NoHo

NORDIC HOSPITALITY PARTNERS

# Interim Report

# Q3/2020

# NOHO PARTNERS INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2020

**Quick recovery of demand and profitability measures generated operating cash flow of MEUR 5.5 – restrictions weaken the outlook for the remainder of the year**

NoHo Partners operated in a restricted business environment in July–September 2020. Thanks to its efficient operating model, cost savings and the recovery of demand, the Group was able to generate operating cash flow of MEUR 5.5 in spite of the reduced volume and restore profitability to a good level. Turnover in July–September was 73 per cent of the previous year's level and the EBIT margin was 5.2%. In July–September, the Group conducted its business according to the basic scenario, in which turnover is approximately 70–85 per cent of the previous year's level.

When the restrictions on restaurants in Finland were tightened in October, the Group transitioned to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level. Group turnover in October was approximately 56 per cent of the previous year's level and operating cash flow was negative. The demand outlook for November is weakened by the general pandemic situation, the restrictions that came into effect in November and cancellations of corporate events. The Group estimates that turnover in November will be less than 50 per cent of the previous year's level and operating cash flow will be negative.

## JULY–SEPTEMBER 2020 IN BRIEF

**Group (continuing and discontinued operations):**

- Turnover declined by 27.0% to MEUR 56.0 (MEUR 76.7).
- EBIT fell by 71.0% to MEUR 2.9 (MEUR 10.1).
- The EBIT percentage was 5.2% (12.8%), a decrease of 59.2%.
- The result for the financial period was MEUR 0.4 (MEUR 37.4), a decrease of 98.8%.
- Earnings per share were EUR 0.01 (EUR 1.92), a decrease of 99.5%.

**Restaurant business (comparable continuing operations):**

- Turnover declined by 27.0% to MEUR 56.0 (MEUR 76.7).
- EBIT fell by 64.4% to MEUR 2.2 (MEUR 6.2).
- The EBIT percentage was 4.0% (8.1%), a decrease of 51.3%.
- The result for the financial period was MEUR -0.3 (MEUR 3.9), a decrease of 106.6%.
- Earnings per share were EUR -0.03 (EUR 0.15), a decrease of 118.3%.
- Operating cash flow fell by 39.6% to MEUR 5.5 (MEUR 9.1).
- Government support in July–September 2020 totalled approximately MEUR 1.7.

## SIGNIFICANT EVENTS IN THE REVIEW PERIOD

- The restrictions on restaurant opening hours, alcohol serving hours and customer volume were lifted on 13 July 2020 in Finland. Indoor and outdoor events attended by more than 500 people were permitted effective from 1 August 2020.
- In Norway, restaurants were ordered to close at midnight effective from 8 August 2020.
- In Denmark, cocktail bars were allowed to reopen on 1 September 2020. Restaurants were ordered to close at 10 p.m. effective from 18 September 2020.
- On 15 September 2020, the burger chain Friends & Brgrs announced it will open six new restaurants before the end of 2020.
- Approximately 15% of the Group's restaurants were closed at the end of September.
- In Finland, approximately 400 employees were temporarily laid off either part-time or full-time as of the end of September.

## NUMBER OF RESTAURANTS

- On 30 September 2020, the Group had 232 reportable restaurant units in total:
  - Restaurants 75
  - Entertainment venues 63
  - Fast casual restaurants 54
  - International restaurants 40

## JANUARY–SEPTEMBER 2020 IN BRIEF

**Group (continuing and discontinued operations):**

- Turnover declined by 36.7% to MEUR 125.2 (MEUR 197.6).
- EBIT fell by 151.5% to MEUR -12.1 (MEUR 23.5).
- The EBIT percentage was -9.7% (11.8%), a decrease of 182%.
- The result for the financial period was MEUR -17.6 (MEUR 42.8), a decrease of 141.1%.
- Earnings per share were EUR -0.90 (EUR 2.16), a decrease of 141.8%.
- The gearing ratio excluding the impact of IFRS 16 liabilities was 156.6%. Interest-bearing net liabilities excluding the IFRS 16 effect amounted to MEUR 148.6. IFRS 16 liabilities totalled MEUR 147.9. The gearing ratio including the effect of IFRS 16 was 317.5%.

**Restaurant business (comparable continuing operations):**

- Turnover declined by 36.7% to MEUR 125.2 (MEUR 197.7).
- EBIT fell by 205.4% to MEUR -12.6 (MEUR 11.9).
- The EBIT percentage was -10.0% (6.0%), a decrease of 266.6%.
- The result for the financial period was MEUR -18.0 (MEUR 7.4), a decrease of 344.3%.
- Earnings per share were EUR -0.93 (EUR 0.29), a decrease of 414.5%.
- Operating cash flow fell by 90.3% to MEUR 2 (MEUR 20.9).
- Government support in January–September 2020 totalled approximately MEUR 10.1.

## SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

- The Finnish Government tightened the restrictions on restaurant opening hours, alcohol serving hours and customer volume nationwide from 8 October to 31 October. Alcohol serving hours were restricted to midnight and opening hours to 1 a.m. In regions where the pandemic is in the acceleration stage, alcohol serving hours were restricted to 10 p.m. and opening hours to 11 p.m. Customer capacity was limited to half of the normal capacity.
- The company began co-operation negotiations concerning all personnel in Finland on October 5, 2020.
- On 15 October 2020, the Constitutional Law Committee of the Finnish Parliament issued a statement on the Government's proposal on restaurant restrictions, finding that the proposal partly violates the Constitution of Finland.
- In Finland, new restaurant restrictions were regulated by a Government decree for the period 1 November to 15 December 2020.
- The Group's turnover in October was approximately MEUR 12, which is about 56% of the turnover for the corresponding period last year. Operating cash flow was approximately EUR -2 million.
- Approximately 20% of the Group's restaurants were closed at the end of October.
- In Finland, almost all employees were concerned by temporarily laid offs either part-time or full-time as of the end of October.
- The Group announced that CBO and Executive Team member Eemeli Nurminen will leave NoHo Partners effective from 1 January 2021.

## DESCRIPTION OF ACCOUNTING PRINCIPLES

- NoHo Partners divested its labour hire business in August 2019. Starting from September 2019, the Group only has one segment: the restaurant business.
- Due to the divestment of the labour hire business, the Group has started to present alternative performance measures that improve comparability. These alternative performance measures are intended to improve the market's understanding of the development and financial situation of the restaurant business. The most significant item added to the comparable result is the Group's internal staffing service purchases that took place before the transaction. In the future, these will be presented as outsourced services. The calculation principles of the key figures that improve comparability are presented in more detail in Note 2.
- In the interim report's comparison figures, the labour hire segment is treated as a discontinued operation and a separate item in the income statement. The comparison figures have been adjusted accordingly. For more information, see Note 2.
- In the interim report, the Group's continuing and discontinued operations as well as the comparable continuing operations of the restaurant business are presented separately.
- Unless otherwise stated, figures in parentheses refer to the corresponding period last year.
- The Group adopted operating cash flow as a new performance measure effective from 1 April 2020. (Calculation formula: EBIT + depreciation and impairment – share of associated company's result – adjustment of IFRS 16 lease expenses to cash flow based) This performance measure presents the cash flow generated by the company before investments, taxes and finance costs. It is intended to illustrate the cash flow generated by the restaurant business.

### Outlook

## THE MARKET

The COVID-19 pandemic has had a serious impact on the company's market and the restaurant industry as a whole, and the sudden change in the market has considerably affected the company's operations starting from March 2020. Due to the acceleration of the pandemic and the resulting restrictions on restaurants, the Group will continue to operate in a restricted business environment for the remainder of 2020.

## PROFIT GUIDANCE

On 13 March 2020, NoHo Partners cancelled its previously issued profit guidance for 2020 due to the impact of the COVID-19 pandemic. At this time, the company will not specify its turnover and profitability forecast for 2021 due to the uncertain market situation. The financial impact of the pandemic on the Group's business and outlook cannot be fully determined at present.

The profit guidance for next year will be updated when visibility is improved and the overall impact of the COVID-19 pandemic on the operating environment and the Group's business can be assessed more accurately. The restriction on business activities, potential changes to the restrictions and the global economic uncertainty will have a significant impact on the Group's turnover and financial result for the remainder of the year 2020.

The company will provide monthly reports on the development of its business during these exceptional circumstances.

## FINANCIAL TARGETS

The Group cancelled the long-term financial targets previously set for 2021 on 9 June 2020. The Group will specify the targets for the strategy period 2021–2023 during the first half of 2021.

# KEY FIGURES

## NoHo Partners Group, total

| (EUR 1,000) | 1 July–30 Sep. 2020 | 1 July–30 Sep. 2019 | 1 Jan.–30 Sep. 2020 | 1 Jan.–30 Sep. 2019 | 1 Jan.–31 Dec. 2019 |
|---|---|---|---|---|---|
| **KEY FIGURES, ENTIRE GROUP (CONTINUING AND DISCONTINUED OPERATIONS)** | | | | | |
| Turnover | 56,024 | 76,720 | 125,156 | 197,641 | 272,820 |
| EBIT | 2,928 | 10,094 | -12,108 | 23,532 | 30,551 |
| EBIT, % | 5.2% | 12.8% | -9.7% | 11.8% | 11.2% |
| Result of the financial period | 448 | 37,419 | -17,582 | 42,781 | 47,674 |
| Continuing operations' earnings per share (euros) for the financial period attributable to the owners of the Company | 0.01 | 0.35 | -0.90 | 0.90 | 1.10 |
| Earnings per share (EUR) for the financial period attributable to the owners of the Company | 0.01 | 1.92 | -0.90 | 2.16 | 2.36 |
| Operating cash flow | 5,512 | 9,122 | 2,037 | 20,905 | 30,409 |
| Interest-bearing net liabilities excluding the IFRS 16 effect, EUR | | | 148,570 | 101,516 | 105,391 |
| Gearing ratio excluding the IFRS 16 effect, % | | | 156.6% | 76.3% | 75.9% |
| Interest-bearing net liabilities, EUR | | | 296,464 | 270,369 | 266,691 |
| Gearing ratio, % | | | 317.5% | 205.1% | 194.6% |
| Equity ratio, % | | | 20.5% | 28.0% | 29.1% |
| Return on investment, % (p.a.) | | | -4.0% | 8.1% | 8.4% |
| Adjusted net finance costs | 2,653 | 949 | 8,062 | 5,186 | 7,166 |
| Material margin, % | 73.3% | 73.8% | 72.8% | 73.8% | 74.3% |
| Staff expenses, % | 32.5% | 30.2% | 37.1% | 32.5% | 32.6% |

## Restaurant Business
## (Comparable continuing operations)

| (EUR 1,000) | 1 July–30 Sep. 2020 | 1 July–30 Sep. 2019 | 1 Jan.–30 Sep. 2020 | 1 Jan.–30 Sep. 2019 | 1 Jan.–31 Dec. 2019 |
|---|---|---|---|---|---|
| **KEY FIGURES** | | | | | |
| Turnover | 56,024 | 76,733 | 125,156 | 197,733 | 272,912 |
| EBIT | 2,221 | 6,245 | -12,567 | 11,919 | 18,389 |
| EBIT, % | 4.0% | 8.1% | -10.0% | 6.0% | 6.7% |
| Result of the financial period | -259 | 3,897 | -18,040 | 7,385 | 11,730 |

### 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 present certain comparable financial key figures (alternative performance measures) that are not included in the IFRS standards. NoHo Partners believes that the presentation of comparable key figures related to continuing operations improves the understanding prevailing on the market as well as among analysts and investors regarding the development and financial situation of the restaurant business. Added to the comparable result are the Group's internal staffing service purchases that took place before the transaction. In the future, these will be presented as outsourced services.

The purpose of the "Operating cash flow" key figure, introduced on 1 April 2020, is to improve the understanding prevailing on the market as well as among analysts and investors regarding the cash flow generated by the restaurant business before investments, taxes and finance costs.

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. The calculation formulas for key figures can be found at the end of the interim report.

## Review by the CEO: Aku Vikström

The restaurant market continued its quick recovery in the third quarter following the lifting of restrictions in Finland effective from 13 July. Consumer demand returned to a good level during the review period, especially in Finland, where our turnover for the period was 76 per cent of the previous year's level. Sales in Finland were particularly boosted by Finns travelling domestically instead of internationally and the good sales of terrace restaurants. The lack of large events and concerts was reflected especially in the event business, which is reported under the restaurant business. The Group's international business operations have been subject to strict restrictions, with turnover in the third quarter being 56 per cent of the previous year's level. However, the Danish and Norwegian governments have supported the restaurant industry with direct compensation, which has made the negative operating cash flow of the international business manageable. In Norway, demand recovered during the review period faster than in the more strictly restricted Denmark, where our business is focused on the tourism-dependent city of Copenhagen. On the whole, our turnover developed in accordance with our basic scenario (more than 70% of the level reported in 2019).

We continued to manage our business with a focus on cash flow. The operating cash flow of MEUR 5.5 achieved during the review period provides us with more of a buffer for the COVID-19 battle that will continue through the winter. During the crisis, we have been able to sharpen our operational activities and achieve additional cost savings. This was reflected in the good profitability of our Finnish operations during the review period (EBIT 7.3%).

The current market environment and uncertainty regarding the Finnish Government's restrictions on business activities require flexibility and patience from our organisation and stakeholders. Nevertheless, we have been able to develop our operational activities throughout the crisis, achieved new flexibility in our cost structure and found new savings in fixed expenses. At the same time, we have enhanced our restaurant portfolio and eliminated certain previous investments in full. We have striven to keep our operations agile and efficient, which will enable us to again elevate our relative profitability to a new level in the future rebuilding phase.

In the short term, the progress of the pandemic and the resulting restrictions will have a significant impact on our business. After the review period, in October, our turnover was approximately MEUR 12 (56% of the previous year's level), with operating cash flow being about MEUR 2 in the negative. The demand outlook for November is weakened by the restrictions on restaurants that came into effect at the beginning of the month, the general pandemic situation and the resulting cancellations of corporate events. Under the current regional restrictions and private consumption being mainly focused on the weekends, we estimate that turnover in November will be less than 50 per cent of the previous year's volume and operating cash flow will be negative.

Our cash position is strong at present. Cash and cash equivalents totalled approximately MEUR 28 at the end of the third quarter. During the review period, we repaid MEUR 8 of our commercial paper programme. The cumulative cash flow of operations as well as existing liquid assets and available limits cover working capital required by the Group. The Group has initiated repayment negotiations with financing providers regarding financial liabilities totalling MEUR 43 that will fall due in April 2021. The Group's management estimates that the current negotiations will be finalised in January 2021, securing financing for the Group at least until the end of 2021.

In our basic scenario, we estimate that demand in the early part of the next year will still be weaker, which will be particularly reflected in corporate sales. We assume that the market will recover and get closer to normal in the second half of 2021. We have initiated our 2023 strategy process. The financial targets and strategic plan will be published in the first half of 2021 when market visibility improves. We have practically lost one year, but we have grown as an organisation and been forced to make our operations even more profitable than before. Our employees have been the hardest hit by the crisis, and developing their wellbeing and work environment will be one of the cornerstones of our rebuilding phase.

**Aku Vikström**
CEO

## Turnover and Income

### JULY–SEPTEMBER 2020 IN BRIEF

**Group (continuing and discontinued operations):**

The Group's turnover in ***July–September 2020*** was MEUR 56.0, a decrease of 27.0 per cent year-on-year. Personnel expenses were 32.5 per cent and the material margin was 73.3 per cent.

Depreciation, amortisation and impairment totalled MEUR 11.2. EBIT was MEUR 2.9, a decrease of 71.0 per cent. Adjusted net finance costs totalled MEUR 2.7. The result was MEUR 0.4, a decrease of 98.8 per cent, and earnings per share amounted to EUR 0.01, down by 99.5 per cent year-on-year.

**Restaurant business (comparable continuing operations):**

Turnover in ***July–September 2020*** was MEUR 56.0, down by 27.0 per cent, EBIT was MEUR 2.2, a decrease of 64.4 per cent, the result was MEUR -0.3, down by 106.6 per cent and earnings per share amounted to EUR -0.03, down by 118.3 per cent year-on-year.

### JANUARY–SEPTEMBER 2020 IN BRIEF

**Group (continuing and discontinued operations):**

The Group's turnover in ***January–September 2020*** was MEUR 125.2, a decrease of 36.7 per cent year-on-year. Personnel expenses were 37.1 per cent and the material margin was 72.8 per cent.

Depreciation, amortisation and impairment totalled MEUR 38.4. EBIT was MEUR -12.1, a decrease of 151.5 per cent. Adjusted net finance costs totalled MEUR 8.1. The result was MEUR -17.6, a decrease of 141.1 per cent, and earnings per share amounted to EUR -0.9, down by 141.8 per cent year-on-year.

**Restaurant business (comparable continuing operations):**

Turnover in ***January–September 2020*** was MEUR 125.2, down by 36.7 per cent, EBIT was MEUR -12.6, a decrease of 205.4 per cent, the result was MEUR -18.0, down by 344.3 per cent and earnings per share amounted to EUR -0.93, down by 414.5 per cent year-on-year.

### OCTOBER 2020 IN BRIEF

The Group's turnover in October 2020 was approximately MEUR 12, which is roughly 56 per cent of the turnover in the corresponding period last year. Operating cash flow in October was approximately EUR -2 million.

## Turnover in the business areas of the restaurant business:

| | 1 July–30 Sep. 2020 | 1 July–30 Sep. 2019 | 1 Jan.–30 Sep. 2020 | 1 Jan.–30 Sep. 2019 | 1 Jan.–31 Dec. 2019 |
|---|---|---|---|---|---|
| **RESTAURANTS** | | | | | |
| **Turnover (MEUR)** | **20.0** | **29.7** | **44.3** | **76.7** | **107.5** |
| *Percentage of the total turnover* | 35.7% | 38.8% | 35.4% | 38.7% | 39.4% |
| Change in turnover | -32.8% | | -42.2% | | 24.0% |
| Units, number | 75 | 72 | 75 | 72 | 75 |
| Turnover/unit (MEUR) | 0.27 | 0.41 | 0.59 | 1.06 | 1.43 |
| **ENTERTAINMENT VENUES** | | | | | |
| **Turnover (MEUR)** | **19.1** | **25.5** | **38.2** | **67.8** | **88.5** |
| *Percentage of the total turnover* | 34.1% | 33.2% | 30.6% | 34.3% | 32.4% |
| Change in turnover | -25.1% | | -43.6% | | 5.6% |
| Units, number | 63 | 67 | 63 | 67 | 65 |
| Turnover/unit (MEUR) | 0.30 | 0.38 | 0.61 | 1.01 | 1.36 |
| **FAST CASUAL RESTAURANTS** | | | | | |
| **Turnover (MEUR)** | **9.9** | **8.9** | **22.3** | **25.0** | **33.6** |
| *Percentage of the total turnover* | 17.7% | 11.6% | 17.8% | 12.7% | 12.3% |
| Change in turnover | 10.9% | | -10.8% | | 25.6% |
| Units, number | 54 | 47 | 54 | 47 | 48 |
| Turnover/unit (MEUR) | 0.18 | 0.19 | 0.41 | 0.53 | 0.70 |
| **INTERNATIONAL RESTAURANTS** | | | | | |
| **Turnover (MEUR)** | **7.0** | **12.6** | **20.3** | **28.3** | **43.3** |
| *Percentage of the total turnover* | 12.5% | 16.4% | 16.2% | 14.3% | 15.9% |
| Change in turnover | -44.1% | | -28.3% | | 248.3% |
| Units, number | 40 | 37 | 40 | 37 | 37 |
| Turnover/unit (MEUR) | 0.18 | 0.34 | 0.51 | 0.76 | 1.17 |

## 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 spread of the pandemic, the restrictions imposed by the Finnish Government on the restaurant industry to mitigate it and the impacts of the pandemic on customer demand have had a highly negative effect on NoHo Partners' business operations and financial results. 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. The Group has taken action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

Once the business impacts of the COVID-19 pandemic became apparent in March, the Group reacted immediately by initiating purposeful adjustment measures and preparing for the changed market conditions. The Group reacted to the change by quickly driving down costs, temporarily laying off personnel and balancing its finances. On 13 March 2020, the Group cancelled the profit guidance for 2020 it had issued earlier in March due to the uncertain market situation and initiated negotiations pursuant to the Act on Co-operation within Undertakings on fixed-term part-time or full-time layoffs of 90 days at most, concerning all of the Group's personnel in Finland, or approximately 1,300 people.

The Finnish Government ordered the closure of restaurants throughout the country starting from 4 April 2020, until the end of May, to prevent the spread of the COVID-19 pandemic. The Group closed its nightclubs and a number of other restaurants in accordance with the recommendations of the authorities before the official order of the Finnish Government to close down all restaurants was issued. In Denmark and Norway, restaurants were closed in compliance with the orders issued by the authorities on 12–13 March 2020. In accordance with the recommendations issued by the Finnish Government, the Group cancelled all public events of more than 500 people from March until the end of July.

The Group's largest fixed costs are staff expenses and business premises expenses. The Group negotiated a two-month rent exemption for April–May for 70 per cent of its leases in Finland.

In Denmark and Norway, the restrictions have been stricter than in Finland throughout the COVID-19 pandemic but, at the same time, the governments have supported the restaurant sector financially with direct subsidies. In Denmark and Norway, approximately 80 per cent of the lease expenses and other fixed expenses were covered by the state during the COVID-19 pandemic. In Denmark, the state supports companies in the restaurant industry by covering up to 90 per cent of their fixed expenses, relative to the decline in turnover, from November until 2 January 2021. The Danish state also covered 80 per cent of wage expenses until 8 July 2020. In Norway, the state covers up to 60 per cent of fixed expenses relative to the decline in turnover from November until the end of 2020. In both countries, the Group has had to adjust its cost structure through temporary layoffs and redundancies and by reducing administrative costs.

In April, the Group negotiated a financing package of EUR 34 million with its funding partners in Finland, Denmark and Norway, of which Finnvera guaranteed EUR 15 million. In late May, the company finalised a refinancing programme for its maturing debt as part of its overall financing package. As the final part of the financing package, the company agreed on a debt of EUR 10 million with a right to conversion with the Finnish Industry Investment Ltd (Tesi). The financing is for stabilisation provided by Tesi in the COVID-19 situation. At the time of withdrawing the loan, the Group's management estimated that the financing package is sufficient to ensure the company's working capital until the end of 2020 in spite of the potential prolongation of the uncertain market situation caused by the COVID-19 pandemic.

Co-operation negotiations were continued in May due to the uncertain market situation. As a result of the two-week negotiations, the continuation of the layoffs, either full-time or part-time, concerned approximately 550 employees in Finland.

Restaurant operations resumed in Denmark and Norway in May subject to country-specific restrictions. Once the gradual resumption of business operations in Finland began on 1 June 2020 in a restricted operating environment, the company has focused on the gradual resumption of its operations and financing its operations through cash flow.

Starting from the beginning of June, restaurants, entertainment venues and fast casual restaurants were reopened gradually and in a controlled manner. Nightclubs were reopened gradually starting from 26 June 2020 as the restrictions were relaxed and more extensively starting from 13 July 2020 as the restrictions on opening hours and alcohol serving hours were lifted. Staff restaurants were reopened in August. The lack of business travellers and tourists as well as the remote work recommendations in effect have had a significant impact on lunch sales and the weekday sales of restaurants.

At the end of September, the Finnish Government announced it would tighten the restrictions on restaurant opening hours, alcohol serving hours and customer volume due to the acceleration of the pandemic. The Group took immediate action in response to the stricter restaurant restrictions that followed the second wave of the COVID-19 epidemic. On 29 September 2020, the Group announced it is commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its Finnish operations to the strict restrictions imposed by the Finnish Government on the restaurant industry. Estimated to last six weeks, the negotiations are aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond to the decline in volume due to the restrictions on restaurants. The co-operation negotiations concern all of the Group's employees, totalling approximately 1,300 employees in Finland. The restrictions on restaurants also indirectly impact the approximately 2,000 people working for the Group as leased staff. The negotiations may cause changes in the organisational structure, part-time or full-time temporary layoffs, changing full-time employment relationships to part-time relationships or redundancies. The potential redundancies discussed in the negotiations primarily concern administrative tasks at different levels of the organisation.

At the same time, the Group also announced that, due to the restrictions on restaurants, it estimates it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level.

Approximately 15 per cent of the Group's restaurants were closed at the end of September. In Finland, about 400 of the Group's employees were temporarily laid off, either full-time or part-time, as of the end of September. Following the introduction of the stricter restrictions on restaurants, approximately 20 per cent of the Group's restaurants were closed at the end of October, with pre-order restaurants, event venues and most nightclubs being closed. In Finland, almost all employees were concerned by temporarily laid offs either part-time or full-time as of the end of October.

**Restrictions on restaurants***

***Finland***

Restaurants in Finland were reopened at the beginning of June subject to restrictions on opening hours, alcohol serving hours and customer volumes. Starting from 22 June 2020, alcohol serving hours were extended from 10 p.m. to 1 a.m. and the permitted customer volume was increased from 50 per cent to 75 per cent of normal capacity. The restriction of the number of customers did not apply to terraces and outdoor premises, but the safety of customers had to be ensured in these premises as well. The restrictions on restaurant opening hours, alcohol serving hours and permitted customer volumes were lifted on 13 July 2020. From that date on, restaurants have been required to provide a seat for each customer. Restaurants are also still required to provide customers with instructions on the prevention of infectious diseases, such as hand washing and maintaining safe distances. Outdoor events attended by more than 500 people were permitted in July subject to special restrictions. Indoor events attended by more than 500 people were also permitted starting from the beginning of August.

As the COVID-19 situation developed into a second wave, the opening hours and alcohol serving hours of restaurants were again restricted effective from the beginning of October and subject to a one-week transition period. Alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In regions that are in the acceleration phase of the COVID-19 pandemic (in October: the hospital districts of Helsinki and Uusimaa, Pirkanmaa, Kanta-Häme, Southwest Finland and South Ostrobothnia), restaurants were ordered to close at 11 p.m., with alcohol service ending at 10 p.m., and the permitted number of customers was half of the maximum capacity.

On 15 October 2020, the Constitutional Law Committee of the Finnish Parliament issued a statement on the Government's proposal on restaurant restrictions, finding that the proposal partly violates the Constitution of Finland. The Social Affairs and Health Committee of the Finnish Parliament published its report on the new restaurant restrictions on 20 October 2020. More specific provisions regarding the restrictions on customer capacity and their regional applicability were introduced in a Government Decree. The proposed legislative amendments entered into force at the beginning of November 2020 and will remain in effect until 15 December 2020.

According to the legislative amendments, alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In the regions were the pandemic is in the acceleration stage, alcohol service is permitted until 10 p.m. and restaurants that primarily serve alcohol can stay open until 11 p.m. In nightclubs, bars and pubs, the customer capacity is restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity is 75 per cent and they can stay open until midnight. In regions where the pandemic is in the spreading stage, restaurants that primarily serve food must close at 11 p.m.

The restrictions will have a significant impact on the Group's business in the fourth quarter. The majority of the Group's restau-

* The status of restaurant restrictions on 6 November 2020

rants operate in regions that were categorised as being in the acceleration stage of the pandemic in October and where the restrictions are stricter than in regions that are in the basic stage.

***Denmark***

In Denmark, restaurants serving food were allowed to reopen in early May. During the summer months in Denmark, the number of customers in the indoor areas of restaurants was restricted and restaurants had to close at midnight. Gatherings of more than 500 people were cancelled until the end of August 2020. Nightclubs and cocktail bars were closed until the end of August and cocktail bars were reopened on 1 September 2020. Stricter restrictions on the opening hours of bars and restaurants were introduced effective from 18 September 2020, with restaurants required to close at 10 p.m. thereafter. Everyone is required to wear a face mask when moving around restaurants. Customer volumes are currently reduced to approximately 50 per cent of the maximum capacity, and gatherings of more than 50 people are not allowed. Nightclubs remain closed, but bars are allowed to be open subject to the current restrictions on business hours.

The compensation schemes by the Danish state will remain in effect until 2 January 2021. In conjunction with the introduction of the stricter restrictions, the rate of turnover-based government support for fixed expenses was increased from 80 per cent to 90 per cent.

***Norway***

In Norway, alcohol licences were reactivated for food-serving restaurants in Oslo on 6 May 2020 and the alcohol licences of other restaurants were reactivated at the beginning of June. The number of customers in the indoor areas of restaurants was restricted during the summer months and food and beverages had to be served at tables. In Norway, the normal opening hours of restaurants were in force from 15 June to 8 August 2020. The restrictions on opening hours were tightened thereafter, and the order to close at midnight was introduced on 8 August 2020. In Norway, restrictions on opening hours were lifted on 12 October 2020 except in Oslo. Restaurants can operate at 50% customer capacity, table service is mandatory and a safe distance of one metre must be maintained. Gatherings of more than 200 people are cancelled until further notice. The restrictions in Oslo were tightened on 27 October 2020: restaurants are prohibited from allowing new customers in after 10 p.m. and must stop serving food and beverages at midnight. The restrictions are in effect until further notice, but until 30 November 2020 at the latest.

When the restrictions were loosened, the compensation provided by the Norwegian state to cover fixed expenses was reduced from 80 per cent to 50 per cent in early August 2020 and subsequently increased to 60 per cent in October when the restrictions were again tightened. The compensation will remain in effect until 31 December 2020.

**Government assistance during the state of emergency**

The compensation received by the Group from the Finnish state totalled approximately MEUR 5.0 in January–September 2020. Also in January–September, the Group received support amounting to approximately MEUR 3.6 from the Danish state and MEUR 1.5 from the Norwegian state. The financial support received by the Group from the Finnish, Danish and Norwegian governments for the period 1 January–30 September 2020 totalled approximately MEUR 10.1.

A more detailed account of government assistance, the distribution thereof and an estimate for the remainder of 2020 is presented in Note 5 Government grants in this interim report (page 33).

## Summary

The sudden market changes caused by the COVID-19 pandemic had a significant impact on the Group's result in the third quarter of 2020. The Group continued to operate in a restricted operating environment in July–September. Nevertheless, the third quarter provided good evidence that the market and customer demand recover quickly when restaurant restrictions are loosened. Due to the recovery of customer demand following the lifting of restrictions an efficient operating model and cost savings, the Group was able to generate operating cash flow of MEUR 5.5 in spite of volumes being approximately a quarter below the previous year's level. The loss of turnover caused by the COVID-19 pandemic in January–September is estimated to be nearly MEUR 100.

Until September, the company's business operated according to the basic scenario in which sales are approximately 70–85 per cent of the previous year's level. Turnover in the third quarter was approximately MEUR 56.0, which is roughly 73 per cent of the turnover in the corresponding period last year. In the international business, which was subject to strict restrictions, turnover was approximately 56 per cent of the previous year's level. EBIT in July–September was approximately MEUR 2.9 and the EBIT margin was 5.2 per cent.

In July 2020, turnover exceeded MEUR 20, which is roughly 75 per cent of the turnover in the corresponding period last year. Operating cash flow was approximately MEUR 3 in July. In August 2020, turnover was nearly MEUR 21, which is roughly 75 per cent of the turnover in the corresponding period last year. Operating cash flow in August was approximately MEUR 2.4.

Turnover for September 2020 was approximately MEUR 15, which is roughly 67 per cent of the turnover in the corresponding period last year. The turnover of the Finnish restaurant business was more than 70 per cent and the turnover of the international business was more than 50 per cent of the turnover in the corresponding period last year. Operating cash flow was neutral in September.

On 29 September 2020, the Group announced that, due to the restrictions on restaurants put in place by the Finnish Government, the company estimates it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level. In October, turnover was approximately MEUR 12, which is roughly 56 per cent of the turnover in the corresponding period last year. October is one of the quietest months of the year and business was further dampened by the strict restrictions on restaurants, which led to operating cash flow being approximately MEUR -2.

The demand outlook for November is weakened by the general pandemic situation, the restrictions that came into effect in November and cancellations of corporate events. The Group estimates that turnover in November will be less than 50 per cent of the previous year's level and operating cash flow will be negative.

The Group has recognised approximately MEUR 10.1 in financial support from the Finnish, Danish and Norwegian governments for the period 1 January–30 September 2020. Reductions in rent totalled approximately MEUR 3.5 in January–September 2020, with most of this total falling in April–May 2020.

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.

## Cash flow, Investments and Financing

The Group's operating net cash flow in January–September 2020 was MEUR 12.9 (MEUR 36.0).

Growth investments made in the third quarter of 2020 consisted of the opening of a Friends & Brgrs restaurant in the Sokkari department store in Jyväskylä and the opening of Karaoke Bar Wallis in the Armada shopping centre in Lappeenranta.

The Group's gearing ratio excluding the impact of IFRS 16 liabilities was 156.6%. Interest-bearing net liabilities excluding the IFRS 16 effect amounted to MEUR 148.6. IFRS 16 liabilities totalled MEUR 147.9. The Group's interest-bearing net liabilities (including IFRS 16 liabilities) at the end of September 2020 were MEUR 296.5 (MEUR 270.4). Adjusted net finance costs in January–September 2020 were MEUR 8.1 (MEUR 5.2). The equity ratio was 20.5% (28.0%) and the gearing ratio was 317.5% (205.1%).

The finance costs for January–September 2020 include an exchange rate difference item of approximately MEUR 1.1 recognised due to a change in the rate of the Norwegian krone.

## Events During the Review Period

### NEW RESTAURANTS:

- **Friends & Brgrs restaurant** opened in Jyväskylä in August
- **Karaoke Bar Wallis** opened in Lappeenranta in September

### FRIENDS & BRGRS ANNOUNCED ITS EXPANSION PLANS FOR THE REMAINDER OF THE YEAR

On 15 September 2020, the burger chain Friends & Brgrs announced it will open six new restaurants before the end of 2020. Known for its high-quality burgers, the popular chain opened its 11th restaurant in central Jyväskylä in August. During the remainder of the year, new restaurants will be opened in Helsinki, Espoo, Lappeenranta, Kuopio and Rovaniemi. The company intends to become the leading burger brand in Finland and employ a thousand professionals during the next three years.

## Events After the Review Period and New Projects

### NEW RESTAURANTS:

- **Masu Asian Bistro** opened a new restaurant in Tampere
- **Friends & Brgrs restaurants** will be opened in Espoo, Helsinki, Lappeenranta, Kuopio and Rovaniemi before the end of 2020
- **An entertainment venue** will be opened in Lappeenranta in November 2020

### RESTAURANT RESTRICTIONS TIGHTENED BY THE FINNISH GOVERNMENT

On 29 September 2020, the Finnish Government announced that restaurant restrictions will be tightened in response to the development of the COVID-19 pandemic. Alcohol serving hours were reduced effective from the beginning of October with a one-week transition period. Under these restrictions, alcohol service was allowed until midnight and restaurants were allowed to stay open until 1 a.m. In regions that were in the acceleration phase of the COVID-19 epidemic, restaurants were ordered to close at 11 p.m., with alcohol service ending at 10 p.m., and the permitted number of customers was half of the maximum capacity. The restrictions were in effect until the end of October.

### THE GROUP COMMENCED CO-OPERATION NEGOTIATIONS

On 29 September 2020, NoHo Partners Plc announced it was commencing negotiations in accordance with the Act on Co-operation within Undertakings in order to adapt its Finnish operations to the strict restrictions on the restaurant industry put in place by the Finnish Government. The negotiations are aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond to the decline in volume due to the restrictions on restaurants.

The co-operation negotiations concern all of the Group's employees, totalling approximately 1,300 employees in Finland. The restrictions on restaurants also indirectly impact the approximately 2,000 people working for the Group as leased staff.

The negotiations began on 5 October 2020 and they are estimated to last six weeks. The negotiations may cause changes in the organisational structure, part-time or full-time temporary layoffs, changing full-time employment relationships to part-time relationships or redundancies. The potential redundancies discussed in the negotiations primarily concern administrative tasks at different levels of the organisation.

At the same time, the Group announced that, due to the restrictions on restaurants put in place by the Finnish Government, the company estimates it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level.

### THE GROUP CALLS UPON THE PARLIAMENTARY OMBUDSMAN TO INVESTIGATE THE DRAFTING OF THE AMENDMENTS TO THE COMMUNICABLE DISEASES ACT CONCERNING RESTAURANTS

The Group issued a press release on 13 October 2020 to announce that it has issued a written petition to the Parliamentary Ombudsman to call for an investigation into the legality of the actions of the Ministry of Social Affairs and Health in the drafting of the Government proposal for an act temporarily amending the Communicable Diseases Act concerning the restaurant industry and the related Government decree, and called upon the Parliamentary Ombudsman to subsequently take action as necessary based on the investigation.

### THE CONSTITUTIONAL LAW COMMITTEE'S STATEMENT ON THE RESTAURANT RESTRICTIONS

The Constitutional Law Committee of the Finnish Parliament issued a statement on 15 October 2020 on the Government's proposal to extend the restrictions on restaurant opening hours from October onwards. According to the committee, the freedom to engage in commercial activity cannot be restricted in the manner proposed by the Government, and the committee did not approve of the Government's plan to extend the restrictions on opening hours in their current form. In the committee's opinion, the operations of all restaurants across the country cannot be restricted by law. Instead, the restrictions need to be justified by region and by type of restaurant.

### THE SOCIAL AFFAIRS AND HEALTH COMMITTEE OF THE FINNISH PARLIAMENT PUBLISHED ITS REPORT ON THE NEW RESTAURANT RESTRICTIONS

The Social Affairs and Health Committee of the Finnish Parliament published its report on the new restaurant restrictions on 20 October 2020. The proposed legislative amendments would enter into force at the beginning of November 2020 and remain in effect until the end of February 2021. According to the proposed amendments, the customer capacity of restaurants whose primary purpose is to serve alcohol could be restricted by 50 per cent at most. Nightclubs, pubs and bars could be seen as falling in this category. The customer capacity of food-serving restaurants and cafés could be restricted by 25 per cent at most. The opening hours and alcohol serving hours of restaurants can also be reduced if doing so is necessary to prevent the spread of a generally hazardous communicable disease. Going forward, the restrictions on customer capacity would be determined based on the regional epidemiological situation. In this context, a region may refer to an administrative region, hospital district or an individual municipality.

More specific provisions regarding the restrictions on customer capacity and their regional applicability were introduced in a Government Decree that entered into force on 1 November 2020. The new restaurant restrictions will remain in effect until mid-December.

### CHANGE IN NOHO PARTNERS PLC'S EXECUTIVE TEAM

On 5 November 2020, NoHo Partners announced that CBO and Executive Team member Eemeli Nurminen is leaving his post. Nurminen will permanently leave NoHo Partners on 1 January 2021. At the same time, the Group will reorganise the responsibilities of its Executive Team and will combine the entertainment venue operations to a single entity under the leadership of CBO Paul Meli.

### NOHO PARTNERS PLC'S BOARD OF DIRECTORS DECIDED ON A SPECIAL UNPAID SHARE ISSUE FOR KEY PERSONNEL BASED ON THE SHARE-BASED INCENTIVE SCHEME

On 9 November 2020, NoHo Partners announced that the Group's Board of Directors had decided on a special unpaid share issue for key personnel in order to pay the reward of the first earning period of the share incentive scheme, 1 December 2018–31 December 2019. The decision on the share issue was made on the basis of the authorisation granted by the Annual General Meeting on 16 June 2020. It was decided that a total of 68,597 new shares would be distributed in an unpaid share issue to the 9 key employees who are included in the share-based incentive scheme. The issuance of the new shares sees the total number of NoHo Partners Plc's shares increase to 19,222,270.

## Personnel

In the period 1 January–30 September 2020, the restaurant operations of NoHo Partners Group employed on average 896 (1,012) full-time employees and 513 (594) part-time employees converted into full-time employees as well as 259 (522) leased 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 restaurant industry is a cyclically sensitive sector that reacts quickly to economic cycles, seasonal variation and external disruptions. The COVID-19 pandemic, which began in March 2020 and grew into an international epidemic, is a good example of an external factor that significantly impacts the industry and its development. 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 COVID-19 pandemic has had a significant impact on NoHo Partners' operations during 2020 in all of the Group's operating countries. The key risks caused by the COVID-19 pandemic have been related to the health and safety of the Group's employees and customers as well as loss of turnover, cash flow and profit. The predictability of business development over the coming months is still subject to significant uncertainty. During the remainder of 2020, the most significant risk is related to the negative business impacts of the pandemic following the second wave of the epidemic and the resulting business restrictions imposed by the national authorities in all of the Group's markets. The pandemic situation and restaurant restrictions set by the Finnish government and related news may have a significant impact on consumer behaviour.

The prolonged duration 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. 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 growth outlook weakened rapidly due to the COVID-19 pandemic in early 2020 in all of the Group's operating countries.

Uncertainties related to the duration of the COVID-19 pandemic and the measures aimed at mitigating the spread of the disease and recovery of the restaurant industry constitute a risk to the development of NoHo Partners' turnover and cash flow. Adjusting 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.

Restrictions posed by the governments of the operating countries and their extension may have a negative impact on operations and cash flow if lessors do not agree to decreased leases for the time period during which operations have been restricted by government decree and if the country does not compensate at all the losses caused by the restrictions it imposes.

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 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. 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.

If the pandemic were to accelerate and the restrictions were to be further tightened by the Finnish Government, which would significantly influence consumer behaviour, or if the Finnish Government decides to 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.

If prolonged, the COVID-19 pandemic may lead to a deterioration of the Group's cash position. The Group has prepared for this eventuality with the financing package it negotiated at the beginning of the COVID-19 pandemic, by steering its operations with a focus on the cash flow, by reassessing the amount and timing of future investments and other financing arrangements. The cumulative cash flow of operations as well as existing liquid assets and available limits cover working capital required by the Group. The Group has initiated repayment negotiations with financing providers regarding financial liabilities totalling MEUR 43 that will fall due in April 2021. The Group's management estimates that the current negotiations will be finalised in January 2021, securing financing for the Group at least until the end of 2021.

If prolonged, the pandemic could also have a negative impact on the Group's equity by having an adverse effect on profit performance. The Group has begun determined adjustment measures including, for example, the negotiations pursuant to the Act on Co-operation within Undertakings that are currently under way and concern all of the Group's personnel.

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 legislation, food legislation, labour legislation and value added taxation may affect the Group's business.

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 major impact on the Group's operations.

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. The future availability of labour can also be seen as one uncertainty factor.

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 due to the COVID-19 pandemic or other internal or external factors. A more detailed description of long-term risks and uncertainty factors can be found in the financial statements of 31 December 2019. The financial statements for 2019 are available at **https://www.noho.fi/en/financial-statement-2019**.

## Financial reporting in 2021

NoHo Partners' financial reporting schedule in 2021 is as follows:

- Financial statements release for 2020 on Thursday, 18 February 2021
- Financial statements and annual report for 2020 during week 11
- Interim report for January–March 2021 on Tuesday, 11 May 2021
- Half-year report for January–June 2021 on Tuesday, 10 August 2021
- Interim report for January–September 2021 on Tuesday, 9 November 2021

Tampere, 10 November 2020

**NOHO PARTNERS PLC**

Board of Directors

**More information available from:**
Aku Vikström, CEO, tel. +358 44 011 1989
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FI-33100 Tampere

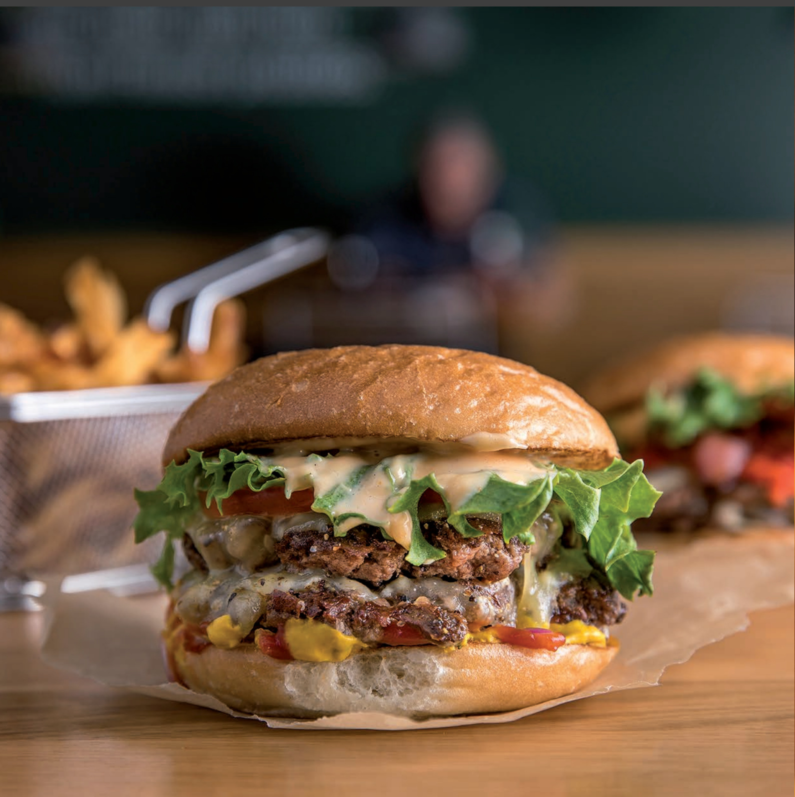
**WWW.NOHO.FI**

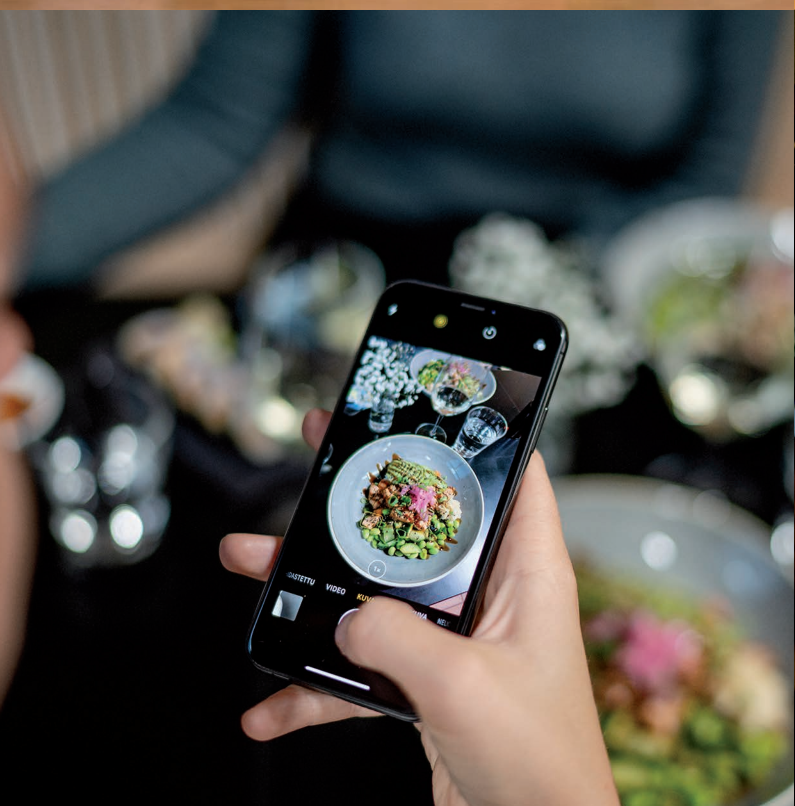
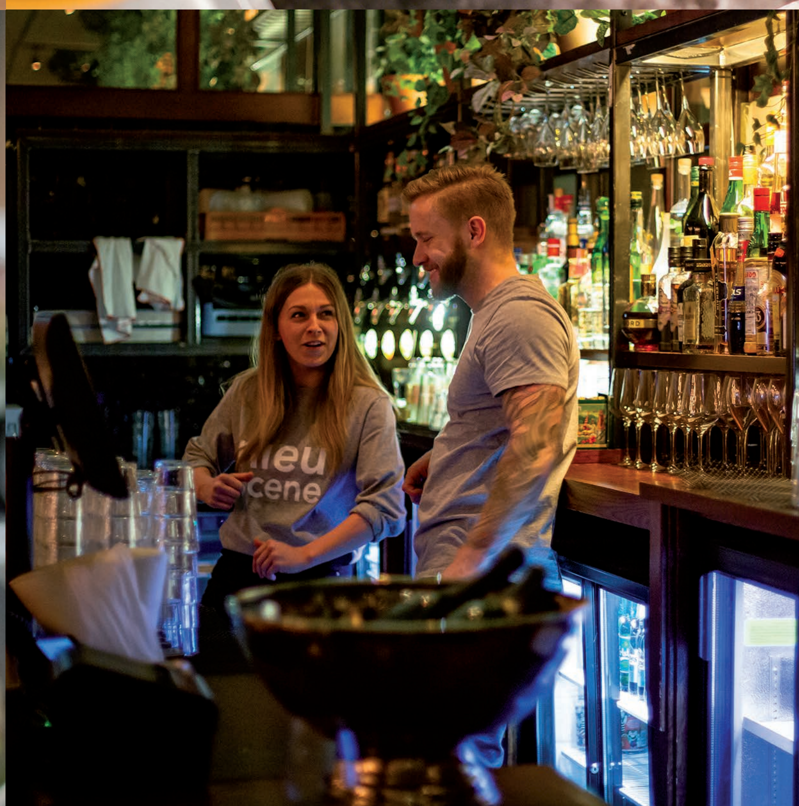
**NOHO PARTNERS PLC** is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history. The Group companies include some 250 restaurants in Finland, Denmark and Norway. The well-known restaurant concepts of the company include Elite, Savoy, Teatteri, Yes Yes Yes, Stefan's Steakhouse, Palace, Löyly, Hanko Sushi, Friends & Brgrs and Cock's & Cows. In 2019, NoHo Partners Plc's turnover was MEUR 272.8 and EBIT MEUR 30.6. Depending on the season, the Group employs approximately 2,100 people converted into full-time workers.

NoHo Partners corporate website: **www.noho.fi**
NoHo Partners consumer website: **www.ravintola.fi**

Interim Report 1 January–30 September 2020:

# Table Section and Notes



# Interim Report 1 January–30 September 2020: Table Section and Notes

The information presented in the Interim Report has not been audited

## Consolidated Statement of Profit or Loss and Other Comprehensive Income (IFRS)
### (Continuing and discontinued operations)

| EUR 1,000 | 1 July–<br>30 Sep. 2020 | 1 July–<br>30 Sep. 2019 | 1 Jan.–<br>30 Sep. 2020 | 1 Jan.–<br>30 Sep. 2019 | 1 Jan.–<br>31 Dec. 2019 |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Turnover | 56,024.0 | 76,720.2 | 125,156.2 | 197,641.4 | 272,819.9 |
| Other operating income | 3,293.5 | 911.6 | 13,728.8 | 3,776.6 | 5,974.7 |
| Raw materials and consumables | -20,367.7 | -23,976.1 | -45,676.5 | -59,438.8 | -84,673.1 |
| Employee benefits | -13,445.9 | -15,680.0 | -36,374.4 | -45,226.2 | -63,445.7 |
| Other operating expenses | -11,994.1 | -17,165.5 | -30,822.0 | -40,717.0 | -56,393.2 |
| Depreciation, amortisation and impairment losses | -11,204.1 | -11,007.8 | -38,372.7 | -32,725.4 | -44,522.6 |
| Share of associated company profit | 622.6 | 291.1 | 252.1 | 221.6 | 790.9 |
| **EBIT** | **2,928.2** | **10,093.6** | **-12,108.5** | **23,532.2** | **30,550.7** |
| | | | | | |
| Financial income | 18.7 | 12.2 | 37.6 | 2,175.6 | 2,209.5 |
| Finance costs | -2,667.0 | -1,444.0 | -8,270.1 | -5,441.7 | -7,448.4 |
| Net finance costs | -2,648.3 | -1,431.8 | -8,232.5 | -3,266.1 | -5,238.9 |
| **Profit before tax** | **279.9** | **8,661.8** | **-20,341.0** | **20,266.1** | **25,311.8** |
| Tax based on the taxable income from the financial period | -1,255.4 | -3,221.8 | -1,618.4 | -4,886.1 | -5,429.9 |
| Change in deferred taxes | 1,423.8 | 2,288.7 | 4,377.6 | 3,573.1 | 3,964.5 |
| Income tax expense | 168.5 | -933.1 | 2,759.2 | -1,312.9 | -1,465.4 |
| **Profit for the period, continuing operations** | **448.3** | **7,728.7** | **-17,581.8** | **18,953.2** | **23,846.4** |
| | | | | | |
| **Discontinued operations** | | | | | |
| **Profit for the period, discontinued operations** | **0.0** | **29,690.7** | **0.0** | **23,828.0** | **23,828.0** |
| **Profit for the period** | **448.3** | **37,419.5** | **-17,581.8** | **42,781.2** | **47,674.4** |
| | | | | | |
| **Profit from continuing operations attributable to:** | | | | | |
| Owners of the Company | 174.6 | 7,173.9 | -16,607.8 | 18,063.3 | 22,299.6 |
| Non-controlling interests | 273.7 | 554.8 | -974.0 | 889.9 | 1,546.8 |
| **Total** | **448.3** | **7,728.7** | **-17,581.8** | **18,953.2** | **23,846.4** |
| | | | | | |
| **Profit for the period attributable to:** | | | | | |
| Owners of the Company | 174.6 | 36,864.7 | -16,607.8 | 41,891.3 | 46,127.6 |
| Non-controlling interests in continuing operations | 273.7 | 554.8 | -974.0 | 889.9 | 1,546.8 |
| **Total** | **448.3** | **37,419.5** | **-17,581.8** | **42,781.2** | **47,674.4** |
| | | | | | |
| **Earnings per share calculated from continuing operations' result of the review period for owners of the Company** | | | | | |
| **Basic earnings per share (euro)** | 0.01 | 0.35 | -0.90 | 0.90 | 1.10 |
| Diluted earnings per share (euros) | 0.01 | 0.35 | -0.90 | 0.90 | 1.10 |
| | | | | | |
| **Earnings per share calculated from the result of the review period for owners of the Company** | | | | | |
| **Basic earnings per share (euro)** | 0.01 | 1.92 | -0.90 | 2.16 | 2.36 |
| Diluted earnings per share (euros) | 0.01 | 1.91 | -0.90 | 2.15 | 2.34 |
| | | | | | |
| **Consolidated statement of comprehensive income** | | | | | |
| | | | | | |
| **Profit for the period** | **448.3** | **37,419.5** | **-17,581.8** | **42,781.2** | **47,674.4** |
| Other comprehensive income items (after taxes): | | | | | |
| Foreign currency translation differences, foreign operations | 112.5 | -122.0 | -374.3 | -154.1 | -128.6 |
| Other comprehensive income items that may be subsequently reclassified to profit or loss, total | 112.5 | -122.0 | -374.3 | -154.1 | -128.6 |
| **Total comprehensive income for the period** | **560.8** | **37,297.5** | **-17,956.2** | **42,627.1** | **47,545.7** |
| | | | | | |
| **Distribution of the comprehensive income for the financial period:** | | | | | |
| Owners of the Company | 287.1 | 36,742.7 | -16,982.2 | 41,737.2 | 45,999.0 |
| Non-controlling interests in continuing operations | 273.7 | 554.8 | -974.0 | 889.9 | 1,546.8 |
| **Total** | **560.8** | **37,297.5** | **-17,956.2** | **42,627.1** | **47,545.7** |

**The comparable income statement of continuing operations is presented in Note 2. Financial information regarding the discontinued operation is presented in Note 3.**

**Non-recurring items recorded during the financial period 1 January–30 September 2020 are as follows:**
Unrealised foreign exchange losses on loans were recognised in financial expenses in the amount of EUR 1.1 million. Additional depreciation and impairment has been recognised on tangible and intangible assets totalling EUR 4.6 million.

**Non-recurring items recorded during the financial period 1 January–31 December 2019 are as follows:**
An adjustment of EUR 2.1 million on the estimated additional transaction price related to the share acquisitions of The Bird Mother ApS was recognised under financial income.

## Consolidated Balance Sheet (IFRS)

| EUR 1,000 | 30 September 2020 | 30 September 2019 | 31 December 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 134,979.3 | 126,353.6 | 128,831.6 |
| Intangible assets | 46,383.0 | 48,507.5 | 48,461.4 |
| Property, plant and equipment | 49,554.1 | 52,897.2 | 57,008.4 |
| Right-of-use assets | 143,777.0 | 156,747.9 | 159,077.4 |
| Shares in associated companies and joint ventures | 39,688.9 | 38,842.0 | 39,368.0 |
| Other investments | 137.9 | 33.1 | 194.5 |
| Loan receivables | 190.2 | 2,609.8 | 453.1 |
| Other receivables | 2,838.5 | 2,941.8 | 2,916.4 |
| Deferred tax assets | 2,403.2 | 404.4 | 900.9 |
| **Non-current assets** | **419,952.2** | **429,337.2** | **437,211.7** |
| | | | |
| **Current assets** | | | |
| Inventories | 5,218.1 | 5,486.0 | 5,938.5 |
| Loan receivables | 271.9 | 1,601.1 | 303.3 |
| Sales receivables and other receivables | 15,524.7 | 31,445.4 | 23,786.5 |
| Cash and cash equivalents | 14,202.0 | 3,363.4 | 3,618.1 |
| **Current assets total** | **35,216.7** | **41,895.9** | **33,646.3** |
| **Total assets** | **455,168.9** | **471,233.1** | **470,858.0** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 150.0 | 150.0 | 150.0 |
| Invested unrestricted equity fund | 58,425.1 | 57,670.4 | 57,670.4 |
| Fair value fund | 0.0 | -4.5 | 0.0 |
| Own shares | 0.0 | -191.4 | 0.0 |
| Retained earnings | 27,961.5 | 41,515.9 | 46,442.4 |
| Hybrid bond | 0.0 | 25,000.0 | 25,000.0 |
| **Total equity attributable to owners of the Company** | **86,536.7** | **124,140.4** | **129,262.8** |
| Non-controlling interests | 6,848.2 | 7,667.8 | 7,760.4 |
| **Total equity** | **93,384.9** | **131,808.2** | **137,023.2** |
| | | | |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 3,286.0 | 6,106.2 | 6,330.0 |
| Financial liabilities | 109,453.4 | 71,474.8 | 72,712.8 |
| Liabilities for right-of-use assets | 122,300.1 | 131,479.9 | 134,048.0 |
| Other payables | 3,778.0 | 1,701.3 | 7,744.0 |
| **Non-current liabilities** | **238,817.4** | **210,762.2** | **220,834.9** |
| | | | |
| **Current liabilities** | | | |
| Financial liabilities | 56,940.6 | 48,143.1 | 37,690.1 |
| Provisions | 0.0 | 350.0 | 0.0 |
| Liabilities for right-of-use assets | 25,593.7 | 26,791.5 | 27,251.3 |
| Trade payables and other liabilities | 40,432.3 | 53,378.1 | 48,058.6 |
| **Current liabilities** | **122,966.6** | **128,662.7** | **113,000.0** |
| **Total liabilities** | **361,784.1** | **339,424.9** | **333,834.8** |
| **Total equity and liabilities** | **455,168.9** | **471,233.1** | **470,858.0** |

# Consolidated statement of changes in Equity

### Consolidated statement of changes in equity

| EUR 1,000 | Equity attributable to the owners of the Company | | | | | | | | Non-controlling interests | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Invested unrestricted equity fund | Fair value reserve | Treasury shares | Translation difference | Retained earnings | Hybrid bond | TOTAL | | |
| **Equity as at 1 January 2020** | **150.0** | **57,670.4** | **0.0** | **0.0** | **-128.6** | **46,571.0** | **25,000.0** | **129,262.8** | **7,760.4** | **137,023.2** |
| **Total comprehensive income for the period** | | | | | | | | | | |
| Result of the financial period | | | | | | -16,607.8 | | **-16,607.8** | -974.0 | **-17,581.8** |
| **Other comprehensive income items (after taxes)** | | | | | | | | | | |
| Foreign currency translation differences, foreign operations | | | | | -374.3 | | | **-374.3** | **0.0** | **-374.3** |
| **Total comprehensive income for the period** | **0.0** | **0.0** | **0.0** | **0.0** | **-374.3** | **-16,607.8** | **0.0** | **-16,982.2** | **-974.0** | **-17,956.2** |
| Unrestricted equity reclassification | | | | | | | | **0.0** | | **0.0** |
| **Other changes total** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Transactions with shareholders** | | | | | | | | | | |
| Contributions and distributions | | | | | | | | | | |
| Equity loans | | | | | | -1,992.4 | -25,000.0 | **-26,992.4** | | **-26,992.4** |
| Dividend distribution | | | | | | | | **0.0** | -578.2 | **-578.2** |
| Issue of ordinary shares | | 754.7 | | | | | | **754.7** | | **754.7** |
| Share-based payments | | | | | | 675.0 | | **675.0** | | **675.0** |
| **TOTAL** | **0.0** | **754.7** | **0.0** | **0.0** | **0.0** | **-1,317.4** | **-25,000.0** | **-25,562.6** | **-578.2** | **-26,140.9** |
| **Changes in ownership interests** | | | | | | | | | | |
| Changes in minority share-holders' shares without a change in controlling interest | | | | | | -181.4 | | **-181.4** | 630.4 | **449.0** |
| Changes in NCI with a change in control | | | | | | | | **0.0** | 9.7 | **9.7** |
| **TOTAL** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **-181.4** | **0.0** | **-181.4** | **640.1** | **458.7** |
| **Total transactions with owners of the Company** | **0.0** | **754.7** | **0.0** | **0.0** | **0.0** | **-1,498.7** | **-25,000.0** | **-25,744.0** | **61.8** | **-25,682.2** |
| **Equity as at 30 September 2020** | **150.0** | **58,425.1** | **0.0** | **0.0** | **-503.0** | **28,464.5** | **0.0** | **86,536.7** | **6,848.2** | **93,384.9** |

**Consolidated statement of changes in equity**

| EUR 1,000 | Share capital | Invested unrestricted equity fund | Fair value reserve | Treasury shares | Translation difference | Retained earnings | Hybrid bond | TOTAL | Non-controlling interests | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to the owners of the Company | | | | | | | | | |
| **Equity as at 1 January 2019** | **150.0** | **66,944.8** | **-4.5** | **-191.4** | **0.0** | **-519.3** | **0.0** | **66,379.6** | **8,767.5** | **75,147.1** |
| Change in IFRS 16 accounting principles | | | | | | 708.3 | | **708.3** | | **708.3** |
| **Adjusted equity** | **150.0** | **66,944.8** | **-4.5** | **-191.4** | **0.0** | **189.0** | **0.0** | **67,088.0** | **8,767.5** | **75,855.4** |
| **Total comprehensive income for the period** | | | | | | | | | | |
| Result of the financial period | | | | | | 41,891.3 | | **41,891.3** | 889.9 | **42,781.3** |
| **Other comprehensive income items (after taxes)** | | | | | | | | | | |
| Foreign currency translation differences, foreign operations | | | | | -154.1 | | | **-154.1** | | **-154.1** |
| **Total comprehensive income for the period** | **0.0** | **0.0** | **0.0** | **0.0** | **-154.1** | **41,891.3** | **0.0** | **41,737.2** | **889.9** | **42,627.2** |
| Correction to unrestricted equity classification * | | -10,356.7 | | | | 10,356.7 | | **0.0** | | **0.0** |
| **Other changes total** | **0.0** | **-10,356.7** | **0.0** | **0.0** | **0.0** | **10,356.7** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Transactions with owners** | | | | | | | | | | |
| Contributions and distributions | | | | | | | | | | |
| Equity loans | | | | | | -345.6 | 25,000.0 | **24,654.4** | | **24,654.4** |
| Dividend distribution | | | | | | -6,463.0 | | **-6,463.0** | -2,028.3 | **-8,491.3** |
| Issue of ordinary shares | | 1,027.3 | | | | | | **1,027.3** | | **1,027.3** |
| Share-based payments | | | | | | 650.5 | | **650.5** | | **650.5** |
| **TOTAL** | **0.0** | **1,027.3** | **0.0** | **0.0** | **0.0** | **-6,158.1** | **25,000.0** | **19,869.2** | **-2,028.3** | **17,840.9** |
| **Changes in ownership interests** | | | | | | | | | | |
| Changes in minority shareholders' shares without a change in controlling interest | | 55.0 | | | | -4,609.0 | | **-4,554.0** | 38.8 | **-4,515.2** |
| Changes in NCI with a change in control | | | | | | | | **0.0** | | **0.0** |
| **TOTAL** | **0.0** | **55.0** | **0.0** | **0.0** | **0.0** | **-4,609.0** | **0.0** | **-4,554.0** | **38.8** | **-4,515.2** |
| **Total transactions with owners of the Company** | **0.0** | **1,082.3** | **0.0** | **0.0** | **0.0** | **-10,767.1** | **25,000.0** | **15,315.2** | **-1,989.6** | **13,325.7** |
| **Equity, 30 September 2019** | **150.0** | **57,670.4** | **-4.5** | **-191.4** | **-154.1** | **41,670.0** | **25,000.0** | **124,140.4** | **7,667.8** | **131,808.2** |

***Corrected changes in the non-controlling interests' shares from the Group's invested unrestricted equity into the Group's retained earnings according to their nature**

## Consolidated Statement of Cash Flows (IFRS)

| EUR 1,000 | 1 Jan.–<br>30 Sep. 2020 | 1 Jan.–<br>30 Sep. 2019 | 1 Jan.–<br>31 Dec. 2019 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Result of the financial period | -17,581.8 | 42,781.2 | 47,674.4 |
| Adjustments for: | | | |
| Non-cash transactions* | -1,199.9 | -33,290.3 | -31,002.9 |
| Depreciation, amortisation and impairment losses | 38,372.7 | 36,042.0 | 47,839.2 |
| Net finance costs | 8,232.5 | 5,288.6 | 7,261.5 |
| Tax expense | -2,759.2 | 1,962.1 | 2,114.5 |
| Share of profit of associated company | -252.1 | -221.6 | -790.9 |
| **Cash flow before change in working capital** | **24,812.2** | **52,561.9** | **73,095.8** |
| **Changes in working capital:** | | | |
| Trade and other receivables | 7,865.8 | -2,978.1 | 1,245.7 |
| Inventories | 791.6 | 125.3 | -237.3 |
| Trade and other payables | -14,096.4 | -6,006.8 | -6,114.8 |
| **Changes in working capital** | **-5,439.0** | **-8,859.6** | **-5,106.4** |
| Dividends received | 0.0 | 6.0 | 6.0 |
| Interest paid and other finance costs | -5,870.3 | -5,797.6 | -8,061.0 |
| Interest received and other finance income | 19.9 | 90.3 | 115.9 |
| Income taxes paid | -662.6 | -1,960.0 | -2,756.8 |
| **Cash flows from operating activities** | **12,860.2** | **36,040.9** | **57,293.5** |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | -4,340.3 | -11,593.6 | -16,151.4 |
| Change in other non-current receivables | 271.7 | -2,416.7 | 1,564.5 |
| Acquisition of subsidiary, net of cash acquired | -3,567.0 | -13,541.6 | -16,891.5 |
| Acquisition of business operations | -1,555.7 | -2,218.6 | -2,218.6 |
| Disposal of business operations | 111.0 | 312.0 | 308.0 |
| Investments in other investments | 0.0 | 0.0 | -62.5 |
| **Net cash from investing activities** | **-9,080.3** | **-29,458.6** | **-33,451.6** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from non-current loans and borrowings | 68,972.7 | 3,050.0 | 45,927.0 |
| Payment of non-current loans and borrowings | -3,390.7 | -8,463.3 | -61,913.2 |
| Proceeds from current loans and borrowings | 4,307.4 | 1,680.7 | 2,962.3 |
| Current commercial papers repaid | -17,500.0 | 0.0 | 0.0 |
| Acquisition of non-controlling interests | -200.0 | -264.3 | -264.3 |
| Proceeds from hybrid bond | 0.0 | 24,654.4 | 24,654.4 |
| Repayment of hybrid bond | -27,528.0 | 0.0 | 0.0 |
| Payment of liabilities for right-of-use assets | -17,278.1 | -20,184.5 | -27,898.1 |
| Dividends paid | -579.3 | -8,646.5 | -8,646.5 |
| **Net cash from financing activities** | **6,804.0** | **-8,173.6** | **-25,178.5** |
| **Change in cash and cash equivalents** | **10,583.9** | **-1,591.2** | **-1,336.5** |
| | | | |
| **Cash and cash equivalents at 1 January** | **3,618.1** | **4,954.6** | **4,954.6** |
| **Change** | **10,583.9** | **-1,591.2** | **-1,336.5** |
| **Cash and cash equivalents at 30 September/31 December** | **14,202.0** | **3,363.4** | **3,618.1** |

***There is no cash transaction related to the labour hire business transaction in 2019.**

**On 16 January 2020, the company announced that it will redeem the EUR 25 million hybrid bond issued on 29 March 2019. The redemption was carried out on 17 February 2020 with a redemption price in accordance with section 7.3 of the terms and conditions of the hybrid bond, which was 102% of the principal plus accrued interest. The hybrid bond enabled the Smile arrangement as well as the entry into the Norwegian restaurant market. The redemption of the hybrid bond ahead of schedule enables the utilisation of more affordable financial arrangements in the future.**

# Notes

## 1. Accounting Principles

This unaudited interim report has been prepared observing the IAS 34 Interim Financial Reporting standard. The interim report should be read together with the 2019 IFRS consolidated financial statements. The interim report has been prepared by observing the same accounting principles as with the 2019 IFRS consolidated financial statements, with the exception of the new amendments to the IFRS standards effective as of 1 January 2020. The changes are described in the 2019 IFRS consolidated financial statements and the IFRS 16 exemption pertaining to leases is described in more detail in Note 8.

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.

All figures are presented as thousands of euros and have been rounded to the nearest 0.1 thousand euros; thus the sum of individual figures may deviate from the total sum presented.

Following the divestment of Smile Henkilöstöpalvelut Oyj in 2019, the Group has one segment: Restaurants. The Group does not provide separate segment information.

**The impact of the COVID-19 pandemic on the Group's business**

COVID-19 spread to Finland in mid-March 2020. Its impact on the Group's business operations has been significant. The market disruption it caused meant that the Group's business operations contracted almost completely.

Once the impact of the COVID-19 crisis became apparent, the company reacted immediately by initiating determined adjustment measures and preparing for the changed market conditions. In accordance with the recommendations issued by the Finnish Government on 12 March 2020, the company immediately cancelled all public events of more than 500 people until the end of May 2020. The company announced negotiations in accordance with the Act on Co-operation within Undertakings on 13 March 2020 and their rapid progress on 18 March 2020, at which time the company reported that, due to the sudden change in the circumstances of the COVID-19 pandemic and the recommendations and orders issued by the authorities and the Finnish Government, it had made a decision concerning layoffs without prior co-operation negotiations. The layoffs are temporary, with a duration of 90 days at most, and they concern all of the Group's personnel in Finland, totalling approximately 1,300 employees.

The Finnish Government decided to close restaurants throughout the country starting from 4 April 2020, until the end of May, to prevent the spread of COVID-19. The Group closed its nightclubs and several restaurants in accordance with the recommendations of the authorities before the official order of the Finnish Government to close down all restaurants. In Denmark and Norway, restaurants were closed on 12–13 March 2020.

The COVID-19 pandemic has had a significant negative impact on the business operations and liquidity of NoHo Partners. The company's largest fixed costs are staff expenses and business premises expenses. Because of this, in the first stage of the market disruption, the company focused on quickly reducing expenses, laying off personnel and balancing its finances while restrictions on its business are in place.

At the same time, the company negotiated a financing package of EUR 34 million in Finland, Denmark and Norway, of which Finnvera guaranteed EUR 15 million. In late May, the company finalised a refinancing programme for its maturing debt as part of its overall financing package. As the final part of the financing package, the company agreed on a debt of EUR 10 million with a right to conversion with the Finnish Industry Investment Ltd (Tesi). The management of the Group estimated at the time of withdrawing

*The content takes into account the status of restaurant restrictions on 6 November 2020.*

the loan that this financing package, together with other financing arrangements, is sufficient to ensure the company's working capital for the next 12 months in spite of the potential prolongation of the uncertain market situation caused by the coronavirus pandemic.

In April, the company negotiated rent exemptions, mainly for April and May, for 70 per cent of its leases in Finland. In the other countries in which the Group operates, Denmark and Norway, government support packages have covered approximately 80 per cent of leases and other fixed expenses during the crisis. The Danish state covered 80 per cent of wage expenses until 8 July 2020 and a maximum of 80 per cent of fixed expenses, relative to turnover, until 31 October 2020. In conjunction with the introduction of the stricter restrictions, the rate of turnover-based government support for fixed expenses was increased from 80 per cent to 90 per cent as of the beginning of November. The compensation schemes by the Danish state will remain in effect until 2 January 2021. When the restrictions were loosened, the compensation provided by the Norwegian state to cover fixed expenses was reduced from 80 per cent to 50 per cent and subsequently increased to 60 per cent in October when the restrictions were again tightened. The compensation will remain in effect until 31 December 2020.

On 15 May 2020, the Group announced that it will begin co-operation negotiations on continuing temporary layoffs due to the uncertain market situation. As a result of the negotiations, the continuation of the layoffs, either full-time or part-time, concerned approximately 550 employees in Finland.

On 19 May 2020, the Finnish Government provided information about practical restrictions relating to the opening of restaurants. According to the Government policy, restaurant could be open from 6 a.m. to 11 p.m. as of the beginning of June, and alcohol could be served from 9 a.m. to 10 p.m. The number of restaurant customers was limited to one-half of the number specified in the licence to serve alcohol. The restriction of the number of customers did not apply to terraces and outdoor premises, but the safety of customers had to be ensured in those premises as well. Starting from 22 June 2020, restaurant opening hours were extended to 2 a.m. and alcohol serving hours until 1 a.m., while the permitted customer volume indoors was increased to 75 per cent of normal capacity. The restrictions on restaurant opening hours, alcohol serving hours and permitted customer volumes were lifted on 13 July 2020. From that date on, restaurants have been required to provide a seat for each customer. Restaurants are also still required to provide customers with instructions on the prevention of infectious diseases, such as hand washing and maintaining safe distances. Outdoor events attended by more than 500 people have been permitted since the beginning of July, subject to the necessary special arrangements. Indoor events attended by more than 500 people were also permitted starting from the beginning of August, subject to special arrangements.

In Denmark and Norway, restaurants serving food were allowed to reopen in May. In Denmark, the number of customers in the indoor areas of restaurants was restricted, restaurants had to close at midnight and gatherings of more than 500 people were cancelled until the end of August 2020. Nightclubs and cocktail bars were closed until the end of August. Cocktail bars were allowed to reopen on 1 September 2020. Stricter restrictions on the opening hours of bars and restaurants were introduced effective from 18 September 2020, requiring restaurants to close at 10 p.m. Everyone is required to wear a face mask when moving around restaurants. Customer volumes are reduced to approximately 50 per cent of the maximum capacity, and gatherings of more than 50 people are not allowed. Nightclubs remain closed.

In Norway, alcohol licences were reactivated for food-serving restaurants in Oslo on 6 May 2020 and the alcohol licences of other restaurants were reactivated at the beginning of June. The number of customers in the indoor areas of restaurants was restricted during the summer months and food and beverages had to be served at tables. In Norway, the normal opening hours of restaurants were in force from 15 June to 8 August 2020. The restrictions on opening hours were tightened thereafter, and the order to close at midnight was introduced on 8 August 2020. In Norway, restrictions on opening hours were lifted on 12 October 2020 except in Oslo. Restaurants can operate at 50% customer capacity, table service is mandatory and a safe distance of one metre must be maintained. Gatherings of more than 200 people are cancelled until further notice. The restrictions in Oslo were tightened on 27 October 2020: restaurants are prohibited from allowing new customers in after 10 p.m. and must stop serving food and beverages at midnight. The restrictions are in effect until further notice, and until 30 November 2020 at the latest.

*The content takes into account the status of restaurant restrictions on 6 November 2020.*

The majority of the company's restaurants in Finland resumed operations in a restricted business environment in June. The Group's nightclubs in Finland remained closed until late June due to the restrictions on opening hours and they were subsequently reopened gradually starting from 22 June 2020 as the restrictions were relaxed and more extensively on 13 July 2020 when the restrictions were lifted. Staff restaurants were reopened in August. Event venues remain closed for the time being.

Due to the COVID-19 pandemic and the changed market environment, the Group assessed the assets on its balance sheet and recognised additional depreciation and impairment on tangible and intangible assets totalling approximately EUR 4.6 million in the second quarter of 2020. Approximately half of this amount was allocated to discontinued units and half to about 10 units whose revenue generating capacity is estimated to decline in the future. Following these write-offs, the Group's depreciation will be reduced by approximately EUR 1 million per year for the next four years.

As the COVID-19 situation developed into a second wave, the opening hours and alcohol serving hours of restaurants were again restricted effective from the beginning of October and subject to a one-week transition period. Alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In regions that are in the acceleration phase of the COVID-19 pandemic (in October, the hospital districts of Helsinki and Uusimaa, Pirkanmaa, Kanta-Häme, Southwest Finland and South Ostrobothnia), restaurants were ordered to close at 11 p.m., with alcohol service ending at 10 p.m., and the permitted number of customers was half of the maximum capacity. In regions that are in the acceleration phase of the pandemic, such as the company's main markets Helsinki and Tampere, nightclubs were closed at the beginning of October.

The Group took immediate action in response to the stricter restrictions on restaurants. On 29 September 2020, the Group announced it is commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its Finnish operations to the restrictions imposed by the Finnish Government. The co-operation negotiations concern all of the Group's employees, totalling approximately 1,300 employees in Finland. The restrictions on restaurants are also estimated to indirectly impact the approximately 2,000 people working for the Group as leased staff. Estimated to last six weeks, the negotiations are aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond to the decline in volume due to the restrictions on restaurants. The negotiations may cause changes in the organisational structure, part-time or full-time temporary layoffs, changing full-time employment relationships to part-time relationships or redundancies. The potential redundancies discussed in the negotiations primarily concern administrative tasks at different levels of the organisation.

On 29 September 2020, the Group also announced that, due to the tighter restrictions, the Group estimates it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level.

On 15 October 2020, the Constitutional Law Committee of the Finnish Parliament issued a statement on the Government's proposal on restaurant restrictions, finding that the proposal partly violates the Constitution of Finland. The Social Affairs and Health Committee of the Finnish Parliament published its report on the new restaurant restrictions on 20 October 2020. More specific provisions regarding the restrictions on customer capacity and their regional applicability were introduced in a Government Decree. The proposed legislative amendments entered into force at the beginning of November 2020 and will remain in effect until 15 December 2020. According to the legislative amendments, alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In the regions were the pandemic is in the acceleration stage, alcohol service is permitted until 10 p.m. and restaurants that primarily serve alcohol can stay open until 11 p.m. In nightclubs, bars and pubs, the customer capacity is restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity is 75 per cent and they can stay open until midnight. In regions where the pandemic is in the spreading stage, restaurants that primarily serve food must close at 11 p.m.

The restrictions will have a significant impact on the Group's business in the fourth quarter. The majority of the Group's restaurants operate in regions that were categorised as being in the acceleration stage of the pandemic in October and where the restrictions are stricter than in regions that are in the basic stage.

*The content takes into account the status of restaurant restrictions on 6 November 2020.*

The view of the Group's management is that, from the perspective of NoHo Partners' business operations, the most significant uncertainty in the next few months concerns the prolongation of the pandemic and subsequent changes in consumer behaviour. Another key uncertainty is related to the rents of NoHo Partners' premises. Some of the company's restaurants will remain closed and the company will operate at a partial utilisation rate. Rents are the most significant fixed cost for the Group and, therefore, they play a crucial role from the point of view of profitability.

**Going concern assumption**

During January–September 2020, the Group has secured additional financing, adjusted its cost structure and negotiated significant rent reductions with lessors; it has also received a share of the support packages of the Finnish, Norwegian and Danish states. The financing package negotiated during the second quarter for the duration of the exceptional circumstances caused by the COVID-19 pandemic and the refinancing programme for maturing loans were negotiated for a period of 12 months in the initial phase. The Group's financing structure and liquidity were stabilised with the help of the negotiated financing package. The management estimates that 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. The Group has initiated repayment negotiations with financing providers regarding financial liabilities totalling MEUR 43 that will fall due in April 2021. The negotiations have progressed in a positive spirit and the Group's management estimates that the current negotiations will be finalised in January 2021, securing financing for the Group at least until the end of 2021.

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

According to the view of the Group's management, the continuity of the Group's operations is not subject to uncertainty, provided that, going forward, restaurant operations will not restricted due to the pandemic or another similar external factor to a larger extent than at present by the state authorities and provided that decrees issued pursuant to the Communicable Diseases Act do not significantly restrict business after 30 June 2021, which could lead to the Group being unable to secure adequate additional financing from the market, renegotiate loan amortisation plans or receive sufficient additional financing or support for its operations from the state.

**Measurement of associated company Eezy Plc**

NoHo Partners Plc held 7,520,910 shares in Eezy Plc on 30 September 2020, corresponding to a holding of 30.27 per cent. The book value of the shares on NoHo Partners Plc's balance sheet is EUR 39.0 million, or a book value of EUR 5.18 per share. The closing price of the Eezy share at the end of September was EUR 4.34. The Group's view is that this is a temporary difference caused by the COVID-19 market disruption.

**Government grants**

The Group has received government grants in Finland, Norway and Denmark to mitigate the negative impacts of the COVID-19 pandemic. The government grants are recognised at fair value when receiving the grant is fairly certain and the Group meets the relevant conditions. More information on the accounting treatment of government grants is provided in Note 5.

**Tax losses**

A deferred tax asset has been recognised on losses confirmed in taxation for those companies to which Group assistance is applicable. Based on the management's assessments, the Group assumes that the tax losses can be utilised against taxable profit in future financial periods. Deferred tax assets on confirmed losses amounted to EUR 5.3 million on 30 September 2020 and EUR 2.7 million on 31 December 2019.

*The content takes into account the status of restaurant restrictions on 6 November 2020.*

## 2. Calculation Principles of The Key Figures of Comparable Continuing Operations

Continuing operations' comparable turnover, EBIT and result of the financial period have been calculated by adding to them the Group's internal sales and purchases that took place between restaurant and labour hire business operations before the transaction concerning the labour hire business that was carried out in 2019. Going forward, these are presented as the Group's external items. The most significant item that improves comparability is staffing service purchases influencing materials and supplies. Furthermore, internal items that influence turnover, other operating income, other operating expenses and financial income before the transaction are added to the comparable result. In the future, these will be presented as external items.

Apart from staffing service purchases, other internal sales and purchases are low-value and related to food sales in restaurants, growth funding paid by the labour hire business, external service charges and interest income, among other things. The dividends paid by the labour hire business are not added to the comparable key figures because, in the future, these dividends will be presented in the Group in connection with associated company accounting.

This Note presents figures for continuing restaurant business operations. The Share of associated company profit item only includes the restaurant business companies. Eezy Plc's impact is included in comparable item: Group's continuing and discontinued operations' result.

| EUR 1,000 | 1 July–<br>30 Sep. 2020 | 1 July–<br>30 Sep. 2019 | 1 Jan.–<br>30 Sep. 2020 | 1 Jan.–<br>30 Sep. 2019 | 1 Jan.–<br>31 Dec. 2019 |
|---|---|---|---|---|---|
| **Restaurant business (comparable continuing operations)** | | | | | |
| Turnover | 56,024.0 | 76,733.2 | 125,156.2 | 197,733.5 | 272,912.0 |
| Other operating income | 3,293.5 | 1,023.3 | 13,728.8 | 4,255.6 | 6,453.7 |
| Raw materials and consumables | -20,367.7 | -27,877.9 | -45,676.5 | -71,554.8 | -96,789.1 |
| Employee benefits | -13,445.9 | -15,680.0 | -36,374.4 | -45,226.2 | -63,445.7 |
| Other operating expenses | -11,994.1 | -17,236.9 | -30,822.0 | -40,785.3 | -56,461.6 |
| Depreciation, amortisation and impairment losses | -11,204.1 | -11,007.8 | -38,372.7 | -32,725.4 | -44,522.6 |
| Share of profit of associated company | -84.7 | 291.1 | -206.0 | 221.6 | 242.7 |
| **EBIT** | **2,220.9** | **6,245.1** | **-12,566.6** | **11,919.0** | **18,389.5** |
| | | | | | |
| Financial income | 18.7 | 29.1 | 37.6 | 2,220.6 | 2,254.4 |
| Finance costs | -2,667.0 | -1,444.0 | -8,270.1 | -5,441.7 | -7,448.4 |
| **Profit/loss before taxes** | **-427.4** | **4,830.2** | **-20,799.1** | **8,698.0** | **13,195.5** |
| Tax based on the taxable income from the financial period | -1,255.4 | -3,221.8 | -1,618.4 | -4,886.1 | -5,429.9 |
| Change in deferred taxes | 1,423.8 | 2,288.7 | 4,377.6 | 3,573.1 | 3,964.5 |
| **Result of the financial period, comparable continuing operations** | **-258.9** | **3,897.1** | **-18,039.9** | **7,385.0** | **11,730.1** |
| | | | | | |
| **Result from comparable continuing operations attributable to:** | | | | | |
| Owners of the Company | -532.6 | 3,342.3 | -17,066.0 | 6,495.2 | 10,183.3 |
| Non-controlling interests | 273.7 | 554.8 | -974.0 | 889.9 | 1,546.8 |
| **Total** | **-258.9** | **3,897.1** | **-18,039.9** | **7,385.0** | **11,730.1** |
| | | | | | |
| **Earnings per share calculated from comparable continuing operations' result of the review period for parent company shareholders** | | | | | |
| Basic earnings per share (EUR) | -0.03 | 0.15 | -0.93 | 0.29 | 0.47 |
| Diluted earnings per share (EUR) | -0.03 | 0.15 | -0.93 | 0.29 | 0.46 |
| | | | | | |
| **Key figures of comparable continuing operations** | | | | | |
| EBIT, % | 4.0% | 8.1% | -10.0% | 6.0% | 6.7% |
| Material margin, % | 73.3% | 73.8% | 72.8% | 73.8% | 74.3% |
| Personnel expenses, % | 32.5% | 30.2% | 37.1% | 32.5% | 32.6% |

## 3. Discontinued Operation

The divestment of Smile Henkilöstöpalvelut Oyj in 2019 and the arrangement with Eezy Oyj are described in the consolidated financial statements for 2019. Due to the transaction, Smile demerged from the Group in August 2019 and it was classified as a discontinued operation.

In the consolidated income statement, continuing and discontinued operations are presented separately. Discontinued operations are presented as their own line item and comparative information has been adjusted accordingly. Internal business transactions between discontinued operations have been eliminated from the figures.

The discontinued operation's result for the period 1 January–31 December 2019 includes MEUR 33 in EBIT arising from the transaction. The balance sheet of 31 August 2019 was used in Smile's demerger.

Financial information related to the result of the discontinued operation until the transfer of business is presented below. The statement provides information about the labour hire segment. The information describes the business operations as carried out outside the NoHo Partners Group in the future. At the end, reconciliation with the result of the discontinued operation is provided.

### Result of the discontinued operation

| INFORMATION ABOUT THE LABOUR HIRE SEGMENT | | | | | |
|---|---|---|---|---|---|
| **EUR 1,000** | **1 July–30 Sep. 2020** | **1 July–30 Sep. 2019** | **1 Jan.–30 Sep. 2020** | **1 Jan.–30 Sep. 2019** | **1 Jan.–31 Dec. 2019** |
| Turnover | 0.0 | 28,378.6 | 0.0 | 95,925.8 | 95,925.8 |
| Other operating income | 0.0 | 155.6 | 0.0 | 505.1 | 505.1 |
| Raw materials and consumables | 0.0 | -222.9 | 0.0 | -1,261.8 | -1,261.8 |
| Employee benefits | 0.0 | -23,747.0 | 0.0 | -80,950.2 | -80,950.2 |
| Other operating expenses | 0.0 | -1,455.7 | 0.0 | -5,864.9 | -5,864.9 |
| Depreciation, amortisation and impairment losses | 0.0 | -831.6 | 0.0 | -3,316.5 | -3,316.5 |
| **EBIT** | **0.0** | **2,277.1** | **0.0** | **5,037.5** | **5,037.5** |
| Financial income | 0.0 | 24.3 | 0.0 | 73.6 | 73.6 |
| Finance costs | 0.0 | -1,725.3 | 0.0 | -2,126.3 | -2,126.3 |
| **Profit/loss before taxes** | **0.0** | **576.1** | **0.0** | **2,984.7** | **2,984.7** |
| Income tax expense | 0.0 | -535.7 | 0.0 | -1,622.0 | -1,622.0 |
| Change in deferred taxes | 0.0 | 406.6 | 0.0 | 972.9 | 972.9 |
| **Profit/loss of the labour hire segment after taxes** | **0.0** | **447.0** | **0.0** | **2,335.6** | **2,335.6** |
| | | | | | |
| **Result of the discontinued operation** | | | | | |
| Profit/loss of the labour hire segment after taxes | 0.0 | 447.0 | 0.0 | 2,335.6 | 2,335.6 |
| Sales profit after taxes | 0.0 | 33,110.1 | 0.0 | 33,110.1 | 33,110.1 |
| Impact of internal items | 0.0 | -3,866.4 | 0.0 | -11,617.7 | -11,617.7 |
| **Result of the discontinued operation** | **0.0** | **29,690.7** | **0.0** | **23,828.0** | **23,828.0** |
| | | | | | |
| Attributable to: | | | | | |
| Owners of the Company | 0.0 | 29,656.5 | 0.0 | 22,988.1 | 22,988.1 |
| Non-controlling interests | 0.0 | 34.3 | 0.0 | 839.9 | 839.9 |
| **Total** | **0.0** | **29,690.7** | **0.0** | **23,828.0** | **23,828.0** |
| | | | | | |
| **Earnings per share calculated from the review period profit for parent company shareholders** | | | | | |
| Basic earnings per share (EUR) | - | 1.56 | - | 1.21 | 1.21 |
| Diluted earnings per share (EUR) | - | 1.55 | - | 1.20 | 1.20 |
| | | | | | |
| **Labour hire segment key figures** | | | | | |
| EBIT, % | - | 8.0% | - | 5.3% | 5.3% |
| Personnel expenses, % | - | 83.7% | - | 84.4% | 84.4% |

### Net cash flows of the discontinued operation

| EUR 1,000 | 1 January–<br>30 September 2020 | 1 January–<br>30 September 2019 | 1 January–<br>31 December 2019 |
|---|---|---|---|
| Cash flows from operating activities | 0.0 | 2,142.0 | 2,142.0 |
| Cash flows from investing activities | 0.0 | -1,627.1 | -1,627.1 |
| Cash flows from financing activities | 0.0 | -517.4 | -517.4 |

### Sales profit arising from the discontinued operation

Sales profit from special purpose entity .......... 38,249.0

**Carrying amounts of the net assets to be transferred, 31 August 2019**

Non-current assets .......... 45,500.8
Current assets .......... 22,298.9
**Total assets .......... 67,799.7**

Non-current liabilities .......... 25,946.4
Current liabilities .......... 32,662.6
**Total liabilities .......... 58,609.1**

**Net assets to be transferred, total .......... 9,190.7**

Net value of the internal assets that remain in the Group .......... 4,051.8

**Sales profit from the discontinued operation .......... 33,110.1**

## 4. Turnover

### DISTRIBUTION OF CONTINUING OPERATIONS' TURNOVER INTO GOODS AND SERVICES

| EUR 1,000 | 1 July–<br>30 Sep. 2020 | 1 July–<br>30 Sep. 2019 | 1 Jan.–<br>30 Sep. 2020 | 1 Jan.–<br>30 Sep. 2019 | 1 Jan.–<br>31 Dec. 2019 |
|---|---|---|---|---|---|
| Sale of goods | 51,380.9 | 61,210.5 | 114,487.9 | 158,352.5 | 241,041.6 |
| Sale of services | 4,643.2 | 15,509.7 | 10,668.2 | 39,288.9 | 31,778.3 |
| **Total** | **56,024.0** | **76,720.2** | **125,156.2** | **197,641.4** | **272,819.9** |

### DISTRIBUTION OF CONTINUING OPERATIONS' COMPARABLE TURNOVER BY BUSINESS AREA

| EUR 1,000 | 1 July–<br>30 Sep. 2020 | 1 July–<br>30 Sep. 2019 | 1 Jan.–<br>30 Sep. 2020 | 1 Jan.–<br>30 Sep. 2019 | 1 Jan.–<br>31 Dec. 2019 |
|---|---|---|---|---|---|
| Restaurants | 20,003.7 | 29,747.5 | 44,301.6 | 76,621.6 | 107,538.2 |
| Entertainment venues | 19,102.5 | 25,503.9 | 38,248.2 | 67,786.5 | 88,513.5 |
| Fast casual restaurants | 9,891.3 | 8,917.6 | 22,328.9 | 25,046.3 | 33,569.6 |
| International restaurants | 7,026.6 | 12,564.1 | 20,277.5 | 28,279.2 | 43,290.8 |
| **Total** | **56,024.0** | **76,733.2** | **125,156.2** | **197,733.5** | **272,912.0** |

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 and Germany (the last being a result of the Friends & Brgrs acquisition).

**Asset and debt items based on contracts with customers**
Of the asset items in continuing operations based on contracts, a total of EUR 338 thousand in IFRS 9 credit loss provisions have been recognised as expenses between 1 January and 30 September 2020.

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 the current liabilities. Gift card revenue is recognised when the card is used. On 30 September 2020, the value of gift cards sold was approximately EUR 1,483 thousand, and they are expected to be entered as income during 2021.

## 5. Government Grants

The Group has received government grants in Finland, Norway and Denmark to mitigate the negative impacts of the COVID-19 pandemic.

In Finland, restaurants receive compensation for the losses suffered due to their forced closure. As a rule, the compensation took the form of mass payments, without separate applications, for the period from 4 April to 31 May 2020. The compensation amounts were based on reductions in sales in April 2020, using the average sales in April–May 2019 or the average sales in January–February 2020 as the point of comparison. The compensation represented 15% of the reduction in sales up to one million euros and 5% of the reduction in sales for the proportion exceeding one million euros. Re-employment support was paid in the amount of EUR 1,000 per employee. Eligibility for the re-employment support was subject to the employee in question being paid total wages of at least EUR 2,500 during the period from 1 June to 31 August 2020, or the costs of a leased employee being at least EUR 4,500 for the same period.

In Norway, the government has granted a direct subsidy by paying approximately 80 per cent of fixed expenses during the crisis. Also in Norway, the government made layoffs easier and took on 12 days worth of salaries for the layoff period, which the company normally would be obligated to pay for 14 days. The subsidy was in effect for the period from 1 March to 1 August 2020. When the restrictions were loosened, the subsidy provided by the Norwegian state to cover fixed expenses was reduced from 80 per cent to 50 per cent and subsequently increased to 60 per cent in October when the restrictions were again tightened. The compensation will remain in effect until 31 December 2020.

In Denmark, the company has received a direct subsidy for the interruption of business. Up to 75% of monthly salaries and 90% of hourly salaries was compensated up to a maximum of EUR 4,000. About 80% of fixed expenses were compensated in increments in proportion to the decrease in turnover. The subsidy was in effect for the period from 12 March to 8 July 2020, and compensation for fixed expenses continued until 31 October 2020. In conjunction with the introduction of the stricter restrictions, the rate of turnover-based government support for fixed expenses was increased from 80 per cent to 90 per cent. The subsidy is in effect for the period from 1 November 2020 to 2 January 2021.

### SPECIFICATION OF GOVERNMENT GRANTS

| EUR 1,000 | 1 July–30 Sep. 2020 | 1 Jan.–30 Sep. 2020 | Estimate Q4/2020 | Estimate 2020 total |
|---|---|---|---|---|
| **Finland** | | | | |
| Cost support | 143.3 | 4192.0 | 0.0 | 4,192.0 |
| Re-employment support | 533.3 | 800.0 | 0.0 | 800.0 |
| | | | | |
| **Norway** | | | | |
| Compensation for fixed expenses | 384.0 | 1,552.2 | 400.0 | 1,952.2 |
| | | | | |
| **Denmark** | | | | |
| Compensation for fixed expenses | 471.9 | 2,231.2 | 334.0 | 2,565.2 |
| Compensation related to wage expenses | 186.4 | 1,365.1 | 0.0 | 1,365.1 |
| **Total** | **1,719.0** | **10,140.4** | **734.0** | **10,874.4** |

The government grants do not involve unmet conditions or other uncertainty factors. 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.

The Group did not receive any government grants in 2019.

## 6. Changes in Group Structure

### ACQUIRED SUBSIDIARIES AND BUSINESSES

| Acquired company or business | Transfer of the right of ownership and management | Shareholding acquired |
|---|---|---|
| Restaurant business, Christiania Drift As | 2 January 2020 | - |
| Restaurant business, Emmas Drommekjokken Drift As | 1 February 2020 | - |
| Friends & Brgrs Ab Oy | 3 April 2020 | 71% |
| Restaurant business, Cock's & Cows Tisvilde | 9 May 2020 | - |

**Acquisition of Friends & Brgrs Ab Oy**

On 12 February 2020, the company announced the acquisition of Friends & Brgrs Ab Oy's shares and a special share issue for cash. The shares were issued as part of the share transaction by which NoHo Partners acquired the majority of Friends & Brgrs Ab Oy's shares from the current shareholders. In this share transaction, the transaction price for Friends & Brgrs Ab Oy's founding shareholders was paid partly in cash and partly as the company's shares issued for them in the special share issue. The non-controlling shareholders of Friends & Brgrs Ab Oy had the right to choose to have the transaction price paid either in cash or as new shares in the Company issued to them in the special share issue.

A total of 144,983 new shares in the Company were subscribed in the special share issue in accordance with the terms and conditions of the share purchase agreement. The subscription price per share was EUR 5.18. The subscription price of the shares was paid to the Company with apport property using the Friends & Brgrs Ab Oy shares. The Company had a justified financial reason for deviating from the shareholder's pre-emptive subscription right, since the special share issue enabled the realisation of the share transaction. According to the Board of Directors' view, the share transaction supports the growth of the company and implementation of the strategy.

The transaction was completed on 3 April 2020. NoHo Partners holds 71% of the shares of Friends & Brgrs Ab Oy. The remaining transaction price liability arising from the acquisition of Friends & Brgrs Ab Oy includes a share pledge to the sellers.

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

| EUR 1,000 | Friends & Brgrs Ab Oy | Other acquisitions | Total acquisitions |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | 1,861.0 | | 1,861.0 |
| Tangible assets | 1,020.7 | 252.1 | 1,272.7 |
| Investments | 0.3 | | 0.3 |
| Non-current receivables | 5.6 | | 5.6 |
| Current receivables | 360.3 | | 360.3 |
| Inventories | 81.1 | | 81.1 |
| Cash and cash equivalents | 1,050.3 | | 1,050.3 |
| **Total assets** | **4,379.2** | **252.1** | **4,631.3** |
| | | | |
| **Liabilities** | | | |
| Deferred tax liabilities | 379.6 | | 379.6 |
| Financial liabilities | 1,193.6 | | 1,193.6 |
| Other payables | 1,579.5 | | 1,579.5 |
| **Total liabilities** | **3,152.7** | **0.0** | **3,152.7** |
| | | | |
| **Net assets** | **1,226.5** | **252.1** | **1,478.6** |
| **Total purchase consideration at time of acquisition:** | | | |
| Share of the purchase consideration consisting of cash and cash equivalents | 3,636.9 | 1,451.7 | 5,088.6 |
| Share of equity of the purchase consideration | 754.7 | | 754.7 |
| Share of debt | 2,717.1 | 13.4 | 2,730.5 |
| **Total purchase consideration in total** | **7,108.7** | **1,465.1** | **8,573.8** |
| | | | |
| **Generation of goodwill through acquisitions:** | | | |
| Total purchase consideration | 7,108.7 | 1,465.1 | 8,573.8 |
| Non-controlling interests | 355.7 | | 355.7 |
| Net identifiable assets of the acquired entity | 1,226.5 | 252.1 | 1,478.6 |
| **Goodwill** | **6,237.9** | **1,213.0** | **7,450.9** |

**The acquisition cost calculations are preliminary, but the management does not expect material changes to them.**

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

| EUR 1,000 | Foreign operations | Domestic operations | Total acquisitions |
|---|---|---|---|
| Acquisitions of subsidiaries and business operations | 1,685.4 | 4,303.7 | 5,989.1 |

### SOLD BUSINESS OPERATIONS

### DURING THE FINANCIAL PERIOD, THE GROUP SOLD SHARES IN SUBSIDIARIES AND RESTAURANT BUSINESSES AS FOLLOWS:

| Name | Shareholding sold | Location | Date of control transfer |
|---|---|---|---|
| Restaurant, Aleksanterinkatu 22 | 100% | Tampere | 3 January 2020 |
| Sisäsataman Terassi Oy | 60% | Vaasa | 15 January 2020 |
| Restaurant, shopping centre Aino | 100% | Espoo | 1 June 2020 |
| Restaurant, shopping centre Ideapark | 100% | Lempäälä | 30 June 2020 |
| Lab Skøyen As | 100% | Oslo | 1 July 2020 |

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

| | |
|---|---|
| Goodwill | 266.5 |
| Property, plant and equipment | 631.7 |
| Other asset items | 26.7 |
| Non-controlling interests | 9.7 |
| Liabilities | -155.9 |
| **Net assets, total** | **778.8** |

Losses on disposal totalling EUR 241.5 thousand were recognised in the income statement.

# 7. Intangible and Tangible Assets

### CONTINUING AND DISCONTINUED OPERATIONS

| EUR 1,000 | | | |
|---|---|---|---|
| **Goodwill** | **30 September 2020** | **30 September 2019** | **31 December 2019** |
| Book value 1 Jan. | 128,831.6 | 147,434.0 | 147,434.0 |
| Business acquisitions | 7,450.9 | 11,461.9 | 14,034.8 |
| Depreciation, amortisation and impairment losses | 0.0 | 0.0 | 0.0 |
| Deductions | -266.5 | -32,365.6 | -32,459.9 |
| Translation differences | -1,036.7 | -176.7 | -177.4 |
| **Carrying amount at the end of the review period** | **134,979.3** | **126,353.6** | **128,831.6** |

| Intangible assets | 30 September 2020 | 30 September 2019 | 31 December 2019 |
|---|---|---|---|
| Book value 1 Jan. | 48,461.4 | 56,542.2 | 56,542.2 |
| Business acquisitions | 1,861.0 | 5,319.4 | 6,064.7 |
| Additions | 684.0 | 1,443.2 | 1,821.5 |
| Depreciation, amortisation and impairment losses | -4,071.7 | -6,343.9 | -7,493.5 |
| Deductions | -150.7 | -8,357.7 | -8,363.7 |
| Translation differences | -499.8 | -95.6 | -109.8 |
| **Transfers between account types** | 98.8 | 0.0 | 0.0 |
| **Book value at the end of the review period** | **46,383.0** | **48,507.5** | **48,461.4** |

| Tangible assets | 30 September 2020 | 30 September 2019 | 31 December 2019 |
|---|---|---|---|
| Book value 1 Jan. | 57,008.4 | 47,081.9 | 47,081.9 |
| Business acquisitions | 1,272.7 | 6,431.4 | 7,215.5 |
| Additions | 4,898.0 | 9,495.1 | 15,066.6 |
| Depreciation, amortisation and impairment losses | -11,949.1 | -8,081.6 | -10,213.1 |
| Deductions | -965.0 | -1,885.8 | -1,994.8 |
| Translation differences | -716.5 | -143.7 | -147.6 |
| **Transfers between account types** | 5.6 | 0.0 | 0.0 |
| **Carrying amount at the end of the review period** | **49,554.1** | **52,897.2** | **57,008.4** |

## 8. Lease Agreements

In April, the Group negotiated rent exemptions, mainly for April and May, for 70 per cent of its leases in Finland The IASB published an amendment to IFRS 16 regarding the treatment of rent concessions on 28 May 2020 and the amendment was approved for use in the EU on 12 October 2020. 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. Leases that only involved a rent exemption were treated as negative changes in rents. The rent exemptions amounted to EUR 3.6 million. Of these, EUR 3.1 million were leases to which the exemption was applied.  The agreements that also involved other changes in addition to rent exemptions were treated as changes in leases. The incremental borrowing rate applied to the changes in leases is 5.0%.

### RIGHT-OF-USE ASSETS

| EUR 1,000 | 30 September 2020 | 31 December 2019 |
|---|---|---|
| Carrying amount 1 Jan. | 159,077.4 | 176,890.1 |
| Additions | 9,608.7 | 26,429.4 |
| Reassessments and modifications | 1,736.4 | -10,636.2 |
| Depreciation, amortisation and impairment losses | -22,351.9 | -30,132.5 |
| Deductions | -1,574.9 | -2,977.2 |
| Translation differences | -2,718.7 | -496.2 |
| **Carrying amount at the end of the review period** | **143,777.0** | **159,077.4** |

### CHANGE IN LEASE LIABILITY

| EUR 1,000 | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Lease liability at the beginning of the period** | 161,299.3 | 176,890.1 |
| Net increases | 9,770.2 | 12,803.5 |
| Rent payments | -20,795.9 | -32,651.5 |
| Rent exemptions, COVID-19 | -3,128.0 | 0.0 |
| Interest expenses | 3,517.8 | 4,758.5 |
| Translation differences | -2,769.6 | -501.3 |
| **Lease liability at the end of the period** | **147,893.8** | **161,299.3** |

### LEASE LIABILITY

| EUR 1,000 | 30 September 2020 | 31 December 2019 |
|---|---|---|
| Non-current | 122,300.1 | 134,048.0 |
| Current | 25,593.7 | 27,251.3 |
| **Total** | **147,893.8** | **161,299.3** |

### LEASES IN THE INCOME STATEMENT

| EUR 1,000 | 1 Jan.– 31 Mar. 2020 | 1 Apr.– 30 Jun. 2020 | 1 July– 30 Sep. 2020 | 1 Jan.– 30 Sep. 2020 | 31 December 2019 |
|---|---|---|---|---|---|
| Rent exemptions, COVID-19 | 0.0 | 3,128.0 | 0.0 | 3,128.0 | 0.0 |
| Expenses related to short-term leases, leases for underlying assets of low value and variable leases | -543.1 | -348.3 | -575.3 | -1,466.7 | -5,619.4 |
| Depreciation of right-of-use assets | -7,184.0 | -7,900.7 | -7,267.2 | -22,351.9 | -30,132.5 |
| Interest expenses on lease liabilities | -1,035.9 | -1,292.1 | -1,189.9 | -3,517.8 | -4,758.5 |
| **Total** | **-8,762.9** | **-6,413.1** | **-9,032.3** | **-24,208.3** | **-40,510.3** |

## 9. Impairment Testing

The COVID-19 pandemic has had a significant negative impact on the business operations of NoHo Partners. When the pandemic hit the Group's business, the Group carried out impairment testing on 31 March 2020 using the carrying amounts and calculations of future cash amounts valid at the time. No impairment losses were recognised based on the impairment testing. On 31 March 2020, the recoverable cash flow based on utility value calculations exceeded the carrying amount by more than EUR 14 million (on 31 December 2019, by more than EUR 95 million). The decrease in the difference between the recoverable cash flow based on utility value calculations and the carrying amount between the financial statements date of 31 December 2019 and interim report date of 31 March 2020 is due to the Group's management having estimated that COVID-19 pandemic will impair the short-term cash flow projection used in the utility value calculation. The short-term projections and cash flows have been significantly impacted by the decisions of the Finnish, Norwegian and Danish governments to restrict restaurant operations in March–May. The short-term cash flow forecast used in the impairment testing of 31 March 2020 was based on conservative estimates of the recovery of demand when restrictions are lifted.

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

| EUR 1,000 | 30 September 2020 | 30 June 2020 | 30 March 2020 | 31 December 2019 |
|---|---|---|---|---|
| Goodwill | 134,979.3 | 136,016.0 | 129,970.1 | 128,831.6 |
| Brands and name-use-rights | 21,757.9 | 21,757.9 | 21,757.9 | 21,757.9 |
| Non-competition agreements | 120.0 | 120.0 | 120.0 | 120.0 |
| Leases | 2,736.1 | 2,736.1 | 2,736.1 | 2,736.1 |

Goodwill on the balance sheet increased during the second quarter of 2020 mainly as a result of the Friends & Brgrs acquisition. An assessment of the cash flow forecasts used in the impairment testing of 31 March 2020 indicates that the Group's business and the cash flow generated by it have significantly exceeded the short-term cash flow forecasts used in the calculations in the third quarter following the partial lifting of restrictions. The recovery was faster than predicted, indicating that the business and the cash flow generated by it recover quickly when restrictions are lifted and consumer demand recovers towards a business environment in which operations are not restricted by the state authorities. The restrictions imposed by the Finnish Government after the end of the review period again temporarily weaken the short-term forecasts compared to the level of business operations and the cash flow generated by them that would be achieved in an unrestricted business environment. However, the restrictions imposed by the national authorities are temporary, and the Group's management estimates that business will again recover quickly once the restrictions are lifted. The Group's management has assessed that, on 30 September 2020, there were no indications of impairment that would create the need to update impairment testing compared to the situation on 31 March 2020.

## 10. 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. In the second quarter, the Group negotiated a financing package of EUR 34 million with its current financing partners for the duration of the exceptional COVID-19 pandemic situation and a refinancing programme for maturing loans as part of the overall financing package. Finnvera guaranteed EUR 15 million of the financing package. As part of the financing package negotiated in early April, a one-year period amortisation-free period concerning the loans from the financing partners was agreed on. Under the current agreement, the amortisation of these loans will resume in April 2021.

In May 2020, the Group extended its commercial paper programme at the amount of EUR 12.5 million until autumn 2020 and repaid EUR 9.5 million of the debt. The Group repaid EUR 8.0 million of the commercial paper programme during the review period, and extented the commercial paper programme at the amount of EUR 4.5 million until December 2020.

As the final part of the financing package, the Group agreed on a debt of EUR 10 million with a right to conversion with Finnish Industry Investment Ltd (Tesi). Tesi's debt does not require collateral and it will fall due 18 months after the drawdown of the debt. The annual interest on the debt is 10 per cent. Interest will fall due on the due date together with the principal. It is possible to repay the debt partly or in full before the due date. Tesi has the right, but not the obligation, to convert the debt and its interests partly or in full into a maximum of 2,400,000 NoHo Partners Plc's new shares in one or more instalments at any time after the due date. In a conversion situation, the conversion price per share is the average share price in Nasdaq Helsinki weighted with trading volumes of the previous three months before the conversion grounds.

### MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES, 30 SEPTEMBER 2020

| EUR 1,000 | Value | Less than 1 year Q4/2020 | Less than 1 year Q1/2021 | Less than 1 year Q2/2021 | Less than 1 year Q3/2021 | 1 to less than 2 years | 2–5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| COVID-19 bridge financing | 23,000.0 | | | 23,000.0 | | | | |
| Finnish Industry Investment Ltd | 10,000.0 | | | | | 10,000.0 | | |
| Commercial paper programme | 4,500.0 | 4,500.0 | | | | | | |
| Other loans | 122,608.8 | 602.4 | 61.9 | 19,981.6 | 2,509.5 | 15,685.5 | 82,511.7 | 1,256.1 |
| **Total** | **160,108.8** | **5,102.4** | **61.9** | **42,981.6** | **2,509.5** | **25,685.5** | **82,511.7** | **1,256.1** |

| | |
|---|---|
| Account limits in use * | 6,285.21 |
| **Total** | **166,394.0** |

*** 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 non-interest-bearing transaction price liabilities classified as financial liabilities. The maturities of trade payables and interest on financial liabilities are presented separately on the next page.**

### MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES, 30 SEPTEMBER 2020

| EUR 1,000 | Less than 1 year | 1 to less than 2 years | 2–5 years | More than 5 years |
|---|---|---|---|---|
| Interest on financial liabilities | 2,716.4 | 3,664.8 | 4,741.8 | 150.8 |

During the standstill agreement that is currently in effect, the Group has made interest payments on loans in accordance with the normal terms of the financing agreement. PIK interest applies to the loan from Finnish Industry Investment Ltd.

### TRADE PAYABLES AND LIABILITIES FOR RIGHT-OF-USE ASSETS, MATURITY DISTRIBUTION 30 SEPTEMBER 2020

| EUR 1,000 | Discounted balance sheet value | Undiscounted value | Less than 1 year | 1 to less than 2 years | 2–5 years | More than 5 years |
|---|---|---|---|---|---|---|
| Trade payables | 13,275.4 | 13,275.4 | 13,275.4 | - | - | - |
| Liabilities for right-of-use assets | 147,893.8 | 176,299.8 | 29,958.3 | 27,252.1 | 60,231.1 | 58,858.3 |
| **Total** | **161,169.1** | **189,575.2** | **43,233.6** | **27,252.1** | **60,231.1** | **58,858.3** |

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

On 30 September 2020, the Group's cash and cash equivalents totalled EUR 14.2 million and the unwithdrawn loan and account limits available to the Group amounted to EUR 13.4 million. In addition, on 30 September 2020 the Group owned 7,520,910 shares in the listed company Eezy Plc, corresponding to a holding of 30.27 per cent. At the closing share price on 30 September 2020, the market value of this shareholding exceeded EUR 32 million.

**Liquidity risk**

The measures taken during the review period were aimed at ensuring that the Group's financial assets are sufficient to cover business and financing needs for the duration of the exceptional circumstances. The financing package negotiated during the second quarter for the duration of the exceptional circumstances caused by the COVID-19 pandemic and the refinancing programme for maturing loans were negotiated for a period of 12 months in the initial phase. The Group's financing structure and liquidity were stabilised with the help of the negotiated financing package. The management estimates that 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. The Group has initiated repayment negotiations with financing providers regarding the EUR 43 million financial liabilities that are due in April 2021. The negotiations have progressed in a positive spirit and the Group's management estimates that the current negotiations will be finalised in January 2021, securing financing for the Group at least until the end of 2021.

When the COVID-19 pandemic hit, the Group shifted from profit-oriented decision-making to cash flow-oriented decision-making. The Group's financing needs will be covered by optimising working capital and through external financing arrangements to ensure 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.

On 30 September 2020, the Group's cash and cash equivalents totalled EUR 14.2 million. In addition, the Group has unwithdrawn loan and account limits amounting to EUR 13.4 million at its disposal. The Group's business returned to cash flow positivity in June once the restrictions were lifted and the Group's negative working capital recovered as the restrictions were lifted and turnover recovered. At the beginning of the fourth quarter, business operations were again restricted by an order issued by the Finnish Government, which also had a significant effect on consumer behaviour. Compared to the demand shock caused by the first wave of the COVID-19 pandemic, the Group's management estimates that the current situation will not involve a similar change in consumer behaviour that would cause an unexpected liquidity risk due to negative working capital becoming payable.

According to the present view of the Group's management, the current financing package, together with an amortisation plan for existing loans to be renegotiated as a part of the financing arrangements negotiated during the financial period, is sufficient to ensure the company's working capital for the next 12 months in spite of the potential prolongation of the uncertain market situation caused by the COVID-19 pandemic.

## 11. Related Party Transactions

The Group's related parties are the parent company, subsidiaries, associated company, the parent company's subsidiaries 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

| EUR 1,000 | Sales | Lease costs | Acquisitions | Lease income | Receivables | Liabilities |
|---|---|---|---|---|---|---|
| 30 September 2020 | 209.8 | 248.4 | 7,891.4 | 19.9 | 317.9 | 1,130.6 |
| 30 September 2019 | 340.1 | 303.2 | 1,979.1 | 25.7 | 696.5 | 3,650.4 |
| 31 December 2019 | 389.0 | 552.9 | 10,875.1 | 39.8 | 2,417.7 | 2,335.4 |
| **Eezy Oyj's share of related party transactions** | | | | | | |
| 30 September 2020 | 38.0 | 0.0 | 7,615.9 | 19.9 | 4.8 | 1,078.8 |
| 30 September 2019 | 97.8 | 0.0 | 260.9 | 25.7 | 6.6 | 3,298.3 |
| 31 December 2019 | 126.4 | 0.0 | 8,100.1 | 39.8 | 1,726.2 | 2,173.4 |

**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 December 2019, the company announced that the second 24-month earning period of the long-term share-based incentive scheme for the key personnel will start on 1 January 2020 and end on 31 December 2021. A maximum number of 354,668 NoHo Partners Plc's shares may be paid to the key employees during the second earning period based on the achieved key goals in terms of the business operations set by the Board of Directors. The earning criteria set for the second earning period are the EBIT % of NoHo Partners Plc's Finnish operations, the company's share price development and the EBIT % of the foreign operations during the second earning period.

The Board of Directors anticipates that the maximum dilutive effect on the number of the company's registered shares is approximately 1.83%. The incentive plan covers 11 key employees of the company's Executive Team in the second earning period.

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, for the second earning period, EUR 675 thousand in benefits paid in shares have been entered as expenses by 30 September 2020.

On 3 April 2020, the Group announced that the Board of Directors of NoHo Partners Plc has decided to postpone the payment of share rewards pursuant to the share-based incentive scheme directed at the company's Executive Team for the first earning period.

On 9 November 2020, the company announced that The Board of Directors of NoHo Partners Oyj has resolved on a directed share issue without payment to the key employees of the company in order to pay the reward for the first earning period of the long-term share-based incentive plan from 1 December 2018 to 31 December 2019. The share issue resolution is based on the authorization given by the Annual General Meeting on 16 June 2020. The stock exchange release concerning the long-term share-based incentive plan for the key employees has been published on 30 November 2018.

A total of 68 597 new shares were issued without payment in the share issue to 9 key employees participating in the share-based incentive plan. As a result of the share issue the total number of shares in NoHo Partners Oyj will be 19 222 270.

The new shares will be registered with the Trade Register on or about 12 November 2020. The new shares are intended to be admitted to trading on the official list of Nasdaq Helsinki Ltd. as soon as possible after the registration of the new shares.

## MEMBERS OF THE EXECUTIVE TEAM OF NOHO PARTNERS PLC ON 30 SEPTEMBER 2020

**Aku Vikström**
CEO, Chairman of the Executive Team

**Jarno Suominen**
Deputy CEO

**Jarno Vilponen**
CFO

**Juha Helminen**
Director of International Operations

**Perttu Pesonen**
Development Director

**Anne Kokkonen**
HR Director

**Benjamin Gripenberg**
CBO, Restaurants, Helsinki Metropolitan Area

**Tanja Virtanen**
CBO, Restaurants, rest of Finland

**Eemeli Nurminen**
CBO, Entertainment Venues, Helsinki Metropolitan Area

**Paul Meli**
CBO, Entertainment Venues, rest of Finland

**Tero Kaikkonen**
CBO, Fast casual restaurants

## 12. Contingent Liabilities and Assets and Commitments

### CONTINUING OPERATIONS

### GUARANTEES AND CONTINGENT LIABILITIES

| EUR 1,000 | 30 September 2020 | 30 September 2019 | 31 December 2019 |
|---|---|---|---|
| **Liabilities with guarantees included on the balance sheet** | | | |
| Loans from financial institutions, non-current | 93,881.1 | 67,357.1 | 68,493.3 |
| Loans from financial institutions, current | 48,764.2 | 26,149.7 | 15,728.8 |
| **Total** | **142,645.3** | **93,506.9** | **84,222.1** |
| | | | |
| **Commercial papers, current** | **4,500.0** | **22,000.0** | **22,000.0** |
| | | | |
| **Guarantees given on behalf of the Group** | | | |
| Collateral notes secured by a mortgage | 37,455.4 | 34,885.8 | 34,885.4 |
| Real estate mortgage | 4,364.5 | 4,364.7 | 4,364.5 |
| Subsidiary shares | 104,341.1 | 99,779.0 | 97,557.8 |
| Other shares | 32,640.7 | 18,651.9 | 23,878.9 |
| Bank guarantees | 8,959.3 | 8,383.3 | 8,611.8 |
| Other guarantees | 4,449.0 | 3,641.0 | 4,449.0 |
| **Total** | **192,210.0** | **169,705.7** | **173,747.3** |
| | | | |
| **Purchase commitments** | | | |
| Eezy Plc | 61,538.5 | 73,551.3 | 69,285.8 |
| Other | 200.0 | 600.0 | 200.0 |
| **Total** | **61,738.5** | **74,151.3** | **69,485.8** |
| | | | |
| **Contingent liabilities and assets** | **3,540.0** | **3,540.0** | **3,540.0** |

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

**The remaining transaction price liability arising from the acquisition of Friends & Brgrs Ab Oy includes a Friends & Brgrs Ab Oy share pledge to the sellers.**

**Information on the unsecured loan of EUR 10 million from Finnish Industry Investment Ltd is presented in Note 10.**

## 13. Events After the Reporting Period

The company has announced the following events as a stock exchange release after the reporting period:

On 9 October 2020, NoHo Partners reported on the development of its turnover and operating cash flow in September. NoHo Partners has prepared for three different scenarios concerning the development of its operations during the exceptional situation caused by the COVID-19 pandemic. Until September, the company's business operated according to the basic scenario in which sales are approximately 70–85 per cent of the previous year's level. On 29 September 2020, NoHo Partners announce that, due to the restrictions on restaurants put in place by the Finnish Government, the company estimates it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level.

On 5 November 2020, NoHo Partners announced that Eemeli Nurminen, Business Group Director of NoHo Partners Plc and a member of the Executive Team, will resign. Nurminen will leave the service of NoHo Partners as of January 1, 2021. At the same time, the company is reorganizing the responsibilities of its Executive Team and merging the entertainment venue business into one entity under Business Group Director Paul Meli.

On 9 November 2020, the company announced that The Board of Directors of NoHo Partners Oyj has resolved on a directed share issue without payment to the key employees of the company in order to pay the reward for the first earning period of the long-term share-based incentive plan from 1 December 2018 to 31 December 2019. The share issue resolution is based on the authorization given by the Annual General Meeting on 16 June 2020. The stock exchange release concerning the long-term share-based incentive plan for the key employees has been published on 30 November 2018. A total of 68 597 new shares were issued without payment in the share issue to 9 key employees participating in the share-based incentive plan. As a result of the share issue the total number of shares in NoHo Partners Oyj will be 19 222 270. The new shares will be registered with the Trade Register on or about 12 November 2020. The new shares are intended to be admitted to trading on the official list of Nasdaq Helsinki Ltd. as soon as possible after the registration of the new shares.

## 14. Key Figures

| EUR 1,000 | 1 July–<br>30 Sep. 2020 | 1 July–<br>30 Sep. 2019 | 1 Jan.–<br>30 Sep. 2020 | 1 Jan.–<br>30 Sep. 2019 | 1 Jan.–<br>31 Dec. 2019 |
|---|---|---|---|---|---|
| Earnings per share, continuing operations, EUR | 0.01 | 0.35 | -0.90 | 0.90 | 1.10 |
| Earnings per share, result of the review period, EUR | 0.01 | 1.92 | -0.90 | 2.16 | 2.36 |
| | | | | | |
| **Key figures for continuing operations** | | | | | |
| EBIT, % | 5.2% | 12.8% | -9.7% | 11.8% | 11.2% |
| Material margin, % | 73.3% | 73.8% | 72.8% | 73.8% | 74.3% |
| Personnel expenses, % | 32.5% | 30.2% | 37.1% | 32.5% | 32.6% |
| Average personnel | | | | | |
| Registered personnel | | | | | |
| Full-time personnel | | | 896 | 1,012 | 1,005 |
| Part-time personnel, converted to full-time equivalents | | | 513 | 594 | 596 |
| Rented workforce, converted to full-time equivalents | | | 259 | 522 | 531 |
| | | | | | |
| **Restaurant business<br>(Comparable continuing operations)** | | | | | |
| EBIT, % | 4.0% | 8.1% | -10.0% | 6.0% | 6.7% |
| | | | | | |
| **Key figures for the entire Group** | | | | | |
| Return on equity, % (p.a.) | | | -20.3,% | 55.1,% | 44.9,% |
| Return on investment % (p.a.) | | | -4.0,% | 8.1,% | 8.4,% |
| Equity ratio, % | | | 20.5,% | 28.0,% | 29.1,% |
| Gearing ratio, % | | | 317.5,% | 205.1,% | 194.6,% |
| Interest-bearing net liabilities, EUR | | | 296,464.2 | 270,369.0 | 266,690.6 |
| Adjusted net finance costs, EUR | 2,652.5 | 949.1 | 8,061.5 | 5,185.8 | 7,165.8 |
| Operating cash flow, EUR | 5,511.6 | 9,122.1 | 2,037.4 | 20,904.6 | 30,408.8 |
| | | | | | |
| **Key figures excluding the IFRS 16 effect** | | | | | |
| Gearing ratio, % | | | 156.6% | 76.3% | 75.9% |
| Interest-bearing net liabilities, EUR | | | 148,570.5 | 101,515.6 | 105,391.3 |
| | | | | | |
| **Operating cash flow, bridge calculation *** | | | | | |
| EBIT | 2,928.2 | 6,245.1 | -12,108.5 | 11,919.0 | 18,389.5 |
| Depreciation, amortisation and impairment losses | 11,204.1 | 11,007.8 | 38,372.7 | 32,725.4 | 44,522.6 |
| Share of profit of associated company | -622.6 | -291.1 | -252.1 | -221.6 | -242.7 |
| Adjustment of IFRS 16 lease expenses to cash flow based | -7,998.2 | -7,839.8 | -23,974.8 | -23,518.3 | -32,260.6 |
| Operating cash flow | 5,511.6 | 9,122.1 | 2,037.4 | 20,904.6 | 30,408.8 |

*** To improve comparability, the comparison figures for 2019 are based on the figures for comparable continuing operations presented in Note 2.**

## CALCULATION FORMULAS FOR KEY FIGURES

### Key figures required by the IFRS standards

**Earnings per share**

$$\frac{\text{Parent company owners' share of profit from the financial period – hybrid bond interest}}{\text{Average number of shares}}$$

**Earnings per share (diluted)**

$$\frac{\text{Share of the net income for the financial period attributable to owners of the parent – interest on hybrid bond}}{\text{Diluted average number of shares}}$$

### Alternative performance measures

**Return on equity %**

$$\frac{\text{Profit (profit attributable to owners of the Company + profit belonging to NCIs)}}{\text{Equity on average (attributable to owners of the Company and NCIs)}} * 100$$

**Equity ratio %**

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

**Return on investment %**

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

**Interest-bearing net financial liabilities**

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

**Interest-bearing net financial liabilities excluding IFRS 16**

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

**Gearing ratio %**

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

**Gearing ratio % excluding IFRS 16**

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

**Personnel expenses %**

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

**Material margin %**

$$\frac{\text{Turnover – materials and supplies}}{\text{Turnover}} * 100$$

**Adjusted net finance costs**

Financial income – finance costs (adjusted with entries associated with acquisitions and IPO expenses in accordance with the IFRS standards)

**Operating cash flow**

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

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