portfolio of equipment leases. The incremental borrowing rate applied to new leases is 5.0%.

RIGHT-OF-USE ASSETS

MEUR	30 June 2022	30 June 2021	31 December 2021
Book value at the beginning of the period	162.2	148.0	148.0
Increase	8.0	4.1	21.5
Reassessments and modifications	16.2	13.7	22.0
Depreciation, amortisation and impairment losses	-16.3	-15.2	-30.3
Deductions	-1.6	-0.1	-0.3
Translation differences	-1.1	0.8	1.3
Book value at the end of the review period	167.4	151.4	162.2

CHANGE IN LEASE LIABILITY

MEUR	30 June 2022	30 June 2021	31 December 2021
Lease liability at the beginning of the period	169.0	153.2	153.2
Net increases	22.5	17.8	43.2
Rent payments	-18.2	-15.5	-31.8
Rent concessions, COVID-19	-0.5	-1.6	-2.8
Interest expenses	3.6	2.8	5.9
Translation differences	-1.1	0.8	1.3
Lease liability at the end of the period	175.3	157.4	169.0

LEASE LIABILITY

MEUR	30 June 2022	30 June 2021	31 December 2021
Non-current	145.8	129.1	139.6
Current	29.6	28.3	29.4
Total	175.3	157.4	169.0

LEASES IN THE INCOME STATEMENT

MEUR	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Rent concessions, COVID-19	0.0	0.8	0.5	1.6	2.8
Expenses related to short-term leases, leases for underlying assets of low value and variable leases	-3.2	-1.2	-4.6	-2.2	-4.9
Depreciation of right-of-use assets	-8.1	-7.6	-16.3	-15.2	-30.3
Interest expenses on lease liabilities	-1.9	-1.4	-3.6	-2.8	-5.9
Total	-13.1	-9.4	-24.0	-18.6	-38.3

8. Impairment testing

The Group tests goodwill annually in order to identify any impairment. Furthermore, the Group tracks internal and external indications of any impairment of goodwill. The COVID-19 pandemic has had a significant negative impact on the business operations of NoHo Partners.

In June 2021, the Group updated its long-term financial targets for the strategy period 2022–2024. Impairment testing was carried out on 31 December 2021 using the book values and calculations of future cash amounts valid at the time. On 31 December 2021, the recoverable cash flow based on value-in-use calculations exceeded the book value by more than MEUR 30. The impairment tests on 31 December 2021 did not indicate a need for impairment of goodwill or intangible rights with an indefinite useful life. The impairment testing is described in NoHo Partners' consolidated financial statements for 2021.

THE GROUP'S GOODWILL, BRANDS WITH AN INDEFINITE USEFUL LIFE, NAME-USE-RIGHTS, NON-COMPETITION AGREEMENTS AND LEASES

MEUR	30 June 2022	30 June 2021	31 December 2021
Goodwill	136.9	135.9	137.1
Brands and name-use-rights	21.7	21.8	21.8
Non-competition agreements	0.1	0.1	0.1
Leases	2.7	2.7	2.7

The restrictions imposed by governments due to the coronavirus pandemic were lifted as of the beginning of March 2022, and demand has recovered quickly after the restriction period in all of the countries where the Group operates. The Group's management has assessed that, on 30 June 2022, there were no indications of impairment that would create the need to update impairment testing compared to the situation on 31 December 2021.

9. Financial liabilities

The implementation of NoHo Partners' strategy and the financing of its business growth is partly dependent on outside financing. The company continuously strives to assess and monitor the amount of financing required for business in order to have sufficient liquidity to finance operations and repay maturing loans. Changes in the macroeconomic environment or the general financing market situation may negatively affect the company's liquidity as well as the availability, price and other terms and conditions of financing. Changes in the availability of equity and credit capital financing and in the terms and conditions of available financing may affect the company's ability to invest in business development and growth in the future. The COVID-19 pandemic has had a significant negative impact on the business operations and liquidity of NoHo Partners.

The company negotiated a long-term financing package in February 2021.

On 13 May 2022, NoHo Partners issued a release regarding an arrangement whereby the management and domestic investors of NoHo Partners Plc acquired a majority of the convertible capital loan granted to the company by Finnish Industry Investment Ltd (Tesi) and converted their purchase into new shares in the company. The company repaid the remaining portion of the loan principal and interest, approximately one-sixth, to Tesi using its cash assets. As a result of the arrangement, the company's equity was strengthened and its net debt decreased by over MEUR 10. The arrangement provided the company with financial flexibility, which will drive the implementation of future growth projects as part of the company's strategy for profitable growth. The company issued a total of 1,266,300 new shares in connection with the arrangement.

During the review period, the Group extended its commercial paper programme at the amount of MEUR 4.0 until September 2022.

The next covenant review will take place on 30 September 2022.

MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES

MEUR	Balance sheet value	Less than 1 year				Less than 1 year	2–5 years	More than 5 years
		Q3/2022	Q4/2022	Q1/2023	Q2/2023			
Commercial paper programme	4.0	4.0						
Other loans	125.1	3.1	9.5	13.1	2.7	14.5	81.2	1.1
Total	129.1	7.1	9.5	13.1	2.7	14.5	81.2	1.1

Account limits in use *	2.4
Total	131.5

* The account limits in use are in effect indefinitely and no due date has been specified for them. The account limits are classified as current liabilities.

The table indicating the maturity dates of financial liabilities includes all interest-bearing financial liabilities as well as other liabilities classified as financial liabilities.

MATURITY DISTRIBUTION OF INTEREST ON FINANCIAL LIABILITIES

MEUR	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Interest on financial liabilities	3.5	3.0	4.8	0.1

The Group has made interest payments on loans in accordance with the normal terms of the financing agreement.

TRADE PAYABLES AND LIABILITIES FOR RIGHT-OF-USE ASSETS, MATURITY DISTRIBUTION

MEUR	Discounted balance sheet value	Undiscounted value	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Transaction price liabilities	2.0	2.1	0.8	1.4		
Trade payables	21.9	21.9	21.9			
Liabilities for right-of-use assets	175.4	212.7	36.5	34.5	71.4	70.3
Total	199.3	236.7	59.1	35.9	71.4	70.3

The Group does not have material extended debt repayment periods in effect.

On 30 June 2022, the Group's cash and cash equivalents totalled MEUR 3.5 and the unwithdrawn loan and account limits available to the Group amounted to MEUR 10.4. In addition, on 30 June 2022, the Group owned 5,139,745 shares in the listed company Ezy Plc, corresponding to a holding of 20.5 per cent. At the closing share price on 30 June 2022, the market value of this shareholding was approximately MEUR 26.

10. Related party transactions

The Group's related parties are the parent company, subsidiaries, associated company and the key management personnel. Key management personnel includes the members of the Board of Directors, the Group's Executive Team, the Chief Executive Officer and his/her deputy, as well as their close family members. Furthermore, related entities include any owners who can exercise control or significant influence in NoHo Partners, the companies where the said owners have a controlling interest, and companies where a person exercising control over NoHo Partners exercises significant influence or works in the management of the company or its parent company.

TRANSACTIONS WITH RELATED ENTITIES

MEUR	30 June 2022	30 June 2021	31 December 2021
Sales	0.0	0.0	0.1
Lease costs	0.2	0.2	0.3
Purchases	8.2	3.2	13.5
Rent income	0.0	0.1	0.1
Receivables	0.4	0.4	0.2
Liabilities	2.0	1.5	2.1

Eezy Plc's share of related party transactions	30 June 2022	30 June 2021	31 December 2021
Purchases	7.5	2.6	10.4
Liabilities	1.9	1.4	2.0

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

SHARE-BASED INCENTIVE SCHEME FOR KEY PERSONNEL

On 30 November 2021, NoHo Partners Plc announced the extension of the share-based incentive scheme aimed at the company's key employees and the third earning period of the share-based remuneration scheme. According to the stock exchange release of 22 March 2022, the company's Board of Directors decided to extend the third earning period of the long-term share-based incentive scheme for key personnel due to the restaurant restrictions tightened in December 2021. The third earning period lasts 16 months and it started on 1 December 2021 and will end on 31 March 2023. The introduction of the share-based incentive scheme was announced on 30 November 2018.

The earning criteria for the third earning period are based on NoHo Partners Plc's relative EBIT. The share-based incentive scheme covers eight persons in the third earning period.

In accordance with the previous decision, a maximum of 281,828 NoHo Partners Plc shares may be paid to the key employees for the third earning period. According to the average rate of 21 March 2022, the value of the maximum remuneration would be approximately MEUR 2.3. The Board of Directors anticipates that if the reward for the third earning period was paid fully in shares, the maximum dilutive effect on the number of the company's registered shares would be 1.44%.

Costs from the share-based incentive plan are recognised as staff expenses over time and in equity under earnings. Based on the management's estimate, MEUR 1.5 of benefits paid in shares has been cumulatively recognised as expenses for the open earning period by 30 June 2022.

11. Contingent Assets and Liabilities and Commitments

GUARANTEES AND CONTINGENT LIABILITIES

MEUR	30 June 2022	30 June 2021	31 December 2021
Liabilities with guarantees included on the balance sheet			
Loans from financial institutions, non-current	92.4	126.5	101.9
Loans from financial institutions, current	29.2	38.1	29.4
Total	121.6	164.6	131.3
Guarantees given on behalf of the Group			
Collateral notes secured by a mortgage	37.5	37.5	37.5
Real estate mortgage	5.1	4.3	4.3
Subsidiary shares	103.9	103.5	103.9
Other shares	25.6	39.0	35.1
Bank guarantees	9.8	9.6	9.6
Other guarantees	3.1	2.8	3.0
Total	185.0	196.6	193.3
Purchase commitments			
Eezy Plc	42.2	57.5	49.7
Contingent transaction prices	1.9	2.4	2.1

The Eezy Plc shares pledged as security for liabilities have been measured at market price.

12. Key Figures

MEUR, unless otherwise stated	1 Apr.–30 Jun. 2022	1 Apr.–30 Jun. 2021	1 Jan.–30 Jun. 2022	1 Jan.–30 Jun. 2021	1 Jan.–31 Dec. 2021
Group key figures					
Earnings per share, EUR	0.45	-0.18	0.27	-0.67	-0.55
EBIT, %	179%	-5.2%	10.7%	-21.1%	-0.5%
Material margin, %	75.1%	74.0%	74.8%	72.8%	74.4%
Personnel expenses, %	31.9%	37.0%	34.0%	41.2%	36.0%
Average personnel					
Registered personnel					
Full-time personnel			1 284	773	951
Part-time personnel converted into full-time personnel			682	541	546
Rented workforce, converted to full-time equivalents			327	135	262
Return on equity, % (p.a.)			18.1%	-40.9%	-13.7%
Return on investment % (p.a.)			8.1%	-5.6%	0.0%
Equity ratio, %			18.3%	14.6%	15.1%
Gearing ratio, %			355.2%	487.1%	462.4%
Interest-bearing net liabilities			302.2	321.1	320.9
Adjusted net finance costs	3.5	3.3	6.9	6.3	12.5
Key figures excluding the IFRS 16 effect					
Gearing ratio, %			138.7%	231.3%	203.1%
Interest-bearing net liabilities			126.9	163.7	151.9
Operational EBITDA, bridge calculation					
EBIT	16.1	-1.8	14.8	-11.5	-0.9
Depreciation, amortisation and impairment losses	11.6	11.5	23.3	22.9	47.1
Share of profit of associated company	0.0	-0.4	0.0	-0.3	-0.3
Translating IFRS 16 lease expenses to be cash flow based	-9.4	-8.6	-18.7	-17.1	-34.6
Operational EBITDA	18.3	0.7	19.4	-6.0	11.3

CALCULATION FORMULAS FOR KEY FIGURES

Key figures required by the IFRS standards

Earnings per share

$$\frac{\text{Parent company owners' share of result of the financial period}}{\text{Average number of shares}}$$

Earnings per share (diluted)

$$\frac{\text{Parent company owners' share of result of the financial period}}{\text{Diluted average number of shares}}$$

Alternative performance measures

New guidelines from the European Securities and Markets Authority (ESMA) on alternative performance measures entered into force on 3 July 2016. An alternative performance measure is a financial key figure which is different from those defined or named in the IFRS accounting standards or from an epithet or key figure presented and specified in the IFRS financial statements.

NoHo Partners presents certain comparable financial key figures (alternative performance measures) that are not included in the IFRS standards. The alternative performance measures presented by NoHo Partners should not be reviewed separately from the corresponding IFRS key figures and should be read together with the most closely corresponding IFRS key figures.

Return on equity %

$$\frac{\text{Result of the financial period (result attributable to the owners of the parent + result attributable to NCIs)}}{\text{Equity on average (attributable to owners of the company and NCIs)}} \quad * 100$$

Equity ratio %

$$\frac{\text{Equity (attributable to owners of the company and NCIs)}}{\text{Total assets – advances received}} \quad * 100$$

Return on investment %

$$\frac{\text{Result of the financial period before taxes + finance costs}}{\text{Equity (attributable to owners of the company and NCIs) + interest-bearing financial liabilities on average}} \quad * 100$$

Interest-bearing net liabilities

Interest-bearing liabilities – non-current interest-bearing receivables – cash and cash equivalents

Interest-bearing net liabilities excluding IFRS 16

Interest-bearing liabilities without IFRS 16 liabilities – non-current interest-bearing receivables – cash and cash equivalents

Gearing ratio %

$$\frac{\text{Interest-bearing net liabilities}}{\text{Equity (attributable to owners of the company and non-controlling interests)}} \quad * 100$$

Gearing ratio % excluding IFRS 16

$$\frac{\text{Interest-bearing net liabilities excluding IFRS 16}}{\text{Equity (attributable to owners of the company and NCIs) – depreciations, amortisations, lease costs and finance costs recorded in the income statement with regard to IFRS 16}} \quad * 100$$

Personnel expenses %

$$\frac{\text{Employee benefits + leased labour}}{\text{Turnover}} \quad * 100$$

Material margin %

$$\frac{\text{Turnover – raw materials and consumables}}{\text{Turnover}} \quad * 100$$

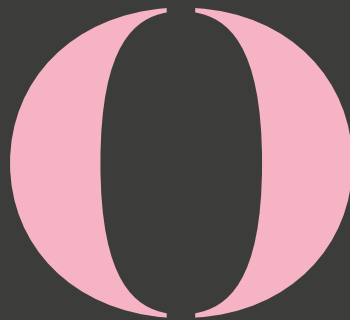
Adjusted net finance costs

Financial income – finance costs (adjusted by acquisition-related entries in accordance with the IFRS standards and the exchange rate differences of financial items)

Operational EBITDA *

EBIT + depreciation and impairment – share of associated company's result – adjustment of IFRS 16 lease expenses to cash flow based

* The term "Operating cash flow" previously used by the company has been replaced with "Operational EBITDA".
The content of the indicator has not changed.



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