NoHo

NORDIC HOSPITALITY PARTNERS

Financial Statements Release

2020

NOHO PARTNERS FINANCIAL STATEMENTS RELEASE
1 January–31 December 2020

The year of COVID-19 caused an operating loss of MEUR 24 – following structural changes and a new financing agreement, the company prepares for a rebuilding phase

NoHo Partners operated in a restricted operating environment in all of the countries in which it operates during the last quarter of 2020. As a result of the acceleration of the pandemic, tightening restrictions on restaurants, weakened customer demand, complete halt of international business operations and lack of corporate sales during the pre-Christmas season, the Group's turnover for October–December remained at approximately 42 per cent of the previous year, and operating cash flow was MEUR 7.2 negative. The full-year turnover for 2020 decreased to 57.5 per cent of the previous year. With rapid and determined reaction, increased efficiency of operational activities and cost-savings, the company succeeded in limiting the negative impact of the exceptional circumstances on its operating cash flow, which was only MEUR 5.1 negative for the financial period 2020.

In January 2021, the Group's turnover was at a level of 53 per cent of the turnover in the corresponding period last year. February 2021, the company negotiated a financing agreement with its main financiers, which secures the company's long-term financing position and enables the reconstruction programme after the exceptional circumstances. The company believes that the market will begin to recover and operating cash flow will begin to come back to positive figures during the second quarter of 2021.

OCTOBER–DECEMBER 2020 IN BRIEF

Group (continuing and discontinued operations):
- Turnover declined by 57.9% to MEUR 31.6 (MEUR 75.2).
- EBIT fell by 267.7% to MEUR -11.8 (MEUR 7.0).
- The EBIT percentage was -37.2% (9.3%), a decrease of 498.8%.
- The result for the financial period was MEUR -11.9 (MEUR 4.9), a decrease of 342.9%.
- Earnings per share were EUR -0.53 (EUR 0.20), a decrease of 367.7%.

Restaurant business (comparable continuing operations):
- Turnover declined by 57.9% to MEUR 31.6 (MEUR 75.2).
- EBIT fell by 284.2% to MEUR -11.9 (MEUR 6.5).
- The EBIT percentage was -37.7% (8.6%), a decrease of 538.1%.
- The result for the financial period was MEUR -12.0 (MEUR 4.3), a decrease of 377.0%.
- Earnings per share were EUR -0.53 (EUR 0.17), a decrease of 414.1%.
- Operating cash flow fell by 175.3% to MEUR -7.2 (MEUR 9.5).
- The operating cash flow includes approximately MEUR 1.1 of non-recurring items comprised of salary expenses from redundancies resulting from the co-operation negotiations, expenses relating to expiring leases and credit losses.
- The result for the financial period includes approximately MEUR 1.9 of depreciation and amortisation from the IFRS 16 impact of expiring leases and write-offs.

NUMBER OF RESTAURANTS

- On 31 December 2020, the Group had 237 reportable restaurant units in total:
  - Restaurants 77
  - Entertainment venues 67
  - Fast casual restaurants 53
  - International restaurants 40

JANUARY–DECEMBER 2020 IN BRIEF

Group (continuing and discontinued operations):
- Turnover declined by 42.5% to MEUR 156.8 (MEUR 272.8).
- EBIT fell by 178.2% to MEUR -23.9 (MEUR 30.6).
- The EBIT percentage was -15.2% (11.2%), a decrease of 236.0%.
- The result for the financial period was MEUR -29.5 (MEUR 47.7), a decrease of 161.8%.
- Earnings per share were EUR -1.44 (EUR 2.36), a decrease of 160.9%.
- The gearing ratio excluding the impact of IFRS 16 liabilities was 192.0%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 163.4. IFRS 16 liabilities totalled MEUR 153.2. The gearing ratio including the impact of IFRS 16 was 391.0%.

Restaurant business (comparable continuing operations):
- Turnover declined by 42.6% to MEUR 156.8 (MEUR 272.9).
- EBIT fell by 233.2% to MEUR -24.5 (MEUR 18.4).
- The EBIT percentage was -15.6% (6.7%), a decrease of 331.8%.
- The result for the financial period was MEUR -30.1 (MEUR 11.7), a decrease of 356.4%.
- Earnings per share were EUR -1.44 (EUR 0.47), a decrease of 408.6%.
- Operating cash flow fell by 116.9% to MEUR -5.1 (MEUR 30.4).
- The operating cash flow 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 operating cash flow 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 one-off depreciation and 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.
- Government grants across all of the countries in which the company operates totalled approximately MEUR 12.5 for January–December 2020.

SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- The Finnish Government tightened the restrictions on restaurant opening hours, alcohol serving hours and customer volume nationwide starting from October 2020 and subject to a one-week transition period. Alcohol serving hours were restricted to midnight and opening hours to 1 a.m. In regions where the pandemic is in the acceleration stage, alcohol serving hours were restricted to 10 p.m. and opening hours to 11 p.m. Customer capacity was limited to half of the normal capacity.
- The company commenced co-operation negotiations concerning all of the personnel in Finland on 5 October 2020.
- On 15 October 2020, the Constitutional Law Committee of the Finnish Parliament issued a statement on the Government's proposal on restaurant restrictions, finding that the proposal partly violates the Constitution of Finland.
- A Government Decree laid down new restrictions on restaurants in Finland starting from 1 November 2020, and the majority of regions were included in the scope of tighter restrictions for areas in the acceleration and community transmission stages of the pandemic. The new Government Decree on restrictions on restaurants entered into force on 12 December 2020 and will remain in force until 28 February 2021.
- A ban on selling alcohol in restaurants in Norway entered into force on 9 November 2020, and it remains in force until further notice in Oslo, for example.
- Restaurants were completely closed in Denmark on 9 December 2020, and only take-away sales are allowed until 28 February 2021.
- At the end of December, the company's international restaurants, event venues and nightclubs were closed, and other business areas were subject to strict restrictions.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

- CBO and Executive Team member Eemeli Nurminen left his post on 1 January 2021.
- On 4 January 2021, the company announced that Perttu Pesonen, Development Director and Executive Team member, is leaving his post on February 2021.
- The company announced on 5 January 2021 that its co-operation negotiations resulted in changes in the organisational structure, reduction of 55 jobs and 15 jobs being made part-time in the Group Executive Team, management and administrative specialist positions, as well as part-time and full-time temporary lay-offs concerning approximately 600 at the time.
- The Group's turnover for January 2021 was approximately MEUR 7.8, which is about 53% of the turnover for the corresponding period the previous year. Operating cash flow was approximately MEUR -1.8.
- On 29 January 2021, the company announced that it had acquired Allas Sea Pool's restaurant business. NoHo Partners became a lessee of the sea spa as of 1 February 2021.
- The Finnish government issued a bill to the Parliament on 4 February 2021 on temporarily amending the Communicable Diseases Act, whereby the validity of the legislation on restrictions of restaurant operations would be extended until the end of June 2021.
- The company announced on 15 February 2021 that it had completed negotiations on a long-term financing agreement with its main financiers to secure its financial position and enable the reconstruction programme.

DESCRIPTION OF ACCOUNTING PRINCIPLES

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

DIVIDEND

NoHo Partners Plc's distributable assets on 31 December 2020 were EUR 104,820,924.23, of which the share of the financial period's result is EUR -16,186,005.86.

NoHo Partners Plc's Board of Directors proposes to the Annual General Meeting convening on 21 April 2021 that, based on the confirmed balance sheet for the financial period that ended on 31 December 2020, no dividend be distributed.

On the financial statements date, 31 December 2020, there were 19,222,270 shares in the company.

Outlook

THE MARKET

The COVID-19 pandemic has had a serious impact on the company's market and the restaurant industry as a whole, and the sudden change in the market has considerably affected the company's operations starting from March 2020. Due to the acceleration of the pandemic and the resulting restrictions on restaurants, the Group will continue to operate in a restricted business environment in early 2021.

PROFIT GUIDANCE

At this time, the company will not provide its turnover and profitability forecast for 2021 due to the uncertain market situation. The financial impact of the pandemic on the Group's business and outlook cannot be fully determined at present.

The profit guidance for 2021 will be updated when visibility is improved and the overall impact of the COVID-19 pandemic on the operating environment and the Group's business can be assessed more accurately. The restrictions on business activities, potential changes to the restrictions and the global economic uncertainty will have a significant impact on the Group's turnover and financial result for early 2021.

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

FINANCIAL TARGETS

The Group will specify the long-term financial targets for the strategy period 2021–2023 during the first half of 2021.

KEY FIGURES

NoHo Partners Group, total

(EUR 1,000)	1 Oct.–31 Dec. 2020	1 Oct.–31 Dec. 2019	1 Jan.–31 Dec. 2020	1 Jan.–31 Dec. 2019
KEY FIGURES, ENTIRE GROUP (CONTINUING AND DISCONTINUED OPERATIONS)				
Turnover	31,615	75,179	156,771	272,820
EBIT	-11,772	7,019	-23,880	30,551
EBIT, %	-37.2%	9.3%	-15.2%	11.2%
Result of the financial period	-11,887	4,893	-29,469	47,674
Continuing operations' earnings per share (euros) for the financial period attributable to the owners of the Company	-0.53	0.20	-1.44	1.10
Earnings per share (EUR) for the financial period attributable to the owners of the Company	-0.53	0.20	-1.44	2.36
Operating cash flow	-7,161	9,504	-5,124	30,409
Interest-bearing net liabilities excluding 16 impact, EUR			163,431	105,391
Gearing ratio excluding IFRS 16 impact, %			192.0%	75.9%
Interest-bearing net liabilities, EUR			316,621	266,691
Gearing ratio, %			391.0%	194.6%
Equity ratio, %			18.1%	29.1%
Return on investment, % (p.a.)			-5.9%	8.4%
Adjusted net finance costs	2,727	1,980	10,788	7,166
Material margin, %	68.9%	75.6%	72.0%	74.3%
Personnel expenses, %	41.5%	32.8%	38.0%	32.6%

Restaurant Business
(Comparable continuing operations)

(EUR 1,000)	1 Oct.–31 Dec. 2020	1 Oct.–31 Dec. 2019	1 Jan.–31 Dec. 2020	1 Jan.–31 Dec. 2019
KEY FIGURES				
Turnover	31,615	75,179	156,771	272,912
EBIT	-11,921	6,470	-24,488	18,389
EBIT, %	-37.7%	8.6%	-15.6%	6.7%
Result of the financial period	-12,037	4,345	-30,077	11,730

ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

Review by the CEO: Aku Vikström

For NoHo Partners, the year 2020 was ravaged by the COVID-19-pandemic. The year had a record-hitting start, but the momentum came to a halt when the pandemic came into full force, and after the official restrictions came into force, consumer demand collapsed. Apart from a momentary phase of recovery in the summer, the year was spent adapting operations, looking after the safety of the staff and customers, and safeguarding cash flow. The exacerbation of the epidemic in Finland, Norway and Denmark towards the end of the year led to a complete freezing of the biggest season of the year.

Amidst the COVID-19 crisis, the company has focused on safeguarding its future by seeing to its personnel and negotiating sustainable financing solutions, allowing it to secure its competitiveness once the market recovers. The new five-year financing programme that will secure the company's liquidity and rebuilding programme for 2021 can be considered to be a significant achievement from the point of view of the company's future. Together with financial institutions, the company is committed to a repayment programme that makes it possible to implement the company's growth plan and lightening its debt burden in a balanced manner. The aim is for the radio of net debt to operating cash flow, adjusted for IFRS 16 debt, to be under 3 by the end of 2023.

The outlook for 2021 remains uncertain. According to our current estimate, market restrictions will be relaxed and demand will begin to recover during the summer. Following the recovery, we will begin to implement our rebuilding programme with determination. As the summer of 2020 showed, customer demand returns quickly when the market normalises and terraces open. We have prepared for recovery from the COVID-19 shock thoroughly by trimming costs and polishing our operational activities under difficult conditions. This, and the company's restaurant portfolio which was enhanced even further during the crisis and the balance lightened by the complete depreciation programme, will guarantee a solid foundation for improving the company's structural profitability.

In spite of the extremely difficult year, my faith in the ability of our team to survive this crisis is unwavering. The months ahead are still challenging and will also require patience from our stakeholders. Nevertheless, we are looking into the future with confident minds and will publish our new strategy and its goals during the first half of 2021. Our company's aim is to be the leading restaurant company in the Nordic countries, and its strategy will be profitable growth in increasingly select markets and customer segments.

Aku Vikström
CEO

Turnover and Income

OCTOBER–DECEMBER 2020 IN BRIEF

Group (continuing and discontinued operations):

The Group's turnover for ***October–December 2020*** was MEUR 31.6, a decrease of 57.9 per cent year-on-year. Personnel expenses were 41.5 per cent and the material margin was 68.9 per cent.

Depreciation, amortisation and impairment totalled MEUR 13.6. EBIT was MEUR -11.8, a decrease of 267.7 per cent. Adjusted net finance costs totalled MEUR 2.7. The result was MEUR -11.9, a decrease of 342.9 per cent, and earnings per share amounted to EUR -0.53, down by 367.7 per cent year-on-year.

Restaurant business (comparable continuing operations):

Turnover for ***October–December 2020*** was MEUR 31.6, down by 57.9 per cent, EBIT was MEUR -11.9, a decrease of 284.2 per cent, the result was MEUR -12.0, down by 377.0 per cent and earnings per share amounted to EUR -0.53, down by 414.1 per cent year-on-year.

JANUARY–DECEMBER 2020 IN BRIEF

Group (continuing and discontinued operations):

The Group's turnover for ***January–December 2020*** was MEUR 156.8, a decrease of 42.5 per cent year-on-year. Personnel expenses were 38.0 per cent and the material margin was 72.0 per cent.

Depreciation, amortisation and impairment totalled MEUR 52.0. EBIT was MEUR -23.9, a decrease of 178.2 per cent. Adjusted net finance costs totalled MEUR 10.8. The result was MEUR -29.5, a decrease of 161.8 per cent, and earnings per share amounted to EUR -1.44, down by -160.9 per cent year-on-year.

Restaurant business (comparable continuing operations):

Turnover for ***January–December 2020*** was MEUR 156.8, down by 42.6 per cent, EBIT was MEUR -24.5, a decrease of 233.2 per cent, the result was MEUR -30.1, down by 356.4 per cent and earnings per share amounted to EUR -1.44, down by 408.6 per cent year-on-year.

January 2021 in brief

The Group's turnover for ***January 2021*** was approximately MEUR 7.8, which is roughly 53 per cent of the turnover for the corresponding period the previous year. Operating cash flow was approximately MEUR -1.8 in January.

The company estimates that the turnover and operating cash flow for ***February 2021*** will be on a par with January 2021.

Turnover in the business areas of the restaurant business:

	1 Oct.–31 Dec. 2020	1 Oct.–31 Dec. 2019	1 Jan.–31 Dec. 2020	1 Jan.–31 Dec. 2019
RESTAURANTS				
Turnover (MEUR)	**13.7**	**28.3**	**58.0**	**107.5**
Percentage of the total turnover	43.3%	37.6%	37.0%	39.4%
Change in turnover	-51.6%		-24.3%	
Units, number	77	72	77	75
Turnover/unit (MEUR)	0.18	0.39	0.75	1.43
ENTERTAINMENT VENUES				
Turnover (MEUR)	**5.7**	**23.4**	**43.9**	**88.5**
Percentage of the total turnover	17.9%	31.1%	28.0%	32.4%
Change in turnover	-75.8%		-35.2%	
Units, number	67	67	67	65
Turnover/unit (MEUR)	0.08	0.35	0.66	1.36
FAST CASUAL RESTAURANTS				
Turnover (MEUR)	**8.9**	**8.3**	**31.2**	**33.6**
Percentage of the total turnover	28.2%	11.1%	19.9%	12.3%
Change in turnover	6.8%		24.7%	
Units, number	53	47	53	48
Turnover/unit (MEUR)	0.17	0.18	0.59	0.70
INTERNATIONAL RESTAURANTS				
Turnover (MEUR)	**3.3**	**15.1**	**23.6**	**43.3**
Percentage of the total turnover	10.6%	20.1%	15.1%	15.9%
Change in turnover	-77.9%		-16.5%	
Units, number	40	37	40	37
Turnover/unit (MEUR)	0.08	0.41	0.59	1.17

The Impact of the COVID-19 Pandemic on the Group's Business

The COVID-19 pandemic has had a significant impact on the Group's business since March 2020. The spread of the pandemic, the restrictions imposed by the Finnish Government on the restaurant industry to mitigate it and the impacts of the pandemic on customer demand have had a highly negative effect on NoHo Partners' business operations and financial results. As the ultimate duration and overall impacts of the pandemic are difficult to predict, its effects on NoHo Partners' future turnover, result, cash flow and financial position may deviate from the current estimates and assumptions of the management. The Group has taken action to reduce the pandemic's impacts, uncertainties and risks and to secure the Group's financial position and sufficient financing.

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

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

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

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

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

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

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

At the end of September, the Finnish Government announced it would tighten the restrictions on restaurant opening hours, alcohol serving hours and customer volume due to the acceleration of the pandemic. The Group took immediate action in response to the stricter restaurant restrictions that followed the second wave of the COVID-19 epidemic. On 29 September 2020, the Group announced it is commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its Finnish operations to the strict restrictions imposed by the Finnish Government on the restaurant industry. The negotiations were aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond with the decline in volume due to the restrictions on restaurants. The co-operation negotiations concerned all the Group's employees, totalling approximately 1,300 employees in Finland. The restrictions on restaurants also indirectly impact the approximately 2,000 people working for the Group as leased staff. On 5 January 2021, the company announced that the negotiations had been completed. The negotiations resulted in changes in the organisational structure, reduction of 55 jobs and 15 jobs being made part-time in the Group Executive Team, management and administrative specialist positions, as well as part-time and full-time temporary lay-offs concerning approximately 600 at the time.

Following tightened restrictions on restaurants, the Group estimated in October that it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level. The further tightening of regulations in November impaired the outlook for the rest of the year further. Turnover for November and December remained at below 40 per cent compared to the corresponding period the previous year. At the end of December 2020, the company's pre-order restaurants, event venues and nightclubs and the restaurants in Denmark and Norway were closed.

In February 2021, the company succeeded in negotiating a financing agreement with its main financers, which secures the company's long-term financial position and enables reconstruction measures.

Restrictions on restaurants

Finland

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

As the COVID-19 situation developed into a second wave, the opening hours and alcohol serving hours of restaurants were again restricted effective from the beginning of October and subject to a one-week transition period. Alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In regions that were in the acceleration phase of the COVID-19 epidemic, restaurants were ordered to close at 11 p.m., with alcohol service ending at 10 p.m., and the permitted number of customers was half of the maximum capacity.

On 15 October 2020, the Constitutional Law Committee of the Finnish Parliament issued a statement on the Government's proposal on restaurant restrictions, finding that the proposal partly violates the Constitution of Finland. The Social Affairs and Health Committee of the Finnish Parliament published its report on the new restaurant restrictions on 20 October 2020. More specific provisions regarding the restrictions on customer capacity and their regional applicability were introduced in a Government Decree. The proposed legislative amendments entered into force at the beginning of November 2020. According to the legislative amendments, alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In the regions were the pandemic is in the acceleration stage, alcohol service is permitted until 10 p.m. and restaurants that primarily serve alcohol can stay open until 11 p.m. In nightclubs, bars and pubs, the customer capacity is restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity is 75 per cent and they can stay open until midnight. In regions where the pandemic is in the community transmission stage, restaurants that primarily serve food must close at 11 p.m. The new Government Decree entered into force on 12 December 2020, stipulating that the decree on restaurant restrictions will remain in force until 28 February 2021.

The restrictions had a significant impact on the Group's business in the fourth quarter. The majority of the Group's restaurants operate in regions that were categorised as being in the acceleration and community transmission stages of the pandemic in October–December and where the restrictions are stricter than in regions that are in the basic stage. The company's nightclubs were closed in October following the tightened restrictions, and the event arenas remained closed for the time being.

With the government bill issued to the Parliament on 4 February 2021, the validity of the legislation on restrictions of restaurant operations will be extended until the end of June 2021.

Denmark and Norway

In Denmark and Norway, the restrictions have been stricter than in Finland throughout the COVID-19 pandemic but, at the same time, the governments have supported the restaurant sector financially with direct subsidies. In Denmark and Norway, approximately 80 per cent of the lease expenses and other fixed expenses were covered by the state during the COVID-19 pandemic. In both countries, the Group has had to adjust its cost structure through temporary layoffs and redundancies and determined measures to increase administrational efficiency.

In Denmark, restaurants were closed in mid-March and restaurants serving food were allowed to reopen in early May. During the summer months in Denmark, the number of customers in the indoor areas of restaurants was restricted and restaurants had to close at midnight. Gatherings of more than 500 people were cancelled until the end of August 2020. Nightclubs and cocktail bars were closed until the end of August and cocktail bars were reopened on 1 September 2020. Stricter restrictions on the opening hours of bars and restaurants were introduced effective from 18 September 2020, requiring restaurants to close at 10 p.m., customer volumes were reduced to approximately 50 per cent of the maximum capacity, and gatherings of more than 50 people were not allowed. Due to the acceleration of the COVID-19 pandemic, restaurants were closed across the country on 9 December 2020, and only take-away sales are allowed until 28 February 2021.

In Denmark, the state has supported companies in the restaurant industry during the crisis by covering 80 per cent of their fixed expenses, relative to the decline in turnover. In addition to fixed expenses, the Danish state also covered 80 per cent of wage expenses until 8 July 2020. Following stricter restrictions, the subsidy for fixed expenses was increased to 90 per cent at the beginning of November 2020, in addition to which the state compensates for 80 per cent of wage expenses. The compensation schemes by the Danish state will remain in effect for the time begin as the restriction measures continue.

In Norway, alcohol licences were reactivated for food-serving restaurants in Oslo on 6 May 2020 after the restaurant closure in starting from mid-March, and the alcohol licences of other restaurants were reactivated at the beginning of June. The number of customers in the indoor areas of restaurants was restricted during the summer months and food and beverages had to be served at tables.

In Norway, the normal opening hours of restaurants were in force from 15 June to 8 August 2020. The restrictions on opening hours were tightened thereafter, and the order to close at midnight was introduced on 8 August 2020. In Norway, restrictions on opening hours were lifted on 12 October 2020 except in Oslo. Restaurants could operate at 50% customer capacity, table service was mandatory and a safe distance of one metre was to be maintained. Gatherings of more than 200 people are cancelled until further notice. The restrictions in Oslo were tightened on 27 October 2020: restaurants were prohibited from allowing new customers in after 10 p.m. and had to stop serving food and beverages at midnight. The restrictions were tightened further on 9 November 2020, after which restaurants were no longer allowed to serve alcohol at all. The company's restaurants in Norway are primarily entertainment venues, and they were closed. The restriction on serving alcohol was cancelled regionally in the third week of January 2021, but in Oslo, for example, the ban on serving alcohol will continue for the time being.

When the restrictions were loosened, the compensation provided by the Norwegian state to cover fixed expenses was reduced from 80 per cent to 50 per cent in early August 2020 and again subsequently increased to 60 per cent in October. Once the restrictions were tightened further in November, the subsidy was again increased, amounting to 85 per cent in November–December 2020 and 70 per cent in January–February 2021.

Government assistance during the state of emergency

The compensation received by the Group from the Finnish state totalled approximately MEUR 5.1 in January–December 2020. Also in January–December, the Group received support amounting to approximately MEUR 4.5 from the Danish state and MEUR 2.8 from the Norwegian state. The financial support received by the Group from the Finnish, Danish and Norwegian governments for the period 1 January–31 December 2020 totalled approximately MEUR 12.5. A more detailed account of government assistance and the distribution thereof is presented in Note 5 Government grants in the financial statements release (page 35).

Summary

The sudden market changes caused by the COVID-19 pandemic had a significant impact on the Group's result for the fourth quarter of 2020 and financial period 2020 on the whole. In October–December, the most profitable quarter in the restaurant business under normal conditions, the company operated in a very restricted operating environment, with the nightclub business, event venue business and international operations at a standstill. On October, following restrictions on restaurants put in place by the Finnish Government, the company transitioned to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level. The general pandemic situation, restrictions on restaurants tightened in November and cancellations of corporate events impaired the demand further towards the end of the year.

The Group's turnover for October–December 2020 was approximately MEUR 31.6, which is roughly 42 per cent of the turnover for the corresponding period the previous year. The Group's EBIT for October–December was about MEUR 11.9 negative and operating cash flow was approximately MEUR 7.2 negative.

The full-year turnover for 2020 was MEUR 156.8, which is approximately 57.5 per cent of the turnover for the previous year. The loss of turnover caused by the COVID-19 pandemic financial for the financial period 2020 was estimated to be nearly MEUR 145. The EBIT for the financial period was MEUR 23.9 negative. With rapid reaction, increased efficiency of operational activities and cost-savings, the company succeeded in limiting the negative impact of the exceptional circumstances on its operating cash flow, which was only MEUR 5.1 negative for the full financial period.

The operating cash flow for January–December 2020 includes approximately MEUR 1.6 of non-recurring items comprising 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 operating cash flow includes more than MEUR 1.0 EUR million in costs associated with the closure and reopening of business functions. The result for the review period includes approximately MEUR 6.5 of one-off depreciation and 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.

The turnover for October 2020 was approximately MEUR 12.3, which is roughly 57 per cent of the turnover for the corresponding period the previous year. Operating cash flow was approximately MEUR -1.9.

The turnover for November 2020 was MEUR 10.1, which is approximately 37 per cent of the turnover for the corresponding period the previous year. Operating cash flow was approximately MEUR -2.0.

The turnover for December 2020 was MEUR 9.2, which is approximately 35 per cent of the turnover for the corresponding period the previous year. Operating cash flow was approximately MEUR -3.2. The operating cash flow for December includes approximately MEUR 0.9 of non-recurring items comprised of salary expenses from redundancies resulting from the co-operation negotiations, expenses relating to expiring leases and credit losses.

The turnover for January 2021 was approximately MEUR 7.8, which is roughly 53 per cent of the turnover for the corresponding period the previous year. The turnover was generated by restaurant operations in Finland, with the international business operations being at a complete standstill. Operating cash flow was approximately MEUR -1.8 in January.

The Group recognised approximately MEUR 12.5 in financial support from the Finnish, Danish and Norwegian governments for the period 1 January–31 December 2020. Reductions in rent totalled approximately MEUR 3.5 in January–December 2020, with most of this total falling in April–May 2020.

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

Cash Flow, Investments and Financing

The Group's operating net cash flow for January–December 2020 was MEUR 8.4 (MEUR 57.3).

Growth investments made in the fourth quarter of 2020 consisted of the planned opening of Friends & Brgrs restaurants in Espoo, Helsinki and Rovaniemi and the opening of the Space Bowling & Billiards venue arena in Lappeenranta.

The Group's gearing ratio excluding the impact of IFRS 16 liabilities was 192,0%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 163.4. IFRS 16 liabilities totalled MEUR 153.2. The Group's interest-bearing net liabilities (including the IFRS 16 liability) at the end of December 2020 were MEUR 316.6 (MEUR 266.7). The adjusted net finance costs for January–December 2020 were MEUR 10.8 (MEUR 7.2). The equity ratio was 18.1% (29.1%) and the gearing ratio was 391.0% (194.6%).

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

Significant Events During the Fourth Quarter

RESTAURANT RESTRICTIONS TIGHTENED BY THE FINNISH GOVERNMENT

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

THE GROUP COMMENCED COOPERATION NEGOTIATIONS

On 29 September 2020, NoHo Partners Plc announced it was commencing negotiations in accordance with the Act on Co-operation within Undertakings in order to adapt its Finnish operations to the strict restrictions on the restaurant industry put in place by the Finnish Government.

The negotiations commenced on 5 October 2020, and the Group stated that they may cause changes in the organisational structure, part-time or full-time temporary layoffs, changing full-time employment relationships to part-time relationships or redundancies. The negotiations were aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond with the decline in volume due to the restrictions on restaurants. The co-operation negotiations concerned all the Group's employees, totalling approximately 1,300 employees in Finland. The restrictions on restaurants also indirectly impact the approximately 2,000 people working for the Group as leased staff.

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

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

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

THE CONSTITUTIONAL LAW COMMITTEE ISSUED A STATEMENT ON RESTAURANT RESTRICTIONS

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

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

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

RESTAURANT RESTRICTIONS TIGHTENED BY WAY OF GOVERNMENT DECREE

More specific provisions regarding the restrictions on customer capacity and their regional applicability were introduced in a Government Decree that entered into force on 1 November 2020. Due to the exacerbation of the COVID-19 situation, the restrictions were tightened regionally starting from 5 December 2020. The new Government Decree on restrictions on restaurants entered into force on 12 December 2020, in accordance with which the decree on restaurant restrictions will remain in force until 28 February 2021.

CHANGES IN NOHO PARTNERS' EXECUTIVE TEAM

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

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

On 9 November 2020, NoHo Partners announced that the Group's Board of Directors had decided on 9 November 2020 on a special unpaid share issue for key personnel in order to pay the reward of the first earning period of the share incentive scheme, 1 December 2018–31 December 2019. On 3 April 2020, due to the COVID-19 pandemic and the general financial uncertainty it causes, the company's Board of Directors decided to postpone the payment of share rewards. The decision on the share issue was made on the basis of the authorisation granted by the Annual General Meeting on 24 April 2019. It was decided that a total of 68,597 new shares would be distributed in an unpaid share issue to the 10 key employees who are included in the share-based incentive scheme. The issuance of the new shares saw the total number of NoHo Partners Plc's shares increase to 19,222,270.

NEW RESTAURANTS:

- **Masu Asian Bistro's** new opening in Tampere in October
- **Friends & Brgrs restaurants** were opened in Espoo in October, Helsinki in November and Rovaniemi in December
- **The Space Bowling & Billiards** entertainment venue was opened in Lappeenranta in November 2020

Events After the Review Period and New Projects

CHANGES IN NOHO PARTNERS' EXECUTIVE TEAM

NoHo Partners announced on 4 January 2021 that Perttu Pesonen, the Development Director and Executive Team member of the company, is leaving his post on 1 February 2021, and will continue as an associate of NoHo Partners and as a shareholder of a new company that will be announced at a later date.

NOHO PARTNERS' COOPERATION NEGOTIATIONS AND ORGANISATIONAL RESTRUCTURING COMPLETED

NoHo Partners announced on 5 January 2021 that it had completed negotiations in accordance with the Act on Cooperation within Undertakings in order to adapt its operations to the strict restrictions on the restaurant industry put in place by the Finnish Government. The negotiations were aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond with the decline in volume due to the restrictions on restaurants. The negotiations concerned all of the Group's employees in Finland, totalling approximately 1,300 employees.

The negotiations will lead to changes in the organisational structure, reductions in jobs in the Executive Team, the supervisory level and administrative duties as well as part-time and full-time temporary layoffs.

As a result of the negotiations, the Group's organisation has been restructured primarily with regard to senior management, administration and supervisory jobs. The restructuring measures will lead to a reduction of 55 jobs as well as 15 jobs being made part-time. The reductions in jobs concern two positions in the Group Executive Team as well as management and other jobs in restaurants as well as administrative specialist positions in sales and marketing. The reductions in jobs will be achieved through voluntary arrangements and redundancies as well as the termination of employment concerning employees who are called in to work on an irregular basis.

The part-time or full-time temporary layoffs concern approximately 600 employees at present. Due to the pandemic situation and the related restrictions on operations, the option of implementing temporary layoffs will remain in effect until the end of May 2021. The exact number and duration of temporary layoffs will be specified further at a later time as the market situation develops.

NOHO PARTNERS IS THE NEW RESTAURANT OPERATOR OF ALLAS SEA POOL

The restaurant company NoHo Partners announced on 29 January 2021 that it had been selected as the restaurant operator for the Allas Sea Pool centre located at Katajanokka, Helsinki. Going forward, NoHo Partners will be responsible for the diverse restaurant and licensed alcohol business operations of this popular venue. The joint goal of the operators is to invest in the vitality of urban culture and its development. Allas Sea Pool's restaurant operations will be transferred to NoHo Partners, which will be Allas Sea Pool's tenant as of 1 February 2021. Allas Sea Pool's restaurant employees will be transferred as old employees to the service of the new restaurant operator.

BILL ISSUED BY THE FINNISH GOVERNMENT TO EXTEND THE REGULATIONS ON RESTAURANT RESTRICTIONS UNTIL THE END OF JUNE 2021

With the government bill issued to the Parliament on 4 February 2021, the validity of the legislation on restrictions of restaurant operations will be extended until the end of June 2021.

NEGOTIATIONS ON FINANCING PACKAGE COMPLETED

On 15 February 2021, NoHo Partners announced that it has completed its negotiations with its main financiers concerning a financing package in which the bridge financing, which was negotiated at the beginning of the COVID-19 pandemic, and the current financiers' existing loans have been combined into one long-term financing package. The purpose of the negotiated financing package of approximately MEUR 141 is to secure the company's long-term financing position and make the reconstruction programme after the exceptional circumstances end possible.

Personnel

In the period 1 January–31 December 2020, the restaurant operations of NoHo Partners Group employed on average 721 (1,005) full-time employees and 501 (596) part-time employees converted into full-time employees as well as 236 (531) leased employees converted into full-time employees.

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

Near-term Risks and Uncertainties

The restaurant industry is a cyclically sensitive sector that reacts quickly to economic cycles, seasonal variation and external disruptions. The COVID-19 pandemic, which began in March 2020 and grew into an international epidemic, is a good example of an external factor that significantly impacts the industry and its development. The near-term risks and uncertainties described in this section can potentially have a significant impact on NoHo Partners' business, financial results and future outlook over the next 12 months.

The COVID-19 pandemic has had a significant impact on NoHo Partners' operations during 2020 in all of the Group's operating countries. The key risks caused by the COVID-19 pandemic have been related to the health and safety of the Group's employees and customers as well as loss of turnover, cash flow, liquidity, solvency and profit. The predictability of business development over the coming months is still subject to significant uncertainty. During the next couple of months, the most significant risk is related to the negative business impacts of the pandemic following the second wave of the epidemic and the resulting business restrictions imposed by the national authorities in all of the Group's markets. The pandemic situation, restrictions imposed by the authorities and related news coverage may have a significant impact on consumer behaviour. The rate of vaccine distribution will have a significant impact on the recovery of the restaurant industry in the company's operating countries.

The prolonged duration of the COVID-19 pandemic and its impacts on the market, customer behaviour, the demand for restaurant services, the national economy and the financial markets are all factors that increase uncertainty in the near term and the longer term. The sales and profitability of restaurant services are affected by the financial situation of households and the development of purchasing power and corporate sales. The growth outlook weakened rapidly due to the COVID-19 pandemic in early 2020 in all of the Group's operating countries.

Uncertainties related to the duration of the COVID-19 pandemic and the measures aimed at mitigating the spread of the disease and recovery of the restaurant industry constitute a risk to the development of NoHo Partners' turnover and cash flow. Adjusting operating costs and the ability to mount an agile response to changes in customer demand are key ways for the Group to influence the development of turnover and EBIT.

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

The Group strives to assess and track the amount of funding required by the business during the exceptional circumstances, for example by performing a weekly analysis of the utilisation rate of the restaurants and the development of sales, in order to ensure that the Group has sufficient working capital and liquid assets to fund the operations and repay loans that fall due. The aim is to ensure the availability and flexibility of Group financing through sufficient credit limit reserves, a balanced loan maturity distribution and sufficiently long loan periods as well as using several financial institutions and forms of financing, when necessary. Changes in the macroeconomic environment or the general financing market situation may negatively affect the company's liquidity as well as the availability, price and other terms and conditions of financing.

If the pandemic were to accelerate and the restrictions were to be further tightened by the Finnish Government, which would significantly influence consumer behaviour, or if the Finnish Government decides to declare a state of emergency and orders restaurants to close, leading to the sudden stoppage of business operations, working capital could eat into cash assets due to the resulting demand shock.

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

The Group has taken determined adjustment measures during the pandemic, including, for example, negotiations pursuant to the Act on Cooperation within Undertakings concerning all of the personnel in Finland, the most recent of which were completed in early 2021.

Changes in regulations governing the restaurant business in the Group's various markets may have a negative impact on the Group's operations. Regulatory changes concerning, for example, alcohol legislation, food legislation, labour legislation and value added taxation may affect the Group's business.

Business premises expenses constitute a significant share of NoHo Partners' operating expenses. The Group's business premises are primarily leased, so the development of the general level of rents has a major impact on the Group's operations.

Due to the pandemic, the labour market situation in the Group's operating countries is challenging, which may also influence NoHo Partners' operations in the future. The future availability of labour can also be seen as one uncertainty factor.

The Group has a significant amount of goodwill on the consolidated balance sheet, which is subject to a write-off risk in the event that the Group's expected future cash flows decline due to the COVID-19 pandemic or other internal or external factors.

Tampere, 18 February 2021

NOHO PARTNERS PLC

Board of Directors

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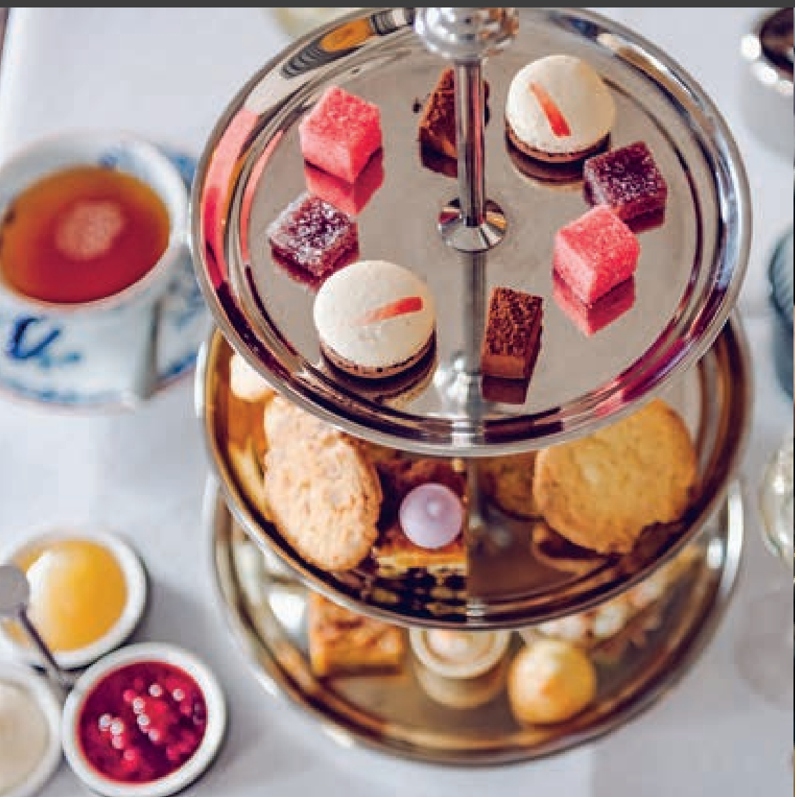
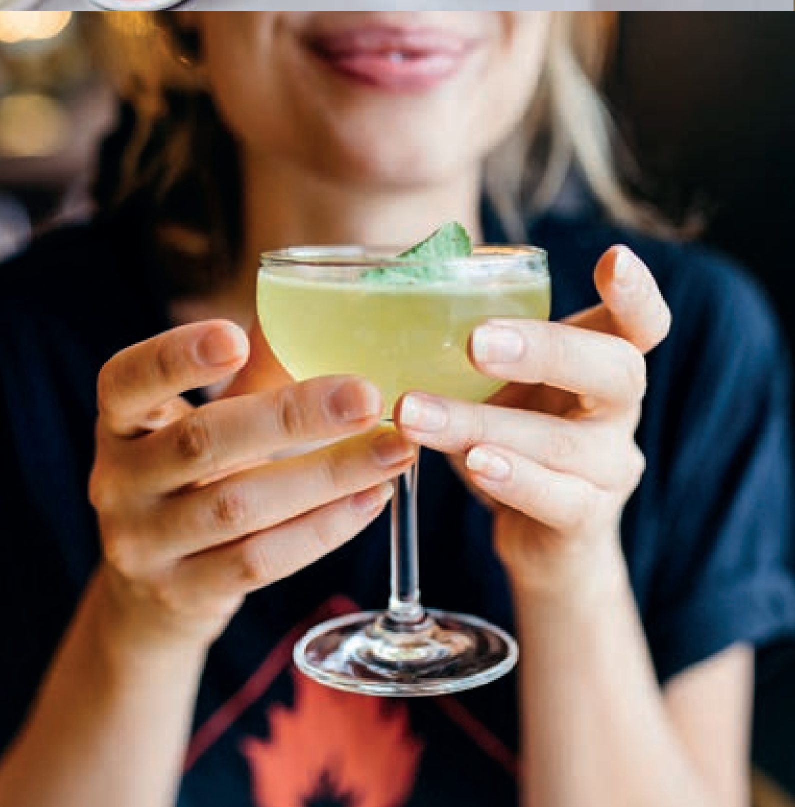
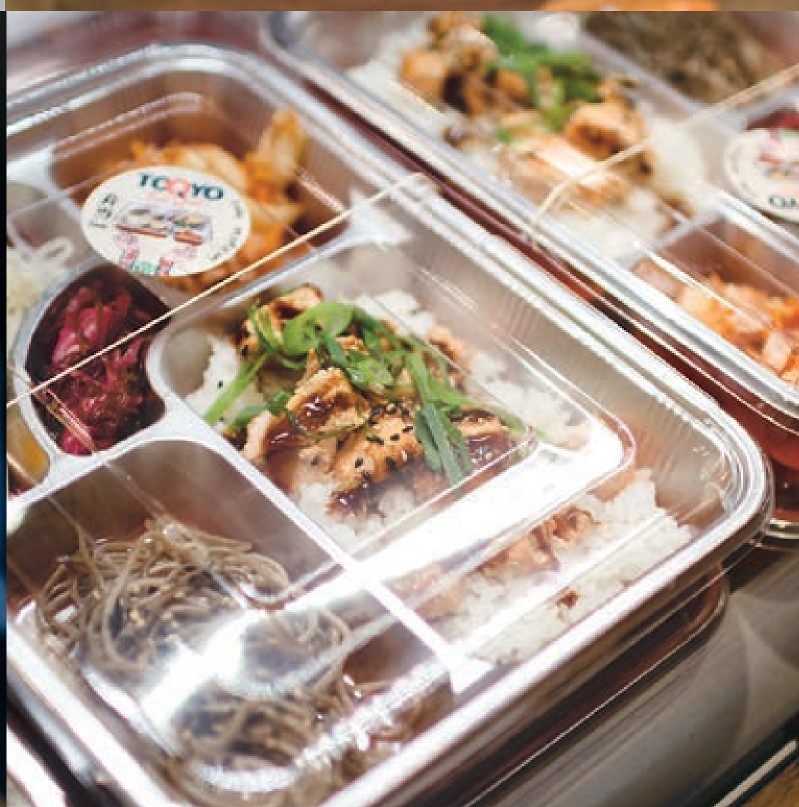
NOHO PARTNERS PLC is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history. The Group companies include some 250 restaurants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

Financial Statements Release
1 January–31 December 2020:

Table Section and Notes



Financial Statements Release 1 January–31 December 2020: 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)
(Continuing and discontinued operations)

EUR 1,000	1 Oct.–31 Dec. 2020	1 Oct.–31 Dec. 2019	1 Jan.–31 Dec. 2020	1 Jan.–31 Dec. 2019
Continuing operations				
Turnover	31,614.6	75,178.5	156,770.8	272,819.9
Other operating income	3,175.7	2,198.1	16,904.5	5,974.7
Raw materials and consumables	-12,190.7	-25,234.3	-57,867.2	-84,673.1
Employee benefits	-11,286.2	-18,219.5	-47,660.6	-63,445.7
Other operating expenses	-9,773.0	-15,676.2	-40,595.0	-56,393.2
Depreciation, amortisation and impairment losses	-13,584.0	-11,797.2	-51,956.7	-44,522.6
Share of associated company profit	272.1	569.2	524.2	790.9
EBIT	**-11,771.5**	**7,018.6**	**-23,880.0**	**30,550.7**
Financial income	285.2	26.8	322.8	2,209.5
Finance costs	-3,011.9	-1,999.7	-11,282.0	-7,448.4
Net finance costs	-2,726.7	-1,972.9	-10,959.2	-5,238.9
Profit before tax	**-14,498.2**	**5,045.6**	**-34,839.2**	**25,311.8**
Tax based on the taxable income from the financial period	507.7	-543.8	-1,110.7	-5,429.9
Change in deferred taxes	2,103.5	391.4	6,481.1	3,964.5
Income tax expense	2,611.2	-152.4	5,370.4	-1,465.4
Profit for the period, continuing operations	**-11,887.0**	**4,893.2**	**-29,468.8**	**23,846.4**
Profit for the period, discontinued operations	**0.0**	**0.0**	**0.0**	**23,828.0**
Profit for the period	**-11,887.0**	**4,893.2**	**-29,468.8**	**47,674.4**
Profit from continuing operations attributable to:				
Owners of the Company	-10,217.4	4,236.3	-26,825.2	22,299.6
Non-controlling interests	-1,669.6	656.9	-2,643.6	1,546.8
Total	**-11,887.0**	**4,893.2**	**-29,468.8**	**23,846.4**
Profit for the period attributable to:				
Owners of the Company	-10,217.4	4,236.3	-26,825.2	46,127.6
Non-controlling interests in continuing operations	-1,669.6	656.9	-2,643.6	1,546.8
Total	**-11,887.0**	**4,893.2**	**-29,468.8**	**47,674.4**
Earnings per share calculated from continuing operations' result of the review period for owners of the Company				
Basic earnings per share (euro)	-0.53	0.20	-1.44	1.10
Diluted earnings per share (euros)	-0.53	0.20	-1.44	1.10
Earnings per share calculated from the result of the review period for owners of the Company				
Undiluted earnings per share (euros)	-0.53	0.20	-1.44	2.36
Diluted earnings per share (euros)	-0.53	0.20	-1.44	2.34
Consolidated statement of comprehensive income				
Profit for the period	**-11,887.0**	**4,893.2**	**-29,468.8**	**47,674.4**
Other comprehensive income items (after taxes):				
Foreign currency translation differences, foreign operations	549.6	25.5	175.3	-128.6
Other comprehensive income items that may be subsequently reclassified to profit or loss, total	549.6	25.5	175.3	-128.6
Total comprehensive income for the period	**-11,337.4**	**4,918.7**	**-29,293.5**	**47,545.7**
Distribution of the comprehensive income for the financial period:				
Owners of the Company	-9,667.8	4,261.8	-26,649.9	45,999.0
Non-controlling interests in continuing operations	-1,669.6	656.9	-2,643.6	1,546.8
Total	**-11,337.4**	**4,918.7**	**-29,293.5**	**47,545.7**

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

Non-recurring items recorded during the financial period from 1 January to 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 one-off depreciation and 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.

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

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

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

Consolidated Balance Sheet (IFRS)

EUR 1,000	31 December 2020	31 December 2019
ASSETS		
Non-current assets		
Goodwill	135,169.0	128,831.6
Intangible assets	44,609.4	48,461.4
Property, plant and equipment	48,508.5	57,008.4
Right-of-use assets	148,024.4	159,077.4
Shares in associated companies and joint ventures	39,212.3	39,368.0
Other investments	137.9	194.5
Loan receivables	125.0	453.1
Other receivables	2,921.9	2,916.4
Deferred tax assets	8,944.4	900.9
Non-current assets	**427,652.9**	**437,211.7**
Current assets		
Inventories	3,690.3	5,938.5
Loan receivables	296.4	303.3
Trade and other receivables	13,540.2	23,786.5
Cash and cash equivalents	3,122.9	3,618.1
Current assets total	**20,649.9**	**33,646.3**
Total assets	**448,302.8**	**470,858.0**
EQUITY AND LIABILITIES		
Equity		
Share capital	150.0	150.0
Invested unrestricted equity fund	58,425.1	57,670.4
Retained earnings	17,562.2	46,442.4
Hybrid bond	0.0	25,000.0
Total equity attributable to owners of the Company	**76,137.3**	**129,262.8**
Non-controlling interests	4,840.0	7,760.4
Total equity	**80,977.4**	**137,023.2**
Non-current liabilities		
Deferred tax liabilities	7,640.1	6,330.0
Financial liabilities	94,111.6	72,712.8
Liabilities for right-of-use assets	126,068.2	134,048.0
Other payables	3,688.4	7,744.0
Non-current liabilities	**231,508.3**	**220,834.9**
Current liabilities		
Financial liabilities	73,556.9	37,690.1
Provisions	356.4	0.0
Liabilities for right-of-use assets	27,121.6	27,251.3
Trade payables and other liabilities	34,782.2	48,058.6
Current liabilities	**135,817.1**	**113,000.0**
Total liabilities	**367,325.4**	**333,834.8**
Total Equity and Liabilities	**448,302.8**	**470,858.0**

Consolidated statement of changes in equity

Consolidated statement of changes in equity

	Equity attributable to the owners of the Company									
2020 **EUR 1,000**	**Share capital**	**Invested unrestricted equity fund**	**Fair value reserve**	**Treasury shares**	**Translation difference**	**Retained earnings**	**Hybrid bond**	**TOTAL**	**Non-controlling interests**	**EQUITY, TOTAL**
Equity at 1 January	**150.0**	**57,670.4**	**0.0**	**0.0**	**-128.6**	**46,571.0**	**25,000.0**	**129,262.8**	**7,760.4**	**137,023.2**
Total comprehensive income for the period										
Result of the financial period						-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**	**0.0**	**0.0**	**175.3**	**-26,825.2**	**0.0**	**-26,649.9**	**-2,643.6**	**-29,293.5**
Unrestricted equity reclassification								**0.0**		**0.0**
Other changes total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Transactions with shareholders										
Contributions and distributions										
Equity loans						-1,992.4	-25,000.0	**-26,992.4**		**-26,992.4**
Dividend distribution								**0.0**	-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**	**0.0**	**0.0**	**-1,711.3**	**-25,000.0**	**-25,956.6**	**-704.2**	**-26,660.8**
Changes in ownership interests										
Changes in minority share-holders' shares without a change in controlling interest						-518.9		**-518.9**	417.8	**-101.1**
Changes in NCI with a change in control								**0.0**	9.7	**9.7**
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-518.9**	**0.0**	**-518.9**	**427.5**	**-91.4**
Total transactions with owners of the Company	**0.0**	**754.7**	**0.0**	**0.0**	**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**	**0.0**	**0.0**	**46.7**	**17,515.5**	**0.0**	**76,137.3**	**4,840.0**	**80,977.4**

Consolidated statement of changes in equity

2019 EUR 1,000	Share capital	Invested unrestricted equity fund	Fair value reserve	Treasury shares	Translation difference	Retained earnings	Hybrid bond	TOTAL	Non-controlling interests	EQUITY, TOTAL
	Equity attributable to the owners of the Company									
Equity at 1 January	**150.0**	**66,944.8**	**-4.5**	**-191.4**	**0.0**	**-519.3**	**0.0**	**66,379.6**	**8,767.5**	**75,147.1**
Change in IFRS 16 accounting principles						708.3		**708.3**		**708.3**
Adjusted equity	**150.0**	**66,944.8**	**-4.5**	**-191.4**	**0.0**	**189.0**	**0.0**	**67,088.0**	**8,767.5**	**75,855.4**
Total comprehensive income for the period										
Result of the financial period						46,127.6		**46,127.6**	1,546.8	**47,674.4**
Other comprehensive income items (after taxes)										
Foreign currency translation differences, foreign operations					-128.6			**-128.6**		**-128.6**
Total comprehensive income for the period	**0.0**	**0.0**	**0.0**	**0.0**	**-128.6**	**46,127.6**	**0.0**	**45,999.0**	**1,546.8**	**47,545.7**
Unrestricted equity reclassification		-10,356.7	4.5	191.4		10,160.8		**0.0**		**0.0**
Other changes total	**0.0**	**-10,356.7**	**4.5**	**191.4**	**0.0**	**10,160.8**	**0.0**	**0.0**	**0.0**	**0.0**
Transactions with owners										
Contributions and distributions										
Equity loans						-345.6	25,000.0	**24,654.4**		**24,654.4**
Dividend distribution						-6,463.0		**-6,463.0**	-2,028.9	**-8,491.9**
Issue of ordinary shares		1,027.3						**1,027.3**		**1,027.3**
Share-based payments						1,368.2		**1,368.2**		**1,368.2**
TOTAL	**0.0**	**1,027.3**	**0.0**	**0.0**	**0.0**	**-5,440.3**	**25,000.0**	**20,587.0**	**-2,028.9**	**18,558.0**
Changes in ownership interests										
Changes in NCI without a change in control		55.0				-4,466.1		**-4,411.1**	-525.0	**-4,936.1**
Changes in NCI with a change in control								**0.0**		**0.0**
TOTAL	**0.0**	**55.0**	**0.0**	**0.0**	**0.0**	**-4,466.1**	**0.0**	**-4,411.1**	**-525.0**	**-4,936.1**
Total transactions with owners of the Company	**0.0**	**1,082.3**	**0.0**	**0.0**	**0.0**	**-9,906.4**	**25,000.0**	**16,175.9**	**-2,553.9**	**13,621.9**
Equity at 31 December	**150.0**	**57,670.4**	**0.0**	**0.0**	**-128.6**	**46,571.0**	**25,000.0**	**129,262.8**	**7,760.4**	**137,023.2**

Consolidated Statement of Cash Flows (IFRS)

EUR 1,000	1 January–31 December 2020	1 January–31 December 2019
Cash flows from operating activities		
Result of the financial period	-29,468.8	47,674.4
Adjustments for:		
Non-cash transactions*	8.8	-31,002.9
Depreciation, amortisation and impairment losses	51,956.7	47,839.2
Net finance costs	10,959.2	7,261.5
Tax expense	-5,370.4	2,114.5
Share of profit of associated company	-524.2	-790.9
Cash flow before change in working capital	**27,561.3**	**73,095.8**
Changes in working capital:		
Trade and other receivables	9,921.8	1,245.7
Inventories	2,319.4	-237.3
Trade and other payables	-20,250.0	-6,114.8
Changes in working capital	**-8,008.8**	**-5,106.4**
Dividends received	752.1	6.0
Interest paid and other finance costs	-9,265.2	-8,061.0
Interest received and other finance income	39.9	115.9
Income taxes paid	-2,644.5	-2,756.8
Cash flows from operating activities	**8,434.8**	**57,293.5**
Cash flows from investing activities		
Acquisition of property, plant and equipment	-6,072.8	-16,151.4
Change in other non-current receivables	160.0	1,564.5
Acquisition of subsidiaries, net of cash acquired	-3,564.9	-16,891.5
Acquisition of business operations	-1,223.1	-2,218.6
Disposal of business operations	148.7	308.0
Investments in other investments	0.0	-62.5
Net cash from investing activities	**-10,552.1**	**-33,451.6**
Cash flows from financing activities		
Proceeds from non-current loans and borrowings	68,945.9	45,927.0
Payment of non-current loans and borrowings	-4,400.4	-61,913.2
Proceeds from current loans and borrowings	8,064.9	2,962.3
Current commercial papers repaid	-17,500.0	0.0
Acquisition of non-controlling interests	-566.6	-264.3
Proceeds from hybrid bond	0.0	24,654.4
Repayment of hybrid bond	-27,528.0	0.0
Payment of liabilities for right-of-use assets	-24,623.5	-27,898.1
Dividends paid	-770.2	-8,646.5
Net cash from financing activities	**1,622.1**	**-25,178.5**
Change in cash and cash equivalents	**-495.2**	**-1,336.5**
Cash and cash equivalents at 1 January	**3,618.1**	**4,954.6**
Change	**-495.2**	**-1,336.5**
Cash and cash equivalents at 31 December	**3,122.9**	**3,618.1**

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

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

Notes

1. Accounting principles

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

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

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

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

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

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

Once the impact of the COVID-19 crisis became apparent, the company reacted immediately by initiating determined adjustment measures and preparing for the changed market conditions. In accordance with the recommendations issued by the Finnish Government on 12 March 2020, the company immediately cancelled all public events of more than 500 people until the end of May 2020. The company announced negotiations in accordance with the Act on Cooperation within Undertakings on 13 March 2020 and their rapid progress on 18 March 2020, at which time the company reported that, due to the sudden change in the circumstances of the COVID-19 pandemic and the recommendations and orders issued by the authorities and the Finnish Government, it had made a decision concerning layoffs without prior cooperation negotiations. The layoffs are temporary, with a duration of no longer than 90 days, and they concern all of the Group's personnel in Finland, totalling approximately 1,300 employees.

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

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

At the same time, the company negotiated a financing package of EUR 34 million in Finland, Denmark and Norway, of which Finnvera guaranteed EUR 15 million. In late May, the company finalised a refinancing programme for its maturing debt as part of its overall financing package. As the final part of the financing package, the company agreed on a debt of EUR 10 million with a right to conversion with the Finnish Industry Investment Ltd (Tesi). The management of the Group estimated at the time of withdrawing the loan that this financing package, together with other financing arrangements, is sufficient to ensure the company's working capital for the next 12 months in spite of the potential prolongation of the uncertain market situation caused by the coronavirus pandemic.

In April, the company negotiated rent exemptions, mainly for April and May, for 70 per cent of its leases in Finland.

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

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

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

In Denmark and Norway, restaurants serving food were allowed to reopen in May. In Denmark, the number of customers in the indoor areas of restaurants was restricted, restaurants had to close at midnight and gatherings of more than 500 people were cancelled until the end of August 2020. Nightclubs and cocktail bars were closed until the end of August. Cocktail bars were allowed to reopen on 1 September 2020. Stricter restrictions on the opening hours of bars and restaurants were introduced effective from 18 September 2020, requiring restaurants to close at 10 p.m. Everyone was required to wear a face mask when moving around restaurants. Customer volumes were reduced to approximately 50 per cent of the maximum capacity, and gatherings of more than 50 people were not allowed. Due to the acceleration of the coronavirus pandemic, restaurants were closed across the country on 9 December 2020, and only take-away sales are allowed until 28 February 2021.

In Norway, alcohol licences were reactivated for food-serving restaurants in Oslo on 6 May 2020 and the alcohol licences of other restaurants were reactivated at the beginning of June. The number of customers in the indoor areas of restaurants was restricted during the summer months and food and beverages had to be served at tables. In Norway, the normal opening hours of restaurants were in force from 15 June to 8 August 2020. The restrictions on opening hours were tightened thereafter, and the order to close at midnight was introduced on 8 August 2020. In Norway, restrictions on opening hours were lifted on 12 October 2020 except in Oslo. Restaurants could operate at 50% customer capacity, table service was mandatory and a safe distance of one metre was to be maintained. Gatherings of more than 200 people are cancelled until further notice. The restrictions in Oslo were tightened on 27 October 2020: restaurants are prohibited from allowing new customers in after 10 p.m. and must stop serving food and beverages at midnight. The regulations tightened in Norway on 9 November 2020: restaurants were no longer allowed to serve alcohol at all. As NoHo Partners' restaurant business is mainly comprised of entertainment venues in Norway, the company's restaurants have primarily been closed. The restriction on serving alcohol was cancelled regionally in the third week of January 2021, but in Oslo, for example, the ban on serving alcohol will continue for the time being.

In Denmark and Norway, government support packages have covered approximately 80 per cent of leases and other fixed expenses during the crisis. The Danish state covered 80 per cent of wage expenses until 8 July 2020 and a maximum of 80 per cent of fixed expenses, relative to turnover, until 31 October 2020. In conjunction with the introduction of the stricter restrictions, the rate of turnover-based government support for fixed expenses was increased from 80 per cent to 90 per cent as of the beginning of November. The compensation schemes by the Danish state will remain in effect for the time being and at least until 28 February 2021 while restaurants are closed. In addition to fixed expenses, the Danish state also compensates for 80 per cent of wage expenses while the restrictions continue.

When the restrictions were loosened in early August 2020, the compensation provided by the Norwegian state to cover fixed expenses was reduced from 80 per cent to 50 per cent and subsequently increased to 60 per cent in October when the restrictions were again tightened. When the restrictions were tightened further in November, the compensation for fixed expenses was increased to 85 per cent in November–

December 2020. The compensation was 70 per cent in January–February 2021.

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

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

The Group took immediate action in response to the stricter restrictions on restaurants. On 29 September 2020, the Group announced that, due to the tighter restrictions, the Group estimates it will transition to conducting its business according to the low scenario, in which sales are at approximately 50 per cent of the previous year's level. At the same time, the Group announced it is commencing negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its Finnish operations to the restrictions imposed by the Finnish Government. The co-operation negotiations concern all the Group's employees, totalling approximately 1,300 employees in Finland. The restrictions on restaurants are also estimated to indirectly impact the approximately 2,000 people working for the Group as leased staff. The negotiations were aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond with the decline in volume due to the restrictions on restaurants. On 5 January 2021, the company announced that the negotiations will lead to changes in the organisational structure, reductions in jobs in the Executive Team, the supervisory level and administrative duties as well as part-time and full-time temporary layoffs. The restructuring of the organisation will lead to a reduction of 55 jobs as well as 15 jobs being made part-time. The reductions in jobs concern two positions in the Group Executive Team as well as management and other jobs in restaurants as well as administrative specialist positions in sales and marketing. The part-time or full-time temporary layoffs concerned approximately 600 employees at that time.

On 15 October 2020, the Constitutional Law Committee of the Finnish Parliament issued a statement on the Government's proposal on restaurant restrictions, finding that the proposal partly violates the Constitution of Finland. The Social Affairs and Health Committee of the Finnish Parliament published its report on the new restaurant restrictions on 20 October 2020. More specific provisions regarding the restrictions on customer capacity and their regional applicability were introduced in a Government Decree. The proposed legislative amendments entered into force at the beginning of November 2020. According to the legislative amendments, alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 1 a.m. In the regions were the pandemic is in the acceleration stage, alcohol service is permitted until 10 p.m. and restaurants that primarily serve alcohol can stay open until 11 p.m. In nightclubs, bars and pubs, the customer capacity is restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity is 75 per cent and they can stay open until midnight. In regions where the pandemic is in the community transmission stage, restaurants that primarily serve food must close at 11 p.m. The restrictions were tightened starting from 5 December 2020, with all regions except for Lapland, North Karelia, South Savo, North Savo and the Åland Islands included in the restrictions of the community transmission or acceleration stage restrictions. As of 12 December 2020, the acceleration stage restrictions were also applied to Lapland. The restrictions on the opening and alcohol serving hours of restaurants are in effect until 28 February 2021. With the government bill issued to the Parliament on 4 February 2021, the validity of the legislation on restrictions of restaurant operations will be extended until the end of June 2021.

There are regional differences in the restrictions and recommendations concerning gatherings, depending on the phase of the epidemic in the region. For example, in regions where the epidemic is spreading, such as the Helsinki and Uusimaa, Kanta-Häme and Kymenlaakso hospital districts, the number of participants in public events was limited to 10 people until the end of February 2021, and in the Pirkanmaa, Central Finland and Vaasa hospital districts until 1 March 2021.

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

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

Going concern assumption

During January–December 2020, the Group has secured additional financing, adjusted its cost structure and negotiated significant rent reductions with lessors; it has also received a share of the support packages of the Finnish, Norwegian and Danish states. The financing package negotiated during the second quarter for the duration of the exceptional circumstances caused by the COVID-19 pandemic and the refinancing programme for maturing loans were negotiated for a period of 12 months in the initial phase. The Group's financing structure and liquidity were stabilised with the help of the negotiated financing package as the pandemic broke out in the first quarter of the financial period.

On February 2021, the Group completed its negotiations with its main financiers concerning a financing package in which the bridge financing, which was negotiated at the beginning of the COVID-19 pandemic, and the current financiers' existing loans have been combined into one long-term financing package. The purpose of the negotiated financing package of approximately MEUR 141 is to secure the company's long-term financing position and make the reconstruction programme after the exceptional circumstances end possible.

The COVID-19 pandemic has had a significant impact on the Group's business since March 2020. The spread of the pandemic, the restrictions imposed by the Finnish Government on the restaurant industry to mitigate it and the impacts of the pandemic on customer demand have had a highly negative effect on NoHo Partners' business operations and financial results. As the ultimate duration and overall impacts of the pandemic are difficult to predict, its effects on NoHo Partners' future turnover, result, cash flow and financial position may deviate from the current estimates and assumptions of the management. The Group has resolutely continued its adjustment measures to reduce the pandemic's impacts, uncertainty factors and risks and to secure the Group's financial position and sufficient financing.

According to the management, the cumulative cash flow of operations, the new funding agreement, as well as existing liquid assets and available limits cover the Group's working capital requirements for the next 12 months. 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 renegotiate loan amortisation plans or receive sufficient additional financing or support for its operations from the market, there may be significant uncertainty concerning the continuity of the Group's business.

Measurement of associated company Eezy Plc

NoHo Partners Plc held 7,520,910 shares in Eezy Plc on 31 December 2020, corresponding to a holding of 30.27 per cent. The book value of the shares on NoHo Partners Plc's balance sheet is EUR 38.8 million, or a book value of EUR 5.16 per share. The closing price of the Eezy share at the end of December was EUR 5.90.

Government grants

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

Tax losses

A deferred tax asset has been recognised on losses confirmed in taxation for those companies to which Group assistance is applicable. Based on the management's assessments, the Group assumes that the tax losses can be utilised against taxable profit in future financial periods. Deferred tax assets on confirmed losses amounted to EUR 7.6 million on 31 December 2020 and EUR 2.7 million on 31 December 2019.

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

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

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

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

EUR 1,000	1 October–31 December 2020	1 October–31 December 2019	1 January–31 December 2020	1 January–31 December 2019
Restaurant business (comparable continuing operations)				
Turnover	31,614.6	75,178.5	156,770.8	272,912.0
Other operating income	3,175.7	2,198.1	16,904.5	6,453.7
Raw materials and consumables	-12,190.7	-25,234.3	-57,867.2	-96,789.1
Employee benefits	-11,286.2	-18,219.5	-47,660.6	-63,445.7
Other operating expenses	-9,773.0	-15,676.2	-40,595.0	-56,461.6
Depreciation, amortisation and impairment losses	-13,584.0	-11,797.2	-51,956.7	-44,522.6
Share of profit of associated company	122.3	21.1	-83.7	242.7
EBIT	**-11,921.3**	**6,470.4**	**-24,487.9**	**18,389.5**
Financial income	285.2	26.8	322.8	2,254.4
Finance costs	-3,011.9	-1,999.7	-11,282.0	-7,448.4
Profit/loss before taxes	**-14,648.0**	**4,497.5**	**-35,447.1**	**13,195.5**
Tax based on the taxable income from the financial period	507.7	-543.8	-1,110.7	-5,429.9
Change in deferred taxes	2,103.5	391.4	6,481.1	3,964.5
Result of the financial period, comparable continuing operations	**-12,036.8**	**4,345.1**	**-30,076.7**	**11,730.1**
Result from comparable continuing operations attributable to:				
Owners of the Company	-10,367.2	3,688.2	-28,407.1	10,183.3
Non-controlloing interests	-1,669.6	656.9	-1,669.6	1,546.8
Total	**-12,036.8**	**4,345.1**	**-30,076.7**	**11,730.1**
Earnings per share calculated from comparable continuing operations' result of the review period for parent company shareholders				
Basic earnings per share (EUR)	-0.53	0.17	-1.44	0.47
Diluted earnings per share (EUR)	-0.53	0.17	-1.44	0.46
Key figures of comparable continuing operations				
EBIT, %	-37.7%	8.6%	-15.6%	6.7%
Material margin, %	68.9%	75.6%	72.0%	74.3%
Personnel expenses, %	41.5%	32.8%	38.0%	32.6%

3. Discontinued operation

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

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

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

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

Result of the discontinued operation

INFORMATION ABOUT THE LABOUR HIRE SEGMENT				
EUR 1,000	1 October–31 December 2020	1 October–31 December 2019	1 January–31 December 2020	1 January–31 December 2019
Turnover	0.0	0.0	0.0	95,925.8
Other operating income	0.0	0.0	0.0	505.1
Raw materials and consumables	0.0	0.0	0.0	-1,261.8
Employee benefits	0.0	0.0	0.0	-80,950.2
Other operating expenses	0.0	0.0	0.0	-5,864.9
Depreciations, amortisations and impairment	0.0	0.0	0.0	-3,316.5
EBIT	**0.0**	**0.0**	**0.0**	**5,037.5**
Financial income	0.0	0.0	0.0	73.6
Finance costs	0.0	0.0	0.0	-2,126.3
Profit/loss before taxes	**0.0**	**0.0**	**0.0**	**2,984.7**
Income taxes	0.0	0.0	0.0	-1,622.0
Change in deferred taxes	0.0	0.0	0.0	972.9
Profit/loss of the labour hire segment after taxes	**0.0**	**0.0**	**0.0**	**2,335.6**
Result of the discontinued operation				
Profit/loss of the labour hire segment after taxes	0.0	0.0	0.0	2,335.6
Sales profit after taxes	0.0	0.0	0.0	33,110.1
Impact of internal items	0.0	0.0	0.0	-11,617.7
Result of the discontinued operation	**0.0**	**0.0**	**0.0**	**23,828.0**
Attributable to:				
Owners of the Company	0.0	0.0	0.0	22,988.1
Non-controlling interests	0.0	0.0	0.0	839.9
Total	**0.0**	**0.0**	**0.0**	**23,828.0**
Earnings per share calculated from the review period profit for owners of the company				
Basic earnings per share (EUR)	-	-	-	1.21
Diluted earnings per share (EUR)	-	-	-	1.20
Labour hire segment key figures				
EBIT, %	-	-	-	5.3%
Personnel expenses, %	-	-	-	84.4%

Net cash flows of the discontinued operation

EUR 1,000	1 January– 31 December 2020	1 January– 31 December 2019
Cash flows from operating activities	-	2,142.0
Cash flows from investing activities	-	-1,627.1
Cash flows from financing activities	-	-517.4

Sales profit arising from the discontinued operation

Sales profit from special purpose entity 38,249.0

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

Non-current assets 45,500.8
Current assets 22,298.9
Assets in total 67,799.7

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

Net assets to be transferred, total 9,190.7

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

Sales profit from the discontinued operation 33,110.1

4. Turnover

DISTRIBUTION OF CONTINUING OPERATIONS' TURNOVER INTO GOODS AND SERVICES

EUR 1,000	1 October– 31 December 2020	1 October– 31 December 2019	1 January– 31 December 2020	1 January– 31 December 2019
Sale of goods	29,985.8	61,015.7	144,473.7	241,041.6
Sale of services	1,628.8	14,162.8	12,297.1	31,778.3
Total	**31,614.6**	**75,178.5**	**156,770.8**	**272,819.9**

DISTRIBUTION OF CONTINUING OPERATIONS' COMPARABLE TURNOVER BY BUSINESS AREA

EUR 1,000	1 October– 31 December 2020	1 October– 31 December 2019	1 January– 31 December 2020	1 January– 31 December 2019
Restaurants	13,693.0	28,300.0	57,994.6	107,538.2
Entertainment venues	5,672.1	23,400.0	43,920.4	88,513.5
Fast casual restaurants	8,910.3	8,340.0	31,239.2	33,569.6
International restaurants	3,339.2	15,138.5	23,616.7	43,290.8
Total	**31,614.6**	**75,178.5**	**156,770.8**	**272,912.0**

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

Asset and debt items based on contracts with customers
Of the asset items in continuing operations based on contracts, a total of EUR 214 (241) thousand in IFRS 9 credit loss provisions have been recognised as expenses between 1 January and 31 December 2020.

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

Restaurants sell gift cards, which are presented in the current liabilities. Gift card revenue is recognised when the card is used. On 31 December 2020, the value of gift cards sold was approximately EUR 2,168 (1,576) thousand, and they are expected to be entered as income during 2021.

5. Government grants

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

In Finland, restaurants receive compensation for the losses suffered due to their forced closure. As a rule, the compensation took the form of mass payments, without separate applications, for the period from 4 April to 31 May 2020. The compensation amounts are based on reductions in sales in April 2020, using the average sales in April–May 2019 or the average sales in January–February 2020 as the point of comparison. The compensation represents 15% of the reduction in sales up to one million euros and 5% of the reduction in sales for the proportion exceeding one million euros.

Re-employment support is paid in the amount of EUR 1,000 per employee. Eligibility for the re-employment support is subject to the employee in question being paid total wages of at least EUR 2,500 during the period from 1 June to 31 August 2020, or the costs of a leased employee being at least EUR 4,500 for the same period.

In Norway, the government has granted a direct subsidy by paying approximately 80 per cent of fixed expenses during the crisis. Also in Norway, the government made layoffs easier and took on 12 days worth of salaries for the layoff period, which the company normally would be obligated to pay for 14 days. The subsidy was in effect for the period from 1 March to 1 August 2020. When the restrictions were loosened, the subsidy provided by the Norwegian state to cover fixed expenses was reduced from 80 per cent to 50 per cent and subsequently increased to 60 per cent in October when the restrictions were again tightened. When the restrictions were tightened further in November, the compensation for fixed expenses was increased to 85 per cent in November–December 2020. The compensation was 70 per cent in January–February 2021.

In Denmark, the company has received a direct subsidy for the interruption of business. Up to 75% of monthly salaries and 90% of hourly salaries was compensated up to a maximum of EUR 4,000. About 80% of fixed expenses were compensated in increments in proportion to the decrease in turnover. The subsidy was in effect for the period from 12 March to 8 July 2020, and compensation for fixed expenses continued until 31 October 2020. In conjunction with the introduction of the stricter restrictions, the rate of turnover-based government support for fixed expenses was increased from 80 per cent to 90 per cent. The compensation is in effect as of 1 November 2020. In Denmark, restaurants were ordered to close as of 9 December 2020, and only take-away sales are allowed until 28 February 2021. In addition to fixed expenses, the Danish state also compensates for 80 per cent of wage expenses while the restrictions continue.

SPECIFICATION OF GOVERNMENT GRANTS

EUR 1,000	1 October–31 December 2020	1 January–31 December 2020
Finland		
Compensation for restriction of operations	0.0	4,192.0
Re-employment support	0.0	800.0
Development aid	83.4	146.9
Norway		
Compensation for fixed expenses	1,239.1	2,791.3
Denmark		
Compensation for fixed expenses	727.1	2,958.3
Compensation related to wage expenses	221.3	1,586.4
Total	**2,270.9**	**12,474.8**

The government grants do not involve unmet conditions or other uncertainty factors. The Group has not received direct benefits from government support of any other type.

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

With regard to international operations, the grant model continues at the time of publication of the financial statements release.

The Group did not receive any government grants in 2019.

6. Changes in Group Structure

ACQUIRED SUBSIDIARIES AND BUSINESSES

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

Acquisition of Friends & Brgrs Ab Oy

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

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

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

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

EUR 1,000	Friends & Brgrs Ab Oy	Other acquisitions	Total acquisitions
Assets			
Intangible assets	1,861.0		1,861.0
Tangible assets	1,020.7	252.1	1,272.7
Investments	0.3		0.3
Non-current receivables	5.6		5.6
Current receivables	360.3		360.3
Inventories	81.1		81.1
Cash and cash equivalents	1,050.3		1,050.3
Total assets	**4,379.3**	**252.1**	**4,631.3**
Liabilities			
Deferred tax liabilities	379.6		379.6
Financial liabilities	1,193.6		1,193.6
Other payables	1,579.5		1,579.5
Total liabilities	**3,152.7**	**0.0**	**3,152.7**
Net assets	**1,226.6**	**252.1**	**1,478.6**
Total purchase consideration at time of acquisition:			
Share of the purchase consideration consisting of cash and cash equivalents	6,354.0	1,451.7	7,805.7
Share of equity of the purchase consideration	754.7		754.7
Share of debt		13.4	13.4
Total purchase consideration in total	**7,108.7**	**1,465.1**	**8,573.8**
Generation of goodwill through acquisitions:			
Total purchase consideration	7,108.7	1,465.1	8,573.8
Non-controlling interests	355.7		355.7
Net identifiable assets of the acquired entity	1,226.6	252.1	1,478.6
Goodwill	**6,237.8**	**1,213.0**	**7,450.9**

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

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

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

SOLD BUSINESS OPERATIONS

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

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

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

Goodwill	266.5
Property, plant and equipment	631.7
Other asset items	26.7
Non-controlling interests	9.7
Liabilities	-411.9
Net assets, total	**522.8**

Losses on disposal totalling EUR 238.8 thousand were recognised in the income statement.

EVENTS AFTER THE REPORTING PERIOD

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 will be Allas Sea Pool's tenant as of 1 February 2021.

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

EUR 1,000	Allas Sea Pool
Assets	
Tangible assets	172.5
Assets in total	**172.5**
Net assets	**172.5**
Total purchase consideration at time of acquisition:	
Share of purchase consideration consisting of cash and cash equivalents	300.0
Share of debt	850.0
Total purchase consideration in total	**1,150.0**
Generation of goodwill through acquisitions:	
Total purchase consideration	1,150.0
Net identifiable assets of the acquired entity	172.5
Goodwill	**977.5**

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

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

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

7. Intangible and Tangible Assets

CONTINUING AND DISCONTINUED OPERATIONS

EUR 1,000 Goodwill	31 December 2020	31 December 2019
Carrying amount 1 Jan.	128,831.6	147,434.0
Business acquisitions	7,450.9	14,034.8
Deductions	-266.5	-32,459.9
Translation differences	-847.0	-177.4
Carrying amount at the end of the review period	**135,169.0**	**128,831.6**

Intangible assets	31 December 2020	31 December 2019
Carrying amount 1 Jan.	48,461.4	56,542.2
Business acquisitions	1,861.0	6,064.7
Additions	745.3	1,821.5
Depreciation, amortisation and impairment losses	-6,307.5	-7,493.5
Deductions	0.0	-8,363.7
Translation differences	-249.7	-109.8
Transfers between account types	98.8	0.0
Carrying amount at the end of the review period	**44,609.4**	**48,461.4**

Tangible assets	31 December 2020	31 December 2019
Carrying amount 1 Jan.	57,008.4	47,081.9
Business acquisitions	1,272.7	7,215.5
Additions	6,522.1	15,066.6
Depreciation, amortisation and impairment losses	-14,915.5	-10,213.1
Deductions	-925.4	-1,994.8
Translation differences	-359.5	-147.6
Transfers between account types	-94.3	0.0
Carrying amount at the end of the review period	**48,508.5**	**57,008.4**

8. Lease agreements

In April, the Group negotiated rent exemptions, mainly for April and May, for 70 per cent of its leases in Finland The IASB published an amendment to IFRS 16 regarding the treatment of rent concessions on 28 May 2020 and the amendment was approved for use in the EU on 12 October 2020. The Group has applied the practical expedient stipulated by the amendment to not treat rent concessions granted due to the COVID-19 pandemic as changes in leases under IFRS 16. Leases that only involved a rent exemption were treated as negative changes in rents. The rent exemptions amounted to EUR 3.6 million. Of these, EUR 3.1 million were leases to which the exemption was applied. The agreements that also involved other changes in addition to rent exemptions were treated as changes in leases. The incremental borrowing rate applied to the changes in leases is 5.0%.

RIGHT-OF-USE ASSETS

EUR 1,000	31 December 2020	31 December 2019
Carrying amount 1 Jan.	159,077.4	176,890.1
Additions	20,216.6	26,429.4
Reassessments and modifications	2,649.6	-10,636.2
Depreciation, amortisation and impairment losses	-30,733.7	-30,132.5
Deductions	-1,574.9	-2,977.2
Translation differences	-1,610.6	-496.2
Carrying amount at the end of the review period	**148,024.4**	**159,077.4**

CHANGE IN LEASE LIABILITY

EUR 1,000	31 December 2020	31 December 2019
Lease liability at the beginning of the period	161,299.3	176,890.1
Net increases	21,291.3	12,803.5
Rent payments	-29,516.9	-32,651.5
Rent exemptions, COVID-19	-3,128.0	0.0
Interest expenses	4,886.2	4,758.5
Translation differences	-1,642.1	-501.3
Lease liability at the end of the period	**153,189.8**	**161,299.3**

LEASE LIABILITY

EUR 1,000	31 December 2020	31 December 2019
Non-current	126,068.2	134,048.0
Current	27,121.6	27,251.3
Total	**153,189.8**	**161,299.3**

LEASES IN THE INCOME STATEMENT

EUR 1,000	1 Jan.– 31 Mar. 2020	1 Apr.– 30 Jun. 2020	1 Jul.– 30 Sep. 2020	1 Oct.– 31 Dec. 2020	1 Jan.– 31 Dec. 2020	31 December 2019
Rent exemptions, COVID-19	0.0	3,128.0	0.0	0.0	3,128.0	0.0
Expenses related to short-term leases, leases for underlying assets of low value and variable leases	-978.5	-607.1	-995.2	-680.2	-3,261.0	-5,619.4
Depreciation of right-of-use assets	-7,184.0	-7,900.7	-7,267.2	-8,381.8	-30,733.7	-30,132.5
Interest expenses on lease liabilities	-1,035.9	-1,292.1	-1,189.9	-1,368.5	-4,886.2	-4,758.5
Total	**-9,198.3**	**-6,671.8**	**-9,452.3**	**-10,430.5**	**-35,752.9**	**-40,510.3**

9. 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. When the pandemic hit the Group's business, the Group carried out impairment testing on 31 March 2020 using the carrying amounts and calculations of future cash amounts valid at the time. No impairment losses were recognised based on the impairment testing. On 31 March 2020, the recoverable cash flow based on utility value calculations exceeded the book value by more than EUR 14 million (on 31 December 2019, by more than EUR 95 million). The short-term cash flow forecast used in the impairment testing of 31 March 2020 was based on conservative estimates of the recovery of demand when restrictions are lifted.

Impairment testing was carried out on 31 December 2020 using the book values and calculations of future cash amounts valid at the time. On 31 December 2020, the recoverable cash flow based on utility value calculations exceeded the book value by more than EUR 20 million (on 31 March 2020, by more than EUR 14 million and on 31 December 2019, by more than EUR 95 million). The impairment tests on 31 December 2020, 31 March 2020 and 31 December 2019 did not indicate a need for impairment of goodwill or intangible rights with an indefinite useful life.

The decrease in the difference between the recoverable cash flow based on utility value calculations and the book value between the financial statements date of 31 December 2019 and the financial statements date of 31 December 2020 is due to the Group's management having estimated that COVID-19 pandemic will impair the short-term cash flow projection used in the utility value calculation. The short-term projections and cash flows have been significantly impacted by the decisions of the Finnish, Norwegian and Danish governments to restrict restaurant operations.

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

EUR 1,000	31 December 2020	30 September 2020	30 June 2020	30 March 2020	31 December 2019
Goodwill	135,169.0	134,979.3	136,016.0	129,970.1	128,831.6
Brands and name-use-rights	21,757.9	21,757.9	21,757.9	21,757.9	21,757.9
Non-competition agreements	120.0	120.0	120.0	120.0	120.0
Leases	2,736.1	2,736.1	2,736.1	2,736.1	2,736.1

Goodwill increased during the financial period mainly as a result of the Friends & Brgrs acquisition.

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-flow generating units less the costs of selling, or the utility value, whichever is higher. If the recoverable amount is lower than the book value entered on the balance sheet, the difference is recognised as an impairment loss that decreases income. For the impairment testing, the recoverable amount used has been the utility value calculated by means of the discounted cash flow (DCF) method.

THE ASSUMPTIONS USED IN THE CALCULATION OF UTILITY VALUE FOR EACH TESTING PERIOD ARE PRESENTED BELOW:

Key assumptions used in testing	31 December 2020	31 December 2019
Sales revenue growth, first three years, on average	25.5%	1.7%
Sales revenue growth, other years	0.0%	0.0%
EBIT, first three years, on average	7.8%	7.9%
Terminal growth assumption	1.0%	1.0%
Discount rate before taxes	8.1%	6.7%

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

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

Assumption	Description
Growth of sales revenue	The increased sales revenue for the upcoming years is based on the estimates defined for the reference period on the gradual recovery of the market and the gradual phasing out of the COVID-19 pandemic restrictions during 2021.
EBIT	The EBIT is based on the gradual recovery of the market and the gradual phasing out of the COVID-19 pandemic restrictions during 2021 and estimates on the cost structure of the Group post-pandemic.
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. In 2020, the recoverable cash flow based on utility value calculations exceeded the book value by more than EUR 20 million. 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 2020	31 December 2019
Annual decrease in sales revenue	2.2%	8.7%
EBIT, modified level, first three years, on average	7.3%	6.0%
Change in discount rate, percentage points	0.4%	1.2%
Decrease of the terminal growth rate	0.5%	1.5%

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.

10. Financial liabilities

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

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

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

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

MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES, 31 DECEMBER 2020

EUR 1,000	Balance sheet value	Less than 1 year Q1/2021	Less than 1 year Q2/2021	Less than 1 year Q3/2021	Less than 1 year Q4/2021	1 to less than 2 years	2–5 years	More than 5 years
COVID-19 bridge financing	23,000.0		23,000.0					
Finnish Industry Investment Ltd	10,599.1				10,599.1			
Commercial paper programme	4,500.0		4,500.0					
Other loans	120,574.0	664.9	17,269.5	2,443.0	6,085.1	12,945.1	80,272.4	894.1
Total	**158,673.1**	**664.9**	**44,769.5**	**2,443.0**	**16,684.2**	**12,945.1**	**80,272.4**	**894.1**

Account limits in use *	8,995.4
Total	**167,668.5**

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

The table indicating the maturity dates of financial liabilities includes all interest-bearing financial liabilities as well as other liabilities classified as financial liabilities. 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, 31 DECEMBER 2020

EUR 1,000	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Interest on financial liabilities	3,635.7	2,062.1	3,612.7	197.8

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

TRADE PAYABLES AND LIABILITIES FOR RIGHT-OF-USE ASSETS, MATURITY DISTRIBUTION 31 DECEMBER 2020

EUR 1,000	Discounted balance sheet value	Undiscounted value	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Transaction price liabilities	5,645.7	5,645.7	3,496.6	701.3	1,447.8	
Trade payables	12,285.8	12,285.8	12,285.8			
Liabilities for right-of-use assets	153,189.8	183,207.8	31,915.2	29,486.1	62,616.9	59,189.6
Total	**171,121.3**	**201,139.3**	**47,697.6**	**30,187.4**	**64,064.7**	**59,189.6**

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

On 31 December 2020, the Group's cash and cash equivalents totalled EUR 3.1 million and the unwithdrawn loan and account limits available to the Group amounted to EUR 11.0 million. In addition, on 31 December 2020 the Group owned 7,520,910 shares in the listed company Eezy Plc, corresponding to a holding of 30.27 per cent. At the closing share price on 31 December 2020, the market value of this shareholding exceeded EUR 44 million.

Liquidity risk

The measures taken during the review period were aimed at ensuring that the Group's financial assets are sufficient to cover business and financing needs for the duration of the exceptional circumstances. The financing package negotiated during the second quarter of the review period for the duration of the exceptional circumstances caused by the COVID-19 pandemic and the refinancing programme for maturing loans were negotiated for a period of 12 months in the initial phase. The Group's financing structure and liquidity were stabilised with the help of the negotiated financing package.

When the COVID-19 pandemic hit, the Group shifted from profit-oriented decision-making to cash flow-oriented decision-making. The Group's financing needs will be covered by optimising working capital and through external financing arrangements to ensure that the Group has sufficient liquidity or unwithdrawn committed credit arrangements at its disposal. The operational monitoring and management of liquidity risk are centralised in the Group's finance department, where the sufficiency of financing is managed based on rolling forecasts.

At the beginning of the fourth quarter, business operations were again restricted by an order issued by the Finnish Government, which also had a significant effect on consumer behaviour. Due to the relatively low level of business operations as a result of the strict restriction measures, working capital declined significantly from the previous financial statements and is relatively lower than in the first quarter of the review period when the pandemic started. Compared to the demand shock caused by the first wave of the COVID-19 pandemic, the Group's management estimates that the current situation will not involve a similar change in consumer behaviour that would cause an unexpected liquidity risk due to negative working capital becoming payable. 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.

On 31 December 2020, the Group's cash and cash equivalents totalled EUR 3.1 million. In addition, the Group has unwithdrawn loan and account limits amounting to EUR 11.0 million at its disposal. The company negotiated a financing package with its financiers, 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 have been combined into one long-term financing package. The financing package consists of a five-year programme in which loan instalments are MEUR 6 during the 2021 financial period and 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.

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

INDICATIVE MATURITY BREAKDOWN OF FINANCIAL LIABILITIES UNDER THE NEW FINANCING AGREEMENT

		Less than 1 year	Less than 1 year	Less than 1 year	Less than 1 year			
EUR 1,000	**Balance sheet value**	**Q1/2021**	**Q2/2021**	**Q3/2021**	**Q4/2021**	**1 to less than 2 years**	**2–5 years**	**More than 5 years**
Finnish Industry Investment Ltd	10,599.1					10,599.1		
Commercial paper programme	4,500.0		4,500.0					
Other loans	150,033.5	124.4	359.6	124.4	6,841.6	22,842.7	118,846.7	894.1
Total	**165,132.6**	**124.4**	**4,859.6**	**124.4**	**6,841.6**	**33,441.8**	**118,846.7**	**894.1**

Account limits in use *	10,947.1
Financial liabilities total	**176,079.7**

*** 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.**

11. Related Party Transactions

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

TRANSACTIONS WITH RELATED ENTITIES

EUR 1,000	Sales	Lease costs	Acquisitions	Lease income	Receivables	Liabilities
31 December 2020	294.2	331.2	9,545.9	24.7	407.7	813.3
31 December 2019	389.0	552.9	10,875.1	39.8	2,417.7	2,335.4
Eezy Oyj's share of related party transactions						
31 December 2020	48.0	0.0	9,074.4	24.7	3.3	654.9
31 December 2019	126.4	0.0	8,100.1	39.8	1,726.2	2,173.4

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

SHARE-BASED INCENTIVE SCHEME FOR KEY PERSONNEL

On 30 December 2019, the company announced that the second 24-month earning period of the long-term share-based incentive plan for the key personnel will start on 1 January 2020 and end on 31 December 2021. A maximum number of 354,668 NoHo Partners Plc's shares may be paid to the key employees during the second earning period based on the achieved key goals in terms of the business operations set by the Board of Directors. The earning criteria set for the second earning period are the EBIT % of NoHo Partners Plc's Finnish operations, the company's share price development and the EBIT % of the foreign operations during the second earning period.

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

Costs from the share-based incentive plan are recognised as staff expenses over time and in equity under earnings. Based on the management's estimate, for the second earning period, EUR 900 thousand in benefits paid in shares have been entered as expenses. A credit of EUR 619 thousand was recognised for the payment for the first earning period and the amount previously expensed due to said arrangement.

On 9 November 2020, the Board of Directors of NoHo Partners Plc decided on a special unpaid share issue for key personnel in order to pay the reward of the first earning period of the share incentive scheme, 1 December 2018–31 December 2019. The decision on the share issue was made on the basis of the authorisation granted by the Annual General Meeting on 16 June 2020. The long-term share-based incentive scheme targeted at key personnel was announced with a stock exchange release published on 30 November 2018.

A total of 68,597 new shares were issued without payment in the share issue to 9 key employees participating in the share-based incentive plan. The issuance of the new shares sees the total number of NoHo Partners Plc's shares increase to 19,222,270. The new shares were registered with the Trade Register on 13 November 2020, and they are traded on the official list of Nasdaq Helsinki Ltd.

The Annual General Meeting decided on 16 June 2020 to withdraw previous share issue authorisations and authorise the Board of Directors to decide on the issuance of shares and/or option rights or other special rights entitling to shares as follows:

The maximum number of shares to be issued pursuant to the authorisation in one or more tranches is 3,000,000, corresponding to approximately 15.7 per cent of all registered shares in the company calculated based on the number of shares on the date of the notice convening the Annual General Meeting. Special rights may be issued with a right to set off the subscription price of the share against a receivable that the subscriber has from the company.

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

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

Under the authorisation, the Board of Directors may issue new shares or transfer shares held by the company. The Board of Directors is authorised to decide on all other conditions of the issuance of shares and/or option rights or other special rights. The authorisation is valid until 30 June 2022.

MEMBERS OF THE EXECUTIVE TEAM OF NOHO PARTNERS PLC ON 31 DECEMBER 2020

Aku Vikström
CEO, Chairman of the Executive Team

Jarno Suominen
Deputy CEO

Jarno Vilponen
CFO

Juha Helminen
Director of International Operations

Perttu Pesonen (until 31 January 2021)
Development Director

Anne Kokkonen
HR Director

Benjamin Gripenberg
CBO, Restaurants, Helsinki Metropolitan Area

Tanja Virtanen
CBO, Restaurants, rest of Finland

Eemeli Nurminen (until 31 December 2020)
CBO, Entertainment Venues, Helsinki Metropolitan Area

Paul Meli
CBO, Entertainment Venues, rest of Finland

Tero Kaikkonen
CBO, Fast Casual restaurants

12. Contingent Liabilities and Assets and Commitments

CONTINUING OPERATIONS

GUARANTEES AND CONTINGENT LIABILITIES

EUR 1,000	31 December 2020	31 December 2019
Liabilities with guarantees included on the balance sheet		
Loans from financial institutions, non-current	78,004.7	68,493.3
Loans from financial institutions, current	70,315.2	15,728.8
Total	**148,319.9**	**84,222.1**
Commercial papers, current	**4,500.0**	**22,000.0**
Guarantees given on behalf of the Group		
Collateral notes secured by a mortgage	37,457.6	34,885.4
Real estate mortgage	4,268.8	4,364.5
Subsidiary shares	103,435.9	97,557.8
Other shares	44,373.4	23,878.9
Bank guarantees	9,156.8	8,611.8
Other guarantees	5,161.2	5,609.8
Total	**203,853.7**	**174,908.1**
Purchase commitments		
Eezy Plc	60,050.9	69,285.8
Total	**60,050.9**	**69,285.8**
Contingent liabilities and assets	**2,736.1**	**3,540.0**

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

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

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

13. Events After the Reporting Period

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

NoHo Partners announced changes in its Executive Team on 4 January 2021. From 1 February 2021, the Group's Executive Team will consist of the following people:

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
Paul Meli, CBO, Entertainment Venues, rest of Finland
Tero Kaikkonen, CBO, Fast Casual restaurants
Benjamin Gripenberg, CBO, Restaurants, Helsinki Metropolitan Area
Tanja Virtanen, CBO, Restaurants, rest of Finland

On 5 January 2021, NoHo Partners announced that it had completed co-operation negotiations and organisational restructuring to adjust its operations.

The negotiations were aimed at minimising the financial impacts caused by COVID-19 and adjusting the Group's costs to correspond with the decline in volume due to the restrictions on restaurants. The negotiations concerned all of the Group's employees in Finland, totalling approximately 1,300 employees. The negotiations will lead to changes in the organisational structure, reductions in jobs in the Executive Team, the supervisory level and administrative duties as well as part-time and full-time temporary layoffs.

As a result of the negotiations, the Group's organisation has been restructured primarily with regard to senior management, administration and supervisory jobs. The restructuring measures will lead to a reduction of 55 jobs as well as 15 jobs being made part-time. The reductions in jobs concern two positions in the Group Executive Team as well as management and other jobs in restaurants as well as administrative specialist positions in sales and marketing. The reductions in jobs will be achieved through voluntary arrangements and redundancies as well as the termination of employment concerning employees who are called in to work on an irregular basis. The part-time or full-time temporary layoffs concern approximately 600 employees at present. Due to the pandemic situation and the related restrictions on operations, the option of implementing temporary layoffs will remain in effect until the end of May 2021. The exact number and duration of temporary layoffs will be specified further at a later time as the market situation develops.

Allas Sea Pool acquisition

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 will be Allas Sea Pool's tenant as of 1 February 2021.

NoHo Partners' release of 1 February 2021 about the progress of financing negotiations

On 10 November 2020, with the release of its interim report for the third quarter of 2020, NoHo Partners Plc announced that it will begin financing negotiations with its financers. The future financing package will secure the Group's financial position over the coming years. The negotiations are coming to a close and they have progressed in a spirit of good mutual understanding. The Group will announce the outcome as soon as the negotiations have been concluded.

NoHo Partners' announcement on 15 February 2021 concerning its new long-term financing package

NoHo Partners Plc announced on 15 February 2021 that it has completed its negotiations concerning a financing package in which the bridge financing, which was negotiated at the beginning of the COVID-19 pandemic, and the current financiers' existing loans have been combined into one long-term financing package. The purpose of the negotiated financing package of MEUR 141 is to secure the company's long-term financing position and make the reconstruction programme after the emergency conditions end possible.

The financing package consists of a five-year programme in which loan instalments are MEUR 6 during the 2021 financial period and MEUR 22 during the 2022 financial period. At the beginning of the financing programme, the interest level of loans granted by financial institutions will increase to a little over 3 per cent until the COVID-19 bridge financing has been paid back. After that, the interest level will gradually return to about 2.6 per cent

14. Key Figures

EUR 1,000	1 Oct.–31 Dec. 2020	1 Oct.–31 Dec. 2019	1 Jan.–31 Dec. 2020	1 Jan.–31 Dec. 2019
Earnings per share, continuing operations, EUR	-0.53	0.20	-1.44	1.10
Earnings per share, result of the review period, EUR	-0.53	0.20	-1.44	2.36
Key figures for continuing operations				
EBIT, %	-37.2%	9.3%	-15.2%	11.2%
Material margin, %	68.9%	75.6%	72.0%	74.3%
Personnel expenses, %	41.5%	32.8%	38.0%	32.6%
Average personnel				
Registered personnel				
Full-time personnel			721	1,005
Part-time personnel converted into full-time personnel			501	596
Rented workforce, converted to full-time equivalents			236	531
Restaurant business (Comparable continuing operations)				
EBIT, %	-37.2%	8.6%	-15.6%	6.7%
Key figures for the entire Group				
Return on equity, % (p.a.)			-27.0%	44.9%
Return on investment % (p.a.)			-5.9%	8.4%
Equity ratio, %			18.1%	29.1%
Gearing ratio, %			391.0%	194.6%
Interest-bearing net liabilities, EUR			316,621.2	266,690.6
Adjusted net finance costs, EUR	2,726.7	1,980.0	10,788.2	7,165.8
Operating cash flow, EUR	-7,161.3	9,504.3	-5,124.0	30,408.8
Key figures excluding the IFRS 16 effect				
Gearing ratio, %			192.0%	75.9%
Interest-bearing net liabilities, EUR			163,431.4	105,391.3
Operating cash flow, bridge calculation *				
EBIT	-11,771.5	6,470.4	-23,880.0	18,389.5
Depreciation, amortisation and impairment losses	13,584.0	11,797.2	51,956.7	44,522.6
Share of profit of associated company	-272.1	-21.1	-524.2	-242.7
Adjustment of IFRS 16 lease expenses to cash flow based	-8,701.7	-8,742.3	-32,676.5	-32,260.6
Operating cash flow	**-7,161.3**	**9,504.3**	**-5,124.0**	**30,408.8**

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

CALCULATION FORMULAS FOR KEY FIGURES

Key figures required by the IFRS standards

Earnings per share

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

Earnings per share (diluted)

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

Alternative performance measures

Return on equity %

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

Equity ratio %

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

Return on investment %

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

Interest-bearing net financial liabilities

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

Interest-bearing net financial liabilities excluding IFRS 16

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

Gearing ratio %

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

Gearing ratio % excluding IFRS 16

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

Personnel expenses %

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

Material margin %

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

Adjusted net finance costs

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

Operating cash flow

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

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