

NOHO

NORDIC HOSPITALITY PARTNERS

Financial Statements Release

2021



NOHO PARTNERS PLC FINANCIAL STATEMENTS RELEASE

1 January–31 December 2021

Operating loss for 2021 was MEUR 0.9 – the fourth quarter's EBIT rose to a record-breaking level

The second year of COVID-19 in 2021 was dominated by constantly changing restaurant restrictions. The last quarter started promisingly until the restrictions were tightened again towards the end of the year and the Group had to close most of its restaurants and lay off almost all of its employees. Although the pre-Christmas period did not meet expectations, the company's MEUR 6.7 EBIT for October–December was historically good and the EBIT percentage of 9.6% was one percentage point above the level of the 2019 reference period before the pandemic.

The cost savings achieved during the pandemic and the improved operational efficiency are beginning to show as a clear improvement in relative profitability.

Operating cash flow is expected to turn positive after mid-February 2022, as the restrictions were eased, and become clearly positive after the lifting of the restrictions in March 2022. The market is expected to return to normal during the second quarter of 2022.

OCTOBER–DECEMBER 2021 IN BRIEF

- Turnover increased by 119.9% to MEUR 69.5 (MEUR 31.6).
- EBIT increased by 156.9% to MEUR 6.7 (MEUR -11.8).
- EBIT percentage was 9.6% (-37.2%), an increase of 125.9%.
- Profit for the period was MEUR 3.3 (MEUR -11.9), an increase of 128.0%.
- Earnings per share were EUR 0.08 (EUR -0.53), an increase of 115.2%.
- Operating cash flow increased by 236.5% to MEUR 9.8 (MEUR -7.2).

JANUARY–DECEMBER 2021 IN BRIEF

- Turnover increased by 18.7% to MEUR 186.1 (MEUR 156.8).
- EBIT increased by 96.2% to MEUR -0.9 (MEUR -23.9).
- EBIT percentage was -0.5% (-15.2%), an increase of 96.8%.
- The result for the financial period was MEUR -10.3 (MEUR -29.5), an increase of 64.9%.
- Earnings per share were EUR -0.55 (EUR -1.44), an increase of 61.5%.
- Operating cash flow increased by 320.4% to MEUR 11.3 (MEUR -5.1).
- The gearing ratio excluding the impact of IFRS 16 liabilities was 203.1%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 151.9. IFRS 16 liabilities totalled MEUR 169.0. The gearing ratio including the impact of IFRS 16 was 462.4%.
- Government grants totalled approximately MEUR 12.2 for January–December 2021: Finland approximately MEUR 4.5, Denmark approximately MEUR 3.5 and Norway approximately MEUR 4.2.

SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- The restaurant restrictions were eased in Finland at the beginning of October 2021. In regions in the acceleration phase, restrictions on alcohol service hours, opening hours and customer capacity were lifted completely.
- On 25 November 2021, the Group announced that it would introduce the COVID-19 passport at all of its restaurants in areas in the community transmission phase.
- The restaurant restrictions in Finland were tightened on 28 November 2021, which meant that alcohol service ended at 5 p.m. and restaurants closed at 6 p.m. It was possible to circumvent the restrictions with the COVID-19 passport.
- The company completed the largest project in its history by opening 22 restaurants at the Nokia Arena in Tampere in December 2021.
- The restrictions were tightened and the use of the COVID-19 passport was significantly limited in Finland at the end of December. The Group announced on 21 December 2021 that it will decrease its profit guidance for 2021 and lay off almost all of its personnel in Finland and commence negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its operations to the tightened restrictions.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

- All restaurants in Finland had to be closed at 6 p.m. from 12 January 2022, with alcohol service ending at 5 p.m.
- In Denmark and Norway, the restaurant restrictions were lifted on 1 February 2022.
- In Finland, alcohol service hours of restaurants were extended until 8 p.m. and opening hours until 9 p.m. on 1 February 2022. Alcohol serving hours in restaurants primarily serving alcohol were still restricted to 5 p.m. and opening hours to 6 p.m.
- The restrictions were lifted on 14 February 2022, after which alcohol service ends at 11 p.m. and opening hours end at midnight for all restaurants. The restrictions on the use of the COVID-19 passport were continued. The restrictions are to be lifted on 1 March 2022.

NUMBER OF RESTAURANTS

On 31 December 2021, the Group had 253 reported restaurant units in total:

- Restaurants: 75
- Entertainment venues: 72
- Fast casual restaurants: 66
- International restaurants 40

Future Outlook

THE MARKET

The COVID-19 pandemic has had a considerable impact on the company's market and the restaurant industry as a whole, and it has significantly affected the company's operations. As the pandemic escalated, the company's year 2022 started in a strictly limited operating environment in all of its operating countries. Private consumption is expected to recover rapidly after the restrictions are lifted and the business and event sales will gradually return to normal. Due to the significant increase in vaccination coverage and the coronavirus becoming milder, the Group expects the market to return to normal during the second quarter of 2022.

PROFIT GUIDANCE (AS OF 17 FEBRUARY 2022):

The company will issue its turnover and profitability forecast for 2022 at the latest in connection with the January–March 2022 interim report.

The company will also provide monthly reports on the development of its business under these exceptional circumstances until further notice.

PREVIOUS PROFIT GUIDANCE (AS OF 21 DECEMBER 2021):

NoHo Partners estimates that, in the final quarter of 2021, the Group will achieve a total turnover of less than MEUR 70 and the turnover for the full financial period 2021 will amount to approximately MEUR 185.

The Group's operating cash flow is estimated to be more than MEUR 8 in the positive in the final quarter of 2021 and more than MEUR 10 in the positive for the full financial period 2021.

NoHo Partners will update its guidance for 2022 in connection with the financial statements release for 2021.

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.

According to a management estimate published on 11 June 2021, 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.

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.

DIVIDEND

NoHo Partners Plc's distributable assets on 31 December 2021 were EUR 98,271,289.64, of which the share of the financial period's result is EUR -4,912,630.50.

NoHo Partners Plc's Board of Directors proposes to the Annual General Meeting convening on 27 April 2022 that, based on the confirmed balance sheet for the financial period that ended on 31 December 2021, no dividend be distributed. On the financial statements date, 31 December 2021, there were 19,222,270 shares in the company.

KEY FIGURES

NoHo Partners Group, total

(EUR 1,000)	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
KEY FIGURES, ENTIRE GROUP				
Turnover	69,530	31,615	186,069	156,771
EBIT	6,702	-11,772	-898	-23,880
EBIT, %	9.6%	-37.2%	-0.5%	-15.2%
Result of the financial period	3,328	-11,887	-10,338	-29,469
Earnings per share (EUR) for the review period attributable to the owners of the Company	0.08	-0.53	-0.55	-1.44
Operating cash flow, EUR	9,775	-7,161	11,295	-5,124
Interest-bearing net liabilities excluding IFRS 16 impact, EUR			151,916	163,431
Gearing ratio excluding IFRS 16 impact, %			203.1%	192.0%
Interest-bearing net liabilities, EUR			320,877	316,621
Gearing ratio, %			462.4%	391.0%
Equity ratio, %			15.1%	18.1%
Return on investment, % (p.a.)			0.0%	-5.9%
Adjusted net finance costs*, EUR	2,969	3,270	12,517	10,197
Material margin, %	75.9%	68.9%	74.4%	72.0%
Personnel expenses, %	35.5%	41.5%	36.0%	38.0%

* The changed calculation formula is shown in the section "Calculation formulas for key figures" at the end of the financial statements release.

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 financial statements release.

Review by the CEO

For NoHo Partners, the year 2021 was a roller-coaster ride, as we navigated the ever-changing landscape of restaurant restrictions. The year began in a tightly restricted environment and, in the spring, the restaurant operations were completely shut down. The business recovery, which started well in the summer, quickly stalled due to the tightening of restrictions. The last quarter started again promisingly with the easing of restrictions in all the company's operating countries, until restrictions detrimental to business operations were again imposed towards the end of the year.

In terms of making a profit, the year was twofold. In 2021, turnover was MEUR 186.1 (156.8) and EBIT MEUR -0.9 (-23.9). The key indicator used during the exceptional circumstances – operating cash flow – was MEUR 11.3 (-5.1) in the positive for the whole year. As the restrictions eased, the company was able to demonstrate its profit performance by achieving record-level relative profitability figures. Correspondingly, in an unpredictable and unstable environment with restrictions, especially in Finland, it was impossible to deliver results. Nevertheless, I am proud and grateful for the flexibility that our organisation showed during the closures and ramp-ups of operations, which allowed us to minimise the losses. In the midst of the exceptional circumstances, we also completed the largest project in our history by opening 22 restaurants at the Nokia Arena in December.

During the year, the company announced its new strategy and financial targets for 2024. Strategic programmes have been pursued with determination, without compromising on objectives, even in the midst of the unstable business environment. The relative profitability of the last quarter (with an EBIT margin of 9.6%), delivered promising signs about this. Profitability was one percentage point better than in the last quarter of the record year 2019, although sales during the last couple of weeks of the year were ruined by the severe restrictions measures in all three countries.

The company has focused on ensuring its competitiveness by taking care of its personnel and preparing for the increase in the price of raw materials through the centralisation of purchasing activities and price increases. Together with financial institutions, the company is also committed to a loan repayment programme that makes it possible to implement the company's growth plan pursuant to the strategy and lighten its debt burden in a balanced manner. The aim is for the ratio of net debt to operating cash flow, adjusted for IFRS 16 lease liability, to be under 3 by the end of 2024.

The beginning of 2022 was characterised by the rapid spread of the Omicron variant and the resulting restaurant restrictions. However, according to the current outlook, the company will return to its positive cash flow business already in mid-February. The lifting of the remaining restaurant restrictions at the beginning of March will allow the business to recover and return to normal during the second quarter of 2022. Private consumption is expected to recover rapidly after the restrictions are lifted and the order book for business and event sales is also expected to show a strong transition from the previous year. The company will issue its guidance for 2022 when visibility improves after the lifting of the restrictions. The company will also publish its sustainability report for the first time in June 2022.

Aku Vikström

CEO, NoHo Partners

Turnover and Income

OCTOBER–DECEMBER 2021 IN BRIEF

The Group's turnover in October–December 2021 was MEUR 69.5, an increase of 119.9 per cent year-on-year. Personnel expenses were 35.5 per cent and the material margin was 75.9 per cent. EBIT grew by 156.9 per cent to MEUR 6.7. Operating cash flow grew by 236.5 per cent to MEUR 9.8. Adjusted net finance costs totalled MEUR 3.0. Profit grew by 128.0 per cent to MEUR 3.3, while earnings per share increased by 115.2 per cent year-on-year and amounted to EUR 0.08.

JANUARY–DECEMBER 2021 IN BRIEF

The Group's turnover in January–December 2021 was MEUR 186.1, a growth of 18.7 per cent in comparison with last year's reference period. Personnel expenses were 36.0 per cent and the material margin was 74.4 per cent. Depreciation, amortisation and impairment totalled MEUR 47.1. EBIT grew by 96.2 per cent to MEUR -0.9. Operating cash flow grew by 320.4 per cent to MEUR 11.3. Adjusted net finance costs totalled MEUR 12.5. The result improved by 64.9 per cent to MEUR -10.3, while earnings per share were EUR -0.55, representing year-on-year growth of 61.5 per cent.

JANUARY 2022 IN BRIEF

The Group's turnover for January 2022 was MEUR 6.7, which decreased by 13 per cent from the reference month of 2021 and represents 43 per cent of the turnover of the reference month of 2019 prior to the pandemic. Operating cash flow was approximately MEUR -2.6 in January.

OUTLOOK FOR FEBRUARY–MARCH 2022

Based on the current estimate on the development of the operating environment, turnover in February 2022 is expected to be MEUR 13–15 and operating cash flow is expected to be MEUR -1–0. Turnover in March 2022 is expected to be more than MEUR 21 and operating cash flow is expected to be MEUR 2–3.

Turnover in the business areas of the restaurant business:

	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
RESTAURANTS				
Turnover (MEUR)	25.2	13.7	68.7	58.0
<i>Percentage of the total turnover</i>	36.2%	43.3%	36.9%	37.0%
Change in turnover	84,0 %		18.4%	
Units, number	75	77	75	77
Turnover/unit (MEUR)	0.34	0.18	0.92	0.75
ENTERTAINMENT VENUES				
Turnover (MEUR)	19.6	5.7	49.5	43.9
<i>Percentage of the total turnover</i>	28.2%	17.9%	26.6%	28.0%
Change in turnover	245.5%		12.7%	
Units, number	72	67	72	67
Turnover/unit (MEUR)	0.27	0.08	0.69	0.66
FAST CASUAL RESTAURANTS				
Turnover (MEUR)	11.4	8.9	39.9	31.2
<i>Percentage of the total turnover</i>	16.5%	28.2%	21.4%	19.9%
Change in turnover	28.5%		27.7%	
Units, number	66	53	66	53
Turnover/unit (MEUR)	0.17	0.17	0.60	0.59
INTERNATIONAL RESTAURANTS				
Turnover (MEUR)	13.3	3.3	28.0	23.6
<i>Percentage of the total turnover</i>	19.1%	10.6%	15.1%	15.1%
Change in turnover	298.1%		18.6%	
Units, number	40	40	40	40
Turnover/unit (MEUR)	0.33	0.08	0.70	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 governments 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 company has taken purposeful action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In the first half of 2021, the Group operated in a strictly restricted or closed business environment in all of its operating countries. In the third quarter, the restrictions were relaxed in Finland and gradually lifted in Denmark and Norway. In the last quarter, the restrictions tightened again in all market areas of the company. A more detailed description of the changes in restaurant restrictions is presented in Note 1: Accounting Principles, on page 25 of the financial statements release.

In Finland, the restaurant restrictions were eased at the beginning of October, when regions in the baseline and acceleration phases only had general obligations concerning hygiene and safe distances. In regions in the community transmission phase, alcohol service hours and opening hours were extended to midnight and 1:00 a.m. respectively, and the prohibition of karaoke and dancing was lifted throughout the country.

NoHo Partners started using the COVID-19 passport in all restaurants starting from 25 November 2021. The restaurant restrictions were tightened in Finland on 28 November 2021, and after that alcohol service in restaurants in areas in the community transmission phase ended at 5 p.m. and opening hours at 6 p.m. The restrictions could be circumvented with a COVID-19 passport.

On 21 December 2021, the Finnish government announced new tightened restrictions as of 24 December 2021, with the use of COVID-19 passports and business and alcohol service hours significantly restricted nationally. All restaurants in the country had to be closed at 6 p.m. from 12 January 2022, with alcohol service ending at 5 p.m.

The Group announced immediately on 21 December 2021 that it was decreasing its profit guidance for 2021, published on 9 November 2021, as a result of strict restrictions on restaurant opening hours, local restrictions on assembly and the decision of the Finnish government to discontinue the use of the COVID-19 passport. As a consequence, the company had to close almost all of its Finnish restaurants. At the same time, the Group announced that it was laying off almost all of its personnel in Finland, totalling approximately 1,250 employees, and commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its operations to the tightened restrictions.

After the 2021 financial period, alcohol service hours of restaurants were extended until 8 p.m. and opening hours until 9 p.m. at the beginning of February 2022. There was no change to stopping alcohol service at 5 p.m. and staying open until 6 p.m. of restaurants serving alcohol. The restrictions continued until 14 February 2022, after which alcohol service ends at 11 p.m. and opening hours end at midnight for all restaurants. The restrictions on assembly were also discontinued. The restriction on the use of the COVID-19 passport will continue for the time being and legislative work on it will continue. The restaurant restrictions are to be lifted completely on 1 March 2022.

During 2021, the company received approximately MEUR 4.5 in support from the Finnish state, of which the share of the last quarter was MEUR 0.7.

In Denmark, the restaurant restrictions were lifted throughout the country on 10 September 2021. The COVID-19 passport was taken back into use on 12 November 2021 in restaurants, bars, cafes and nightclubs and in indoor events of more than 200 people and outdoor events of more than 2,000 people. Restaurants had to close at 11 p.m., with alcohol service ending at 10 p.m. Customer capacity was restricted to half of normal and the nightclubs were closed. All restaurant restrictions were lifted in Denmark as of 1 February 2022.

In Denmark, the state has supported companies in the restaurant industry during the crisis by covering approximately 80 per cent of their fixed expenses, relative to the decline in turnover, similarly as the wage subsidy. With the restrictions re-introduced in November 2021, the Danish state covered up to 80 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. If a company was proactively closed, the state reimbursed 90 per cent of fixed costs, depreciation and interest between 17 December 2021 and 17 January 2022. When the restrictions were valid, the wage subsidy was 90 per cent of the wages of hourly paid workers and 75 per cent of the salaries of monthly wage earners.

In Norway, the restaurant restrictions were lifted throughout the country on 25 September 2021, and were tightened again in mid-December 2021, with a four-week ban on serving alcohol in restaurants. It ended on 14 January 2022, after which all restaurants were allowed to serve alcohol until 11 p.m. and stay open until midnight. The customer capacity was limited to about 50 per cent and only table service was allowed. The restaurant restrictions, with the exception of the prohibition to dance and one-metre safe distance, were lifted in Norway on 1 February 2022. The rest of the restrictions were lifted on 12 February 2022.

The Norwegian state's 80% compensation for fixed costs remained in effect until the end of September 2021, when the restaurant restrictions were lifted. With the restrictions tightening again in December, the Norwegian state covered up to 85 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. Waste was reimbursed at a rate of 100% and the turnover of cancelled events at a rate of 70%. The wage subsidy (80 per cent up to NOK 30,000/month) and the reimbursement of fixed costs continued until the end of January 2022.

Government assistance during the state of emergency

In financial period 2021, the Group received support amounting to approximately MEUR 4.5 from the Finnish state, approximately MEUR 3.5 from the Danish state and approximately MEUR 4.2 from the Norwegian state. The financial support received by the Group from the Finnish, Danish and Norwegian governments for financial period 2021 totalled approximately MEUR 12.2 and for October–December 2021 approximately MEUR 3.0.

A more detailed account of government assistance and the distribution thereof is presented in Note 3 Government grants in the financial statements release.

Summary

The COVID-19 pandemic with its restrictive measures on the restaurant industry had a significant impact on the Group's result for the financial period 2021. At the beginning of the last quarter of 2021, as the restrictions were eased, customer demand was strong in each of the Group's operating countries. The restrictions tightened again in November–December 2021 in all areas of the Group's operations, which had a significant impact on the Group's turnover and profit for the rest of the year.

The Group's turnover in October–December 2021 was MEUR 69.5, representing growth of about 119.9 per cent compared to the corresponding period in 2020 and amounting to roughly 92.5 per cent of the turnover in the corresponding period in 2019, before the COVID-19 pandemic. In January–December 2021, turnover was MEUR 186.1, representing growth of about 18.7 per cent compared to the corresponding period in 2020 and amounting to roughly 68.2 per cent of the turnover in the corresponding period in 2019. The Group estimates that it lost approximately MEUR 100 in turnover due to the COVID-19 pandemic in the financial period 2021.

Operating cash flow was MEUR 9.8 in October–December 2021 and MEUR 11.3 in January–December 2021. In October–December 2021, the Group's EBIT was MEUR 6.7, with the EBIT percentage being 9.6%. The EBIT percentage for the last quarter of 2019 prior to the pandemic was 8.6%, so the cost savings achieved during the pandemic and the improved operational efficiency are beginning to show as a clear improvement in relative profitability as the volumes increased.

The Group's operating loss for the financial period 2021 was MEUR -0.9, while the operating loss for the financial period 2020 was MEUR -23.9.

The Group recognised approximately MEUR 3.0 in financial support from the Finnish, Danish and Norwegian governments for the period 1 October–31 December 2021 and approximately MEUR 12.2 for the period 1 January–31 December 2021. Reductions in rent totalled approximately MEUR 2.8 in the financial period 2021.

The Group's turnover for January 2022 was MEUR 6.7, which decreased by 13 per cent from the reference month of 2021 and represents 43 per cent of the turnover of the reference month of 2019 prior to the pandemic. Operating cash flow was approximately MEUR -2.6 in January.

Based on the current estimate on the development of the operating environment, turnover in February 2022 is expected to be MEUR 13–15 and operating cash flow is expected to be MEUR -1–0.

Turnover in March 2022 is expected to be more than MEUR 21 and operating cash flow is expected to be MEUR 2–3.

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 for January–December 2021 was MEUR 45.0 (MEUR 8.4).

Growth investments made during the fourth quarter of 2021 included the opening of the Davai Davai restaurant in Helsinki, the opening of the Baarikärpänen nightclub in Helsinki and the opening of 22 restaurants at the Nokia Arena in Tampere.

The Group's gearing ratio excluding the impact of IFRS 16 liabilities was 203.1% on 31 December 2021. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 151.9. IFRS 16 liabilities totalled MEUR 169.0. The Group's interest-bearing net liabilities (including the IFRS 16 liability) at the end of December 2021 were MEUR 320.9 (MEUR 316.6). The adjusted net finance costs for January–December 2021 were MEUR 12.5 (MEUR 10.2). The equity ratio was 15.1% (18.1%) and the gearing ratio was 462.4% (391.0%).

Significant Events in the Fourth Quarter

RESTAURANT RESTRICTIONS WERE RELAXED IN FINLAND

Restaurant restrictions were relaxed effective from the beginning of October 2021. In regions in the acceleration phase of the pandemic, restrictions on opening hours and alcohol service hours were lifted completely. Consequently, regions in the baseline and acceleration phases only had general obligations concerning hygiene and safe distances. In regions in the community transmission phase, alcohol service hours and opening hours were extended by one hour to midnight and 1:00 a.m. respectively, and the prohibition of karaoke and dancing was lifted throughout the country.

COVID-19 PASSPORT IMPLEMENTED IN FINLAND

A COVID-19 passport was implemented in Finland on 16 October 2021 as an alternative to the restaurant restrictions. The COVID-19 passport was used in regions in the community transmission phase that were subject to restaurant restrictions. On 25 November 2021, the company announced that it would temporarily introduce the COVID-19 passport at all of its restaurants in areas in the community transmission phase.

RESTAURANT RESTRICTIONS WERE EXTENDED IN FINLAND

On 28 October 2021, the Finnish Government announced it would extend the validity of the decree restricting the operations of restaurants until 15 November 2021. The existing regional restrictions on restaurants remained unchanged. The community transmission phase restrictions on restaurants were in effect in the regions of Southwest Finland, Satakunta, Päijät-Häme, Ostrobothnia, South Ostrobothnia, Central Ostrobothnia and Uusimaa effective from 31 October 2021.

RESTAURANT RESTRICTIONS TIGHTENED IN FINLAND

The restaurant restrictions in Finland were tightened on 28 November 2021, which meant that alcohol service ended at 5 p.m. and restaurants closed at 6 p.m. in restaurants in the community transmission phase. On 21 December 2021, the Finnish government announced new tightened restrictions as of 24 December 2021, with the use of COVID-19 passports and business and alcohol service hours significantly restricted nationally.

22 RESTAURANTS OPENING AT THE NOKIA ARENA

NoHo Partners completed the largest project in its history when 22 restaurants at the Nokia Arena in Tampere opened their doors in December 2021. The restaurants at the arena will employ up to 250 restaurant industry professionals.

THE GROUP ISSUED A PROFIT WARNING

NoHo Partners Plc announced on 21 January 2021 that it was decreasing its profit guidance for 2021, published on 9 November 2021, as a result of strict restrictions on restaurant opening hours, local restrictions on assembly and the decision of the Finnish government to discontinue the use of the COVID-19 passport. As a consequence, the company had to close almost all of its Finnish restaurants and lay off nearly all of its employees.

THE GROUP ANNOUNCED LAYOFFS AND NEW CO-OPERATION NEGOTIATIONS

The Group announced on 21 December 2021 that it was laying off almost all of its personnel in Finland, totalling approximately 1,250 employees, on the basis of the decision made during the previous round of co-operation negotiation and commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its operations to the tightened 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 negotiations concerned full-time or part-time temporary layoffs of personnel.

NEW RESTAURANTS:

- Davai Davai, **Helsinki**
- Baarikärpänen, **Helsinki**
- 22 restaurants at the Nokia Arena, **Tampere**

Events After the Review Period

RESTRICTIONS ARE TIGHTENED IN FINLAND

The ministerial working group to coordinate the COVID-19 measures of the Finnish Government announced on 7 January 2022 that all restaurants in the country had to be closed at 6 p.m. from 12 January 2022, with alcohol service ending at 5 p.m. On 18 January 2022, the Finnish Government outlined that the restrictions on restaurants, events and customer spaces as well as the use of COVID-19 passports were to be extended for two weeks until mid-February. According to the Government, the aim is to enable wider use of COVID-19 passports in leisure events in the future.

SPECIAL SHARE ISSUE

On 27 January 2022, NoHo Partners Plc announced that it will issue 40,503 new shares in a special issue. The number of shares subscribed for in the share issue corresponded to approximately 0.2 per cent of the share capital of NoHo Partners after the registration of the new shares.

The issue was offered to the Norwegian company Carpe Diem AS as part of an arrangement through which NoHo Partners' subsidiary NoHo Partners International Oy acquired an additional 6% share in the Norwegian company NoHo Norway AS. After the transaction, NoHo Partners International Oy owns a total of 86% of NoHo Norway AS' share capital. In the transaction, in addition to the Shares, the Seller received a total of approximately EUR 294,000 in receivables from NoHo Norway AS. The subscription price per Share was EUR 7,993, which corresponds to the three (3) months' volume weighted average price of the NoHo Partners share. The shares were registered in the Trade Register on 28 January 2022, and they granted their holders shareholder rights as of the registration date. The shares were admitted to trading at Nasdaq Helsinki Oy on 31 January 2022. With the subscriptions, the number of NoHo Partners shares increased to 19,262,773 shares.

RESTRICTIONS TO BE LIFTED IN FINLAND

The Finnish Government announced on 27 January 2022 that alcohol service hours of restaurants will be extended until 8 p.m. and opening hours until 9 p.m. on 1 February 2022. There was no change to stopping alcohol service at 5 p.m. and staying open until 6 p.m. of restaurants primarily serving alcohol. The COVID-19 passport could not be used to circumvent the restrictions concerning alcohol serving, opening hours and number of seats, and the limitations of its use were extended until 15 February 2022.

The Government announced on 2 February 2022 that the restrictions will continue in Finland until 14 February 2022, after which alcohol service will end at 11 p.m. and opening hours will end at midnight for all restaurants. The restrictions on the use of the COVID-19 passport were continued and the restrictions on assembly were lifted. The restrictions are to be lifted on 1 March 2022.

RESTRICTIONS TO BE LIFTED IN DENMARK AND NORWAY

All restaurant restrictions were lifted in Denmark as of 1 February 2022. The restaurant restrictions in Norway were lifted as of 1 February 2022, with the exception of the prohibition to dance and one-metre safe distance. The rest of the restrictions in Norway were lifted on 12 February 2022.

Personnel

In the period 1 January–31 December 2021, the restaurant operations of the NoHo Partners Group employed on average 951 (721) full-time employees and 546 (501) part-time employees converted into full-time employees as well as 262 (236) 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 caused by the prolongation of the epidemic or emerging of new virus variants and waves as well as the potential resulting business restrictions imposed by the public authorities. The pandemic situation, restrictions imposed by the authorities and related news coverage may have a significant impact on consumer behaviour. The vaccination coverage has 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. In 2021, the economic growth and demand outlook as well as consumer confidence in the economy improved substantially. In January 2022, consumers confidence in the economy was at the average level.

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 accommodations 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 neces-

sary. 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 continues to be prolonged 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 Group negotiated a new financing package with its financing providers, securing the Group's long-term financial position and facilitating the measures of the reconstruction programme.

The Group has implemented purposeful adjustment measures during the pandemic, including, for example, several negotiations pursuant to the Act on Co-operation 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, 17 February 2022

NOHO PARTNERS PLC

Board of Directors

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NOHO PARTNERS PLC is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and which 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 & Brgs and Cock's & Cows. Depending on the season, the Group employs approximately 2,100 people converted into full-time employees. The Group aims to achieve turnover of MEUR 400 by the end of 2024. The company's vision is to be the leading restaurant company in Northern Europe.

Financial Statements Release
1 January–31 December 2021:
Table Section and Notes



Financial Statements Release 1 January–31 December 2021: Table Section and Notes

The information presented in the Financial Statements Release has not been audited

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

EUR 1,000	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Turnover	69,529.5	31,614.6	186,069.0	156,770.8
Other operating income	4,825.8	3,175.7	17,473.6	16,904.5
Raw materials and supplies	-23,113.2	-12,190.7	-63,810.1	-57,867.2
Employee benefits	-18,880.0	-11,286.2	-52,744.3	-47,660.6
Other operating expenses	-13,774.8	-9,773.0	-41,107.0	-40,595.0
Depreciation, amortisation and impairment losses	-11,931.2	-13,584.0	-47,055.4	-51,956.7
Share of profit of associated company	45.5	272.1	275.8	524.2
EBIT	6,701.6	-11,771.5	-898.4	-23,880.0
Financial income	474.1	285.2	1,098.1	322.8
Finance costs	-3,236.0	-3,011.9	-12,975.7	-11,282.0
Net finance costs	-2,761.9	-2,726.7	-11,877.6	-10,959.2
Profit before tax	3,939.7	-14,498.2	-12,776.0	-34,839.2
Tax based on the taxable income from the financial period	-722.2	507.7	-1,232.4	-1,110.7
Change in deferred taxes	110.1	2,103.5	3,670.9	6,481.1
Income tax expense	-612.1	2,611.3	2,438.5	5,370.4
Profit for the period	3,327.6	-11,887.0	-10,337.5	-29,468.8
Profit for the period attributable to:				
Owners of the Company	1,560.9	-10,217.4	-10,635.4	-26,825.2
Non-controlling interests	1,766.7	-1,669.6	297.9	-2,643.6
Total	3,327.6	-11,887.0	-10,337.5	-29,468.8
Earnings per share calculated from the result of the review period for owners of the Company				
Basic earnings per share (EUR)	0.08	-0.53	-0.55	-1.44
Diluted earnings per share (EUR)	0.08	-0.53	-0.55	-1.44
Consolidated statement of comprehensive income				
Result of the financial period	3,327.6	-11,887.0	-10,337.5	-29,468.8
Other comprehensive income (after tax):				
Foreign currency translation differences, foreign operations	-220.3	549.6	-191.5	175.3
Other comprehensive income items that may be subsequently reclassified to profit or loss, total	-220.3	549.6	-191.5	175.3
Total comprehensive income for the period	3,107.3	-11,337.4	-10,529.0	-29,293.5
Distribution of the comprehensive income for the financial period				
Owners of the Company	1,340.6	-9,667.8	-10,826.9	-26,649.9
Non-controlling interests	1,766.7	-1,669.6	297.9	-2,643.6
Total	3,107.3	-11,337.4	-10,529.0	-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–31 December 2021 and the effect of the associated company Eezy Plc on the Group's result

The result for the financial period includes approximately MEUR 0.6 in unrealised exchange rate gains (2020: MEUR 0.6 in unrealised exchange rate losses).

During the review period, the Group's rent concessions amounted to approximately MEUR 2.8.

During the financial period, additional depreciation and impairment has been recognised on tangible and intangible assets totalling MEUR 2.6.

The result of the associated company Eezy Plc for the period 1 January–30 June 2021 was MEUR 0.3. Eezy Plc's effect on the result was MEUR 0.6 in the comparison period 1 January–31 December 2020.

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 classified its shareholding in Eezy Plc as an asset held for sale.

After the shares were classified as an asset held for sale, capital gains of MEUR 0.7 have been recognised on the sale of the shares. The capital gain is recognised in other operating income in the consolidated income statement. After the moment of classification, the dividend of MEUR 0.3 distributed by Eezy Plc has been recognised in financial income.

In the period 1 October–31 December 2021, the shares of non-controlling interests of income is increased considerably by public grants received by the Group from the Finnish State during the financial period, which have been allocated to the subsidiaries during the fourth quarter. The negative impact of group limits set for the grants on the total amount of grants is mainly borne by the Group's parent company.

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 estimated to decline in the future as well as IFRS 16 impacts of expiring leases.

Consolidated balance sheet (IFRS)

EUR 1,000	31 December 2021	31 December 2020
ASSETS		
Non-current assets		
Goodwill	137,094.5	135,169.0
Intangible assets	40,408.2	44,609.4
Property, plant and equipment	47,160.4	48,508.5
Right-of-use assets	162,239.7	148,024.4
Shares in associated companies and joint ventures	44.9	39,212.3
Other investments	261.9	137.9
Loan receivables	566.1	125.0
Other receivables	2,685.9	2,921.9
Deferred tax assets	10,305.8	8,944.4
Non-current assets	400,767.4	427,652.9
Current assets		
Inventories	5,008.9	3,690.3
Loan receivables	757.3	296.4
Trade and other receivables	16,194.0	13,540.2
Cash and cash equivalents	6,410.5	3,122.9
Current assets total	28,370.7	20,649.9
Non-current assets held for sale	30,117.3	0.0
TOTAL ASSETS	459,255.4	448,302.8
EQUITY AND LIABILITIES		
Equity		
Share capital	150.0	150.0
Invested unrestricted equity fund	58,425.1	58,425.1
Retained earnings	5,785.9	17,562.2
Total equity attributable to owners of the parent company	64,361.0	76,137.3
Non-controlling interests	5,027.9	4,840.0
Total equity	69,388.9	80,977.4
Non-current liabilities		
Deferred tax liabilities	5,347.2	7,640.1
Financial liabilities	113,236.1	94,111.6
Liabilities for right-of-use assets	139,560.1	126,068.2
Other payables	3,628.9	3,688.4
Non-current liabilities	261,772.3	231,508.3
Current liabilities		
Financial liabilities	46,414.0	73,556.9
Provisions	50.0	356.4
Liabilities for right-of-use assets	29,400.2	27,121.6
Income tax payables	2,328.7	1,332.5
Trade and other payables	49,901.2	33,449.7
Current liabilities	128,094.1	135,817.1
Total liabilities	389,866.4	367,325.4
TOTAL EQUITY AND LIABILITIES	459,255.4	448,302.8

Consolidated statement of changes in equity

Consolidated statement of changes in equity

Equity attributable to owners of the Company

2021 EUR 1,000	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	Hybrid bond	TOTAL	Non-controlling interests	EQUITY, TOTAL
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				-10,635.4		-10,635.4	2979	-10,337.5
Other comprehensive income items (after taxes)								
Foreign currency translation differences, foreign operations			-191.5			-191.5	0.0	-191.5
Total comprehensive income for the period	0.0	0.0	-191.5	-10,635.4	0.0	-10,826.9	2979	-10,529.1
Transactions with shareholders								
Contributions and distributions								
Equity loans						0.0		0.0
Dividend distribution						0.0	-735.2	-735.2
Share-based payments				100.0		100.0		100.0
TOTAL	0.0	0.0	0.0	100.0	0.0	100.0	-735.2	-635.2
Changes in ownership interests								
No change in control				-1,049.4		-1,049.4	413.2	-636.3
Change in control						0.0	212.0	212.0
TOTAL	0.0	0.0	0.0	-1,049.4	0.0	-1,049.4	625.2	-424.3
Total transactions with owners of the Company	0.0	0.0	0.0	-949.4	0.0	-949.4	-110.0	-1,059.5
Equity at 31 December	150.0	58,425.1	-144.9	5,930.8	0.0	64,361.0	5,027.9	69,388.9

Consolidated statement of changes in equity

Equity attributable to owners of the Company

2020 EUR 1,000	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	Hybrid bond	TOTAL	Non-controlling interests	EQUITY, TOTAL
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				-26,825.2		-26,825.2	-2,643.6	-29,468.8
Other comprehensive income items (after taxes)								
Foreign currency translation differences, foreign operations			175.3			175.3	0.0	175.3
Total comprehensive income for the period	0.0	0.0	175.3	-26,825.2	0.0	-26,649.9	-2,643.6	-29,293.5
Transactions with shareholders								
Contributions and distributions								
Equity loans				-1,992.4	-25,000.0	-26,992.4		-26,992.4
Dividend distribution						0.0	-704.2	-704.2
Issue of ordinary shares		754.7				754.7		754.7
Share-based payments				281.1		281.1		281.1
TOTAL	0.0	754.7	0.0	-1,711.3	-25,000.0	-25,956.5	-704.2	-26,660.8
Changes in ownership interests								
No change in control				-518.9		-518.9	417.8	-101.1
Change in control						0.0	9.7	9.7
TOTAL	0.0	0.0	0.0	-518.9	0.0	-518.9	427.5	-91.4
Total transactions with owners of the Company	0.0	754.7	0.0	-2,230.2	-25,000.0	-26,475.5	-276.7	-26,752.2
Equity at 31 December	150.0	58,425.1	46.7	17,515.5	0.0	76,137.3	4,840.0	80,977.4

Consolidated statement of cash flows (IFRS)

EUR 1,000	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Cash flows from operating activities		
Result of the financial period	-10,337.5	-29,468.8
Adjustments to the result of the reporting period		
Non-cash transactions	-1,788.8	8.8
Depreciation, amortisation and impairment losses	47,055.4	51,956.7
Net finance costs	11,877.6	10,959.2
Tax expense	-2,438.5	-5,370.4
Share of profit of associated company	-275.8	-524.2
Cash flow before change in working capital	44,092.4	27,561.3
Changes in working capital:		
Trade and other receivables	-1,885.0	9,921.8
Inventories	-1,328.2	2,319.4
Trade and other payables	15,678.9	-20,250.0
Changes in working capital	12,465.7	-8,008.8
Dividends received	925.9	752.1
Interest paid and other finance costs	-11,190.3	-9,265.2
Interest received and other finance income	73.4	399
Income taxes paid	-1,329.9	-2,644.5
Net cash from operating activities	45,037.2	8,434.8
Cash flows from investing activities		
Acquisition of tangible and intangible assets	-9,223.8	-6,072.8
Change in other non-current receivables	-152.9	160.0
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-3,513.3	-3,564.9
Sales of subsidiaries with time-of-acquisition liquid assets deducted	1.4	0.0
Business acquisitions	-1,110.0	-1,223.1
Business divestment	300.7	148.7
Sales of non-controlling interests' shares	27.1	0.0
Sales of shares of associated companies	9,001.6	0.0
Associated company shares purchased	-0.6	0.0
Net cash from investing activities	-4,669.8	-10,552.1
Cash flows from financing activities		
Proceeds from non-current loans and borrowings	7,000.0	45,945.9
Payment of non-current loans and borrowings	-12,093.8	-4,400.4
Proceeds from/repayments of current loans and borrowings	-4,162.5	31,064.9
Current commercial papers repaid	-500.0	-17,500.0
Acquisition of non-controlling interests	-648.5	-566.6
Repayment of hybrid bond	0.0	-27,528.0
Payment of liabilities for right-of-use assets	-25,939.8	-24,623.5
Dividends paid	-735.2	-770.2
Net cash from financing activities	-37,079.8	1,622.1
Change in cash and cash equivalents	3,287.6	-495.2
Cash and cash equivalents at the beginning of the financial period	3,122.9	3,618.1
Cash and cash equivalents at the end of the reporting period	6,410.5	3,122.9
Change in cash and cash equivalents	3,287.6	-495.2

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 financial statements release has been prepared observing the IAS 34 Interim Financial Reporting standard. The financial statements release should be read together with the 2020 IFRS consolidated financial statements. The financial statements release 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 Governments 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 company has taken determined action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

In Finland, strict restrictions on restaurants were in effect at the beginning of 2021. 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 10 p.m. and restaurants that primarily serve alcohol could stay open until 11 p.m. 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.

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

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. At the beginning of August, Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the community transmission phase.

Restaurant restrictions were eased effective from the beginning of October. In regions in the acceleration phase of the pandemic, restrictions on opening hours and alcohol service hours were lifted completely. Consequently, regions in the baseline and acceleration phases only had general obligations concerning hygiene and safe distances. In regions in the community transmission phase – such as Uusimaa, Ostrobothnia, South Ostrobothnia and Southwest Finland – alcohol service hours and opening hours were extended by one hour to midnight and 1:00 a.m. respectively, and the prohibition of karaoke and dancing was lifted throughout the country. Restaurants serving alcohol are allowed to use 50% of their customer capacity both indoors and outdoors, while other restaurants are allowed to use 75% of their customer capacity.

On 25 November 2021, the company announced that it would introduce the COVID-19 passport at all of its restaurants in areas in the community transmission phase as an alternative to the imposed restaurant restrictions. Restaurant restrictions were tightened in Finland on 28 November 2021, and after that alcohol service in restaurants in areas in the community transmission phase ended at 5 p.m. and opening hours at 6 p.m. The restrictions could be circumvented with a COVID-19 passport.

On 21 December 2021, the Finnish government announced new tightened restrictions as of 24 December 2021, with the use of COVID-19 passports and business and alcohol service hours significantly restricted. All restaurants in the country had to be close at 6 p.m. from 12 January 2022, with alcohol service ending at 5 p.m.

NoHo Partners announced immediately on 21 December 2021 that it was decreasing its profit guidance for 2021, published on 9 November 2021, as a result of strict restrictions on restaurant opening hours, local restrictions on assembly and the decision of the Finnish government to discontinue the use of the COVID-19 passport. As a consequence, the company had to close almost all of its Finnish restaurants. At the same time, the Group announced that it was laying off almost all of its personnel in Finland and commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its operations to the tightened restrictions.

After the 2021 financial period, from February 2022, alcohol service hours of restaurants were extended until 8 p.m. and opening hours until 9 p.m. There was no change to stopping alcohol service at 5 p.m. and staying open until 6 p.m. of restaurants serving alcohol. The restrictions continued until 14 February 2022, after which alcohol service ends at 11 p.m. and opening hours end at midnight for all restaurants. The restrictions on assembly were also discontinued. The restaurant restrictions are to be lifted completely on 1 March 2022. The restriction on the use of the COVID-19 passport will continue for the time being and legislative work on it will continue.

During 2021, the company received approximately MEUR 4.5 in support from the Finnish state, of which the share of the last quarter was MEUR 0.7.

In Denmark, restaurants were closed throughout the country at the beginning of 2021 and only takeaway sales were 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. The COVID-19 passport was taken out of use and nightclubs were allowed to reopen on 1 September 2021. Restaurant restrictions were lifted throughout the country on 10 September 2021.

The COVID-19 passport was taken back into use on 12 November 2021 in restaurants, bars, cafes and nightclubs and in indoor events of more than 200 people and outdoor events of more than 2,000 people. Restaurants had to close at 11 p.m., with alcohol service ending at 10 p.m. Customer capacity was restricted to half of normal. Nightclubs remained closed. All restaurant restrictions were lifted in Denmark as of 1 February 2022.

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.

With the restrictions re-introduced in November 2021, the Danish state covered up to 80 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. The State reimbursed 90 per cent of fixed costs, depreciation and interest between 17 December 2021 and 17 January 2022 if the company was proactively closed. The wage subsidy was 90 per cent of the wages of hourly paid workers and 75 per cent of the salaries of monthly wage earners.

In Norway, a ban on the sale of alcohol was in effect in restaurants at the beginning of 2021. 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, after which restaurants in Oslo were ordered to close entirely. The prohibition of alcohol service 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 10.30 p.m., with alcohol service ending at 10 p.m. In Oslo, the ban on alcohol service continued until 25 May 2021, after which in Oslo and in Trondheim, for example, alcohol service was allowed until 10 p.m., and in most other municipalities until midnight. The national restrictions were lifted at the end of June. Since then, the restrictions were municipality-specific. In Oslo, restaurants serving food and bars were allowed to stay open until 3 a.m. In indoor areas of restaurants, customers were required to have a seat, table service was required and safe distances of 1.5 metres needed to be ensured. Restaurant restrictions were lifted completely throughout the country on 25 September 2021.

The restrictions were tightened again in mid-December 2021, with a four-week ban on serving alcohol in restaurants. It ended on 14 January 2022, after which all restaurants were allowed to serve alcohol until 11 p.m. and stay open until midnight. The customer capacity was limited to about 50 per cent and only table service was allowed. All restaurant restrictions were lifted in Norway as of 1 February 2022, except for the ban of dancing and 1 meter safe distance. The rest of the restrictions were lifted on 12 February 2022.

The Norwegian state's 80% compensation for fixed costs remained in effect until the end of September 2021, when society was re-opened and restaurant restrictions were lifted. 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 have also received additional support by municipalities and arts councils while the restrictions remained in place.

With the restrictions tightening again in December, the Norwegian state covered up to 85 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. Waste was reimbursed at a rate of 100% and the turnover of cancelled events at a rate of 70%. The wage subsidy (80 per cent up to NOK 30,000/month) and the reimbursement of fixed costs continued until the end of January 2022.

Government grants

In January–December 2021, the Group received support amounting to approximately MEUR 4.5 from the Finnish state, approximately MEUR 3.5 from the Danish state and approximately MEUR 4.2 from the Norwegian state. The financial support received by the Group from the Finnish, Danish and Norwegian governments for January–December 2021 totalled approximately MEUR 12.2 and for October–December MEUR 3.0.

The government grants are recognised at fair value when receiving the grant is fairly certain and the Group meets the relevant conditions. A more detailed account of government assistance and the distribution thereof is presented in Note 3 Government grants.

Going concern assumption

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

In February 2021, the Group negotiated a financing agreement with its financing providers, securing the Group's financial position for the coming years and facilitating measures to be taken in the rebuilding phase. The financing arrangements are described in more detail in Note 8. 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 funding agreement negotiated in the spring as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months. In addition, on the closing date the Group has a shareholding in Eezy Plc that has a market value in excess of MEUR 35 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 shareholding in Eezy Plc during the review period. On 31 December 2021, the Group owned 5,864,745 shares in Eezy Plc, corresponding to a holding of approximately 23.4 per cent. The book value of the shares on NoHo Partners Plc's balance sheet is MEUR 30.1, corresponding to EUR 5.14 per share. The closing price of the Eezy share at the end of December was EUR 5.98.

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

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

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

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

After the shares were classified as an asset held for sale, capital gains of MEUR 0.7 have been recognised on the sale of the shares. The capital gain is recognised in other operating income in the consolidated income statement.

At the beginning of January 2022, NoHo Partners Plc sold 725,000 Eezy Plc shares. Following this transaction, the Group owns 5,139,745 shares in Eezy Plc.

2. Turnover

DISTRIBUTION OF TURNOVER BETWEEN GOODS AND SERVICES

EUR 1,000	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Sale of goods	62,619.4	29,985.8	170,723.2	144,473.7
Sale of services	6,910.1	1,628.8	15,345.8	12,297.1
Total	69,529.5	31,614.6	186,069.0	156,770.8

DISTRIBUTION OF TURNOVER BY BUSINESS AREA

EUR 1,000	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Restaurants	25,193.5	13,693.0	68,685.8	57,994.6
Entertainment venues	19,596.2	5,672.1	49,484.4	43,920.4
Fast casual restaurants	11,446.2	8,910.3	39,882.5	31,239.2
International restaurants	13,293.6	3,339.2	28,016.3	23,616.7
Total	69,529.5	31,614.6	186,069.0	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

Of asset items based on contracts, a total of EUR 500 thousand was recognised as credit losses and IFRS 9 credit loss provisions during the period 1 January–31 December 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 31 December 2021, the value of gift cards sold was EUR 2,627 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 amounting to approximately MEUR 12.2 during the period 1 January–31 December 2021 in Finland, Norway and Denmark to mitigate the negative impacts of the COVID-19 pandemic. In the fourth quarter of 2021, the Group received government grants totalling approximately MEUR 3.0.

During the first quarter of 2021 in Finland, 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 uncovered fixed expense support from the Finnish state for March–May 2021. The Group did not receive any government grants from the Finnish state in the third quarter. In the fourth quarter, the company received EUR 0.5 million in Finnish government cost support and EUR 0.2 million in general grants from the Ministry of Education and Culture.

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. The Danish state also covered 80 per cent of wage expenses starting from March 2021 until the end of June. Starting from the beginning of July 2021, a cost support model entered into force in Denmark, 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.

With the restrictions re-introduced in November 2021, the Danish state covered up to 80 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. The State reimbursed 90 per cent of fixed costs, depreciation and interest between 17 December 2021 and 17 January 2022 if the company was proactively closed. The wage subsidy was 90 per cent of the wages of hourly paid workers and 75 per cent of the salaries of monthly wage earners. Government grants from the Danish state totalled approximately MEUR 3.5 for January–December 2021, with roughly MEUR 1.0 of this total allocated to October–December 2021.

The Norwegian state's turnover-linked 80% compensation for fixed costs remained in effect until the end of September 2021, when society was reopened and restaurant restrictions were lifted throughout the country. Companies were also paid wage support and additional financial support in Norway through municipalities and arts councils. Government grants from the Norwegian state totalled approximately MEUR 4.2 for January–December 2021, with roughly MEUR 1.3 of this total allocated to October–December 2021.

With the restrictions tightening again in December, the Norwegian state covered up to 85 per cent of fixed expenses if turnover decreased by more than 30 per cent compared to the corresponding period in 2019. Waste was reimbursed at a rate of 100% and the turnover of cancelled events at a rate of 70%. The wage subsidy (80 per cent up to NOK 30,000/month) and the reimbursement of fixed costs continued until the end of January 2022.

SPECIFICATION OF GOVERNMENT GRANTS

EUR 1,000	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Finland				
Compensation for restriction of operations/ closure compensation *	0.0	0.0	1,800.0	4,192.0
Business cost support/compensation for fixed expenses **	500.0	0.0	2,500.0	0.0
Re-employment support	0.0	0.0	0.0	800.0
Development grant/Ministry of Education and Culture general grant	159.6	83.4	159.6	146.9
Norway				
Compensation for fixed expenses	908.5	1,239.1	3,814.1	2,791.3
Compensation related to wage expenses	363.4	0.0	363.4	0.0
Denmark				
Compensation for fixed expenses	883.4	727.1	2,478.5	2,958.3
Compensation related to wage expenses	152.4	221.3	1,060.5	1,586.4
Total	2,967.3	2,270.9	12,176.2	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	-
Oslo AS	1 October 2021	80%

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 will be transferred to NoHo Partners, which became Allas Sea Pool's tenant as of 1 February 2021.

Acquisition of Oslo AS

On 1 October 2021, the Group acquired control of the Norwegian company Oslo AS, previously an associated company of the Group. Before the acquisition, the Group's holding was 37.1 per cent. In connection with the acquisition, the previous holding was measured at fair value and the difference of EUR 246.2 thousand was recognised in other operating income.

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

EUR 1,000	Allas Sea Pool	Oslo AS	Total acquisitions
Assets			
Intangible assets	472.7	294.5	767.2
Tangible assets	172.5	548.2	720.7
Investments	0.0	1.5	1.5
Non-current receivables	0.0	9.2	9.2
Current receivables	0.0	127.8	127.8
Inventories	0.0	114.2	114.2
Cash and cash equivalents	0.0	391.4	391.4
Assets in total	645.2	1,486.7	2,131.9
Liabilities			
Deferred tax liabilities	0.0	64.8	64.8
Financial liabilities	0.0	204.3	204.3
Other payables	0.0	538.8	538.8
Liabilities total	0.0	807.9	807.9
Net assets	645.2	678.9	1,324.1
Total purchase consideration at time of acquisition:			
Share of purchase consideration consisting of cash and cash equivalents	300.0	636.3	936.3
Share of debt	850.0	0.0	850.0
Total purchase consideration in total	1,150.0	636.3	1,786.3
Generation of goodwill through acquisitions:			
Total purchase consideration	1,150.0	636.3	1,786.3
Earlier shareholding at fair value before the transfer of control	0.0	549.8	549.8
Non-controlling interests	0.0	135.8	135.8
Net identifiable assets of the acquired entity	645.2	678.9	1,324.1
Goodwill	504.8	643.0	1,147.8

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
Oslo AS	4 918,1

Determination of contingent transaction prices

The amount of the transaction price for Dubliners, DOD, MEO, Rådhuskroken, SFB and Complete Security, acquired in 2019, that was paid at the time of acquisition was EUR 7,239 thousand. The contracts between NoHo Partners and Crea Diem AS include put and call options, due in 2023, for redeeming shares in non-controlling interests' possession. The company has estimated that the probability of exercising the options is high. The shareholding of non-controlling interests, EUR 1,400 thousand, is presented as a contingent additional transaction price under liabilities. According to the contracts, the fair value of the companies will be determined in 2023.

Of the transaction price for the acquisition of The Bird Mother ApS, acquired in 2018, a total of EUR 1,409 thousand was paid at the time of acquisition. The remainder of the transaction price will be determined according to the actual EBITDA for January–December 2022 and the multiplier stipulated by the acquisition agreement. The estimated earn-out amounts to EUR 670 thousand.

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

Name	Shareholding sold	Location	Date of control transfer
Casseli Oy	57,5%	Tampere	1 May 2021
Business operations of restaurant London Pub	-	Tampere	30 July 2021
Ruoveden rantaravintola	-	Ruovesi	3 November 2021

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

Goodwill	267.6
Intangible fixed assets	16.6
Property, plant and equipment	494.8
Other asset items	446.1
Non-controlling interests	212.0
Liabilities	-699.6
Net assets, total	737.6

Gains on disposal totalling EUR 213.8 thousand were recognised in the income statement. An expense of EUR 138.7 thousand was recognised in the income statement on the discounting of a trade receivable related to the sale of assets upon transfer of control.

EVENTS AFTER THE REPORTING PERIOD

NoHo Partners Plc's subsidiary Levin Ravintolakatu Oy purchased the business operations of a restaurant named Origo in Hanko on 3 January 2022.

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

EUR 1,000	Restaurant Origo
Assets	
Intangible assets	80.0
Tangible assets	130.0
Inventories	41.1
Assets in total	251.1
Liabilities	
Other payables	4.9
Liabilities total	4.9
Net assets	246.2
Total purchase consideration at time of acquisition:	
Share of purchase consideration consisting of cash and cash equivalents	636.2
Total purchase consideration in total	636.2
Generation of goodwill through acquisitions	
Total purchase consideration	636.2
Net identifiable assets of the acquired entity	246.2
Goodwill	390.0

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
Restaurant Origo	589.6

5. Intangible and Tangible Assets

EUR 1,000		
Goodwill	31 December 2021	31 December 2020
Book value 1 Jan.	135,169.0	128,831.6
Business acquisitions	1,147.9	7,450.9
Deductions	-267.6	-266.5
Translation differences	606.8	-847.0
Transfers between account types	438.6	0.0
Book value at the end of the review period	137,094.5	135,169.0

Intangible assets	31 December 2021	31 December 2020
Book value 1 Jan.	44,609.4	48,461.4
Business acquisitions	769.9	1,861.0
Increase	103.3	745.3
Depreciation, amortisation and impairment losses	-4,969.9	-6,307.5
Deductions	-264.2	0.0
Translation differences	160.0	-249.7
Transfers between account types	0.0	98.8
Book value at the end of the review period	40,408.2	44,609.4

Tangible assets	31 December 2021	31 December 2020
Book value 1 Jan.	48,508.5	57,008.4
Business acquisitions	717.9	1,272.7
Increase	10,188.4	6,522.1
Depreciation, amortisation and impairment losses	-11,778.9	-14,915.5
Deductions	-764.5	-925.4
Translation differences	288.8	-359.5
Transfers between account types	0.0	-94.3
Book value at the end of the review period	47,160.4	48,508.5

6. Lease agreements

During the review period, the Group's rent concessions amounted to approximately MEUR 2.8. Most of the rent concessions concern international businesses. The Group has applied the practical expedient stipulated by the amendment to not treat rent concessions granted due to the COVID-19 pandemic as changes in leases under IFRS 16. Starting from the fourth quarter of 2021, the Group has applied a practical relief to equipment leases, in accordance with which the Group combines leases with similar characteristics in the portfolio. The Group regularly assesses the size and composition of the portfolio of equipment leases. The incremental borrowing rate applied to the changes in leases is 5.0%.

RIGHT-OF-USE ASSETS

EUR 1,000	31 December 2021	31 December 2020
Book value 1 Jan.	148,024.4	159,077.4
Increase	21,471.2	20,216.6
Reassessments and modifications	22,049.2	2,649.6
Depreciation, amortisation and impairment losses	-30,306.5	-30,733.7
Deductions	-325.1	-1,574.9
Translation differences	1,326.5	-1,610.6
Book value at the end of the review period	162,239.7	148,024.4

CHANGE IN LEASE LIABILITY

EUR 1,000	31 December 2021	31 December 2020
Lease liability at the beginning of the period	153,189.8	161,299.3
Net increases	43,195.3	21,291.3
Rent payments	-31,821.1	-29,516.9
Rent concessions, COVID-19	-2,840.4	-3,128.0
Interest expenses	5,881.4	4,886.2
Translation differences	1,355.4	-1,642.1
Lease liability at the end of the period	168,960.3	153,189.8

LEASE LIABILITY

EUR 1,000	31 December 2021	31 December 2020
Non-current	139,560.1	126,068.2
Current	29,400.2	27,121.6
Total	168,960.3	153,189.8

LEASES IN THE INCOME STATEMENT

EUR 1,000	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Rent concessions, COVID-19	839.4	0.0	2,840.4	3,128.0
Expenses related to short-term leases, leases for underlying assets of low value and variable leases	-1,831.7	-680.2	-4,935.0	-3,261.0
Depreciation of right-of-use assets	-7,538.1	-8,381.8	-30,306.5	-30,733.7
Interest expenses on lease liabilities	-1,626.6	-1,368.5	-5,881.4	-4,886.2
Total	-10,157.0	-10,430.5	-38,282.5	-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 in spring 2021. Impairment testing was carried out on 31 December 2021 using the book values and calculations of future cash amounts valid at the time. On 31 December 2021, the recoverable cash flow based on value-in-use calculations exceeded the book value by MEUR 30 (on 30 June 2021 by MEUR 36 and on 31 December 2020 by MEUR 20). The impairment tests on 31 December 2021, 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 financial statements date of 31 December 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 restaurant 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 impairment testing conducted on 30 June 2021 is described in NoHo Partners' half-year report 2021.

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

EUR 1,000	31 December 2021	31 December 2020
Goodwill	137,094.5	135,169.0
Brands and name-use-rights	21,757.9	21,757.9
Non-competition agreements	120.0	120.0
Leases	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.

ASSUMPTIONS USED IN THE CALCULATION OF UTILITY VALUE FOR EACH TESTING PERIOD

Key assumptions used in testing	31 December 2021	31 December 2020
Sales revenue growth, first three years, approximately	21.1%	25.5%
Sales revenue growth, other years	0.0%	0.0%
EBIT, %, first three years, approximately	10.8%	7.8%
Terminal growth assumption	1.0%	1.0%
Discount rate before taxes	8.5%	8.1%

The impairment calculations are based on cash flow predictions and estimates for gradual market recovery following the lifting of restrictions during the second quarter of 2022, drawn up by the Group Executive Team and approved by the Group Board of Directors during the COVID-19 pandemic. 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

Assumption	Description
Growth of sales revenue	The increased sales revenue for the upcoming years is based on the estimates defined for the review period on the swift recovery of private consumption and gradual recovery of the corporate and event market following the gradual phasing out of the COVID-19 pandemic restrictions. Due to the significant increase in vaccination coverage and the virus becoming milder, the Group expects the market to return to normal in 2022.
EBIT	The EBIT is based on estimates of a swift recovery of private consumption and gradual recovery of corporate and event market following the gradual phasing out of the COVID-19 pandemic restrictions and estimates of the realisation of the cost savings achieved by the company in the post-pandemic times. Due to the significant increase in vaccination coverage and the virus becoming milder, the Group expects the market to return 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 31 December 2021, the recoverable cash flow based on value-in-use calculations exceeded the book value by more than MEUR 30. 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:

	31 December 2021	31 December 2020
Annual decrease in sales revenue	3.3%	2.2%
EBIT, %, modified level, first three years, approximately	10.1%	7.3%
Change in discount rate, percentage points	0.8%	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.

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 were MEUR 12 during the financial period and will be approximately 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 March 2022.

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

MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES

EUR 1,000	Balance sheet value	Less than 1 year Q1/2022	Less than 1 year Q2/2022	Less than 1 year Q3/2022	Less than 1 year Q4/2022	1 to less than 2 years	2–5 years	More than 5 years
Finnish Industry Investment Ltd	11,685.5		11,685.5					
Commercial paper programme	4,000.0	4,000.0						
Other loans	138,194.8	2,311.5	6,663.6	6,898.9	9,084.8	25,273.0	87,098.2	864.9
Total	153,880.3	6,311.5	18,349.1	6,898.9	9,084.8	25,273.0	87,098.2	864.9

Account limits in use*	5,769.8
Total	159,650.1

* 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

EUR 1,000	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Interest on financial liabilities	4,561.0	3,534.5	7,354.3	197.1

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

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	2,076.5	2,322.9	251.4	671.7	1,399.8	
Trade payables	21,453.7	21,453.7	21,453.7			
Liabilities for right-of-use assets	168,960.3	197,675.3	35,750.4	33,620.3	72,841.1	55,463.5
Total	192,490.5	221,451.9	57,455.5	34,292.0	74,240.9	55,463.5

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

On 31 December 2021, the Group's cash and cash equivalents totalled MEUR 6.4 and the unwithdrawn loan and account limits available to the Group amounted to MEUR 7.1. In addition, on 31 December 2021, the Group owned 5,864,745 shares in the listed company Eezy Plc, corresponding to a holding of 23.4 per cent. At the closing share price on 31 December 2021, the market value of this shareholding exceeded MEUR 35.

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. As the COVID-19 pandemic eases and the market reopens, the Group is gradually returning from cash flow-oriented decision-making to profit-oriented decision-making. The Group's financing needs will be covered by optimising working capital and through external financing arrangements 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. 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 Group's current financing arrangements together with the cumulative cash flow of operations as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months, in spite of the potential prolongation of the uncertain market situation caused by the 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
31 December 2021	574	331.0	13,496.8	120.8	157.8	2,143.3
31 December 2020	294.2	331.2	9,545.9	24.7	407.7	813.3

Eezy Plc's share of related party transactions						
31 December 2021	32.3	0.0	10,350.5	24.9	10.1	2,007.9
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

The company announced the amendment of the terms and conditions of the long-term share-based incentive scheme for key personnel due to the significant change in the business environment caused by the coronavirus pandemic on 30 November 2021. The terms and conditions of the share-based compensation plan were amended by extending the duration of the share-based incentive scheme by one year to 2024 and by adding a new earning period. The introduction of the share-based incentive scheme was announced on 30 November 2018.

NoHo Partners Plc's Board of Directors has decided on the third earning period of the long-term share-based incentive scheme for key personnel. The third earning period lasts 13 months and it will start on 1 December 2021 and end on 31 December 2022. The earning criteria for the third earning period are based on NoHo Partners Plc's EBIT. The share-based incentive scheme covers eight persons in the third earning period.

A maximum of 281,828 NoHo Partners Plc shares may be paid to the key employees for the third earning period. The value of the maximum reward at the mid-market rate of the trading day preceding this stock exchange release would be approximately EUR 2.2 million. The Board of Directors anticipates that was the reward for the third earning period paid fully in shares, the maximum dilutive effect on the number of the company's registered shares would be 1.44%.

Costs from the share-based incentive plan are recognised as staff expenses over time and in equity under earnings. Based on the management's estimate, MEUR 1.0 of benefits paid in shares for the open earning periods, has been cumulatively recognised as expenses by 31 December 2021.

MEMBERS OF THE EXECUTIVE TEAM OF NOHO PARTNERS PLC ON 31 DECEMBER 2021

Aku Vikström

CEO, Chairman of the Executive Team

Jarno Suominen

Deputy CEO

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 Assets and Liabilities and Commitments

GUARANTEES AND CONTINGENT LIABILITIES

EUR 1,000	31 December 2021	31 December 2020
Liabilities with guarantees included on the balance sheet		
Loans from financial institutions, non-current	101,877.0	88,603.7
Loans from financial institutions, current	29,384.5	59,716.1
Total	131,261.5	148,319.9
Guarantees given on behalf of the Group		
Collateral notes secured by a mortgage	37,457.9	37,457.6
Real estate mortgage	4,269.0	4,268.8
Subsidiary shares	103,918.7	103,435.9
Other shares	35,077.9	44,373.4
Bank guarantees	9,606.1	9,156.8
Other guarantees	2,982.0	5,161.2
Total	193,311.4	203,853.7
Purchase commitments		
Eezy Plc	49,700.4	60,050.9
Total	49,700.4	60,050.9
Contingent transaction prices	2,099.6	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

11. Events After the Reporting Period

At the beginning of January 2022, NoHo Partners sold 725,000 Eezy Plc shares. At the time of publication of the financial statements bulletin, NoHo Partners holds 5,139,745 Eezy Plc shares.

On 27 January 2022, NoHo Partners Plc announced in a stock exchange release that it will issue 40,503 new shares in a special issue

Based on the authorisation given by the Annual General Meeting, on 27 January 2022 the Board of Directors of NoHo Partners decided to proceed with a special issue of 40,503 new NoHo Partners shares. The number of shares subscribed for in the share issue corresponds to approximately 0.2 per cent of the share capital of NoHo Partners after the registration of the new shares.

The issue was offered to the Norwegian company Carpe Diem AS as part of an arrangement through which NoHo Partners' subsidiary NoHo Partners International Oy acquired an additional 6% share in the Norwegian company NoHo Norway AS. After the transaction, NoHo Partners International Oy owns a total of 86% of NoHo Norway AS' share capital. In the transaction, in addition to the Shares, the Seller received a total of approximately EUR 294,000 in receivables from NoHo Norway AS. The subscription price per Share was EUR 7.993, which corresponded to the three (3) months' volume weighted average price of the NoHo Partners share preceding the transaction.

The shares were registered in the Trade Register on 28 January 2022, and they will grant their holders shareholder rights as of the registration date. The shares were admitted to trading at Nasdaq Helsinki Oy on 31 January 2022. Following the subscriptions, the number of NoHo Partners shares increased to 19,262,773 shares.

12. Key Figures

EUR 1,000	1 Oct.–31 Dec. 2021	1 Oct.–31 Dec. 2020	1 Jan.–31 Dec. 2021	1 Jan.–31 Dec. 2020
Earnings per share, EUR	0.08	-0.53	-0.55	-1.44
EBIT, %	9.6%	-37.2%	-0.5%	-15.2%
Material margin, %	75.9%	68.9%	74.4%	72.0%
Personnel expenses, %	35.5%	41.5%	36.0%	38.0%
Average personnel				
Registered personnel				
Full-time personnel			951	721
Part-time personnel converted into full-time personnel			546	501
Rented workforce, converted to full-time equivalents			262	236
Return on equity, % (p.a.)			-13.7%	-27.0%
Return on investment % (p.a.)			0.0%	-5.9%
Equity ratio, %			15.1%	18.1%
Gearing ratio, %			462.4%	391.0%
Interest-bearing net liabilities, EUR			320,876.5	316,621.2
Adjusted net finance costs*, EUR	2 968,9	3,270.3	12,517.2	10,196.7
Operating cash flow, EUR	9 775,0	-7,161.3	11,294.7	-5,124.0
Key figures excluding the IFRS 16 effect				
Gearing ratio, %			203.1%	192.0%
Interest-bearing net liabilities, EUR			151,916.2	163,431.4
Operating cash flow, bridge calculation				
EBIT	6,701.6	-11,771.5	-898.4	-23,880.0
Depreciation, amortisation and impairment losses	11,931.2	13,584.0	47,055.4	51,956.7
Share of profit of associated company	-45.5	-272.1	-275.8	-524.2
Translating IFRS 16 lease expenses to be cash flow based	-8,812.3	-8,701.7	-34,586.5	-32,676.5
Operating cash flow	9,775.0	-7,161.3	11,294.7	-5,124.0

* The changed calculation formula is shown in the section "Calculation formulas for key figures" at the end of the financial statements release.

CALCULATION FORMULAS FOR KEY FIGURES
Key figures required by the IFRS standards
Earnings per share

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

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

$$\frac{\text{Equity (attributable to owners of the Company and NCIs)}}{\text{Total assets} - \text{advances received}} * 100$$
Return on investment %

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

$$\frac{\text{Interest-bearing net financial liabilities}}{\text{Equity (attributable to owners of the Company and non-controlling interests)}} * 100$$
Gearing ratio % excluding IFRS 16

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

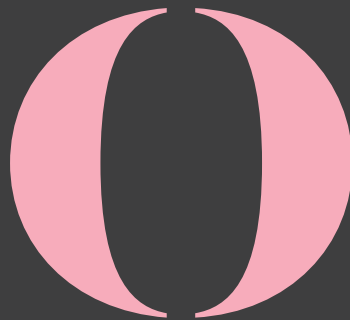
$$\frac{\text{Employee benefits} + \text{leased labour}}{\text{Turnover}} * 100$$
Material margin %

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