

NoHo

NORDIC HOSPITALITY PARTNERS

Interim Report Q3/2019



NOHO PARTNERS INTERIM REPORT

1 JANUARY–30 SEPTEMBER 2019

An excellent quarter – profitability of the Group and the restaurant business was at a historical high

The Group's labour hire business ended on 23 August 2019, when the subsidiary Smile Henkilöstöpalvelut Oyj was merged with VMP Plc and the combined company became an associated company of the NoHo Partners Group. The implementation of the strategy of profitable growth in the restaurant business is proceeding as planned. The profitability of the restaurant business is at a record-breaking level, which is a good starting point for the rest of 2019.

JANUARY–SEPTEMBER 2019 IN BRIEF

Group (continuing and discontinued operations):

- Turnover was MEUR 197.6 (MEUR 142.0), growth of 39.2 per cent.
- EBIT was MEUR 23.3 (MEUR 11.1), growth of 109.7 per cent.
- EBIT% was 11.8 per cent.
- The result of the discontinued operation was MEUR 23.8.
- The result of the financial period was MEUR 42.8 (MEUR 1.7), growth of 2,476.9 per cent.
- Earnings per share were EUR 2.16 (EUR 0.09), growth of 2,189.2 per cent.
- The gearing ratio excluding the impact of IFRS 16 liabilities is 85.8 per cent. IFRS 16 liabilities amount to MEUR 158.3. The gearing ratio including the impact of the IFRS 16 standard is 205.1 per cent.

Restaurant business (comparable continuing operations):

- Turnover was MEUR 197.7 (MEUR 142.1), growth of 39.2 per cent.
- EBIT was MEUR 11.7 (MEUR 1.1), growth of 1,008.5 per cent.
- EBIT% was 5.9 per cent.
- The result of the financial period was MEUR 7.4 (MEUR -0.3), growth of 2,302.3 per cent.
- Earnings per share were EUR 0.29 (EUR -0.01), growth of 2,129.5 per cent.

JULY–SEPTEMBER 2019 IN BRIEF

Group (continuing and discontinued operations):

- Turnover was MEUR 76.7 (MEUR 66.2), growth of 15.9 per cent.
- EBIT was MEUR 9.8 (MEUR 2.5), growth of 297.2 per cent.
- EBIT% was 12.8 per cent.
- The result of the discontinued operation was MEUR 29.7.
- The result of the financial period was MEUR 37.4 (MEUR -0.9), growth of 4,080.9 per cent.
- Earnings per share were EUR 1.92 (EUR -0.06), growth of 3404.2 per cent.

Restaurant business (comparable continuing operations):

- Turnover was MEUR 76.7 (MEUR 66.2), growth of 15.9 per cent.
- EBIT was MEUR 6.0 (MEUR -1.2), growth of 597.6 per cent.
- EBIT% was 7.8 per cent.
- The review period's EBIT includes Norwegian transaction costs amounting to MEUR 0.2.
- The result of the financial period was MEUR 3.9 (MEUR -1.7), growth of 328.0 per cent.
- Earnings per share were EUR 0.15 (EUR -0.10), growth of 252.3 per cent.

DESCRIPTION OF ACCOUNTING PRINCIPLES

- In the interim report, the labour hire segment is treated as a discontinued operation and a separate item in the income statement. Comparative information has been adjusted accordingly. For more detailed information, see Note 3.
- Due to the labour hire business transaction, the Group is starting to present alternative performance measures that improve comparability. It is believed that these alternative performance measures improve the understanding prevailing on the market regarding the development and financial situation of the restaurant business. The most significant item added to the comparable result is the Group's internal staffing service purchases that took place before the transaction. In the future, these will be presented as outsourced services. The calculation principles of the key figures that improve comparability are presented in more detail in Note 3.
- In the interim report, the Group's continuing and discontinued operations as well as the comparable continuing operations of the restaurant business are presented separately.
- Starting from September 2019, the Group only has one segment: the restaurant business.
- NoHo Partners adopted the IFRS 16 Leases standard as of 1 January 2019. The figures of the reference period 2018 have not been adjusted. More information about the application of the IFRS 16 standard and other significant interim report accounting principles can be found in the notes to the interim report.
- Unless otherwise stated, figures in parentheses refer to the corresponding period last year.

PIVOTAL EVENTS IN THE REVIEW PERIOD

- The share capital of the subsidiary Smile Henkilöstöpalvelut Oyj was sold to VMP Plc in exchange for shares. The business transaction was completed in August.
- In the third quarter, five restaurant units were opened and one was closed.

PIVOTAL EVENTS AFTER THE REVIEW PERIOD

- CFO Jarno Suominen was appointed the Group's Deputy CEO from 1 January 2020. He has served as deputy to the CEO as of 14 October 2019.
- Jarno Vilponen was appointed the Group's CFO from 1 January 2020.
- Mikko Aartio, member of NoHo Partners Plc's Board of Directors and one of its founders, left the Board for personal reasons starting from 1 November 2019, after which the Board of Directors consists of six (6) members.

Prospects for 2019

PROFIT GUIDANCE (AS OF 12 NOVEMBER 2019)

Due to the labour hire business transaction and the outlook of the restaurant business during the rest of the year, NoHo Partners estimates that, during the financial period 2019, the Group achieves a total turnover of approximately MEUR 260 and an EBIT margin of more than 10 per cent. The turnover of the restaurant business (comparable continuing operations) is estimated to be approximately MEUR 260 million and the EBIT margin to exceed 6 per cent.

In the Group's restaurant business, the long-term guidance remains unchanged: the goal is to achieve a turnover of approximately MEUR 350 and an EBIT margin of approximately 8 per cent by the end of 2021. The Group will update the estimate for the financial period on an annual basis in conjunction with the publication of the result for the fourth quarter.

PREVIOUS PROFIT GUIDANCE (AS OF 14 FEBRUARY 2019)

NoHo Partners estimates that the Group's turnover and profitability will increase this year. The Group aims to achieve, after eliminations, a total turnover of approximately MEUR 390 and an EBIT margin of approximately 5.8 per cent (approximately MEUR 22.5) by the end of 2019. The restaurant segment aims to achieve a turnover of approximately MEUR 250 and an EBIT margin of over 6 per cent (over MEUR 15). The labour hire segment aims to achieve a turnover of approximately MEUR 150 and an EBIT margin of approximately 5 per cent (approximately MEUR 7.5).

The long-term goal of the Group is to achieve a turnover of over MEUR 600 and an EBIT margin of approximately 7.5 per cent by the end of 2021. The restaurant segment aims to achieve a turnover of approximately MEUR 350 and an EBIT margin of approximately 8 per cent. The labour hire segment aims to achieve a turnover of approximately MEUR 300 and an EBIT margin of approximately 6.5 per cent. The Group will update the estimate for the financial period on an annual basis in conjunction with the publication of the result for the fourth quarter.

KEY FIGURES

NoHo Partners Group, total (Continuing and discontinued operations)

(TEUR)	1 July– 30 Sept. 2019	1 July– 30 Sept. 2018	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
KEY FIGURES, ENTIRE GROUP					
Turnover	76,720	66,178	197,641	141,998	209,627
EBITDA	20,810	10,106	56,036	24,956	33,072
EBITDA, %	27.1%	15.3%	28.4%	17.6%	15.8%
EBIT	9,803	2,468	23,311	11,116	15,635
EBIT, %	12.8%	3.7%	11.8%	7.8%	7.5%
Result of the review period to parent company shareholders	7,174	1,777	18,063	9,627	13,892
Result of the financial period to parent company shareholders	36,865	-1,065	41,891	1,729	4,581
Result to minority shareholders	555	125	890	-69	-350
Continuing operations' earnings per share (euros) for the review period attributable to the share- holders of the parent company	0.35	0.10	0.90	0.53	0.77
Earnings per share (euros) for the review period attributable to the shareholders of the parent company	1.92	-0.06	2.16	0.09	0.26
Interest-bearing net liabilities			270,369	141,610	138,500
Gearing ratio, %			205.1%	199.1%	184.3%
Equity ratio, %			28.0%	23.7%	24.6%
Return on investment, % (p.a.)			8.1%	3.9%	5.2%
Net finance costs	949	1,274	5,186	2,060	2,478
Material margin, %	73.8%	73.8%	73.8%	73.2%	74.0%
Staff expenses, %	30.2%	31.8%	32.5%	31.5%	32.1%

**Restaurant business
(Comparable continuing operations)**

(TEUR)	1 July– 30 Sept. 2019	1 July– 30 Sept. 2018	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
KEY FIGURES					
Turnover	76,733	66,204	197,733	142,075	209,725
EBITDA	16,962	6,441	44,423	14,896	19,643
EBITDA, %	22.1%	9.7%	22.5%	10.5%	9.4%
EBIT	5,954	-1,196	11,697	1,055	2,206
EBIT, %	7.8%	-1.8%	5.9%	0.7%	1.1%
Earnings per share (euros)	0.15	-0.10	0.29	-0.01	0.04

ALTERNATIVE PERFORMANCE MEASURES

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

NoHo Partners present certain comparable financial key figures (alternative performance measures) that are not included in the IFRS standards. NoHo Partners believes that the presentation of comparable key figures related to continuing operations improves the understanding prevailing on the market and among analysts and investors regarding the development and financial situation of the restaurant business. The most significant item added to the comparable result is the Group's internal staffing service purchases that took place before the transaction. In the future, these will be presented as outsourced services. The calculation principles of the key figures that improve comparability are presented in more detail in Note 3.

The alternative performance measures presented by NoHo Partners should not be reviewed separately from the corresponding IFRS key figures and should be read together with the most closely corresponding IFRS key figures. The calculation formulas for key figures can be found at the end of the interim report.

Review by the CEO: Aku Vikström**THE GROUP'S PROFIT AT A HISTORICAL HIGH**

The past quarter was exceptional and record-breaking. NoHo Partners disengaged from the labour hire business and, as a result of the transaction, the Group's EBIT in January–September 2019 was MEUR 23.3 and the profit for the period amounted to MEUR 42.8. Earnings per share for the financial period 2019 will be at a historical high, EUR 2.16 at the end of the third quarter.

THE SMILE TRANSACTION STRENGTHENS THE BALANCE SHEET AND CREATES ADDED VALUE FOR THE SHAREHOLDERS

As a result of the business transaction conducted in August, the company's net liabilities decrease by MEUR 29.3 after which the company's net liabilities excluding the impact of the IFRS 16 standard are MEUR 112.1 and gearing ratio is 85.8 per cent. In addition, the company's balance sheet contains an asset with a market value of more than MEUR 40, which is believed to create added value for the shareholders in the future.

THE PROFITABILITY OF THE RESTAURANT BUSINESS IS DEVELOPING AT A RECORD-BREAKING RATE

In the third quarter, the profitability of the restaurant business operations has developed as planned, with the EBIT margin exceeding the 8-per-cent limit, without non-recurring items, during the review period. Cumulatively year-to-date, the EBIT margin was also at a historically high level, which is an indication of success in improving portfolio productivity and operational efficiency when it comes to the cost structure. This is a good starting point for the year's last – and most important – quarter as well as a solid foundation for next year's progress towards the next phase in our strategy of profitable growth.

The outlook for the restaurant business remains positive as eating out is increasing and becoming more of an everyday thing. When demand increases, supply also increases and diversifies. In addition to the flexible operating model and the extensive portfolio, the company's competitive advantage in the growing market is continuous customer experience development, with skilled and motivated staff at centre stage.

Fast and casual eating is increasing and, as a response to this trend, the company is developing its fast casual restaurant brand portfolio. As changes are taking place in flows of people in growth centres, the distribution channel strategy and micro-locations will be even more significant in the future. The digital distribution channel is becoming increasingly important and, in the coming months, the company will launch new solutions that facilitate purchases. In consumer marketing, the Hanko Sushi, American Diner and Pizzarium

restaurants joined Kesko's Plussa customer loyalty system, which makes it possible to reach up to 3.5 million consumers. The nightclub, pub and entertainment venue business is the most profitable form of restaurant business. During the past year, NoHo Partners has developed and streamlined the nightclub, pub and entertainment portfolio and reduced capacity in markets that have no competitiveness. The company has a strong foothold as the operator of the top nightclubs in the largest cities, profitable pub business operations and a briskly growing entertainment venue business. As the market leader, we will contribute to the development of the sector in the future, too, at the same time as the experience market is developing in a more premiumised and content-driven direction.

TWO-STAGE PROGRESS IN INTERNATIONAL BUSINESS

International business is growing strongly in line with the strategy and currently accounts for nearly 15 per cent of the restaurant business turnover. In the Danish business operations, the focus area is profitability development. This aim will be achieved by improving the productivity of the current portfolio, gaining savings in administrative costs and ensuring the stronger practical implementation of the company's operating model. To support this aim, the Danish country management has been changed and an administrative savings programme has been carried out in the third quarter.

The Norwegian business operations have developed more strongly than expected and are already operating above the company's EBIT margin. In Norway, the company has a very strong partner, a functional and diversified portfolio and good outlook for both organic and acquisition-based growth. This is a good starting point for the company for accelerating profitable growth in Norway next year, especially with business acquisitions.

PROCEEDING TO THE NEXT STRATEGY PHASE WITH A STRONGER ORGANISATION

As the company moves towards the next phase of the strategy period, it has strengthened its organisation. Preparations for future growth include the appointments of Deputy CEO and the new CFO, which especially support major growth projects, business acquisitions and digitalisation. The company's management system has been developed and middle management's leadership training has been launched. The You're a Star programme, launched among restaurant staff, has already reached more than 150 star employees that have received the EUR 500 bonus. The post-integration year of major changes and challenges is now approaching its end and we are proceeding towards a clearer phase of profitable growth.

Aku Vikström
CEO

Turnover and income

GROUP (CONTINUING AND DISCONTINUED OPERATIONS):

The Group's turnover in *January–September 2019* was MEUR 197.6, growth of 39.2 per cent in comparison with last year's reference period. Staff expenses amounted to 32.5 per cent and the material margin was 73.8 per cent, which is in line with the synergy benefit targets set for this year. Depreciations, amortisations and impairment totalled MEUR 32.7. EBIT was MEUR 23.3, growth of 109.7 per cent. Net finance costs totalled MEUR 5.2. The result was MEUR 42.8, growth of 2,476.9 per cent, and earnings per share were EUR 2.16, growth of 2,189.2 per cent in comparison with last year's reference period. The result of the discontinued operation was MEUR 23.8, consisting of the result of the labour hire segment, after eliminations, and the sales profit from the labour hire business (see Note 4. Discontinued operations).

The Group's turnover in *July–September 2019* was MEUR 76.7, growth of 15.9 per cent. Staff expenses amounted to 30.2 per cent and the material margin was 73.8 per cent. Depreciations, amortisations and impairment totalled MEUR 11.0. EBIT was MEUR 9.8, growth of 297.2 per cent. Net finance costs totalled MEUR 0.9. The result was MEUR 37.4, growth of 4,080.9 per cent, and earnings per share were EUR 1.92, growth of 3,404.2 per cent in comparison with last year's reference period. The result of the discontinued operation was MEUR 29.7 (see Note 4. Discontinued operations).

RESTAURANT BUSINESS

(COMPARABLE CONTINUING OPERATIONS):

The result of the restaurant business differs from the above as described in more detail in Note 3. The most significant difference is related to the treatment of the Group's internal staffing service purchases.

Turnover in *January–September 2019* was MEUR 197.7, showing an increase of 39.2 per cent, EBIT was MEUR 11.7, growing by 1,008.5 per cent, and the result was MEUR 7.4, an increase of 2,302.3 per cent, with earnings per share at EUR 0.29, up by 2,129.5 per cent in comparison with last year's reference period.

Turnover in *July–September 2019* was MEUR 76.7, showing an increase of 15.9 per cent, EBIT was MEUR 6.0, growing by 597.6 per cent, and the result was MEUR 3.9, an increase of 328.0 per cent, with earnings per share at EUR 0.15, up by 252.3 per cent in comparison with last year's reference period.

TURNOVER IN THE BUSINESS AREAS OF THE RESTAURANT BUSINESS:

In January–September 2019, turnover for **restaurants** was MEUR 76.5 (MEUR 54.5), an increase of 40.4 per cent, and in July–September, it was MEUR 29.7 (MEUR 26.5), an increase of 12.2 per cent.

In January–September 2019, turnover for **nightclubs, pubs and entertainment venues** was MEUR 67.5 (MEUR 62.2), an increase of 8.5 per cent, and in July–September, it was MEUR 25.4 (MEUR 26.4), a decrease of 3.7 per cent.

In January–September 2019, turnover for **fast casual restaurants** was MEUR 25.0 (MEUR 18.0), an increase of 39.3 per cent, and in July–September, it was MEUR 8.9 (MEUR 9.1), a decrease of 2.6 per cent.

In January–September 2019, turnover for **the international restaurant business** was MEUR 28.7 (MEUR 8.3), an increase of 246.6 per cent, and in July–September, it was MEUR 12.7 (MEUR 5.0), an increase of 153.0 per cent.

Summary

The factors influencing the Group's earnings in January–September 2019 were the discontinuation of the labour hire business, the progress made in the restaurant portfolio reorganisation programme, the opening of new restaurants, concept reinventions and investments in international business.

The adoption of the IFRS 16 Leases standard has a MEUR -1.2 negative effect on earnings for January–September 2019.

The labour hire business is reported as a discontinued operation and it is included in the Group's (continuing and discontinued operations) figures of the Group's continuing operations in the interim report. The comparative information for 2018 has been adjusted in the income statement and the key figures. Starting from September 2019, the Group has one business segment: the restaurant business.

In the restaurant business, most of the profits are made during the second half of the year due to the seasonal nature of the business.

Cash flow, investments and financing

The Group's operating net cash flow in January–September 2019 was MEUR 36.0 (MEUR 9.0).

Growth investments made during the review period included the opening of new restaurants, such as the Social Club nightclub in Tampere, Stefan's Steakhouse in Oulu, Sandro in Citykäytävä in Helsinki and Farouge in Helsinki, as well as the acquisition of the Pihka restaurants and restaurant concept reinventions and changes.

The Group's interest-bearing net liabilities at the end of September 2019 were MEUR 270.4 (MEUR 141.6). Net finance costs in January–September 2019 were MEUR 5.2 (MEUR 2.1). Equity ratio was 28.0 per cent (23.7 per cent) and gearing ratio 205.1 per cent (199.1 per cent). The gearing ratio excluding the impact of IFRS 16 liabilities was 85.8 per cent. IFRS 16 liabilities amount to MEUR 158.3.

Pivotal events in the review period

MERGER OF SMILE AND VMP

On 5 July 2019, NoHo Partners signed a share purchase agreement with VMP Plc on the sale of the share capital of NoHo Partners' subsidiary Smile Henkilöstöpalvelut Oyj to VMP in exchange for shares. Smile's minority shareholders also committed to the transaction, which made NoHo Partners the combined company's largest shareholder with a 30.27% stake. Correspondingly, Smile became a subsidiary of VMP. The transaction was executed as a share exchange. The transaction was conditional on a resolution of VMP's extraordinary general meeting, held in late August, and on obtaining the necessary consents and undertakings from the financier banks. The Extraordinary General Meeting of VMP Plc held on 22 August 2019 approved the transaction, the conditions for the completion of the transaction were fulfilled and the transaction was completed on 23 August 2019.

PIHKA RESTAURANTS

NoHo Partners and Juuri Yhtiöt Oy established a joint venture, Pihka Oy, that operates the four Pihka staff restaurants and the Event Arena Bank. In addition to restaurant services, the company will also invest strongly in event, conference and catering operations. With the transaction, completed on 1 September 2019, NoHo Partners expanded its operations to the new, growing lunch and staff restaurant market.

COOPERATION WITH KESKO'S K-PLUSA SYSTEM

At the beginning of September, NoHo Partners started cooperation with Kesko and its K-Plussa customer loyalty system. Plussa card holders get Plussa points and discounts in all Hanko Sushi, Pizzarium and Classic American Diner restaurants. There are altogether 3.5 million Plussa customers.

THE MEMBERS OF THE EXECUTIVE TEAM MADE A MEUR 1.2 INVESTMENT IN THE COMPANY

On 23 September 2019, NoHo Partners announced that the members of its Executive Team had made a significant investment in the company by buying a total of 150,000 of the company's shares worth MEUR 1.2. The share purchases are not tied to any incentive or bonus schemes. The arrangement applies to NoHo Partners' whole Executive Team and its 10 members.

NEW RESTAURANTS:

- **Social Club**, Tampere
- **Sandro Shop & Restaurant**, Citykäytävä, Helsinki
- **Kiska**, Helsinki
- **Stefan's Steakhouse**, Oulu
- **Farouge**, Helsinki

Events after the review period and new projects

NEW RESTAURANTS:

- **Espa**, Helsinki
- **Hanko Sushi ja Pizzarium**, Tripla Helsinki
- **Toqyo**, Stockmann Helsinki
- **Viihdekeskus Hollywood**, Ideapark Seinäjoki

EILEFS LANDHANDLERI, OSLO

The company continued its expansion in the Norwegian restaurant market by acquiring the share capital of Eilefs Landhandleri, a classic pub that has been operating since 1989, on 1 October 2019.

CHANGES IN NOHO PARTNERS PLC'S EXECUTIVE TEAM

On 14 October 2019, NoHo Partners Plc announced that the Group's CFO and member of the Executive Team Jarno Suominen (b. 1972) had been appointed Deputy CEO of the company from 1 January 2020. Suominen is responsible for the company's strategic development projects, corporate acquisitions and investor relations and has served as deputy to the CEO as of 14 October 2019.

Jarno Vilponen (b. 1987) was appointed CFO and member of the Executive Team from 1 January 2020. He will join NoHo Partners Plc from the position of CFO at Smile Henkilöstöpalvelut, and his previous financial administration positions include Deloitte Oy, the Tax Administration and Staria Plc. With us, he will be responsible for financial administration, reporting, accounting and ICT operations.

CHANGES IN NOHO PARTNERS PLC'S BOARD OF DIRECTORS

Mikko Aartio, member of NoHo Partners Plc's Board of Directors and one of its founders, left the company's Board for personal reasons starting from 1 November 2019. Aartio has been a member of the company's Board of Directors since 2007. As of 1 November 2019, the Board of Directors consists of six (6) members.

CINEMA AND RESTAURANT CENTRE, HELSINKI

On 1 November 2019, the company announced that it had been chosen as the operator in charge of the restaurant services of the new cinema and restaurant centre next to the Narinkkatori square in Helsinki. The centre, planned to be built in the old bus station, will offer high-quality film and restaurant experiences and serve as a venue for various events. In addition, the company will be in charge of the event offering of the glass pavilion to be located on the Lasipalatsinaukio square. The completion of the centre is intended to take place in autumn 2021.

Personnel

In the period 1 January–30 September 2019, the restaurant business of the NoHo Partners Group employed on average 1,012 (662) full-time employees and 594 (368) part-time employees converted into full-time employees as well as 522 (429) 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.

Risks and uncertainty factors

There have been no changes in the Group's risks and uncertainty factors during 2019. A more detailed description of risks and uncertainty factors can be found in the financial statements of 31 December 2018.

Tampere, 12 November 2019

NOHO PARTNERS PLC

Board of Directors

More information available from:

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NOHO PARTNERS PLC is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history. The Group companies include some 220 restaurants in Finland, Denmark and Norway. Well-known restaurant concepts of the company include Elite, Savoy, Teatteri, Yes Yes Yes, Stefan's Steakhouse, Palace, Löyly, Hanko Sushi and Cock's & Cows. In 2018, NoHo Partners Plc's turnover was MEUR 323.2 and EBIT MEUR 7.2. Depending on the season, the Group employs approximately 2,100 people converted into full-time workers.

NoHo Partners corporate website: www.noho.fi

NoHo Partners consumer websites: www.ravintola.fi ja www.royalravintolat.fi

Interim Report 1 January–30 September 2019:

Table Section and Notes



Interim Report 1 January–30 September 2019: Table Section and Notes

The information presented in the Interim Report has not been audited

Consolidated Income Statement (IFRS) (Continuing and discontinued operations)

(TEUR)	Note	1 July–30 Sept. 2019	1 July–30 Sept. 2018	1 Jan.–30 Sept. 2019	1 Jan.–30 Sept. 2018	1 Jan.–31 Dec. 2018
Continuing operations						
Turnover		76,720.2	66,177.8	197,641.4	141,998.4	209,626.7
Other operating income		911.6	459.5	3,776.6	4,880.9	5,598.1
Materials and services		-23,976.1	-19,634.3	-59,438.8	-42,768.6	-61,778.9
Staff expenses		-15,680.0	-15,173.2	-45,226.2	-29,999.4	-46,581.5
Other operating expenses		-17,165.5	-21,724.2	-40,717.0	-49,155.1	-73,792.4
EBITDA		20,810.3	10,105.5	56,036.0	24,956.2	33,072.0
Depreciations, amortisations and impairment		-11,007.8	-7,637.8	-32,725.4	-13,840.5	-17,436.8
EBIT		9,802.5	2,467.8	23,310.5	11,115.7	15,635.2
Share of associated company profit		291.1	9.2	221.6	31.8	23.0
Financial income		12.2	3.8	2,175.6	17.2	696.2
Finance costs		-1,444.0	-598.7	-5,441.7	-1,313.9	-2,144.1
Profit/loss before taxes		8,661.8	1,882.2	20,266.1	9,850.7	14,210.3
Tax based on the taxable income from the financial period		-3,221.8	-460.9	-4,886.1	-1,291.0	-957.9
Change in deferred taxes		2,288.7	480.7	3,573.1	997.8	289.2
Result of the financial period, continuing operations		7,728.7	1,902.0	18,953.2	9,557.6	13,541.6
Discontinued operations						
Result of the financial period, discontinued operations		29,690.7	-2,842.0	23,828.0	-7,897.4	-9,310.9
Result of the financial period		37,419.5	-940.0	42,781.2	1,660.2	4,230.8
Result from continuing operations attributable to:						
Parent company shareholders		7,173.9	1,777.4	18,063.3	9,626.8	13,892.0
Minority shareholders		554.8	124.6	889.9	-69.3	-350.4
Total		7,728.7	1,902.0	18,953.2	9,557.6	13,541.6
Result of the financial period attributable to:						
Parent company shareholders		36,864.7	-1,064.6	41,891.3	1,729.4	4,581.2
Minority shareholders in continuing operations		554.8	124.6	889.9	-69.3	-350.4
Total		37,419.5	-940.0	42,781.2	1,660.2	4,230.8
Earnings per share calculated from continuing operations' result of the review period for parent company shareholders						
Undiluted earnings per share (euros)		0.35	0.10	0.90	0.53	0.77
Diluted earnings per share (euros)		0.35	0.10	0.90	0.53	0.77
Earnings per share calculated from the result of the review period for parent company shareholders						
Undiluted earnings per share (euros)		1.92	-0.06	2.16	0.09	0.26
Diluted earnings per share (euros)		1.91	-0.06	2.15	0.09	0.26
Comprehensive consolidated income statement						
Result of the financial period		37,419.5	-940.0	42,781.2	1,660.2	4,230.8
Other comprehensive income items (after taxes):						
Other financial assets measured at fair value through other comprehensive income items, change		0.0	0.0	0.0	0.0	0.0
Translation differences related to the foreign unit		-122.0	-1.6	-154.1	-0.3	0.0
Total comprehensive income for the period		37,297.5	-941.5	42,627.1	1,659.9	4,230.8
Distribution of the comprehensive income for the financial period:						
Parent company shareholders		36,742.7	-1,066.1	41,737.2	1,729.2	4,581.2
Minority shareholders in continuing operations		554.8	124.6	889.9	-69.3	-350.4
Total		37,297.5	-941.5	42,627.1	1,659.9	4,230.8

The comparable income statement of continuing operations is presented in Note 3. Financial information regarding the discontinued operation is presented in Note 4.

Non-recurring items recorded during the financial period from 1 January 2019 to 30 September 2019 are as follows:

A TEUR 2,144 adjustment of the estimated additional transaction price related to the share acquisitions of The Bird Mother ApS was recorded under financial income.

Non-recurring items recorded during the financial period from 1 January 2018 to 31 December 2018 are as follows:

Write-offs of fixed assets and fixed asset assignment losses relating to the restructuring of the Group were recorded amounting to TEUR 2,801. In addition, deferred expenses relating to the restructuring of the Group were recorded amounting to TEUR 1,620 under other operating expenses.

TEUR 3,572 of the sales profit from SuperPark shares was recorded under other operating income.

TEUR 1,133 of asset transfer tax was recorded in the restaurant segment.

Consolidated Balance Sheet (IFRS)

(TEUR)	30/09/2019	30/09/2018	31/12/2018
ASSETS			
Non-current assets			
Goodwill	126,353.6	144,358.7	147,434.0
Intangible assets	48,507.5	56,646.4	56,542.2
Property, plant and equipment	52,897.2	45,707.2	47,081.9
Right-of-use assets	156,747.9	0.0	0.0
Shares in associated companies and joint ventures	38,842.0	162.8	154.0
Financial assets measured at fair value through other items in the comprehensive income	33.1	98.1	98.1
Interest-bearing receivables	2,609.8	125.3	175.3
Non-interest-bearing receivables	2,941.8	3,661.7	3,755.4
Deferred tax assets	404.4	791.5	318.9
Non-current assets total	429,337.2	251,551.7	255,559.8
Current assets			
Inventories	5,486.0	5,191.0	5,147.0
Interest-bearing loans receivable	1,601.1	0.0	27.0
Sales receivables and other non-interest-bearing receivables	31,445.4	39,155.3	39,984.1
Cash and cash equivalents	3,363.4	5,353.8	4,954.6
Current assets total	41,895.9	49,700.1	50,112.8
Assets in total	471,233.1	301,251.8	305,672.6
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital	150.0	150.0	150.0
Invested unrestricted equity fund	57,670.4	66,944.8	66,944.8
Fair value fund	-4.5	-4.5	-4.5
Own shares	-191.4	-191.4	-191.4
Retained earnings	41,515.9	-2,528.8	-519.3
Hybrid loan	25,000.0	0.0	0.0
Total equity attributable to parent company shareholders	124,140.4	64,370.1	66,379.6
Minority shareholders	7,667.8	6,769.8	8,767.5
Equity, total	131,808.2	71,139.9	75,147.2
Non-current liabilities			
Deferred tax liabilities	6,106.2	8,884.5	10,227.3
Financial liabilities	71,474.8	95,027.3	90,466.9
Liabilities for right-of-use assets	131,479.9	0.0	0.0
Trade payables and other liabilities	1,701.3	7,362.3	6,298.5
Non-current liabilities total	210,762.2	111,274.2	106,992.7
Current liabilities			
Financial liabilities	48,143.1	52,043.0	53,162.8
Provisions	350.0	0.0	1,025.0
Liabilities for right-of-use assets	26,791.5	0.0	0.0
Trade payables and other liabilities	53,378.1	66,794.7	69,344.9
Current liabilities total	128,662.7	118,837.7	123,532.7
Liabilities total	339,424.9	230,111.9	230,525.4
Equity and liabilities in total	471,233.1	301,251.8	305,672.6

In connection with the adoption of the IFRS 9 standard, the Group changed the classification of housing company shares from "financial assets recorded at fair value through other comprehensive income items" to the property, plant and equipment group as of 1 January 2018.

The management has made a new estimate of the utilisation of the options associated with long-term leases of business premises. The management considers that not all leases are such that their options would be worth utilising or that the decision about the utilisation of the options could be made yet. Some extension options will not be utilised, which has an impact of MEUR 17.4 on right-of-use assets and liabilities.

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity

Equity attributable to parent company shareholders

(TEUR)	Share capital	Invested unrestricted equity fund	Fair value fund	Own shares	Translation difference	Retained earnings	Hybrid bond	Equity loan	TOTAL	Minority shareholders' share	EQUITY, TOTAL
Equity, 1 January 2019	150.0	66,944.8	-4.5	-191.4	0.0	-519.2	0.0	0.0	66,379.6	8,767.5	75,147.2
Comprehensive income for the financial period											
Profit for the financial period						41,891.3			41,891.3	889.9	42,781.2
Other comprehensive income items (after taxes)									0.0		0.0
Financial assets available for sale									0.0		0.0
Translation differences related to the foreign unit					-154.1				-154.1		-154.1
Total comprehensive income for the financial period	0.0	0.0	0.0	0.0	-154.1	41,891.3	0.0	0.0	41,737.2	889.9	42,627.1
Other changes									0.0		0.0
IFRS 16 change						708.3			708.3		708.3
Correction to unrestricted equity classification*		-10,356.7				10,356.7			0.0		0.0
Other changes total	0.0	-10,356.7	0.0	0.0	0.0	11,065.0	0.0	0.0	708.3	0.0	708.3
Transactions with shareholders											
Drawing and expenses of the hybrid bond						-345.6	25,000.0		24,654.4		24,654.4
Distribution of dividends						-6,463.0			-6,463.0	-2,028.3	-8,491.3
New issue		1,027.3							1,027.3		1,027.3
Expenses directly incurred from the issue of new shares adjusted with taxes									0.0		0.0
Acquisition of own shares									0.0		0.0
Changes in minority shareholders' shares without a change in controlling interest		55.0				-4,609.0			-4,554.0	38.8	-4,515.2
Changes in minority shareholders' shares that led to a change in controlling interest									0.0		0.0
Share-based payments						650.5			650.5		650.5
Transactions with shareholders, total	0.0	1,082.3	0.0	0.0	0.0	-10,767.1	25,000.0	0.0	15,315.3	-1,989.6	13,325.7
Equity, 30 September 2019	150.0	57,670.4	-4.5	-191.4	-154.1	41,670.0	25,000.0	0.0	124,140.4	7,667.8	131,808.2

*Corrected changes in the minority shareholders' shares from the Group's invested unrestricted equity into the Group's retained earnings according to their nature

Equity attributable to parent company shareholders

(TEUR)	Share capital	Invested unrestricted equity fund	Fair value fund	Own shares	Translation difference	Retained earnings	Hybrid bond	Equity loan	TOTAL	Minority shareholders' share	EQUITY, TOTAL
Equity, 1 January 2018	150.0	40,510.2	-4.5	-191.4	0.0	4,237.5	0.0	220.0	44,921.7	1,971.2	46,892.9
Comprehensive income for the financial period											
Profit for the financial period						1,291.1			1,291.1	369.1	1,660.2
Other comprehensive income items (after taxes)									0.0		0.0
Financial assets available for sale									0.0		0.0
Total comprehensive income for the financial period	0.0	0.0	0.0	0.0	0.0	1,291.1	0.0	0.0	1,291.1	369.1	1,660.2
Other changes					-0.3	-606.2			-606.4		-606.4
Other changes total	0.0	0.0	0.0	0.0	-0.3	-606.2	0.0	0.0	-606.4	0.0	-606.4
Transactions with shareholders											
Equity loans								-220.0	-220.0		-220.0
Distribution of dividends						-5,484.5			-5,484.5	-740.0	-6,224.5
New issue		26,453.4							26,453.4	854.4	27,307.8
Expenses directly incurred from the issue of new shares adjusted with taxes									0.0		0.0
Acquisition of own shares									0.0		0.0
Changes in minority shareholders' shares without a change in controlling interest		-18.8				-1,966.5			-1,985.2	4,315.3	2,330.1
Changes in minority shareholders' shares that led to a change in controlling interest									0.0		0.0
Share-based payments									0.0		0.0
Transactions with shareholders, total	0.0	26,434.7	0.0	0.0	0.0	-7,451.0	0.0	-220.0	18,763.7	4,429.6	23,193.3
Equity, 30 September 2018	150.0	66,944.8	-4.5	-191.4	-0.3	-2,528.6	0.0	0.0	64,370.1	6,769.8	71,139.9

Consolidated Statement of Cash Flows (IFRS)

(TEUR)	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
Operating net cash flow			
Profit for the financial period	42,781.2	1,660.2	4,230.8
Adjustments:			
Non-cash transactions*	-33 290.3	1,311.5	3,423.7
Sales profit from sales of shares of associated companies	0.0	-3,572.0	-3,572.0
Depreciations, amortisations and impairment	36,042.0	16,591.7	21,219.8
Finance costs (net)	5,288.6	2,060.3	1,602.2
Taxes	1,962.1	857.2	1,379.9
Share of associated company profit	-221.6	-31.8	-23.0
Cash flow before change in working capital	52,561.9	18,877.2	28,261.4
Changes in working capital:			
Increase (-)/deduction (+) in accounts receivable and other receivables	-2,978.1	-2,759.6	-5,139.3
Increase (-)/deduction (+) in inventories	125.3	680.9	893.8
Increase (+)/deduction (-) in accounts payable and other liabilities	-6,006.8	-2,296.5	1,839.1
Change in working capital	-8,859.6	-4,375.2	-2,406.4
Dividends received	6.0	0.0	4.0
Interest paid and other finance costs	-5,797.6	-2,189.3	-3,494.5
Interest received and other financial income	90.3	60.7	89.1
Taxes paid	-1,960.0	-3,401.7	-3,741.8
Operating net cash flow	36,040.9	8,971.6	18,711.9
Investment cash flow			
Investments in tangible and intangible assets (-)	-11,593.6	-7,639.2	-10,205.7
Deduction (+)/increase (-) of other non-current receivables	-2,416.7	-554.5	-838.8
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-13,541.6	-63,088.6	-66,198.8
Sales of subsidiaries with time-of-acquisition liquid assets deducted	0.0	77.3	77.3
Business transactions, acquisitions (-)	-2,218.6	-321.0	-367.9
Business transactions, sales (+)	312.0	178.2	340.7
Sales of minority shareholders' shares (+)	0.0	0.0	76.0
Associated company shares sold	0.0	6,513.3	6,513.3
Investment net cash flow	-29,458.6	-64,834.5	-70,603.9
Financial cash flow			
Payments to invested unrestricted equity fund	0.0	219.9	219.9
Minority shareholders' investments in subsidiaries	0.0	1,023.6	1,023.6
Repayment of equity convertible loans (-)	0.0	-13,319.5	-13,319.5
Non-current loans drawn (+)	3,050.0	80,085.5	85,085.5
Non-current loans repaid (-)	-8,463.3	-30,721.5	-32,368.9
Short-term loans drawn (+)/repaid (-)	1,680.7	7,064.2	125.3
Short-term commercial papers drawn (+)/repaid (-)	0.0	22,000.0	22,000.0
Acquisition of minority shareholders' shares (-)	-264.3	-1,009.7	-1,049.7
Drawing of hybrid loan	24,654.4	0.00	0.0
Right-of-use asset liabilities repaid	-20,184.5	0.00	0.0
Dividends paid	-8,646.5	-6,695.8	-7,439.5
Financial net cash flow	-8,173.6	58,646.7	54,276.6
Change in liquid assets	-1,591.2	2,783.9	2,384.7
Liquid assets 1 January	4,954.6	2,570.0	2,570.0
Change	-1,591.2	2,783.9	2,384.7
Liquid assets 30 September	3,363.4	5,353.8	4,954.6

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

In stock exchange releases dated 21 March 2019, NoHo Partners Plc announced the issue of a MEUR 25 hybrid bond. The hybrid bond is an equity bond. NoHo Partners Plc will use the proceeds of the hybrid bond in accordance with its strategy, including possible international and domestic acquisitions, the repayment of certain existing liabilities in the amount of approximately EUR 5 million, including the repayment of certain loans granted by the Lead Manager, as well as for general corporate purposes.

The NoHo Partners Plc Group reformed its financial arrangements during the second quarter of the 2018 financial period. During the quarter, the Group drew approximately MEUR 97 of new capital as financial institution loans and commercial papers. The capital acquired was used to cover, in addition to the purchase prices of share transactions executed, the purchased companies' financial institution and equity loans in the amount of approximately MEUR 35.1.

Notes

1. Accounting Principles

This unaudited interim report has been prepared observing the IAS 34 Interim Financial Reporting standard. The interim report should be read together with the 2018 IFRS consolidated financial statements. The interim report has been prepared by observing the same accounting principles as with the 2018 IFRS consolidated financial statements, with the exception of the new amendments to the IFRS standards effective as of 1 January 2019. The changes are described in the 2018 IFRS consolidated financial statements

Discontinued operation

On 23 August 2019, NoHo Partners announced that the combination of Smile Henkilöstöpalvelut and VMP had been completed. NoHo Partners sold the share capital of Smile Henkilöstöpalvelut Oyj to VMP Plc and Smile Henkilöstöpalvelut demerged from the Group on 23 August 2019.

The company created through the combination of VMP and Smile became an associated company of NoHo Partners and NoHo Partners became the combined company's largest shareholder with a 30.27% stake. VMP Group will be consolidated with the NoHo Partners Group as an associated company using the equity method.

On 23 August 2019, the Board of Directors of VMP carried out a special share issue in which the shareholders of Smile received 0.8087 new shares in VMP as share consideration for each share in Smile owned by them, corresponding to a total of 10,050,177 new shares in VMP. In the transaction, NoHo Partners received 7,520,910 shares in VMP as consideration. At the average price of the VMP share on 23 August 2019, the value of these shares was EUR 38,251,348.26.

Previously, Smile was a separate labour hire business segment within the NoHo Partners Group. In this interim report, Smile is classified as a discontinued operation. The balance sheet of 31 August 2019 was used in Smile's demerger.

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

Financial impact of the discontinued operation is presented in Note 4.

Hybrid bond

In stock exchange releases dated 21 March 2019, NoHo Partners Plc announced the issue of a MEUR 25 hybrid bond. The hybrid bond is an equity bond. NoHo Partners Plc will use the proceeds of the hybrid bond in accordance with its strategy, including possible international and domestic acquisitions, the repayment of certain existing liabilities in the amount of approximately EUR 5 million, including the repayment of certain loans granted by the Lead Manager, as well as for general corporate purposes.

An equity bond, a hybrid bond, is an instrument which is subordinated to the company's other debt obligations. However, it is not subordinated to other items included in shareholders' equity. The interest accrued on the hybrid bond will be paid if the Annual General Meeting decides to pay dividend. If dividend is not paid, the company will decide separately on any payment of interest. Unpaid interest will cumulate. The bearers of the hybrid bond have no authority or votes at the Annual General Meeting.

Interest on the hybrid bond will be considered in the calculation of earnings per share. Basic earnings per share will be calculated by dividing the result of the financial period attributable to parent company shareholders adjusted with hybrid bond interest expenses and hybrid bond repayment premiums, adjusted with tax effects, with the weighted average of the shares outstanding during the financial period.

IFRS 16 and other standard changes

The effects of the IFRS 16 Leases standard are described in Section 2 of the notes. Other changes do not have a significant effect on the interim report.

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.

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.

2. Impact of New Standards

At the beginning of the financial period, the Group adopted the standard IFRS 16 Leases, effective as of 1 January 2019.

IFRS 16 establishes the requirements for recognition, measurement, presentation and disclosure of leases. According to the standard, all lessees' leases will be processed in the same way, with the lessee entering assets and debts for all leases in the balance sheet in accordance with the management's estimation. Exceptions to the above are comprised of the standard's exemptions regarding low-value underlying assets and short-term leases.

The lessee will enter in the balance sheet a lease liability consisting of the present value of lease payments based on future cash flows. This liability will be used as the basis for calculating a right-of-use asset recognised in the balance sheet. The right-of-use asset must also include, for example, lease payments made in advance, restoration costs and direct costs resulting from the lease, etc. The right-of-use asset is depreciated during the lease term. The discount rate used will be the internal rate of interest, if one is available, or the incremental borrowing rate specified in the standard.

Lease costs are primarily presented in the income statement as depreciations and amortisations as well as interest expenses. The costs of leases eligible for exemptions (low-value and short-term) are presented as lease costs in the income statement. In practice, this will increase short-term and long-term interest-bearing liabilities and assets on the balance sheet as well as EBIT or EBITDA in the income statement.

The management has specified the leases to be included in IFRS 16 calculation. NoHo Partners Plc will use all the exemptions of the standard in terms of low-value underlying assets with regard to all leases, and in terms of short-term leases for all asset item categories.

Asset classification

According to the standard, the class of underlying assets refers to a group of similar underlying assets used for similar purposes in the activities of a corporation. Leases are divided into the following classes of underlying assets:

- (a) Buildings
- (b) Civil engineering areas
- (c) Machines and equipment
- (d) Other underlying assets

Incremental borrowing rate

The company will use the lessee's incremental borrowing rate of interest to define the discount rate of future lease payments. The management has estimated the incremental borrowing rate in accordance with what the interest rate would be if the asset were obtained with outside financing. The incremental borrowing rate has been specified separately for each asset, considering the risk-free interest rate, lease term, economic environment and underlying asset. The management has estimated that, with the prevailing interest rate level, the amount of interest on various assets will not materially differ from one another on the effective date, 1 January 2019. The incremental borrowing rate will be re-assessed for each new lease and the changing situations specified in the standard. Incremental borrowing rate is approximately 2.9%.

Lease term

The principle used for the definition of the lease term: The lease term of the lease of an individual restaurant operating on leased premises determines the lease term lengths of any underlying assets on said premises that are based on a basic non-fixed-term lease or a shorter lease. For example, if the lease term of restaurant premises is 4 years, the lease term of beverage taps based on a non-fixed-term lease or a shorter lease is also specified to be 4 years.

The Group's leases often include the option to extend the lease term. The management has made an estimate of the utilisation of the extension options, and some extension options will not be utilised for business and financial reasons.

Restoration costs

The management has also estimated the amount of restoration costs in any leases that include provisions regarding restoration requirements. The restoration costs entered in a right-of-use asset are based on estimates, the specific amount of which cannot be known in advance, and their scale has been estimated based on previously realised restoration costs. Restoration costs have primarily consisted of dismantling commercial premises or similar. Restoration costs will be recognised in a right-of-use asset and provisions by discounting them with risk-free interest.

Transition

NoHo Partners Plc has selected the simplified approach to transition to the IFRS 16 standard, wherein the present value of future lease payments will be primarily entered in the opening balance on 1 January 2019 as a lease liability and right-of-use asset. NoHo Partners Plc will not restate the comparative information.

Opening balance on 1 January 2019

The table below presents a bridge calculation from rental liabilities in accordance with IAS 17 as of 31 December 2018 to the opening balance in accordance with IFRS 16 on 1 January 2019.

Rental liabilities on 31 December 2018	202,756.0
Discounted rental liabilities 2018	189,013.4
Finance lease agreements	627.5
Exemptions	-11,870.1
Other items	-880.7
Lease liability on 1 January 2019	176,890.1

The impact of the IFRS 16 standard on the Group's opening balance:

The leasing arrangements and other amortised leases recorded on the consolidated balance sheet before the adoption of the IFRS 16 standard have been written off on 1 January 2019. The written-off leases are included in IFRS 16 calculation from 1 January 2019. The difference between the asset items and debt items of these leases recorded on the balance sheet has been recorded in earnings. The entry had an impact of a total of TEUR 708 on earnings, increasing the earnings.

ASSETS	31/12/2018	Adjustment	Opening balance on 1 January 2019
Non-current assets			
Tangible assets	47,081.9	-627.5	46,454.3
Right-of-use assets	0.0	176,890.1	176,890.1
Deferred tax assets	318.9	-177.6	141.3
Total		176,085.0	

EQUITY AND LIABILITIES	31/12/2018	Adjustment	Opening balance on 1 January 2019
Equity			
Retained earnings	-519.3	708.3	189.0
Non-current liabilities			
Financial liabilities	90,466.9	-269.1	90,197.9
Liabilities for right-of-use assets	0.0	150,749.6	150,749.6
Deferred tax liabilities	10,227.3	-2.2	10,225.1
Current liabilities			
Financial liabilities	53,162.8	-361.4	52,801.4
Liabilities for right-of-use assets	0.0	26,140.6	26,140.6
Trade payables and other liabilities	69,344.9	-880.8	68,464.2
Equity and liabilities in total		176,085.0	

The tables include only those balance sheet items which have been impacted by the amendments to the standards; therefore, no subtotals are presented.

The profit impact of the standard

The adoption of the IFRS 16 standard has a negative impact on NoHo Partners' result of the financial period. For leases, the asset depreciation is recorded under the operating result and the interest accumulated on lease liabilities entered under finance costs in the income statement. With an unchanged contract portfolio, interest expenses are at their highest at the beginning of the lease term and decrease towards the end of the lease term as liabilities are reduced. Before 2019, the lease amounts of operating leases were presented under other operating expenses.

During the reporting period 1 January–30 September 2019, the calculated effect of the IFRS 16 transition on earnings is MEUR 1.2 negative. The IFRS 16 transition has a positive impact on the operating result and a significant positive effect on EBITDA and, as a result, the company has given up commenting on EBITDA.

Presentation

NoHo Partners Plc presents right-of-use assets on the balance sheet as a separate item and presents an itemisation of the classes of underlying assets in the balance sheet notes. Lease liability is presented in non-current and current liabilities as separate items. The lease amounts for low-value or short-term leases are presented in other operating expenses and itemised in the notes. The depreciations of other leases are presented in the income statement in depreciations, amortisations and impairments, and interest expenses in finance costs. The other information required by the standard is presented in the notes.

The adoption of the IFRS 16 Leases standard influenced the method of presentation of the consolidated statement of cash flows with regard to operating and financial cash flow. The payments of rent realised with the adoption of the standard are allocated to operating cash flow, for the part corresponding to the finance cost, and to financial cash flow, for the part corresponding to the repayment of a liability. The IFRS 16 Leases standard does not have an impact on the Group's cash flows; rather, it is a question of a change in the method of presentation of the various parts of the cash flow statement.

Harmonisation of depreciation and amortisation plans

Due to the business acquisitions made this and last year, the Group has reviewed and harmonised the depreciation and amortisation plans of the acquired companies into a unified whole starting from 1 January 2019.

3. Calculation principles of the key figures of comparable continuing operations

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

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

(TEUR)	Note	1 July– 30 Sept. 2019	1 July– 30 Sept. 2018	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
Restaurant business (comparable continuing operations)						
Turnover		76,733.2	66,204.0	197,733.5	142,075.0	209,725.0
Other operating income		1,023.3	633.6	4,255.6	5,397.3	6,300.9
Materials and services		-27,877.9	-23,390.4	-71,554.8	-53,192.7	-75,788.1
Staff expenses		-15,680.0	-15,173.2	-45,226.2	-29,999.4	-46,581.5
Other operating expenses		-17,236.9	-21,832.7	-40,785.3	-49,384.4	-74,013.5
EBITDA		16,961.8	6,441.3	44,422.8	14,895.8	19,642.8
Depreciations, amortisations and impairment		-11,007.8	-7,637.8	-32,725.4	-13,840.5	-17,436.8
EBIT		5,954.0	-1,196.4	11,697.4	1,055.2	2,206.0
Share of associated company profit		291.1	9.2	221.6	31.8	23.0
Financial income		29.1	56.7	2,220.6	184.7	899.5
Finance costs		-1,444.0	-598.7	-5,441.7	-1,313.9	-2,144.1
Profit/loss before taxes		4,830.2	-1,729.2	8,698.0	-42.2	984.3
Tax based on the taxable income from the financial period		-3,221.8	-460.9	-4,886.1	-1,291.0	-957.9
Change in deferred taxes		2,288.7	480.7	3,573.1	997.8	289.2
Result of the financial period, comparable continuing operations		3,897.1	-1,709.4	7,385.0	-335.3	315.6
Result from comparable continuing operations attributable to:						
Parent company shareholders		3,342.3	-1,834.0	6,495.2	-266.1	666.0
Minority shareholders		554.8	124.6	889.9	-69.3	-350.4
Total		3,897.1	-1,709.4	7,385.0	-335.3	315.6
Earnings per share calculated from comparable continuing operations' result of the review period for parent company shareholders						
Undiluted earnings per share (euros)		0.15	-0.10	0.29	-0.01	0.04
Diluted earnings per share (euros)		0.15	-0.10	0.29	-0.01	0.04
Key figures of comparable continuing operations						
EBIT, %		7.8%	-1.8%	5.9%	0.7%	1.1%
EBITDA, %		22.1%	9.7%	22.5%	10.5%	9.4%
Material margin, %		73.8%	73.8%	73.8%	73.2%	73.9%
Staff expense, %		30.2%	31.8%	32.5%	31.5%	32.1%

4. Discontinued operation

On 23 August 2019, NoHo Partners announced that the combination of Smile Henkilöstöpalvelut and VMP had been completed.

The Extraordinary General Meeting of VMP Plc held on 22 August 2019 approved the acquisition of the share capital of NoHo Partners Plc's subsidiary Smile Henkilöstöpalvelut Oyj in exchange for shares. On 23 August 2019, the conditions for the completion of the transaction had been fulfilled and the transaction was completed.

The company created through the combination of VMP and Smile became an associated company of NoHo Partners and NoHo Partners became the combined company's largest shareholder with a 30.27% stake. VMP Group will be consolidated with the NoHo Partners Group as an associated company using the equity method.

On 23 August 2019, the Board of Directors of VMP carried out a special share issue in which the shareholders of Smile received 0.8087 new shares in VMP as share consideration for each share in Smile owned by them, corresponding to a total of 10,050,177 new shares in VMP. In the transaction, NoHo Partners received 7,520,910 shares in VMP as consideration. At the average price of the VMP share on 23 August 2019, the value of these shares was EUR 38,251,348.26.

Due to the transaction, Smile demerged from the Group on 23 August 2019. Previously, Smile was a separate labour hire business segment within the NoHo Partners Group. In this interim report, Smile is classified as a discontinued operation.

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

The discontinued operation's result for the period 1 January–30 September 2019 includes MEUR 33 in EBIT arising from the transaction. The balance sheet of 31 August 2019 was used in Smile's demerger.

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

Result of the discontinued operation

The business of the discontinued operation is described in Note 6 on segment information.

INFORMATION ABOUT THE LABOUR HIRE SEGMENT					
(TEUR)	1 July– 30 Sept. 2019	1 July– 30 Sept. 2018	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
Turnover	28,378.6	39,900.6	95,925.8	92,936.9	127,089.6
Other operating income	155.6	321.0	505.1	795.6	1,025.3
Materials and services	-222.9	-1,614.5	-1,261.8	-3,494.4	-4,368.1
Staff expenses	-23,747.0	-32,643.6	-80,950.2	-76,814.1	-104,685.6
Other operating expenses	-1,455.7	-3,159.8	-5,864.9	-7,196.5	-10,308.7
EBITDA	3,108.7	2,803.8	8,354.0	6,227.6	8,752.6
Depreciations, amortisations and impairment	-831.6	-1,106.0	-3,316.5	-2,751.2	-3,783.0
EBIT	2,277.1	1,697.8	5,037.5	3,476.4	4,969.6
Share of associated company profit	0.0	0.0	0.0	0.0	0.0
Financial income	24.3	340.5	73.6	391.7	1,304.8
Finance costs	-1,725.3	-993.2	-2,126.3	-1,308.5	-1,648.0
Profit/loss before taxes	576.1	1,045.2	2,984.7	2,559.6	4,626.4
Income taxes	-535.7	-968.8	-1,622.0	-1,886.0	-1,351.8
Change in deferred taxes	406.6	693.0	972.9	1,321.9	640.6
Profit/loss of the labour hire segment after taxes	447.0	769.4	2,335.6	1,995.5	3,915.1
Result of the discontinued operation					
Profit/loss of the labour hire segment after taxes	447.0	769.4	2,335.6	1,995.5	3,915.1
Sales profit after taxes	33,110.1	0.0	33,110.1	0.0	0.0
Impact of internal items	-3,866.4	-3,611.4	-11,617.7	-9,892.9	-13,226.0
Result of the discontinued operation	29,690.7	-2,842.0	23,828.0	-7,897.4	-9,310.9
Attributable to:					
Parent company shareholders	29,656.5	-2,962.3	22,988.1	-8,335.7	-10,398.1
Minority shareholders	34.3	120.3	839.9	438.3	1,087.2
Total	29,690.7	-2,842.0	23,828.0	-7,897.4	-9,310.9
Earnings per share calculated from the review period profit for parent company shareholders					
Undiluted earnings per share (euros)	1.56	-0.16	1.21	-0.45	-0.58
Diluted earnings per share (euros)	1.55	-0.16	1.20	-0.45	-0.58
Labour hire segment key figures					
EBIT, %	8.0%	4.3%	5.3%	3.7%	3.9%
EBITDA, %	11.0%	7.0%	8.7%	6.7%	6.9%
Staff expense, %	83.7%	81.9%	84.4%	82.6%	82.4%

Non-recurring items recorded during the financial period from 1 January 2018 to 31 December 2018 are as follows:

TEUR 818 consisting of expenses relating to Smile Henkilöstöpalvelut Oyj's cancelled listing process was recorded under other operating expenses and TEUR 932 under finance costs.

A TEUR 1,830 adjustment of the estimated additional transaction price related to the share acquisitions of Job Service Two Oy, Job Service Three Oy and Bird Mother ApS was recorded under financial income, and a TEUR 87 adjustment of the actual additional sales price related to the share acquisition of Jobio Pirkanmaa Oy and Jobio Pohjanmaa Oy was recorded under finance costs.

TEUR 307 of asset transfer tax was recorded in the labour hire segment.

Net cash flows of the discontinued operation

(TEUR)	1 Jan.–30 Sept. 2019	1 Jan.–30 Sept. 2018	1 Jan.–31 Dec. 2018
Operating cash flow	2,142.0	2,781.0	6,793.1
Investment cash flow	-1,627.1	-16,015.9	-17,998.9
Financial cash flow	-517.4	14,562.2	11,188.8

Sales profit arising from the discontinued operation

Sales profit in the parent company 38,249.0

Book values of the net assets to be transferred, 31 August 2019

Non-current assets 45,500.8

Current assets 22,298.9

Assets in total 67,799.7

Non-current liabilities 25,946.4

Current liabilities 32,662.6

Liabilities total 58,609.1

Net assets to be transferred, total 9,190.7

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

Sales profit from the discontinued operation 33,110.1

5. Sales Revenue

Continuing operations

The Group adopted the IFRS 15 standard at the beginning of 2018.

DISTRIBUTION OF CONTINUING OPERATIONS' SALES REVENUE INTO GOODS AND SERVICES

(TEUR)	1 July– 30 Sept. 2019	1 July– 30 Sept. 2018	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
Sale of goods	61,210.5	54,189.2	158,352.5	117,556.0	173,006.0
Sale of services	15,509.7	11,988.6	39,288.9	24,442.5	36,620.7
Total	76,720.2	66,177.8	197,641.4	141,998.4	209,626.7

The sale of goods is primarily comprised of 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's sales are mainly comprised of domestic sales.

Asset and debt items based on contracts with customers

Of asset items based on contracts, TEUR 182 of IFRS 9 credit loss provision has been recorded between 1 January and 30 September 2019.

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

Restaurants sell gift cards, which are presented in current liabilities. Gift card revenue is recognised when the card is used. On 30 September 2019, the value of gift cards sold was approximately TEUR 941, and they are expected to be entered as income within the calendar year.

6. Segment Information

NoHo Partners sold the share capital of Smile Henkilöstöpalvelut Oyj to VMP Plc on 23 August 2019. Due to the transaction, Smile demerged from the Group on 23 August 2019. Previously, Smile was a separate labour hire business segment within the NoHo Partners Group. In this interim report, Smile is classified as a discontinued operation. The discontinued operation is presented in Note 4.

Until the divestment of Smile Henkilöstöpalvelut Oyj, the Group had two reportable operating segments, which are its strategic business units: restaurants and labour hire. These business units produce various products and services and are managed as separate units, since their business requires applying different strategies. The Group's Executive Team has been named as the top operative decision-maker responsible for resource allocation and income estimates. The Group's restaurant segment operates on the domestic and international market and the labour hire segment solely on the domestic market.

The Group's restaurant segment operates extensively in the restaurant sector, providing restaurant experiences for the needs of customers. The restaurant segment includes approximately 220 restaurants, pubs and nightclubs with various concepts in Finland, Denmark and Norway. Well-known restaurant concepts of the company include Elite, Savoy, Teatteri, Yes Yes Yes, Viihdemaailma Ilona, Stefan's Steakhouse, Palace, Löyly, Hanko Sushi and Cock's & Cows.

The labour hire segment offers flexible personnel solutions to companies operating in several different fields. Staffing services are offered for hotels, restaurants and catering, events and promotions, construction and industry, logistics and maintenance, doctor services as well as direct-recruitment services, for example. The earnings from the segment are derived from labour hire activities.

The segment information presented by the Group is based on the management's internal reporting that is prepared in accordance with the IFRS standards. The pricing between segments is based on a fair market price. The Group's assets and liabilities are not allocated or monitored segment-by-segment in internal financial reporting.

The Group's evaluation of profitability and decisions concerning the resources to be allocated to a segment are based on the segments' EBIT. It is the understanding of the management that this is the most suitable benchmark for comparing the profitability of the segments to other companies in their respective fields.

	1 July–30 Sept. 2019				1 July–30 Sept. 2018			
	Restaurants	Labour hire/ Discontinued operation	Eliminations	Group	Restaurants	Labour hire/ Discontinued operation	Eliminations	Group
Turnover	76,733.2	28,378.6	-3,895.4	101,216.5	66,204.0	39,900.6	-3,721.5	102,383.0
Other operating income	1,023.3	155.6	-123.3	1,055.6	633.6	321.0	-174.1	780.5
EBITDA	16,961.8	3,108.7	-34.8	20,035.7	6,441.3	2,803.8	0.0	9,245.1
Depreciations	-11,007.8	-831.6	0.0	-11,839.4	-7,637.8	-1,106.0	0.0	-8,743.7
EBIT	5,954.0	2,277.1	-34.8	8,196.3	-1,196.4	1,697.8	0.0	501.4
Profit/loss before taxes	4,830.2	576.1	-34.8	5,371.5	-1,729.2	1,045.2	0.0	-684.0

	1 Jan.–30 Sept. 2019				1 Jan.–30 Sept. 2018			
	Restaurants	Labour hire/ Discontinued operation	Eliminations	Group	Restaurants	Labour hire/ Discontinued operation	Eliminations	Group
Turnover	197,733.5	95,925.8	-11,814.5	281,844.7	142,075.0	92,936.9	-10,236.4	224,775.5
Other operating income	4,255.6	505.1	-494.3	4,266.4	5,397.3	795.6	-524.6	5,668.3
EBITDA	44,422.8	8,354.0	-34.8	52,742.0	14,895.8	6,227.6	14.4	21,137.7
Depreciations	-32,725.4	-3,316.5	0.0	-36,042.0	-13,840.5	-2,751.2	0.0	-16,591.7
EBIT	11,697.4	5,037.5	-34.8	16,700.1	1,055.2	3,476.4	14.4	4,546.0
Profit/loss before taxes	10,930.0	2,984.7	-2,281.6	11,633.1	-42.2	2,559.6	-0.0	2,517.4

	1 Jan.–31 Dec. 2018			
	Restaurants	Labour hire/ Discontinued operation	Eliminations	Group
Turnover	209,725.0	127,089.6	-13,656.7	323,157.9
Other operating income	6,300.9	1,025.3	-702.8	6,623.4
EBITDA	19,642.8	8,752.6	14.4	28,409.7
Depreciations	-17,436.8	-3,783.0	0.0	-21,219.8
EBIT	2,206.0	4,969.6	14.4	7,189.9
Profit/loss before taxes	984.3	4,626.4	0.0	5,610.7

Non-recurring items recorded during the financial period from 1 January 2019 to 30 September 2019 are as follows:

A TEUR 2,144 adjustment of the estimated additional transaction price related to the share acquisitions of The Bird Mother ApS was recorded under financial income.

Non-recurring items recorded during the financial period from 1 January 2018 to 31 December 2018 are as follows:

Write-offs of fixed assets and fixed asset assignment losses relating to the restructuring of the Group were recorded amounting to TEUR 2,801. In addition, deferred expenses relating to the restructuring of the Group were recorded amounting to TEUR 1,620 under other operating expenses.

TEUR 818 consisting of expenses relating to Smile Henkilöstöpalvelut Oyj's cancelled listing process was recorded under other operating expenses and TEUR 932 under finance costs.

TEUR 3,572 of the sales profit from SuperPark shares was recorded under other operating income.

A TEUR 1,830 adjustment of the estimated additional transaction price related to the share acquisitions of Job Service Two Oy, Job Service Three Oy and Bird Mother ApS was recorded under financial income, and a TEUR 87 adjustment of the actual additional sales price related to the share acquisition of Jobio Pirkanmaa Oy and Jobio Pohjanmaa Oy was recorded under finance costs.

TEUR 1,133 of asset transfer tax was recorded in the restaurant segment and TEUR 307 in the labour hire segment.

7. Changes in Group Structure

Restaurant business (continuing operations):

ACQUIRED SUBSIDIARIES AND BUSINESSES

Acquired company or business	Transfer of the right of ownership and management	Shareholding acquired
Catering business acquisition, Casseli Oy, Tampere	02/01/2019	-
Restaurant operations, Taqueria El Rey, Helsinki	01/03/2019	-
Business acquisition, Arla, Lahden Järvimatkailu Oy, Lahti	03/04/2019	-
Dubliners AS	01/04/2019	100%
DOD AS	01/04/2019	100%
MEO AS	01/04/2019	100%
Rådhuskroken AS	01/04/2019	100%
SBF AS	01/04/2019	100%
Complete Security AS	01/04/2019	100%
Trobbelskyter AS Group	01/04/2019	70%
Business acquisition, Juuri Yhtiöt Oy		-

Business acquisitions in Norway

On 3 April 2019, the company announced a corporate transaction, whereby a subsidiary of NoHo Partners Plc Group purchased a 100% share in the Complete Security AS, Dubliners AS, Rådhuskroken AS, MEO AS, DOD AS and SBF AS companies and a 70% share in the Trobbelskyter AS Group.

In the corporate transaction, NoHo Partners established a joint venture with the Norwegian company Crea Diem AS ("Crea Diem"), with NoHo Partners owning 80.0 per cent of the joint venture. The new enterprise purchased the shareholdings of certain Crea Diem and Carpe Diem subsidiaries as well as 70.0 per cent of the shareholding in the Norwegian company Trobbelskyter AS ("Trobbelskyter").

After adjustments to the transaction price and fair value, goodwill will amount to TEUR 10,292. In the light of the existing market, the Group considers goodwill to consist of the actual business operations, the staff's expertise, synergy benefits (e.g. utilisation of purchase contracts and concepts across organisational boundaries) and the improvement of cost control and general operational management. The Group estimates that the combination of the Norwegian management and NoHo Partners' expertise will yield benefits both for building new concepts and for developing existing ones. Business expertise also reflects on the staff's competence.

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

(TEUR)	Dubliners AS	Trobbelskyter AS Group	DOD, MEO, Rådhuskroken, SFB, Complete Security	Other acquisitions	Total acquisitions
Assets					
Intangible assets	1,729.1	2,282.2	1,281.7	96.6	5,389.6
Tangible assets	147.9	3,334.7	2,092.7	856.2	6,431.4
Investments	0.0	1,183.9	0.0	0.0	1,183.9
Non-current receivables	0.0	234.5	0.0	0.0	234.5
Current receivables	160.5	4,169.6	1,114.2	0.0	5,444.2
Inventories	110.3	307.4	188.4	0.0	606.1
Cash and cash equivalents	694.9	1,637.8	277.8	0.0	2,610.5
Assets in total	2,842.7	13,150.1	4,954.8	952.8	21,900.3
Liabilities					
Deferred tax liabilities	349.3	502.9	292.1	0.0	1,144.3
Financial liabilities	0.0	4,802.3	1,087.6	0.0	5,890.0
Other payables	1,004.5	3,747.3	3,135.1	0.0	7,886.9
Liabilities total	1,353.9	9,052.5	4,514.8	0.0	14,921.2
Net assets	1,488.8	4,097.6	440.0	952.8	6,979.1
Total purchase consideration at time of acquisition:					
Share of the purchase consideration consisting of cash and cash equivalents	4,333.5	5,745.4	1,870.1	1,918.6	13,867.7
Share of equity of the purchase consideration	1,035.3	0.0	0.0	0.0	1,035.3
Contingent purchase consideration	1,073.8	0.0	374.0	0.0	1,447.8
Total purchase consideration in total	6,442.6	5,745.4	2,244.2	1,918.6	16,350.8
Generation of goodwill through acquisitions:					
Total purchase consideration	6,442.6	5,745.4	2,244.2	1,918.6	16,350.8
Minority shareholders' share	12.5	1,871.8	2.0	0.0	1,886.2
Net identifiable assets of the acquired entity	1,488.8	4,097.6	440.0	952.8	6,979.1
Goodwill	4,966.3	3,519.6	1,806.2	965.8	11,257.9

The acquisition cost calculations are preliminary and the management will conduct more detailed calculations on fair value allocations during this financial period.

During the reporting period 1 January–30 September 2019, the company has recorded a total of TEUR 330 in acquisition-related expert expenses under other operating expenses.

Determination of contingent transaction prices

The amount of the transaction price for Dubliners, DOD, MEO, Rådhuskroken, SFB and Complete Security that was paid at the time of acquisition was TEUR 7,239. The contracts between NoHo Partners and Crea Diem AS include put and call options, due in 2023, for redeeming shares in minority shareholders' possession. The company has estimated that the probability of exercising the options is high. The shareholding of minority shareholders, TEUR 1,448, 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.

Acquired associated companies

As a part of the corporate transaction completed, NoHo Partners acquired a 30.27% stake in VMP Plc on 23 August 2019. On 23 August 2019, the Board of Directors of VMP carried out a special share issue in which the shareholders of Smile Henkilöstöpalvelut Oyj received 0.8087 new shares in VMP as share consideration for each share in Smile owned by them, corresponding to a total of 10,050,177 new shares in VMP. In the transaction, NoHo Partners received 7,520,910 shares in VMP as consideration. At the average price of the VMP share on 23 August 2019, the value of these shares was EUR 38,251,348.26.

The preliminary acquisition cost calculation of this acquisition is currently being prepared and will be completed by 31 December 2019.

The associated company's (VMP Plc) result for September is not recorded in the Group's Q3 result because the preliminary acquisition cost calculation is still incomplete.

SOLD BUSINESS OPERATIONS

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

Name	Shareholding sold	Location	Date of control transfer
Restaurant, Maurinkatu 6	100%	Helsinki	01/02/2019
Restaurant, Hämeenkatu 14	100%	Tampere	12/03/2019
Restaurant, Eteläesplanadi 22	100%	Helsinki	01/04/2019
Restaurant, Tuomiokirkonkatu 6	100%	Turku	01/05/2019
Smile Henkilöstöpalvelut Oyj	74,83%	Tampere	23/08/2019

AT THE MOMENT OF TRANSFER OF CONTROL, THE VALUES OF THE ASSETS SOLD WERE IN TOTAL AS FOLLOWS:

Goodwill	32,032.8
Property, plant and equipment.....	3,483.0
Other asset items.....	32,971.5
Minority share.....	-6,456.7
Liabilities	-52,152.3
Net assets, total.....	9,878.2

There were impairment losses relating to the goodwill allocated to the sold units.
The goodwill impairment relating to the sold units was recognised as follows:

Intangible rights, goodwill.....	32,542.7
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Of completed sales, a loss of TEUR 503 due to the difference between the sales profit from fixed assets and the recognition of goodwill impairment; and TEUR 109 capital losses of fixed assets were recognised in the income statement.

8. Intangible and Tangible Assets

(TEUR)			
Goodwill	30/09/2019	30/09/2018	31/12/2018
Book value 1 Jan.	147,434.0	52,571.3	52,571.3
Business acquisitions	11,461.9	91,949.3	95,024.7
Depreciations, amortisations and impairment	0.0	0.0	0.0
Deductions	-32,542.3	-162.0	-162.0
Book value at the end of the review period	126,353.6	144,358.7	147,434.0

(TEUR)			
Intangible assets	30/09/2019	30/09/2018	31/12/2018
Book value 1 Jan.	56,542.2	13,648.4	13,648.4
Business acquisitions	5,319.4	50,148.6	52,774.1
Additions	1,170.9	339.9	24.9
Depreciations, amortisations and impairment	-6,343.9	-5,023.1	-7,190.9
Deductions	-8,181.0	0.0	-1.8
Transfers between account types	0.0	-2,467.4	-2,712.5
Book value at the end of the review period	48,507.5	56,646.4	56,542.2

Tangible assets	30/09/2019	30/09/2018	31/12/2018
Book value 1 Jan.	47,081.9	32,978.2	32,391.2
Business acquisitions	6,431.4	16,977.6	18,020.6
Additions	9,351.4	8,178.7	10,882.8
Depreciations, amortisations and impairment	-8,081.6	-11,568.6	-14,028.9
Deductions	-1,885.8	-858.8	-770.9
Transfers between account types	0.0	0.0	587.0
Book value at the end of the review period	52,897.2	45,707.2	47,081.9

Right-of-use assets	30/09/2019	30/09/2018	31/12/2018
Book value 1 Jan.	176,890.1	0.0	0.0
Additions	25,986.5	0.0	0.0
Depreciations, amortisations and impairment	-21,616.4	0.0	0.0
Deductions*	-24,512.3	0.0	0.0
Transfers between account types	0.0	0.0	0.0
Book value at the end of the review period	156,747.9	0.0	0.0

* The deductions consist of deductions resulting from the Smile sales transaction and the re-assessment of the IFRS 16 options.

9. Related Party Transactions

TRANSACTIONS WITH RELATED ENTITIES

(TEUR)	Sales	Acquisitions	Receivables	Liabilities
30/09/2019	340.1	1,979.1	696.5	3,650.4
30/09/2018	1,551.2	1,584.8	471.9	209.4
31/12/2018	2,365.7	2,987.5	691.9	254.1

The comparative information for 2018 has been adjusted so that it corresponds with the related party transactions of continuing operations. Transactions with related entities have been completed applying the same terms as transactions with independent parties.

SHARE-BASED INCENTIVE SCHEME

The Group has a long-term share-based incentive scheme for key personnel. The scheme is described in more detail in the 2018 consolidated financial statements.

The share-based incentive scheme contains three earning periods. The first 13-month earning period started on 1 December 2018 and will end on 31 December 2019. Based on the decision by the Board of Directors, a maximum amount of 214,282 NoHo Partners Plc's shares may be paid to the key employees during the first earning period based on the achieved target levels of the EBIT percentage of Finnish operations and the EBITDA of foreign business operations. The incentive scheme will cover 10 key employees of the company's Executive Team in the first earning period. The Board of Directors anticipates that if the reward is fully paid in shares, the maximum dilutive effect on the number of the company's registered shares for the first earning period is 1.1%.

The costs of the first earning period of the share incentive scheme are allocated over a period from December 2018 to the end of 2019. The maximum reward for the first earning period at the grant date is TEUR 1,879. Share reward benefits are recorded as staff expenses and in equity under earnings. Based on the management's estimate, for the first earning period of the scheme, TEUR 651 in benefits paid in shares have been entered as expenses for the 1 January–30 September 2019 financial period.

MEMBERS OF THE EXECUTIVE TEAM OF NOHO PARTNERS PLC ON 30 SEPTEMBER 2019

Aku Vikström, CEO, Chairman of the Executive Team
Jarno Suominen, CFO, Deputy CEO
Juha Helminen, Director of International Operations
Perttu Pesonen, Development Director
Anne Kokkonen, HR Director
Benjamin Gripenberg, CBO, Restaurants, Helsinki Metropolitan Area
Tanja Virtanen, CBO, Restaurants, rest of Finland
Tero Kaikkonen, CBO, Fast Casual
Eemeli Nurminen, CBO, Nightclubs and Pubs & Entertainment, Helsinki Metropolitan Area
Paul Meli, CBO, Nightclubs and Pubs & Entertainment, rest of Finland

10. Conditional liabilities and Assets and Commitments

LEASE AGREEMENTS

Starting from 1 January 2019, the NoHo Partners Group complies with the IFRS 16 Leases standard. The impacts of the transition are presented in Note 2.

HYBRID BOND

The hybrid bond is described in more detail in Note 1. On 30 September 2019, the interest accumulated on the hybrid bond is TEUR 1,131.

GUARANTEES AND CONTINGENT LIABILITIES

(TEUR)	30/09/2019	30/09/2018	31/12/2018
Liabilities with guarantees included on the balance sheet			
Loans from financial institutions, non-current	67,357.1	94,794.0	89,981.0
Loans from financial institutions, current	26,149.7	29,583.0	30,810.6
Total	93,506.9	124,377.0	120,791.6
Liabilities with guarantees included on the balance sheet			
Commercial papers, current	22,000.0	22,000.0	22,000.0
Total	22,000.0	22,000.0	22,000.0
Guarantees given on behalf of the Group			
Collateral notes secured by a mortgage	34,885.8	54,886.5	54,885.7
Real estate mortgage	4,364.7	4,365.0	4,364.6
Subsidiary shares	99,779.0	99,858.2	114,736.6
Other shares	0.0	164.8	0.0
Bank guarantees	8,383.3	11,174.6	8,842.6
Other guarantees	3,641.0	6,645.3	17,980.0
Total	151,053.9	177,094.3	200,809.4
Purchase commitments			
Smile Henkilöstöpalvelut Oyj	73,551.3	89,859.9	85,749.7
Other	600.0	600.0	600.0

Guarantees and contingent liabilities presented in the table for 30 September 2019 are related to continuing operations.

11. Events After the Reporting Period

NoHo Partners has continued its expansion in the Norwegian restaurant market. NoHo Norway AS acquired the share capital of Eilefs Landhandleri AS as of 1 October 2019.

Changes in management

CFO Jarno Suominen was appointed the Group's Deputy CEO from 1 January 2020. He has served as deputy to the CEO as of 14 October 2019.

Jarno Vilponen was appointed the Group's CFO from 1 January 2020.

Mikko Aartio, member of NoHo Partners Plc's Board of Directors and one of its founders, left the Board for personal reasons starting from 1 November 2019, after which the Board of Directors consists of six (6) members.

12. Key Figures

(TEUR)	1 July– 30 Sept. 2019	1 July– 30 Sept. 2018	1 Jan.– 30 Sept. 2019	1 Jan.– 30 Sept. 2018	1 Jan.– 31 Dec. 2018
Earnings per share, continuing operations, EUR	0.35	0.10	0.90	0.53	0.77
Earnings per share, result of the review period, EUR	1.92	-0.06	2.16	0.09	0.26
Key figures for continuing operations					
EBIT, %	12.8%	3.7%	11.8%	7.8%	7.5%
EBITDA, %	27.1%	15.3%	28.4%	17.6%	15.8%
Material margin, %	73.8%	73.8%	73.8%	73.2%	74.0%
Staff expense, %	30.2%	31.8%	32.5%	31.5%	32.1%
Average staff					
Registered staff					
Full-time staff			1,012	662	723
Part-time staff translated into full-time staff			594	368	398
Rented workforce, translated into full-time staff			522	429	455
Key figures for the entire Group					
Return on equity, % (p.a.)			55.1%	3.7%	6.9%
Return on investment, % (p.a.)			8.1%	3.9%	5.2%
Equity ratio, %			28.0%	23.7%	24.6%
Gearing ratio, %			205.1%	199.1%	184.3%
Interest-bearing net liabilities, EUR			270,369.0	141,610.4	138,499.7
Net finance costs, EUR	949	1,274	5,186	2,060	2,478

CALCULATION FORMULAS FOR KEY FIGURES

Earnings per share

Parent company owners' share of profit from the financial period – hybrid bond interest

Average number of shares

Earnings per share (diluted)

Parent company shareholders' share of profit from the financial period – hybrid bond interest

Diluted average number of shares

Return on equity %

Profit (profit attributable to owners of parent company + profit belonging to minority shareholders)

Equity on average (attributable to owners of parent company and minority shareholders)

* 100

Equity ratio %

Equity (attributable to owners of parent company + minority shareholders)

Total assets – advances received

* 100

Return on investment %

Profit before taxes + finance costs

Equity (attributable to owners of parent company and minority shareholders)

+ 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 %

Interest-bearing net financial liabilities

Equity (attributable to owners of parent company and minority shareholders)

* 100

Gearing ratio % excluding IFRS 16

Interest-bearing net financial liabilities

Equity (attributable to parent company shareholders and minority shareholders) – depreciations, amortisations, lease costs and finance costs recorded in the income statement with regard to IFRS 16

* 100

Staff expense %

Staff expenses + hired labour

Turnover

* 100

Material margin %

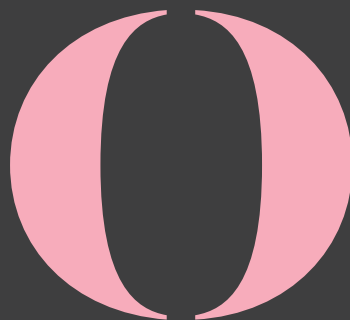
Turnover purchases

Turnover

* 100

Net finance costs

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



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