NoHo

NORDIC HOSPITALITY PARTNERS

Half-year Report

1 January–30 June 2021

NOHO PARTNERS HALF-YEAR REPORT
1 JANUARY–30 JUNE 2021

Demand recovered quickly as restrictions were eased and operating cash flow turned positive

NoHo Partners' business was subject to strict restrictions in the second quarter of 2021. At the beginning of the quarter, restaurant operations in all the company's operating countries were subject to closures. As the restrictions were eased in the run-up to summer, demand recovered quickly and operating cash flow turned positive by a clear margin in June. The improved efficiency of operations that has come about as a result from the COVID-19 pandemic, along with determined adaptation measures and permanent cost savings, were reflected in improved relative profitability.

During the second quarter, the company's net debt excluding the IFRS 16 standard effect started to decline and stood at less than MEUR 160 at the end of July. Turnover in July was nearly on a par with the pre-pandemic levels of July 2019, with relative profitability being higher than in the corresponding periods in 2019 and 2020. In June, NoHo Partners published its financial targets for the strategy period 2022–2024. The company aims to achieve turnover of approximately MEUR 400 and an EBIT margin of approximately 10 per cent by the end of 2024.

APRIL–JUNE 2021 IN BRIEF

- Turnover increased by 81.1% to MEUR 34.5 (MEUR 19.0).
- EBIT increased by 78.6% to MEUR -1.8 (MEUR -8.4).
- The EBIT percentage was -5.2% (-44.3%), an increase of 88.2%.
- The result for the financial period was MEUR -4.3 (MEUR -9.2), an increase of 53.6%.
- Earnings per share were EUR -0.18 (EUR -0.46), an increase of 60.4%.
- Operating cash flow increased by 465.7% to MEUR 0.7 (MEUR -0.2).

JANUARY–JUNE 2021 IN BRIEF

- Turnover declined by 20.9% to MEUR 54.7 (MEUR 69.1).
- EBIT increased by 23.3% to MEUR -11.5 (MEUR -15.0).
- The EBIT percentage was -21.1% (-21.8%), an increase of 2.9%.
- The result for the financial period was MEUR -15.0 (MEUR -18.0), an increase of 16.7%.
- Earnings per share were EUR -0.67 (EUR -0.91), an increase of 26.0%.
- Operating cash flow fell by 73.0% to MEUR -6.0 (MEUR -3.5).
- The gearing ratio excluding the impact of IFRS 16 liabilities was 231.3%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 163.7. IFRS 16 liabilities totalled MEUR 157.4. The gearing ratio including the impact of IFRS 16 was 487.1%.
- Government grants for January–June 2021 were approx. MEUR 8.5: Finland approx. MEUR 3.8, Denmark approx. MEUR 2.3 and Norway approx. MEUR 2.4.

SIGNIFICANT EVENTS IN THE REVIEW PERIOD

- The closure of restaurants in Finland continued until 18 April 2021. Thereafter, restaurants were allowed to open subject to strict restrictions, with alcohol service being required to end at 5 p.m. in the regions where the pandemic was in the acceleration or community transmission phase.
- The national prohibition of alcohol service at restaurants in Norway was cancelled on a regional basis on 16 April 2021 and in Oslo on 25 May 2021.
- In Denmark, the restaurant closure ended on 21 April 2021, with restaurants being allowed to open thereafter, subject to restrictions. Starting from 1 June 2021, the opening hours of restaurants serving food and bars were extended until midnight in Denmark.
- On 11 June 2021, the Group published its updated strategy and long-term financial targets for the strategy period 2022–2024.
- Restaurant restrictions in Finland were eased on 24 June 2021, when the restrictions on alcohol service hours and opening hours were removed for areas in the baseline phase. Only Uusimaa remained in the acceleration phase, where the alcohol service hours of restaurants were extended until midnight and opening hours until 01:00.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

- National restaurant restrictions were removed at the end of June in Norway. Starting from the beginning of July, restaurants serving food and bars can stay open until 03:00 in Oslo, for example, which is the company's main market in Norway.
- Starting from 15 July 2021, the opening hours of restaurants serving food and bars were extended until 02:00 in Denmark.
- Restaurant restrictions in Finland were tightened again in July, when several regions were classified as being in the acceleration phase. Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the acceleration phase at the beginning of August.

NUMBER OF RESTAURANTS

- On 30 June 2021, the Group had 229 reported restaurant units in total:
  - Restaurants: 81
  - Entertainment venues: 61
  - Fast casual restaurants: 48
  - International restaurants: 39

DESCRIPTION OF ACCOUNTING PRINCIPLES

- 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.

Future Outlook

THE MARKET

Demand recovered quickly in the summer as restaurant restrictions were eased. Nevertheless, the first half of the year was very difficult for the restaurant industry and the drastic adjustment of costs has continued. As long as the fourth wave of the pandemic and the related restrictions continue, the situation will not improve significantly. Demand in the summer has been strong as restrictions have been eased, but the company's future profit performance depends significantly on the development of the COVID-19 situation, the restrictions imposed by the authorities and vaccination coverage.

PROFIT GUIDANCE

At this time, the company will not issue a 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 2021 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. Restrictions on business activities, potential changes to the restrictions and their effect on customer demand, vaccination coverage as well as the global economic uncertainty will have a significant impact on the Group's turnover and financial result for the remainder of 2021.

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

FINANCIAL TARGETS

The Group's long-term financial targets for the strategy period 2022–2024 were published on 11 June 2021.

The Group aims to achieve a turnover of approximately MEUR 400 and an EBIT margin of approximately 10 per cent during 2024. At the same time, the aim of the company is for the ratio of net debt to operating cash flow, adjusted for IFRS 16 lease liability, to be under 3. The objective of the company is to pay dividends during the strategy period.

The management estimates that the turnover of NoHo Partners Group in 2022 will be approximately MEUR 280 with the current units and approximately MEUR 400 as a whole in 2024. It is estimated that approximately MEUR 50 of the expected growth of approximately MEUR 120 will come from Norway, approximately MEUR 30 from the scaling of Friends & Brgrs business operations, approximately MEUR 30 from large and profitable urban projects and approximately MEUR 10 from the Group's other businesses.

KEY FIGURES

NoHo Partners Group, total

(EUR 1,000)	1 Apr.–30 Jun. 2021	1 Apr.–30 Jun. 2020	1 Jan.–30 Jun. 2021	1 Jan.–30 Jun. 2020	1 Jan.–31 Dec. 2020
KEY FIGURES, ENTIRE GROUP					
Turnover	34,492	19,043	54,651	69,132	156,771
EBIT	-1,809	-8,441	-11,538	-15,037	-23,880
EBIT, %	-5.2%	-44.3%	-21.1%	-21.8%	-15.2%
Result of the financial period	-4,259	-9,178	-15,012	-18,030	-29,469
Earnings per share (EUR) for the review period attributable to the owners of the Company	-0.18	-0.46	-0.67	-0.91	-1.44
Operating cash flow, EUR	696	-190	-6,011	-3,474	-5,124
Interest-bearing net liabilities excluding IFRS 16 impact, EUR			163,683	149,539	163,431
Gearing ratio excluding IFRS 16 impact, %			231.3%	158.5%	192.0%
Interest-bearing net liabilities, EUR			321,120	304,171	316,621
Gearing ratio, %			487.1%	326.3%	391.0%
Equity ratio, %			14.6%	19.9%	18.1%
Return on investment, %, (p.a.)			-5.6%	-7.4%	-5.9%
Adjusted net finance costs*, EUR	3,301	2,636	6,334	4,435	10,197
Material margin, %	74.0%	74.1%	72.8%	72.3%	72.0%
Personnel expenses, %	37.0%	44.0%	41.2%	40.8%	38.0%

*** The changed calculation formula is shown in the section "Calculation formulas for key figures" at the end of the Half-year report.**

ALTERNATIVE PERFORMANCE MEASURES

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

NoHo Partners presents certain comparable financial key figures (alternative performance measures) that are not included in the IFRS standards.

The 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 half-year report.

Review by the CEO

Our turnover in the second quarter amounted to MEUR 34.5, which is approximately 50 per cent of the turnover for the corresponding period before the pandemic, in 2019. We managed to bring our operating cash flow back to positive territory at MEUR 0.7 in spite of the restricted business environment in April–May. The review period was characterised by development in two different directions. Due to strict restaurant restrictions, turnover for April–May was below MEUR 16 and cash flow was MEUR 4.5 in the negative. However, the performance of our personnel and restaurant units is better described by our figures for June, with turnover of nearly MEUR 19 and positive cash flow of MEUR 5.2, which included financial support of MEUR 2.8 from the Finnish state.

The rapid recovery of the market is evidenced by the same trend continuing after the review period, in July, as restaurant restrictions were eased and the sunny weather boosted restaurant sales from outdoor terraces in particular. Our turnover for the month of July exceeded MEUR 25 and was nearly on a par with July 2019. In June–July, we also saw positive signs concerning our trimmed restaurant portfolio and our organisation's profit performance. In July, our operating cash flow in a restricted business environment was approximately MEUR 4.5, representing nearly 18 per cent of turnover. Relative profitability was substantially higher than in the corresponding periods in 2019 and 2020. This strengthens our faith in the new strategic period, during which we seek clear improvement in profitability and an EBIT margin of approximately 10%.

After the turn of the month from June to July, we finally got to the point where our net debt has begun to decline. At the end of July, our net debt stood at less than MEUR 160. If our shareholding in Eezy – which has a market value of approximately MEUR 40 and is classified as an asset held for sale – were eliminated from this debt, the adjusted interest-bearing liabilities on our balance sheet would amount to roughly MEUR 120. With the declining debt position and our targeted operating cash flow of approximately MEUR 40 for next year, we are on a strong path towards the goal we have set for the strategy period 2022–2024, which is net debt of less than three times our operating cash flow.

After a successful summer season, we again face new challenges. In the short term, we need to navigate the last difficult conditions arising from increased COVID-19 infections and restaurant restrictions until the autumn, when the vaccination coverage in Finland will finally make it possible to return to normal. If restaurant restrictions and the consumer environment were to remain approximately at the current level, we estimate that our turnover in August and September will exceed MEUR 14, which would keep our operating cash flow positive. There is still significant uncertainty in our operating environment, particularly due to the unpredictability of the decisions made by the national authorities and their short implementation periods. In the longer term, after the COVID-19 pandemic, our biggest challenge is to find, grow and engage the commitment of a sufficient number of competent personnel to support our growth. Our personnel have been put to the test by the continued uncertainty as well as the high demand experienced during the summer. According to our vision, we want to be the leading restaurant company in Northern Europe, so we need to lead the way, especially in this area.

Aku Vikström
CEO, NoHo Partners

Turnover and Income

APRIL–JUNE 2021 IN BRIEF

The Group's turnover in April–June 2021 was MEUR 34.5, an increase of 81.1 per cent year-on-year. Personnel expenses were 37.0 per cent and the material margin was 74.0 per cent.

EBIT grew by 78.6 per cent to MEUR -1.8. Operating cash flow grew by 465.7 per cent to MEUR 0.7. Adjusted net finance costs totalled MEUR 3.3. The result improved by 53.6 per cent to MEUR -4.3, and earnings per share were EUR -0.18, representing year-on-year growth of 60.4 per cent.

JANUARY–JUNE 2021 IN BRIEF

The Group's turnover in January–June 2021 was MEUR 54.7, a decrease of 20.9 per cent year-on-year. Personnel expenses were 41.2 per cent and the material margin was 72.8 per cent.

Depreciation, amortisation and impairment totalled MEUR -22.9. EBIT grew by 23.3 per cent to MEUR -11.5. Operating cash flow was MEUR -6.0, a decrease of 73.0 per cent. Adjusted net finance costs totalled MEUR 6.3. The result improved by 16.7 per cent to MEUR -15.0, and earnings per share were EUR -0.67, representing year-on-year growth of 26.0 per cent.

JULY 2021 IN BRIEF

The Group's turnover in July 2021 was more than MEUR 25, which is an increase of roughly 25 per cent compared to the corresponding period in 2020 and represents approximately 95 per cent of the turnover in the corresponding period in 2019. Operating cash flow was approximately MEUR 4.5 in July.

OUTLOOK FOR AUGUST AND SEPTEMBER 2021

Based on the current estimate of the development of the business environment, turnover in August 2021 is expected to be MEUR 15–18 and operating cash flow MEUR 0.5–1.5.

Turnover for September 2021 is expected to be MEUR 14–16 and operating cash flow MEUR 0.0–1.0.

Turnover in the business areas of the restaurant business:

	1 Apr.–30 Jun. 2021	1 Apr.–30 Jun. 2020	1 Jan.–30 Jun. 2021	1 Jan.–30 Jun. 2020	1 Jan.–31 Dec. 2020
RESTAURANTS					
Turnover (MEUR)	**12.3**	**5.2**	**21.0**	**24.3**	**58.0**
Percentage of the total turnover	35.7%	27.4%	38.5%	35.1%	37.0%
Change in turnover	136.3%	-	4.9%	-	-
Units, number	81	79	81	79	77
Turnover/unit (MEUR)	0.15	0.07	0.26	0.31	0.75
ENTERTAINMENT VENUES					
Turnover (MEUR)	**8.6**	**4.5**	**11.7**	**19.1**	**43.9**
Percentage of the total turnover	25.0%	23.5%	21.4%	27.7%	28.0%
Change in turnover	92.3%	-	-38.8%	-	-
Units, number	61	61	61	61	67
Turnover/unit (MEUR)	0.14	0.07	0.19	0.31	0.66
FAST CASUAL RESTAURANTS					
Turnover (MEUR)	**8.9**	**5.9**	**17.1**	**12.4**	**31.2**
Percentage of the total turnover	25.9%	31.2%	31.4%	18.0%	19.9%
Change in turnover	50.3%	-	73.3%	-	-
Units, number	48	53	48	53	53
Turnover/unit (MEUR)	0.14	0.11	0.36	0.23	0.59
INTERNATIONAL RESTAURANTS					
Turnover (MEUR)	**4.6**	**3.4**	**4.8**	**13.3**	**23.6**
Percentage of the total turnover	13.4%	17.9%	8.7%	19.2%	15.1%
Change in turnover	35.7%	-	-32.4%	-	-
Units, number	39	40	39	40	40
Turnover/unit (MEUR)	0.25	0.08	0.12	0.33	0.59

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 continued to take determined action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In January–June 2021, the Group operated in a strictly restricted or closed business environment in all of its operating countries.

In Finland, restrictions on restaurants were in effect at the beginning of 2021, with stricter restrictions having been introduced in November 2020 due to the deterioration of the pandemic. Alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 01:00. In the regions where the pandemic was in the acceleration phase, alcohol service was permitted until 22:00 and restaurants that primarily serve alcohol could stay open until 23:00. In nightclubs, bars and pubs, the customer capacity was restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity was 75 per cent and they could stay open until midnight. In regions where the pandemic was in the community transmission phase, restaurants that primarily serve food had to close by 23:00. With a legislative proposal approved by the Parliament on 26 February 2021, the validity of the restrictions on restaurant operations was extended until the end of June 2021.

In February 2021, the Group completed negotiations on a financing agreement with its financing providers, securing the Group's financial position for the coming years and facilitating measures to be taken in the rebuilding phase.

In March, following the acceleration of the pandemic situation, the Finnish Government ordered the closure of restaurants on 8 March 2021 in regions where the pandemic was in the acceleration or community transmission phase. From that date onwards, only takeaway sales were allowed. The Group immediately entered into new negotiations under the Act on Co-operation within Undertakings in order to adapt its operations to the tighter restrictions. The co-operation negotiations concerned all of the Group's employees, totalling approximately 1,250 employees in Finland. The restrictions on restaurants also indirectly affected the approximately 2,000 people working for the Group as leased staff.

The three-week closure was extended until 18 April 2021, and restaurants could subsequently be opened on 19 April 2021 subject to strict restrictions on opening hours, alcohol service and customer capacity. In regions where the pandemic was in the acceleration or community transmission phase, restaurants serving alcohol were allowed to stay open until 18:00 and restaurants that serve food were allowed to stay open until 19:00, with alcohol service ending at 17:00. Areas in the baseline phase of the pandemic returned to restricting alcohol service to 22:00. The Finnish Parliament approved the proposal issued by the Finnish Government on 30 April 2021 on the temporary amendment of the Communicable Diseases Act to extend the validity of the temporary regulations until 31 December 2021.

In May, restrictions were gradually eased regionally and, starting from 13 May 2021, almost throughout the country, whereupon alcohol service in areas in the baseline phase was extended until midnight and opening hours until 01:00, while in areas in the acceleration phase, alcohol service was extended until 22:00 and opening hours until 23:00. In areas in the community transmission phase, restaurants serving alcohol were allowed to serve alcohol until 18:00 and stay open until 19:00, while other restaurants were ordered to stop serving alcohol at 19:00 and close at 20:00. Restaurant restrictions were eased on 24 June 2021, when the restrictions on the number of customers, alcohol service hours and opening hours were removed for areas in the baseline phase. Only Uusimaa remained in the acceleration phase, where the alcohol service hours of restaurants were extended until midnight and opening hours until 01:00. Restaurant restrictions were tightened again in late July, when several regions were classified as being in the acceleration phase. Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the acceleration phase at the beginning of August.

In the first half of 2021, the Group recognised business cost support from the Finnish state in the amount of MEUR 1.0 based on costs that arose during the period 1 November 2020–28 February 2021 and MEUR 2.8 in large companies' closure compensation and compensation for uncovered fixed expenses for March–May 2021.

In Denmark, due to the acceleration of the COVID-19 pandemic, restaurants were closed across the country on 9 December 2020, with only take-away sales allowed. In response to the improved pandemic situation, Denmark allowed restaurants to reopen, subject to restrictions, starting from 21 April 2021, with alcohol service ending at 22:00 and doors closing at 23:00. Customer capacity was restricted to about half of full capacity, and a COVID-19 passport and table reservation were required for entry. Starting from 1 June 2021, the opening hours of restaurants serving food and bars were extended until midnight and, starting from 15 July 2021, until 02:00. Entry into restaurants is subject to having a COVID-19 passport, which is a certificate of having received first dose of a vaccine, having had COVID-19 during the past 12 months or a negative COVID-19 test taken within the past 72 hours. Safe distances of 1.5 metres must also be ensured. Nightclubs remain closed.

In Denmark, the state has supported companies in the restaurant industry during the crisis by covering 80 per cent of their fixed expenses, relative to the decline in turnover. In addition to fixed expenses, the Danish state also covered 80 per cent of wage expenses from March until the end of June 2021. The state also paid employees' wages for the first seven days starting from the reopening of restaurants on 21 April 2021. Starting from the beginning of July 2021, a cost support model entered into force, whereby fixed cost support was extended for restaurants whose turnover is less than 40 per cent of their turnover in the corresponding period in 2019.

In Norway, a ban on alcohol sales in restaurants was introduced on 9 November 2020, after which restaurants have not been allowed to serve alcohol at all. The Group's restaurants in Norway are primarily restaurants that serve alcohol, and they were closed. The restriction on serving alcohol was cancelled regionally in the third week of January 2021. However, in Oslo, for example, the ban on serving alcohol continued until 2 March 2021, when restaurants in Oslo were ordered to close entirely. The prohibition of alcohol service in Norway was reinstated nationally effective from 26 March 2021. It was subsequently cancelled on a regional basis on 16 April 2021. From that date onwards, restaurants in certain municipalities were allowed to stay open until 22:30, with alcohol service ending at 22:00. In Oslo, the prohibition of alcohol service continued until 25 May 2021, when restaurants serving food were allowed to reopen. Entertainment restaurants were allowed to reopen on 26 May 2021. In Oslo and in Trondheim, for example, alcohol service was allowed until 22:00. In most other municipalities, alcohol service was allowed until midnight. The national restrictions were lifted at the end of June. Since then, the restrictions have been city-specific and municipality-specific. In Oslo, for example, restaurants serving food and bars can stay open until 03:00, but additional customers cannot be allowed in after midnight. In indoor areas of restaurants, customers must have a seat, table service is required and safe distances of 1.5 metres must be ensured. Nightclubs remain closed.

The Norwegian state's turnover-based compensation for fixed costs was 80 per cent in April–June 2021. The compensation policy will remain in effect until October 2021, provided that restrictions are still in place. The Norwegian state also supported employment by paying 50 per cent of the wages of re-employed personnel until the end of June 2021. Companies in Norway also receive additional support by municipalities and arts councils while the restrictions remain in place.

Government assistance during the state of emergency

In January–June 2021, the Group received support amounting to approximately MEUR 3.8 from the Finnish state, approximately MEUR 2.3 from the Danish state and approximately MEUR 2.4 from the Norwegian state. The Group's subsidies from the Finnish, Danish and Norwegian states for the period of 1 January–30 June 2021 totalled approximately MEUR 8.5.

A more detailed account of government assistance and the distribution thereof is presented in Note 3 Government grants in the half-year report (page 31).

Summary

The sudden market changes caused by the COVID-19 pandemic and the strict closure and restriction measures concerning the restaurant industry had a significant impact on the Group's result in January–June 2021.

The restaurant closure imposed by the Finnish government on 8 March 2021 continued until 18 April 2021, after which time restaurants could reopen subject to tight restrictions. In Denmark, restaurants reopened in late April, subject to restrictions, after the closure that began in late 2020. The national alcohol ban that entered into force in Norway at the end of 2020 was lifted in Oslo, among other places, at the end of May. As restrictions were eased, demand was strong in each of the Group's operating countries, which is a promising signal of the industry's quick recovery much like in summer 2020.

The Group's turnover in January–June 2021 was MEUR 54.7, which represents 79 per cent of the corresponding period in 2020 and 45 per cent of the corresponding period in 2019, the year preceding the COVID-19 pandemic. The Group's turnover in April–June 2021 was MEUR 34.5, which represents 181 per cent of the corresponding period in 2020 and 51 per cent of the corresponding period in 2019. The Group estimates that it lost approximately MEUR 80 in turnover due to the pandemic in January–June 2021.

Operating cash flow was MEUR 6.0 in the negative in January–June 2021. Through the improved efficiency of operations and permanent cost savings, Group minimised the negative impact that the closures, subsequent tight restrictions and the shutdown and ramp-up of operations had on its business in the period under review. Operating cash flow turned positive by a clear margin in June, amounting to MEUR 5.2, including MEUR 2.8 in support from the Finnish state. Operating cash flow was MEUR 0.7 in April–June. The Group's operating loss amounted to approximately MEUR 11.5 in January–June 2021 and approximately MEUR 1.8 in April–June 2021.

The Group recognised approximately MEUR 8.5 in financial support from the Finnish, Danish and Norwegian governments for the period 1 January–30 June 2021 and MEUR 4.5 for the period 1 April–30 June 2021. Reductions in rent totalled approximately MEUR 1.6 in January–June 2021.

Turnover in July 2021 was more than MEUR 25, which is an increase of roughly 25 per cent compared to the corresponding period in 2020 and represents approximately 95 per cent of the turnover in the corresponding period in 2019. Operating cash flow in July 2021 amounted to approximately MEUR 4.5.

Based on the current estimate of the development of the business environment, turnover in August 2021 is expected to be MEUR 15–18 and operating cash flow MEUR 0.5–1.5.

Turnover for September 2021 is expected to be MEUR 14–16 and operating cash flow MEUR 0.0–1.0.

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–June 2021 was MEUR 12.8 (MEUR 5.7).

Growth investments made during the second quarter of 2021 included the opening of a Friends & Brgrs restaurant in Hyvinkää, the opening of Helsinki Bryggeri Brewhouse, the opening of Rooftop Miami at the Stockmann department store in Helsinki, the opening of the restaurant Shinobi in Helsinki and the opening of the restaurant The Bank in Kotka.

The Group's gearing ratio excluding the impact of IFRS 16 liabilities was 231.3%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 163.7. IFRS 16 liabilities totalled MEUR 157.4. The Group's interest-bearing net liabilities (including IFRS 16 liabilities) at the end of June 2021 were MEUR 321.1 (MEUR 304.2). Adjusted net finance costs in January–June 2021 were MEUR 6.3 (MEUR 4.4). The equity ratio was 14.6% (19.9%) and the gearing ratio was 487.1% (326.3%).

Significant events during the review period

RESTAURANT CLOSURE IN FINLAND ENDED

On 18 April 2021, the three-week closure order imposed on 8 March 2021 was extended indefinitely, after which restaurants could be reopened subject to strict restrictions on alcohol service and opening hours.

NOHO PARTNERS REDUCED ITS HOLDINGS IN EEZY

On 7 April 2021, NoHo Partners Plc sold 1,000,000 Eezy Plc shares. Following this transaction, the Group owns 6,274,881 shares in Eezy Plc, corresponding to approximately 25.3 per cent of Eezy Plc's shares. The total transaction price for the shares was MEUR 5.0. The Group reduced its shareholding in Eezy in spring 2021 by selling a total of 1,246,029 shares.

DECISIONS BY THE ANNUAL GENERAL MEETING

NoHo Partners' Annual General Meeting was held in Tampere on 21 April 2021. Due to the COVID-19 pandemic, attending the meeting in person was not possible. Shareholders and their proxies could attend the AGM and exercise their shareholder rights only by voting in advance and by submitting counter-proposals and questions in advance. Shareholders who registered for the meeting had the opportunity to watch the AGM online via a video broadcast.

Financial statements

The AGM adopted NoHo Partners Plc's financial statements and discharged the members of the Board of Directors and the CEO from liability for the 2020 financial period.

Dividend

The Board of Directors decided that no dividends will be distributed for the financial period that ended on 31 December 2020.

Remuneration Report for Governing Bodies

The AGM approved the company's Remuneration Report for Governing Bodies for 2020.

Board of Directors

The AGM decided that the number of members of the Board of Directors will be six (6). The AGM decided that the current members of the Board of Directors, Timo Laine, Petri Olkinuora, Mika Niemi, Mia Ahlström, Tomi Terho and Saku Tuominen, be re-elected as members of the Board of Directors for a term of office concluding at the end of the first AGM following the election. The AGM elected Timo Laine as Chairman of the Board and Petri Olkinuora as Vice-Chairman.

The Annual General Meeting decided that, for the term of office concluding at the end of the first Annual General Meeting following their election, the annual remuneration of the Chairman of the Board of Directors be EUR 40,000, the Vice-Chairman EUR 30,000 and the other members of the Board of Directors EUR 20,000.

No separate attendance allowances will be paid. In an exception to the above, if the Board of Directors decides to establish a separate audit committee, the chairman of the committee shall be paid EUR 800 per meeting and the members EUR 400 per meeting.

Travel expenses will be reimbursed in accordance with the company's travel rules.

Auditor

The AGM selected Ernst & Young Oy, a firm of authorised public accountants, as the company's auditor for a term of office concluding at the end of the first AGM following the selection. Juha Hilmola, APA, will act as the company's responsible auditor.

In accordance with the Board's proposal, the AGM decided that the auditor's remuneration will be paid based on the invoice approved by the company.

Authorisation to purchase the company's own shares

The AGM decided to withdraw the previous unused authorisations to purchase the company's own shares and authorise the Board to decide upon the purchase of a maximum of 800,000 of the company's own shares in one or several tranches using the company's unrestricted equity under the following conditions:

The shares shall be purchased in public trading organised by Nasdaq Helsinki Oy and, therefore, the purchase takes place by private placing and not in proportion to the shares owned by the shareholders, and the consideration to be paid for the shares shall be the market price of NoHo Partners Plc's share at the time of purchasing. The shares shall be purchased for financing or carrying out possible corporate acquisitions or other arrangements, to implement incentive schemes within the company or for other purposes decided upon by the Board of Directors. The maximum amount of the shares to be purchased is equivalent to approximately 4.2 per cent of all the shares and votes of the company calculated using the share count on the publication date of the notice of the AGM.

The Board of Directors shall decide on the other matters related to the purchase of treasury shares.

The authorisation will remain in force until the end of the next AGM, but for no more than 18 months from the AGM's resolution on the authorisation.

Authorisation to decide on issuance of shares and/or the issuance of option rights and other special rights entitling to shares

The AGM decided to withdraw previous share issue authorisations and authorise the Board of Directors to decide on the issuance of shares and/or option rights or other special rights entitling to shares as follows:

Under the authorisation, a maximum total of 3,000,000 shares may be issued in one or more tranches, corresponding to approximately 15.6 per cent of all of the company's registered shares calculated using the share count on the publication date of the notice of the Annual General Meeting.

Share issues and/or the issue of option rights or other special rights can be carried out in deviation from the shareholders' pre-emptive subscription right (special share issue).

The authorisation can be used, for example, to implement mergers or acquisitions or financing arrangements, to develop the company's equity structure, to improve the liquidity of the company's shares, to implement the company's incentive schemes or for other purposes decided by the company's Board of Directors. Under the authorisation, a maximum of 568,950 shares may be issued for the implementation of the company's incentive schemes, which corresponds to approximately 3.0% of all registered shares in the company on the date of the notice convening the AGM.

Under the authorisation, the Board of Directors may issue new shares or transfer shares held by the company. The Board of Directors is authorised to decide on all other conditions of the issuance of shares and/or option rights or other special rights.

The authorisation will remain in force until the end of the next AGM, but for no more than 18 months from the AGM's resolution on the authorisation.

CANCELLATION OF THE PROHIBITION OF ALCOHOL SALES IN NORWAY

In Norway, the prohibition of alcohol sales by restaurants was cancelled on a regional basis on 16 April 2021. From that date onwards, restaurants in certain municipalities were allowed to stay open until 10:30 p.m., with alcohol service ending at 10:00 p.m. Customer capacity was limited to approximately half of normal capacity. In Oslo, the prohibition of alcohol service in restaurants continued until 25 May 2021, when restaurants serving food were allowed to reopen. Entertainment restaurants were allowed to reopen on 26 May 2021. In Oslo and in Trondheim, for example, alcohol service was allowed until 22:00. In most other municipalities, alcohol service was allowed until midnight.

RESTAURANTS REOPENED IN DENMARK

In response to the improved pandemic situation, the Danish State allowed restaurants to reopen, subject to restrictions, starting from 21 April 2021. Alcohol service was ordered to end at 22:00 and doors needed to close at 23:00. Customer capacity was restricted to about half of full capacity, and a COVID-19 passport and table reservation were required for entry. Starting from 1 June 2021, the opening hours of restaurants were extended until midnight.

LEGISLATIVE PROPOSAL ISSUED BY THE FINNISH GOVERNMENT TO EXTEND THE REGULATIONS ON RESTAURANT RESTRICTIONS UNTIL THE END OF 2021

On 30 April 2021, the Finnish Government issued a proposal to the parliament on the temporary amendment of the Communicable Diseases Act to extend the validity of the temporary regulations until 31 December 2021. The Parliament approved the legislation on 28 May 2021.

THE GROUP ANNOUNCED THE RESTAURANT SERVICES AT UROS LIVE ARENA

NoHo Partners is responsible for the restaurant operations of the UROS LIVE arena in Tampere, which will be completed in December 2021. On 8 June 2021, the Group announced it will open 22 restaurants at the arena, including old favourites such as Hook, Pizzarium, Friends & Brgrs and Stefan's, as well as new restaurant brands. The restaurants at the arena will employ approximately 250 restaurant industry professionals.

THE GROUP UPDATED ITS STRATEGY AND LONG-TERM FINANCIAL TARGETS

On 11 June 2021, NoHo Partners published its updated strategy and financial targets for the strategy period 2022–2024. The company seeks controlled growth and improved profitability. The company's vision is to be the leading restaurant company in Northern Europe. According to its values, the company focuses on entrepreneurship, quality, people, profitability and responsibility. The company will publish an ESG report on its operating principles on the basis of its values in 2022.

The financial targets for the strategy period 2022–2024:

The Group aims to achieve a turnover of approximately MEUR 400 and an EBIT margin of approximately 10 per cent during 2024. At the same time, the aim of the company is for the ratio of net debt to operating cash flow, adjusted for IFRS 16 lease liability, to be under 3. The objective of the company is to pay dividends during the strategy period.

The Group's updated strategy focuses on:

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

Profitability:
Continuation of the cost-saving programme
Operational efficiency improvement
Portfolio development
Implementation of the development programmes in Denmark

Net debt:
Strong future operating cash flow
Gradual divestment of Eezy Plc
Use of treasury shares in acquisitions

The management estimates that the turnover of NoHo Partners Group in 2022 will be approximately MEUR 280 with the current units and approximately MEUR 400 as a whole in 2024. It is estimated that approximately MEUR 50 of the expected growth of approximately MEUR 120 will come from Norway, approximately MEUR 30 from the scaling of Friends & Brgrs business operations, approximately MEUR 30 from large and profitable urban projects and approximately MEUR 10 from the Group's other businesses.

RESTAURANT RESTRICTIONS EASED IN FINLAND

Restaurant restrictions were eased on 24 June 2021, when the restrictions on the number of customers, alcohol service hours and opening hours were removed for areas in the baseline phase of the pandemic. Only Uusimaa remained in the acceleration phase, where the alcohol service hours of restaurants were extended until midnight and opening hours until 01:00.

NEW RESTAURANTS:

- **Friends & Brgrs**, Hyvinkää
- **Helsinki Bryggeri Brewhouse**, Helsinki
- **Rooftop Miami,** Helsinki
- **Shinobi**, Helsinki
- **The Bank**, Kotka

Events After the Review Period and New Projects

RESTAURANT RESTRICTIONS EASED IN NORWAY

In Norway, the national restrictions on restaurants were lifted at the end of June. Starting from the beginning of July, the restrictions have been city-specific and municipality-specific. In Oslo, for example, restaurants serving food and bars can currently stay open until 03:00.

RESTAURANT RESTRICTIONS EASED IN DENMARK

Starting from 15 July 2021, the opening hours of restaurants serving food and bars were extended until 02:00. Entry into restaurants is subject to having a COVID-19 passport, which is a certificate of having received first dose of a vaccine, having had COVID-19 during the past 12 months or a negative COVID-19 test taken within the past 72 hours. Nightclubs remain closed.

RESTAURANT RESTRICTIONS TIGHTENED IN FINLAND

Restaurant restrictions were tightened again in late July, when several regions were classified as being in the acceleration phase. Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the acceleration phase at the beginning of August.

NEW RESTAURANTS:

- **Hook Tapiola**, Espoo
- **Haukilahden Helmi**, Espoo
- **Garden of Babylon and Club Babylon** (Erottaja tunnel), Helsinki

Personnel

In the period 1 January–30 June 2021, the restaurant operations of the NoHo Partners Group employed on average 773 (813) full-time employees and 541 (376) part-time employees converted into full-time employees as well as 135 (186) rented employees converted into full-time employees.

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

Near-Term Risks and Uncertainties

The 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 in all of the Group's operating countries starting from March 2020. 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, liquidity, solvency and profit. The predictability of business development over the coming months is still subject to significant uncertainty. During the next few months, the most significant risk is related to the negative business impacts of the pandemic following the fourth wave of the epidemic and the resulting business restrictions imposed by the national authorities in all of the Group's markets. The pandemic situation, restrictions imposed by the authorities and related news coverage may have a significant impact on consumer behaviour. The rate of vaccine distribution will have a significant impact on the recovery of the restaurant industry in the company's operating countries.

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. During the spring of 2021, the outlook for economic growth and customer demand, as well as consumer confidence in the economy, strengthened clearly.

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 imposed by the governments of the operating countries and their extension have a negative impact on operations and cash flow if lessors do not agree to lease accomodations for the time period during which operations have been restricted or prohibited 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 working capital and liquid assets to fund the operations and repay loans that fall due. The aim is to ensure the availability and flexibility of Group financing through sufficient credit limit reserves, a balanced loan maturity distribution and sufficiently long loan periods as well as using several financial institutions and forms of financing, when necessary. 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 continue 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 again declare a state of emergency and orders restaurants to close, leading to the sudden stoppage of business operations, working capital could eat into cash assets due to the resulting demand shock.

Should it be further prolonged, the COVID-19 pandemic and related restriction measures can lead to a deterioration of the cash position and impaired equity of the company due to lower profitability. The Group has prepared for this eventuality with the financing package it negotiated, by steering its operations with a focus on the cash flow, by reassessing the amount and timing of future investments and other financing arrangements. The cumulative cash flow of operations as well as existing liquid assets and available limits cover working capital required by the Group. In February 2021, the company completed negotiations on a new financing package with its financing providers, securing the company's long-term financial position and facilitating the measures of the reconstruction programme.

The Group has implemented determined adjustment measures during the pandemic, including, for example, several negotiations pursuant to the Act on Cooperation within Undertakings concerning all of the personnel in Finland.

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. There is a labour shortage in the restaurant industry due to the pandemic, and the future availability of labour can 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 permanently due to the COVID-19 pandemic or other internal or external factors.

Tampere, 10 August 2021

NOHO PARTNERS PLC

Board of Directors

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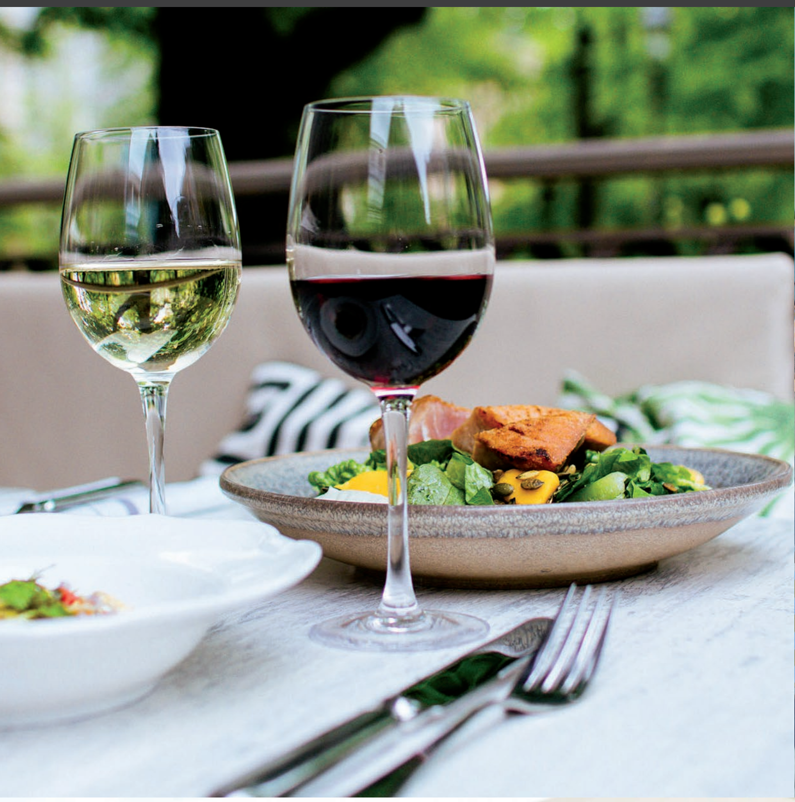
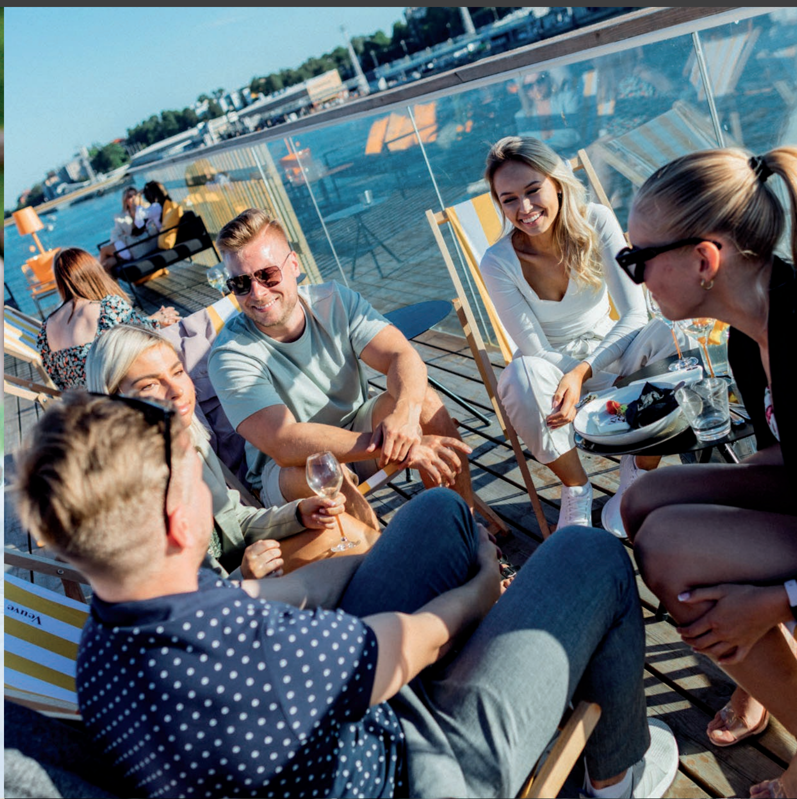
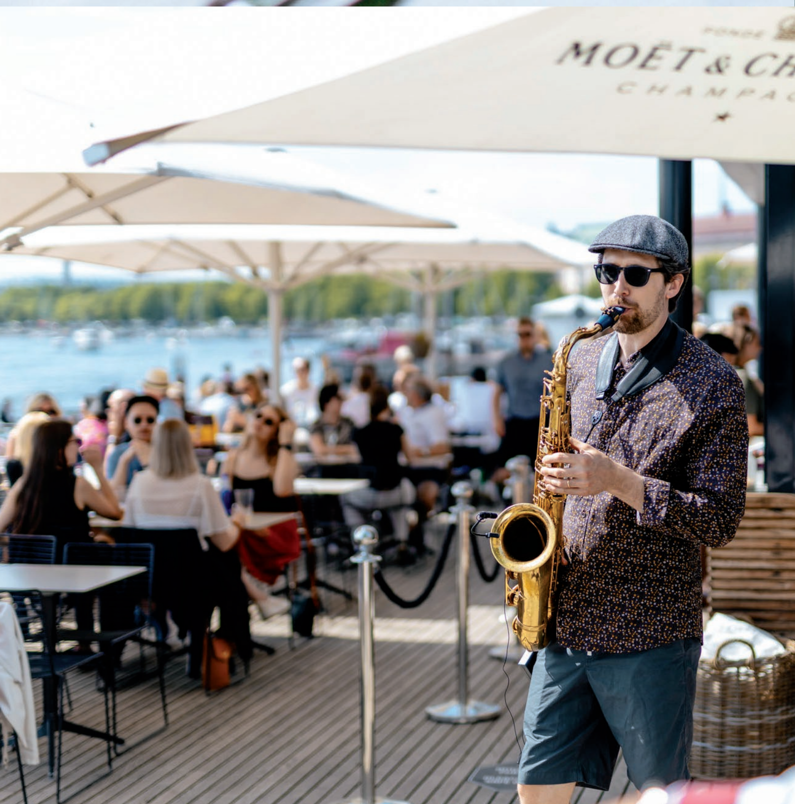
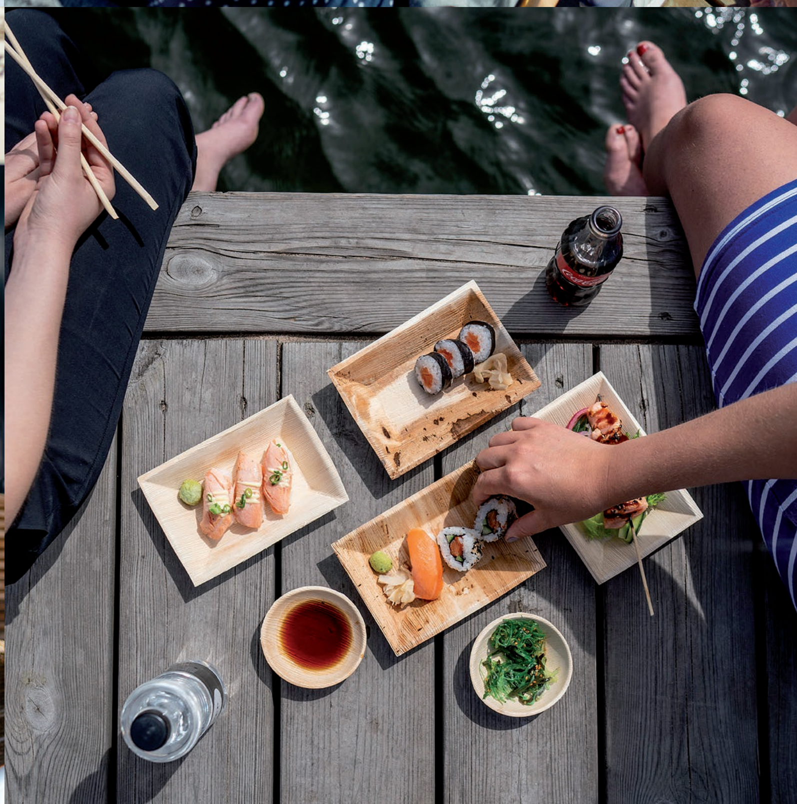
NOHO PARTNERS PLC Plc is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history. The Group companies include some 250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

Half-year Report 1 January–30 June 2021:

Table Section and Notes

Half-year Report 1 January-30 June 2021: Table Section and Notes

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

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

EUR 1,000	1 April–30 June 2021	1 April–30 June 2020	1 January–30 June 2021	1 January–30 June 2020	1 January–31 December 2020
Turnover	34,491.8	19,042.8	54,651.3	69,132.1	156,770.8
Other operating income	5,155.1	8,262.1	10,166.5	10,435.3	16,904.5
Raw materials and supplies	-11,761.8	-6,310.2	-19,110.0	-25,308.8	-57,867.2
Employee benefits	-10,395.8	-7,610.4	-19,075.3	-22,928.5	-47,660.6
Other operating expenses	-8,180.4	-5,282.9	-15,531.2	-18,827.8	-40,595.0
Depreciation, amortisation and impairment losses	-11,472.7	-16,144.0	-22,892.2	-27,168.5	-51,956.7
Share of profit of associated company	354.9	-398.2	252.5	-370.5	524.2
EBIT	**-1,808.8**	**-8,440.7**	**-11,538.4**	**-15,036.7**	**-23,880.0**
Financial income	13.3	16.3	589.0	18.9	322.8
Finance costs	-3,721.8	-2,304.8	-6,633.8	-5,603.1	-11,282.0
Net finance costs	-3,708.5	-2,288.5	-6,044.8	-5,584.2	-10,959.2
Profit before tax	**-5,517.3**	**-10,729.2**	**-17,583.2**	**-20,620.9**	**-34,839.2**
Tax based on the taxable income from the financial period	145.9	-253.3	9.3	-363.1	-1,110.7
Change in deferred taxes	1,112.8	1,804.9	2,561.6	2,953.8	6,481.1
Income tax expense	1,258.7	1,551.6	2,570.9	2,590.7	5,370.4
Profit for the period	**-4,258.6**	**-9,177.7**	**-15,012.4**	**-18,030.1**	**-29,468.8**
Profit for the period attributable to:					
Owners of the Company	-3,516.6	-8,821.4	-12,939.9	-16,782.4	-26,825.2
Non-controlling interests	-742.0	-356.3	-2,072.5	-1,247.7	-2,643.6
Total	**-4,258.6**	**-9,177.7**	**-15,012.4**	**-18,030.1**	**-29,468.8**
Earnings per share calculated from the result of the review period for owners of the Company					
Basic earnings per share (EUR)	-0.18	-0.46	-0.67	-0.91	-1.44
Diluted earnings per share (EUR)	-0.18	-0.46	-0.67	-0.91	-1.44
Consolidated statement of comprehensive income					
Result of the financial period	**-4,258.6**	**-9,177.7**	**-15,012.4**	**-18,030.1**	**-29,468.8**
Other comprehensive income (after tax):					
Foreign currency translation differences, foreign operations	-46.6	469.3	-52.6	-486.8	175.3
Other comprehensive income items that may be subsequently reclassified to profit or loss, total	-46.6	469.3	-52.6	-486.8	175.3
Total comprehensive income for the period	**-4,305.2**	**-8,708.4**	**-15,065.0**	**-18,516.9**	**-29,293.5**
Distribution of the comprehensive income for the financial period					
Owners of the Company	-3,563.2	-8,352.1	-12,992.5	-17,269.2	-26,649.9
Non-controlling interests	-742.0	-356.3	-2,072.5	-1,247.7	-2,643.6
Total	**-4,305.2**	**-8,708.4**	**-15,065.0**	**-18,516.9**	**-29,293.5**

An account of non-recurring items is presented on the next page.

Non-recurring items recognised during the financial period 1 January–30 June 2021 and the effect of the associated company Eezy Plc on the Group's result

The result for the financial period includes approximately MEUR 0.4 in unrealised exchange rate gains.

During the review period, the Group's rent concessions amounted to approximately MEUR 1.6.

The result of the associated company Eezy Plc for the review period was MEUR 0.3, of which the loss on the sale of shares accounted for MEUR -0.1. Eezy Plc's effect on the result was MEUR -0.2 in the comparison period 1 January–30 June 2020 and MEUR 0.6 in the period 1 January–31 December 2020.

Non-recurring items for the financial period 1 January–30 June 2020

Unrealised foreign exchange losses on loans were recognised in financial expenses in the amount of MEUR 1.0.

Additional depreciation and impairment has been recognised on tangible and intangible assets totalling MEUR 4.6.

Non-recurring items for the financial period 1 January–31 December 2020

The consolidated income statement includes approximately MEUR 1.6 of non-recurring items comprised of salary expenses from redundancies resulting from the cooperation negotiations, expenses relating to expiring leases and credit losses recognised during the financial period 2020. In addition, the income statement includes more than MEUR 1 of costs associated with the closure and reopening of business functions.

The result for the review period includes approximately MEUR 6.5 of non-recurring depreciation, amortisation and impairment comprised of discontinued units and units whose revenue generating capacity is expected to decline in the future as well as IFRS 16 impacts of expiring leases.

Government grants across all of the countries in which the company operates totalled approximately MEUR 12.5 for January–December 2020.

The finance costs for January–December 2020 include an exchange rate difference item of approximately MEUR 0.6 recognised due to a change in the rate of the Norwegian krone.

Consolidated balance sheet (IFRS)

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Non-current assets			
Goodwill	135,922.9	136,016.0	135,169.0
Intangible assets	42,626.8	46,536.6	44,609.4
Property, plant and equipment	45,648.5	51,783.2	48,508.5
Right-of-use assets	151,354.0	150,974.1	148,024.4
Shares in associated companies and joint ventures	354.4	38,981.3	39,212.3
Other investments	257.3	249.4	137.9
Loan receivables	126.9	403.6	125.0
Other receivables	3,684.7	2,920.5	2,921.9
Deferred tax assets	11,797.7	1,516.6	8,944.4
Non-current assets	**391,773.2**	**429,381.3**	**427,652.9**
Current assets			
Inventories	4,375.8	5,370.5	3,690.3
Loan receivables	310.2	277.9	296.4
Trade and other receivables	15,808.1	16,755.9	13,540.2
Cash and cash equivalents	7,636.4	17,289.2	3,122.9
Current assets total	**28,130.5**	**39,693.5**	**20,649.9**
Non-current assets held for sale	**32,223.5**	**0.0**	**0.0**
TOTAL ASSETS	**452,127.2**	**469,074.8**	**448,302.8**
EQUITY AND LIABILITIES			
Equity			
Share capital	150.0	150.0	150.0
Invested unrestricted equity fund	58,425.1	58,425.1	58,425.1
Retained earnings	4,559.3	27,560.5	17,562.2
Total equity attributable to owners of the Company	**63,134.4**	**86,135.6**	**76,137.3**
Non-controlling interests	2,793.0	7,069.7	4,840.0
Total equity	**65,927.4**	**93,205.3**	**80,977.4**
Non-current liabilities			
Deferred tax liabilities	7,918.6	3,802.3	7,640.1
Financial liabilities	132,357.0	111,311.1	94,111.6
Liabilities for right-of-use assets	129,108.8	128,097.5	126,068.2
Other payables	4,390.5	6,366.7	3,688.4
Non-current liabilities	**273,774.9**	**249,577.6**	**231,508.3**
Current liabilities			
Financial liabilities	40,081.3	56,520.9	73,556.9
Provisions	56.4	0.0	356.4
Liabilities for right-of-use assets	28,327.6	26,534.5	27,121.6
Trade and other payables	43,959.6	43,236.4	34,782.2
Current liabilities	**112,424.9**	**126,291.9**	**135,817.1**
Total liabilities	**386,199.8**	**375,869.5**	**367,325.4**
TOTAL EQUITY AND LIABILITIES	**452,127.2**	**469,074.8**	**448,302.8**

Consolidated statement of changes in equity

Consolidated statement of changes in equity

2021 EUR 1,000	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	Hybrid bond	TOTAL	Non-controlling interests	EQUITY, TOTAL
	Equity attributable to owners of the Company							
Equity at 1 January	**150.0**	**58,425.1**	**46.7**	**17,515.5**	**0.0**	**76,137.3**	**4,840.0**	**80,977.4**
Total comprehensive income for the period								
Result of the financial period				-12,939.9		**-12,939.9**	-2,072.5	**-15,012.4**
Other comprehensive income items (after taxes)								
Foreign currency translation differences, foreign operations			-52.6			**-52.6**	0.0	**-52.6**
Total comprehensive income for the period	**0.0**	**0.0**	**-52.6**	**-12,939.9**	**0.0**	**-12,992.5**	**-2,072.5**	**-15,065.0**
Other changes total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Transactions with shareholders								
Contributions and distributions								
Equity loans						**0.0**		**0.0**
Dividend distribution						**0.0**	-188.6	**-188.6**
Share-based payments						**0.0**		**0.0**
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-188.6**	**-188.6**
Changes in ownership interests								
Changes in non-controlling interests' shares without a change in controlling interest				-10.4		**-10.4**	2.1	**-8.4**
Changes in NCI with a change in control						**0.0**	212.0	**212.0**
TOTAL	**0.0**	**0.0**	**0.0**	**-10.4**	**0.0**	**-10.4**	**214.1**	**203.6**
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-10.4**	**0.0**	**-10.4**	**25.5**	**15.0**
Equity at 30 June	**150.0**	**58,425.1**	**-5.9**	**4,565.1**	**0.0**	**63,134.3**	**2,793.0**	**65,927.4**

Consolidated statement of changes in equity

2020 EUR 1,000	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	Hybrid bond	TOTAL	Non-controlling interests	EQUITY, TOTAL
	Equity attributable to owners of the Company							
Equity at 1 January	**150.0**	**57,670.4**	**-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				-16,782.4		**-16,782.4**	-1,247.7	**-18,030.1**
Other comprehensive income items (after taxes)								
Foreign currency translation differences, foreign operations			-486.8			**-486.8**		**-486.8**
Total comprehensive income for the period	**0.0**	**0.0**	**-486.8**	**-16,782.4**	**0.0**	**-17,269.2**	**-1,247.7**	**-18,516.9**
Other changes total	**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**
Issue of ordinary shares		754.7				**754.7**		**754.7**
Share-based payments				450.0		**450.0**		**450.0**
TOTAL	**0.0**	**754.7**	**0.0**	**-1,542.4**	**-25,000.0**	**-25,787.6**	**0.0**	**-25,787.6**
Changes in ownership interests								
Changes in non-controlling interests' shares without a change in controlling interest				-70.4		**-70.4**	547.4	**477.0**
Changes in NCI with a change in control						**0.0**	9.7	**9.7**
TOTAL	**0.0**	**0.0**	**0.0**	**-70.4**	**0.0**	**-70.4**	**557.0**	**486.7**
Total transactions with owners	**0.0**	**754.7**	**0.0**	**-1,612.7**	**-25,000.0**	**-25,858.0**	**557.0**	**-25,300.9**
Equity at 30 June	**150.0**	**58,425.1**	**-615.4**	**28,175.9**	**0.0**	**86,135.6**	**7,069.7**	**93,205.3**

Consolidated statement of cash flows (IFRS)

EUR 1,000	1 January–30 June 2021	1 January–30 June 2020	1 January–31 December 2020
Cash flows from operating activities			
Result of the financial period	-15,012.4	-18,030.1	-29,468.8
Adjustments:			
Non-cash transactions	-955.8	1,272.9	8.8
Depreciation, amortisation and impairment losses	22,892.2	27,168.5	51,956.7
Net finance costs	6,044.8	5,584.2	10,959.2
Tax expense	-2,570.9	-2,590.7	-5,370.4
Share of profit of associated company	-252.5	370.5	-524.2
Cash flow before change in working capital	**10,145.4**	**13,775.3**	**27,561.3**
Changes in working capital:			
Trade and other receivables	-2,207.6	6,644.3	9,921.8
Inventories	-670.5	639.2	2,319.4
Trade and other payables	10,758.0	-10,234.4	-20,250.0
Changes in working capital	**7,879.9**	**-2,950.9**	**-8,008.8**
Dividends received	627.5	0.0	752.1
Interest paid and other finance costs	-5,486.9	-4,494.1	-9,265.2
Interest received and other finance income	20.9	15.6	39.9
Income taxes paid	-353.1	-684.3	-2,644.5
Net cash from operating activities	**12,833.7**	**5,661.8**	**8,434.8**
Cash flows from investing activities			
Acquisition of tangible and intangible assets	-2,314.0	-2,754.5	-6,072.8
Change in other non-current receivables	-141.6	51.6	160.0
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-2,782.2	-3,157.7	-3,564.9
Sales of subsidiaries with time-of-acquisition liquid assets deducted	1.4	0.0	0.0
Business acquisitions	-350.0	-1,542.3	-1,223.1
Business divestment	78.5	75.0	148.7
Sales of shares of associated companies	6,217.7	0.0	0.0
Associated company shares purchased	-0.6	0.0	0.0
Net cash flows from investing activities	**709.2**	**-7,327.9**	**-10,552.1**
Cash flows from financing activities			
Proceeds from non-current loans and borrowings	7,482.1	66,700.0	45,945.9
Payment of non-current loans and borrowings	0.0	-3,605.2	-4,400.4
Proceeds from/repayments of current loans and borrowings	-3,023.8	3,090.3	31,064.9
Current commercial papers repaid	-500.0	-9,500.0	-17,500.0
Acquisition of non-controlling interests	-97.4	-200.0	-566.6
Repayment of hybrid bond	0.0	-27,498.0	-27,528.0
Payment of liabilities for right-of-use assets	-12,701.7	-13,648.7	-24,623.5
Dividends paid	-188.6	-1.1	-770.2
Net cash from financing activities	**-9,029.4**	**15,337.3**	**1,622.1**
Change in cash and cash equivalents	**4,513.5**	**13,671.1**	**-495.2**
Cash and cash equivalents at 1 January	**3,122.9**	**3,618.1**	**3,618.1**
Change	**4,513.5**	**13,671.1**	**-495.2**
Cash and cash equivalents at 30 June/31 December	**7,636.4**	**17,289.2**	**3,122.9**

On 16 January 2020, the company announced that it will redeem the MEUR 25 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 half-year report has been prepared observing the IAS 34 Interim Financial Reporting standard. The half-year report should be read together with the 2020 IFRS consolidated financial statements. The half-year report has been prepared by observing the same accounting principles as with the 2020 IFRS consolidated financial statements, with the exception of the new amendments to the IFRS standards effective as of 1 January 2021. The changes are described in the 2020 IFRS consolidated financial statements.

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

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.

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 continued to take determined action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In January–June 2021, the Group operated in a strictly restricted or closed business environment in all of its operating countries.

In Finland, restrictions on restaurants were in effect at the beginning of 2021, with stricter restrictions having been introduced in November 2020 due to the deterioration of the pandemic. Alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 01:00. In the regions where the pandemic was in the acceleration phase, alcohol service was permitted until 22:00 and restaurants that primarily serve alcohol could stay open until 23:00. In nightclubs, bars and pubs, the customer capacity was restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity was 75 per cent and they could stay open until midnight. In regions where the pandemic was in the community transmission phase, restaurants that primarily serve food had to close by 23:00. With a legislative proposal approved by the Parliament on 26 February 2021, the validity of the restrictions on restaurant operations was extended until the end of June 2021.

In February 2021, the Group completed negotiations on a financing agreement with its financing providers, securing the Group's financial position for the coming years and facilitating measures to be taken in the rebuilding phase.

In March, following the acceleration of the pandemic situation, the Finnish Government ordered the closure of restaurants on 8 March 2021 in regions where the pandemic was in the acceleration or community transmission phase. From that date onwards, only takeaway sales were allowed. The Group immediately entered into new negotiations under the Act on Co-operation within Undertakings in order to adapt its operations to the tighter restrictions. The co-operation negotiations concerned all of the Group's employees, totalling approximately 1,250 employees in Finland. The restrictions on restaurants also indirectly affected the approximately 2,000 people working for the Group as leased staff.

The three-week closure was extended until 18 April 2021, and restaurants could subsequently be opened on 19 April 2021 subject to strict restrictions on opening hours, alcohol service and customer capacity. In regions where the pandemic was in the acceleration or community transmission phase, restaurants serving alcohol were allowed to stay open until 18:00 and restaurants that serve food were allowed to stay open until 19:00, with alcohol service ending at 17:00. Areas in the baseline phase of the pandemic returned to restricting alcohol service to 22:00. The Finnish Parliament approved the proposal issued by the Finnish Government on 30 April

2021 on the temporary amendment of the Communicable Diseases Act to extend the validity of the temporary regulations until 31 December 2021.

In May, restrictions were gradually eased regionally and, starting from 13 May 2021, almost throughout the country, whereupon alcohol service in areas in the baseline phase was extended until midnight and opening hours until 01:00, while in areas in the acceleration phase, alcohol service was extended until 22:00 and opening hours until 23:00. In areas in the community transmission phase, restaurants serving alcohol were allowed to serve alcohol until 18:00 and stay open until 19:00, while other restaurants were ordered to stop serving alcohol at 19:00 and close at 20:00. Restaurant restrictions were eased on 24 June 2021, when the restrictions on the number of customers, alcohol service hours and opening hours were removed for areas in the baseline phase. Only Uusimaa remained in the acceleration phase, where the alcohol service hours of restaurants were extended until midnight and opening hours until 01:00. Restaurant restrictions were tightened again in late July, when several regions were classified as being in the acceleration phase. Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the acceleration phase at the beginning of August.

In the first half of 2021, the Group recognised business cost support from the Finnish state in the amount of MEUR 1.0 based on costs that arose during the period 1 November 2020–28 February 2021 and MEUR 2.8 in large companies' closure compensation and compensation for uncovered fixed expenses for March–May 2021.

In Denmark, due to the acceleration of the COVID-19 pandemic, restaurants were closed across the country on 9 December 2020, with only take-away sales allowed. In response to the improved pandemic situation, Denmark allowed restaurants to reopen, subject to restrictions, starting from 21 April 2021, with alcohol service ending at 22:00 and doors closing at 23:00. Customer capacity was restricted to about half of full capacity, and a COVID-19 passport and table reservation were required for entry. Starting from 1 June 2021, the opening hours of restaurants serving food and bars were extended until midnight and, starting from 15 July 2021, until 02:00. Entry into restaurants is subject to having a COVID-19 passport, which is a certificate of having received first dose of a vaccine, having had COVID-19 during the past 12 months or a negative COVID-19 test taken within the past 72 hours. Safe distances of 1.5 metres must also be ensured. Nightclubs remain closed.

In Denmark, the state has supported companies in the restaurant industry during the crisis by covering 80 per cent of their fixed expenses, relative to the decline in turnover. In addition to fixed expenses, the Danish state also covered 80 per cent of wage expenses from March until the end of June 2021. The state also paid employees' wages for the first seven days starting from the reopening of restaurants on 21 April 2021. Starting from the beginning of July 2021, a cost support model entered into force, whereby fixed cost support was extended for restaurants whose turnover is less than 40 per cent of their turnover in the corresponding period in 2019.

In Norway, a ban on alcohol sales in restaurants was introduced on 9 November 2020, after which restaurants have not been allowed to serve alcohol at all. The Group's restaurants in Norway are primarily restaurants that serve alcohol, and they were closed. The restriction on serving alcohol was cancelled regionally in the third week of January 2021. However, in Oslo, for example, the ban on serving alcohol continued until 2 March 2021, when restaurants in Oslo were ordered to close entirely. The prohibition of alcohol service in Norway was reinstated nationally effective from 26 March 2021. It was subsequently cancelled on a regional basis on 16 April 2021. From that date onwards, restaurants in certain municipalities were allowed to stay open until 22:30, with alcohol service ending at 22:00. In Oslo, the prohibition of alcohol service continued until 25 May 2021, when restaurants serving food were allowed to reopen. Entertainment restaurants were allowed to reopen on 26 May 2021. In Oslo and in Trondheim, for example, alcohol service was allowed until 22:00. In most other municipalities, alcohol service was allowed until midnight. The national restrictions were lifted at the end of June. Since then, the restrictions have been city-specific and municipality-specific. In Oslo, for example, restaurants serving food and bars can stay open until 03:00, but additional customers cannot be allowed in after midnight. In indoor areas of restaurants, customers must have a seat, table service is required and safe distances of 1.5 metres must be ensured. Nightclubs remain closed.

The Norwegian state's turnover-based compensation for fixed costs was 80 per cent in April–June 2021. The compensation policy will remain in effect until October 2021, provided that restrictions are still in place. The Norwegian state also supported employment by paying 50 per cent of the wages of re-employed personnel until the end of June 2021. Companies in Norway also receive additional support by municipalities and arts councils while the restrictions remain in place.

Going concern assumption

The impacts of the COVID-19 on the Group's business operations are described in the section above. The Group has continued to take determined action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In February 2021, the Group completed negotiations on a financing agreement with its financing providers, securing the Group's financial position for the coming years and facilitating measures to be taken in the rebuilding phase. The financing arrangements are described in more detail in Note 8.

The Group has continued negotiations on lease agreements with its lessors. In the first half of 2021, the Group's rent concessions amounted to approximately MEUR 1.6.

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.

According to the management, the cumulative cash flow of operations, the new funding agreement, as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months. In addition, the Group has a shareholding in Eezy Plc that has a market value in excess of MEUR 39 and is classified as an asset held for sale. By gradually reducing its shareholding, the Group aims to finance the growth targets for the strategy period 2022–2024 and, if necessary, strengthen the Group's balance sheet position. The view of the Group management is that there are currently grounds for assuming that the business operations of NoHo Partners Group will continue.

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

Measurement of associated company Eezy Plc

NoHo Partners Plc reduced its holdings in Eezy Plc in spring 2021 by selling a total of 1,246,029 shares. On 30 June 2021, the Group owned 6,274,881 shares in Eezy Plc, corresponding to a holding of 25.25 per cent. The book value of the shares on NoHo Partners Plc's balance sheet is MEUR 32.2, corresponding to a book value of EUR 5.14 per share. The closing price of the Eezy share at the end of June was EUR 6.22.

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

Non-current assets are classified as held for sale if the amount equivalent to their carrying amount will primarily accumulate from the sale of the assets rather than their continued use. The prerequisites for classification as held for sale are considered to be met when the sale is highly probable and the asset item can be immediately sold in its present condition using common terms, and when the management is committed to the sale and the sale is expected to take place within one year from the classification.

Immediately before the classification, the asset items classified as held for sale are measured according to the applicable IFRS standards. Starting from the moment of classification, the asset items held for sale are measured at carrying amount or fair value less the costs of selling, whichever is lower. Depreciation on these asset items is discontinued and the share of the associated company's result is no longer recognised after the classification.

Assets held for sale are presented separately from other assets on the balance sheet.

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 3.

2. Turnover

DISTRIBUTION OF TURNOVER BETWEEN GOODS AND SERVICES

EUR 1,000	1 April–30 June 2021	1 April–30 June 2020	1 January–30 June 2021	1 January–30 June 2020	1 January–31 December 2020
Sale of goods	32,801.9	18,403.5	51,653.3	63,107.1	144,473.7
Sale of services	1,689.9	639.4	2,998.1	6,025.1	12,297.1
Total	**34,491.8**	**19,042.8**	**54,651.3**	**69,132.1**	**156,770.8**

DISTRIBUTION OF TURNOVER BY BUSINESS AREA

EUR 1,000	1 April–30 June 2021	1 April–30 June 2020	1 January–30 June 2021	1 January–30 June 2020	1 January–31 December 2020
Restaurants	12,319.2	5,213.2	20,985.8	24,297.9	57,994.6
Entertainment venues	8,616.3	4,480.8	11,767.9	19,145.8	43,920.4
Fast casual restaurants	8,941.5	5,949.1	17,144.5	12,437.6	31,239.2
International restaurants	4,614.8	3,399.8	4,753.1	13,250.8	23,616.7
Total	**34,491.8**	**19,042.8**	**54,651.3**	**69,132.1**	**156,770.8**

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.

Asset and debt items based on contracts with customers

On asset items based on contracts, EUR 78 thousand in IFRS 9 credit loss provisions were recognised during the period 1 January–30 June 2021.

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

Restaurants sell gift cards, which are presented in current liabilities. Gift card revenue is recognised when the card is used. On 30 June 2021, the value of gift cards sold was EUR 2,168 thousand, and they are expected to be recognised as revenue during the next 12 months.

3. Government grants

The impacts of the COVID-19 on the Group's business operations are described above in Note 1.

The Group has received government grants in the first half of 2021 in Norway, Denmark and Finland to mitigate the negative impacts of the COVID-19 pandemic.

The application period for the third round of business cost support granted by the Finnish state began on 27 April 2021. The maximum amount of business cost support is MEUR 1.0 if a company's turnover has decreased by more than 30% during the period 1 November 2020–28 February 2021 compared to the corresponding period last year. In the first quarter of 2021, the Group recognised business cost support from the Finnish state in the amount of MEUR 1.0 based on costs that arose during the period 1 November 2020–28 February 2021. In the second quarter of 2021, the Group recognised MEUR 2.8 in closure compensation and business cost support from the Finnish state for March–May 2021.

The Norwegian state's turnover-based compensation for fixed costs was 80 per cent in April–June 2021. The compensation policy will remain in effect until October 2021, provided that restrictions are still in place. Companies are also paid additional financial support in Norway through municipalities and arts councils. NoHo Partners' share of the additional financial support was approximately MEUR 0.5 in January–June 2021. The distribution of additional support to restaurants will continue as the restrictions remain in place. Support received from the Norwegian state amounted to MEUR 2.4 in January–June 2021.

In Denmark, the state has supported companies in the restaurant industry during the crisis by covering 80 per cent of their fixed expenses, relative to the decline in turnover. In addition to fixed expenses, the Danish state also covered 80 per cent of wage expenses starting from March 2021 until the end of June. The state will also pay employees' wages for the first seven days starting from the reopening of restaurants on 21 April 2021. Support received from the Danish state amounted to MEUR 2.3 in January–June 2021. Starting from the 1 July 2021, a cost support model entered into force, whereby fixed cost support was extended for restaurants whose turnover is less than 40 per cent of their turnover in the corresponding period in 2019.

SPECIFICATION OF GOVERNMENT GRANTS

EUR 1,000	1 April– 30 June 2021	1 April– 30 June 2020	1 January– 30 June 2021	1 January– 30 June 2020	1 January– 31 December 2020
Finland					
Compensation for restriction of operations/ closure compensation *	1,800.0	0.0	1,800.0	0.0	4,192.0
Business cost support/compensation for fixed expenses **	1,000.0	4,048.7	2,000.0	4,048.7	0.0
Re-employment support	0.0	266.7	0.0	266.7	800.0
Development aid	0.0	0.0	0.0	0.0	146.9
Norway					
Compensation for fixed expenses	1,135.7	813.5	2,420.8	1,168.2	2,791.3
Denmark					
Compensation for fixed expenses	448.1	1,400.1	1,362.0	1,759.2	2,958.3
Compensation related to wage expenses	150.0	842.7	908.1	1,178.7	1,586.4
Total	**4,533.8**	**7,371.7**	**8,490.9**	**8,421.5**	**12,474.8**

*** Includes closure compensation for medium-sized and large companies in 2021 and the compensation received in 2020 for the restriction of operations.**
**** Includes compensation for uncovered fixed expenses in accordance with the 2021 EU state subsidy programme and business cost support.**

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

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

4. Changes in Group Structure

ACQUIRED SUBSIDIARIES AND BUSINESSES

Acquired company or business	Transfer of the right of ownership and management	Shareholding acquired
Restaurant business, Allas Sea Pool	1 February 2021	-

Allas Sea Pool restaurant business

On 29 January 2021, the Company published a media release on the Allas Sea Pool business acquisition. Allas Sea Pool's restaurant operations were transferred to NoHo Partners, which became Allas Sea Pool's tenant, effective from 1 February 2021.

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

EUR 1,000	Allas Sea Pool
Assets	
Intangible assets	472.7
Tangible assets	172.5
Assets in total	**645.2**
Net assets	**645.2**
Total purchase consideration at time of acquisition:	
Share of purchase consideration consisting of cash and cash equivalents	300.0
Share of debt	850.0
Total purchase consideration in total	**1,150.0**
Generation of goodwill through acquisitions:	
Total purchase consideration	1,150.0
Net identifiable assets of the acquired entity	645.2
Goodwill	**504.8**

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

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

EUR 1,000	Total acquisitions
Allas Sea Pool	2,461.8

Determination of contingent transaction prices

Of the transaction price for the acquisition of The Bird Mother ApS, acquired in 2018, a total of EUR 1,409 thousand was paid at the time of acquisition. The remainder of the transaction price will be determined according to the actual EBIT-DA for July 2021–December 2021 and the multiplier stipulated by the acquisition agreement. The estimated earn-out amounts to EUR 943 thousand.

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
Casseli Oy	57,5%	Tampere	1 May 2021

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

Goodwill	**114.6**
Intangible assets	**16.6**
Property, plant and equipment	**409.3**
Other asset items	**434.0**
Non-controlling interests	**212.0**
Liabilities	**-673.9**
Net assets, total	**512.6**

Gains on disposal totalling EUR 238.8 thousand were recognised in the income statement. An expense of EUR 138.7 thousand has been recognised in the income statement on the discounting of a trade receivable related to the sale of assets.

5. Intangible and Tangible Assets

EUR 1,000 Goodwill	30 June 2021	30 June 2020	31 December 2020
Book value 1 Jan.	135,169.0	128,831.6	128,831.6
Business acquisitions	504.8	7,450.9	7,450.9
Deductions	-114.6	-266.5	-266.5
Translation differences	363.6	-870.7	-847.0
Book value at the end of the review period	**135,922.9**	**136,016.0**	**135,169.0**

Intangible assets	30 June 2021	30 June 2020	31 December 2020
Book value 1 Jan.	44,609.4	48,461.4	48,461.4
Business acquisitions	472.7	1,861.0	1,861.0
Increase	10.4	208.6	745.3
Depreciation, amortisation and impairment losses	-2,618.8	-2,693.1	-6,307.5
Deductions	-77.4	-60.6	0.0
Translation differences	230.8	-468.8	-249.7
Transfers between account types	0.0	98.8	98.8
Book value at the end of the review period	**42,626.8**	**46,536.6**	**44,609.4**

Tangible assets	30 June 2021	30 June 2020	31 December 2020
Book value 1 Jan.	48,508.5	57,008.4	57,008.4
Business acquisitions	172.5	1,272.7	1,272.7
Increase	2,305.4	4,125.3	6,522.1
Depreciation, amortisation and impairment losses	-5,065.7	-9,390.8	-14,915.5
Deductions	-449.1	-631.9	-925.4
Translation differences	177.0	-606.2	-359.5
Transfers between account types	0.0	5.6	-94.3
Book value at the end of the review period	**45,648.5**	**51,783.2**	**48,508.5**

6. Lease agreements

The Group has continued negotiations on lease agreements with its lessors. In the first half of 2021, the Group's rent concessions amounted to approximately MEUR 1.6. 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. The incremental borrowing rate applied to the changes in leases is 5.0%.

RIGHT-OF-USE ASSETS

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
Book value 1 Jan.	148,024.4	159,077.4	159,077.4
Increase	4,140.2	6,933.8	20,216.6
Reassessments and modifications	13,729.2	3,966.7	2,649.6
Depreciation, amortisation and impairment losses	-15,207.7	-15,084.7	-30,733.7
Deductions	-96.3	-1,574.9	-1,574.9
Translation differences	764.2	-2,344.2	-1,610.6
Book value at the end of the review period	**151,354.0**	**150,974.1**	**148,024.4**

CHANGE IN LEASE LIABILITY

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
Lease liability at the beginning of the period	153,189.8	161,299.3	161,299.3
Net increases	17,773.0	9,325.6	21,291.3
Rent payments	-15,511.3	-12,848.6	-29,516.9
Rent concessions, COVID-19	-1,601.0	-3,128.0	-3,128.0
Interest expenses	2,809.6	2,327.9	4,886.2
Translation differences	776.4	-2,344.2	-1,642.1
Lease liability at the end of the period	**157,436.4**	**154,632.0**	**153,189.8**

LEASE LIABILITY

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
Non-current	129,108.8	128,097.5	126,068.2
Current	28,327.6	26,534.5	27,121.6
Total	**157,436.4**	**154,632.0**	**153,189.8**

LEASES IN THE INCOME STATEMENT

EUR 1,000	1 April–30 June 2021	1 April–30 June 2020	1 January–30 June 2021	1 January–30 June 2020	1 January–31 December 2020
Rent concessions, COVID-19	800.0	3,128.0	1,601.0	3,128.0	3,128.0
Expenses related to short-term leases, leases for underlying assets of low value and variable leases	-1,151.6	-348.3	-2,220.5	-891.4	-3,261.0
Depreciation of right-of-use assets	-7,630.2	-7,900.7	-15,207.7	-15,084.7	-30,733.7
Interest expenses on lease liabilities	-1,425.0	-1,292.1	-2,809.6	-2,327.9	-4,886.2
Total	**-9,406.8**	**-6,413.1**	**-18,636.8**	**-15,176.0**	**-35,752.9**

7. Impairment testing

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

The Group updated its long-term financial targets for the strategy period 2022–2024 and carried out impairment testing on 30 June 2021 using the carrying amounts and calculations of future cash amounts valid at the time. On 30 June 2021, the recoverable cash flow based on value-in-use calculations exceeded the book value by MEUR 36 (on 31 December 2020 by MEUR 20). The impairment tests on 30 June 2021 and 31 December 2020 did not indicate a need for impairment of goodwill or intangible rights with an indefinite useful life.

The increase in the difference between the recoverable amount based on value in use and the carrying amount between the financial statements date of 31 December 2020 and the half-year financial report date of 30 June 2021 is due to the gradual lifting of restrictions during the reporting period and the significant increase in vaccination coverage, which is expected to have a significant impact on the number of infections and restrictions caused by the COVID-19 pandemic, which will have a positive impact on the Group's business environment. The very quick recovery of the event business when restrictions are lifted is an indication that this is a temporary market disruption and it has not had a significant impact on the Group's long-term revenue generating expectations and cash flow.

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

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
Goodwill	135,922.9	136,016.0	135,169.0
Brands and name-use-rights	21,757.9	21,757.9	21,757.9
Non-competition agreements	120.0	120.0	120.0
Leases	2,736.1	2,736.1	2,736.1

Description of impairment testing and key assumptions

In impairment testing, the book value of cash flow generating units containing goodwill and other intangible assets with indefinite useful life are compared with their recoverable amounts. The recoverable amount is the fair value of the group of cash-generating units less the costs of selling, or the utility value, whichever is higher. If the recoverable amount is lower than the book value entered on the balance sheet, the difference is recognised as an impairment loss that decreases income. For the impairment testing, the recoverable amount used has been the utility value calculated by means of the discounted cash flow (DCF) method.

The assumptions used in the calculation of utility value for each testing period are presented below:

Key assumptions used in testing	30 June 2021	31 December 2020
Sales revenue growth, first three years, approximately	26.2%	25.5%
Sales revenue growth, other years	0.0%	0.0%
EBIT, first three years, approximately	7.4%	7.8%
Terminal growth assumption	1.0%	1.0%
Discount rate before taxes	8.3%	8.1%

The impairment calculations are based on cash flow predictions and estimates for gradual market recovery in 2021, drawn up by the Group Executive Team and approved by the Group Board of Directors during the COVID-19 pandemic, with added forecast and terminal period. The length of the forecast period used for the impairment calculations is 4 years.

THE MANAGEMENT HAS DETERMINED THE KEY ASSUMPTIONS USED IN THE CALCULATIONS AS FOLLOWS:

Assumption	Description
Growth of sales revenue	The increased sales revenue for the upcoming years is based on the estimates defined for the reference period on the gradual recovery of the market and the gradual phasing out of the COVID-19 pandemic restrictions during 2021. Due to the significant increase in vaccination coverage, the Group expects the market to return close to normal in 2022.
EBIT	The EBIT is based on the gradual recovery of the market and the gradual phasing out of the COVID-19 pandemic restrictions during 2021 and estimates of the cost structure of the Group post-pandemic. Due to the significant increase in vaccination coverage, the Group expects the market to return close to normal in 2022.
Terminal growth assumption	The terminal growth assumption is 1%.
Discount rate	A peer company analysis was utilised in determining the discount rate.

The forecast cash flows are based on the capacity of the group of cash flow-generating units that the Group has had at the time of testing. Therefore, expansion investments have not been taken into account in the cash flow estimates. The Group's cash flow-generating units or groups thereof operate in the restaurant business. The expansion of the business into new areas would expand the capacity, and the related investments or resulting gains are not included in the calculations.

Sensitivity analyses in impairment testing

No impairment losses have been recognised for any presented financial period based on completed impairment testing. On 30 June 2021, the recoverable cash flow based on value-in-use calculations exceeded the book value by more than MEUR 36. The management has prepared sensitivity analyses for essential factors and, based on the analyses, the recoverable amount equals the book value if the assumptions change one at a time:

	30 June 2021	31 December 2020
Annual decrease in sales revenue	3.9%	2.2%
EBIT, modified level, first three years, approximately	6.5%	7.3%
Change in discount rate, percentage points	0.7%	0.4%
Decrease of the terminal growth rate	0.9%	0.5%

Maintaining the calculated levels of utility value after the markets have recovered requires that, in accordance with the company strategy, sales revenue and EBIT are kept at an acceptable level, competitiveness is maintained through the continuous monitoring of pricing and cost management as well as the development of new restaurant concepts.

8. 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 spring 2020, the Group negotiated a financing package with its current financing partners for the duration of the exceptional coronavirus pandemic situation and a refinancing programme for maturing loans as part of the overall financing package. The financing arrangements are described in NoHo Partners' consolidated financial statements for 2020.

The company and its main financiers negotiated a financing package, signed on 15 February 2021, in which the bridge financing, which was negotiated at the beginning of the COVID-19 pandemic, and the current financiers' existing loans were combined into one long-term financing package. The financing package consists of a five-year programme in which loan instalments are MEUR 6 during the 2021 financial period and MEUR 22 during the 2022 financial period. The purpose of the financing package negotiated is to secure the company's long-term financing position and enable implementing the reconstruction programme after the COVID-19 pandemic. In addition to the new financing programme, the due date of the convertible loan of MEUR 10 Finnish Industry Investment Ltd (Tesi) granted in spring 2020 was moved to May 2022.

During the review period, the Group extended its commercial paper programme at the amount of MEUR 4.0 until September 2021 and repaid MEUR 0.5 of the debt.

During the review period, the Group was released from the covenant assessment that was to be conducted on 30 June 2021 in accordance with the financing agreement. The next test date is 30 September 2021.

MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES 30 JUNE 2021

EUR 1,000	Balance sheet value	Less than 1 year Q3/2021	Less than 1 year Q4/2021	Less than 1 year Q1/2022	Less than 1 year Q2/2022	1 to less than 2 years	2–5 years	More than 5 years
Finnish Industry Investment Ltd	11,124.7				11,124.7			
Commercial paper programme	4,000.0	4,000.0						
Other loans	150,471.2	111.2	6,697.2	2,077.8	9,228.1	38,832.6	92,256.1	1,268.3
Total	**165,595.9**	**4,111.2**	**6,697.2**	**2,077.8**	**20,352.8**	**38,832.6**	**92,256.1**	**1,268.3**

Account limits in use *	6,842.4
Total	**172,438.2**

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

The table indicating the maturity dates of financial liabilities includes all interest-bearing financial liabilities as well as other liabilities classified as financial liabilities. The maturities of interest on financial liabilities, trade payables and non-interest-bearing transaction price liabilities are presented on the next page.

MATURITY DISTRIBUTION OF INTEREST ON FINANCIAL LIABILITIES 30 JUNE 2021

EUR 1,000	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Interest on financial liabilities	5,482.6	4,050.7	7,775.1	236.0

The Group has made interest payments on loans in accordance with the normal terms of the financing agreement. Interest on the loan from Finnish Industry Investment Ltd will be capitalised.

TRADE PAYABLES AND LIABILITIES FOR RIGHT-OF-USE ASSETS, MATURITY DISTRIBUTION 30 JUNE 2021

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
Transaction price liabilities	3,017.8	3,278.8	1,032.3	871.7	1,374.8	
Trade payables	18,650.0	18,650.0	18,650.0			
Liabilities for right-of-use assets	157,436.5	189,005.7	33,518.2	30,864.0	64,522.0	60,101.5
Total	**179,104.3**	**210,934.5**	**53,200.5**	**31,735.7**	**65,896.8**	**60,101.5**

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

On 30 June 2021, the Group's cash and cash equivalents totalled MEUR 7.6 and the unwithdrawn loan and account limits available to the Group amounted to MEUR 6.0. In addition, on 30 June 2021, the Group owned 6,274,881 shares in the listed company Eezy Plc, corresponding to a holding of 25.25 per cent. At the closing share price on 30 June 2021, the market value of this shareholding exceeded MEUR 39.

Liquidity risk

NoHo Partners aims to ensure adequate financial assets to meet its business and financing needs. When the COVID-19 pandemic hit, the Group shifted from profit-oriented decision-making to cash flow-oriented decision-making. 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.

The COVID-19 pandemic and the restrictions introduced by governments have had a significant impact on consumer behaviour. Due to the relatively low level of business operations as a result of the strict restriction measures, working capital has declined significantly and is considerably lower than in the pre-pandemic period. Compared to the demand shock caused by the first wave of the COVID-19 pandemic in spring 2020, the Group's management expects 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. However, unexpected legislative amendments, such as the temporary implementation of the Emergency Powers Act and lockdown, might have a negative effect on the company's liquidity.

According to the present view of the Group's management, the cumulative cash flow of operations as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months, in spite of the potential prolongation of the uncertain market situation caused by the COVID-19 pandemic, assuming the government does not significantly restrict the Group's abilities to carry out its restaurant operations as described in Note 1 under "Going concern assumption".

9. 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 June 2021	9.4	165.5	3,246.2	107.3	406.2	1,532.8
30 June 2020	30.8	214.3	4,018.3	19.3	139.5	731.9
31 December 2020	294.2	331.2	9,545.9	24.7	407.7	813.3
Eezy Oyj's share of related party transactions						
30 June 2021	7.8	0.0	2,585.9	11.4	1.8	1,433.5
30 June 2020	27.2	0.0	3,845.5	19.3	2.0	669.4
31 December 2020	48.0	0.0	9,074.4	24.7	3.3	654.9

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 plan 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 share-based incentive scheme covered 11 key employees of the company's Executive Team at the start of 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 900 thousand in benefits paid in shares had been entered as expenses by 30 June 2021 during the 18-month monitoring period.

MEMBERS OF THE EXECUTIVE TEAM OF NOHO PARTNERS PLC ON 30 JUNE 2021

Aku Vikström
CEO, Chairman of the Executive Team

Jarno Suominen
Deputy CEOn

Jarno Vilponen
CFO

Juha Helminen
Director of International Operations

Anne Kokkonen
HR Director

Benjamin Gripenberg
CBO, Restaurants, Helsinki Metropolitan Area

Tanja Virtanen
CBO, Restaurants, rest of Finland

Paul Meli
CBO, Entertainment Venues

Tero Kaikkonen
CBO, Fast casual restaurants

10. Contingent Liabilities and Assets and Commitments

GUARANTEES AND CONTINGENT LIABILITIES

EUR 1,000	30 June 2021	30 June 2020	31 December 2020
Liabilities with guarantees included on the balance sheet			
Loans from financial institutions, non-current	126,491.0	95,700.8	78,004.7
Loans from financial institutions, current	38,132.5	40,280.6	70,315.2
Total	**164,623.5**	**135,981.4**	**148,319.9**
Guarantees given on behalf of the Group			
Collateral notes secured by a mortgage	37,457.9	37,455.4	37,457.6
Real estate mortgage	4,269.0	4,364.5	4,268.8
Subsidiary shares	103,511.6	105,872.9	103,435.9
Other shares	39,029.8	29,105.9	44,373.4
Bank guarantees	9,553.1	9,345.4	9,156.8
Other guarantees	2,775.9	4,649.0	5,161.2
Total	**196,597.3**	**190,793.1**	**203,853.7**
Purchase commitments			
Eezy Plc	57,465.0	65,347.2	60,050.9
Total	**57,465.0**	**65,347.2**	**60,050.9**
Contingent liabilities and assets	**2,397.5**	**1,447.8**	**2,736.1**

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

Information on the unsecured loan of MEUR 10 from Finnish Industry Investment Ltd is presented in NoHo Partners' consolidated financial statements for 2020.

11. Events After the Reporting Period

The Group has not published any material events after the reporting period.

12. Key Figures

EUR 1,000	1 April–30 June 2021	1 April–30 June 2020	1 January–30 June 2021	1 January–30 June 2020	1 January–31 December 2020
Earnings per share, EUR	-0.18	-0.46	-0.67	-0.91	-1.44
EBIT, %	-5.2%	-44.3%	-21.1%	-21.8%	-15.2%
Material margin, %	74.0%	74.1%	72.8%	72.3%	72.0%
Personnel expenses, %	37.0%	44.0%	41.2%	40.8%	38.0%
Average personnel					
Registered personnel					
Full-time personnel			773	813	721
Part-time personnel converted into full-time personnel			541	376	501
Rented workforce, converted to full-time equivalents			135	186	236
Return on equity, % (p.a.)			-40.9%	-31.3%	-27.0%
Return on investment, % (p.a.)			-5.6%	-7.4%	-5.9%
Equity ratio, %			14.6%	19.9%	18.1%
Gearing ratio, %			487.1%	326.3%	391.0%
Interest-bearing net liabilities, EUR			321,119.8	304,171.0	316,621.2
Adjusted net finance costs*, EUR	3,301.3	2,636.2	6,333.6	4,434.5	10,196.7
Operating cash flow, EUR	696.0	-190.3	-6,011.0	-3,474.2	-5,124.0
Key figures excluding the IFRS 16 effect					
Gearing ratio, %			231.3%	158.5%	192.0%
Interest-bearing net liabilities, EUR			163,683.3	149,538.9	163,431.4
Operating cash flow, bridge calculation					
EBIT	-1,808.8	-8,440.7	-11,538.4	-15,036.7	-23,880.0
Depreciation, amortisation and impairment losses	11,472.7	16,144.0	22,892.2	27,168.5	51,956.7
Share of profit of associated company	-354.9	398.2	-252.5	370.5	-524.2
Translating IFRS 16 lease expenses to be cash flow based	-8,613.0	-8,291.8	-17,112.3	-15,976.6	-32,676.5
Operating cash flow	**696.0**	**-190.3**	**-6,011.0**	**-3,474.2**	**-5,124.0**

*** The changed calculation formula is shown in the section "Calculation formulas for key figures" at the end of the Half-year report.**

CALCULATION FORMULAS FOR KEY FIGURES

Key figures required by the IFRS standards

Earnings per share

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

Earnings per share (diluted)

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

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 %

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

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 %

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

Gearing ratio % excluding IFRS 16

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

Personnel expenses %

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

Material margin %

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

Adjusted net finance costs

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

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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