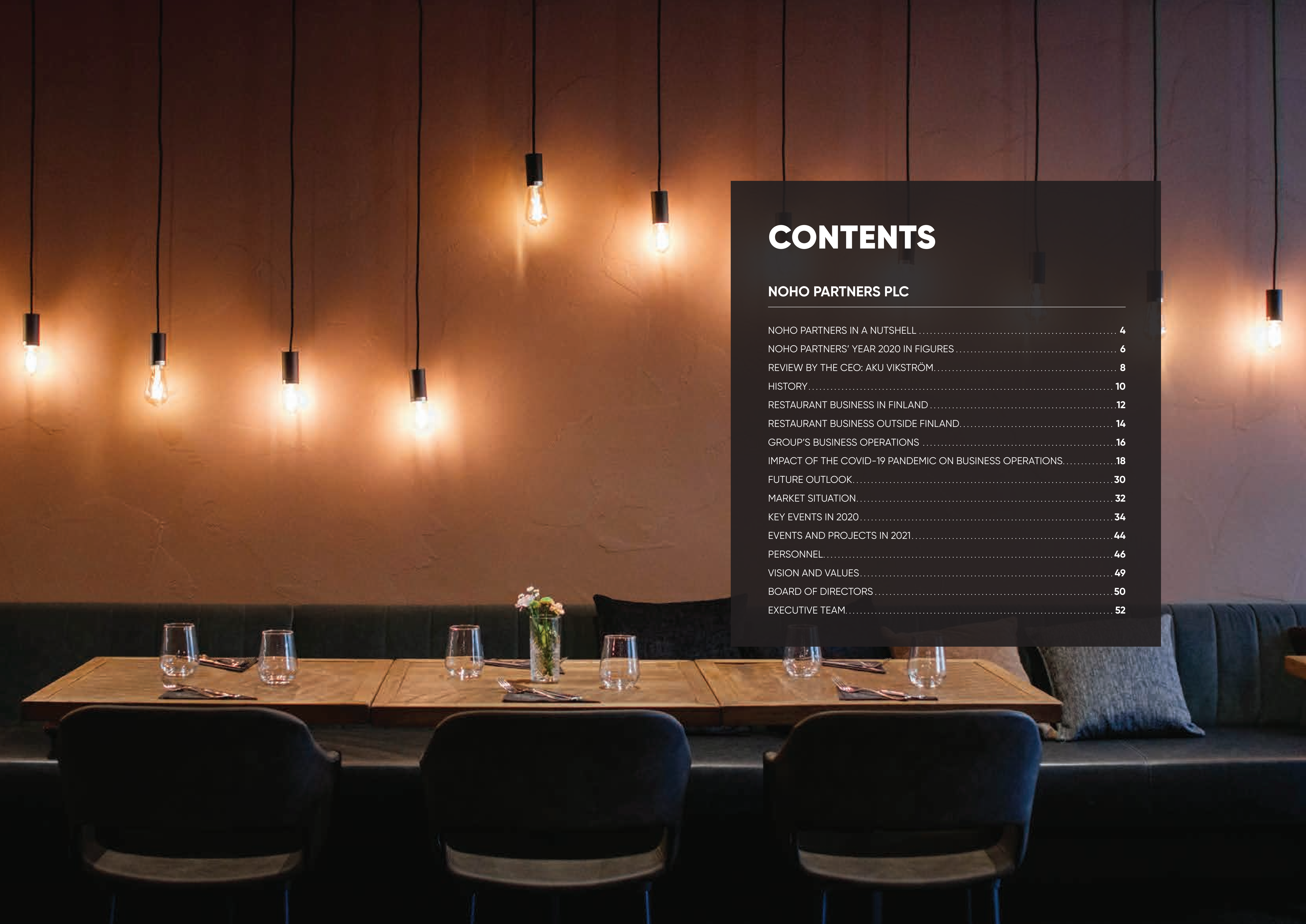
Annual Report 2020

NORDIC HOSPITALITY PARTNERS

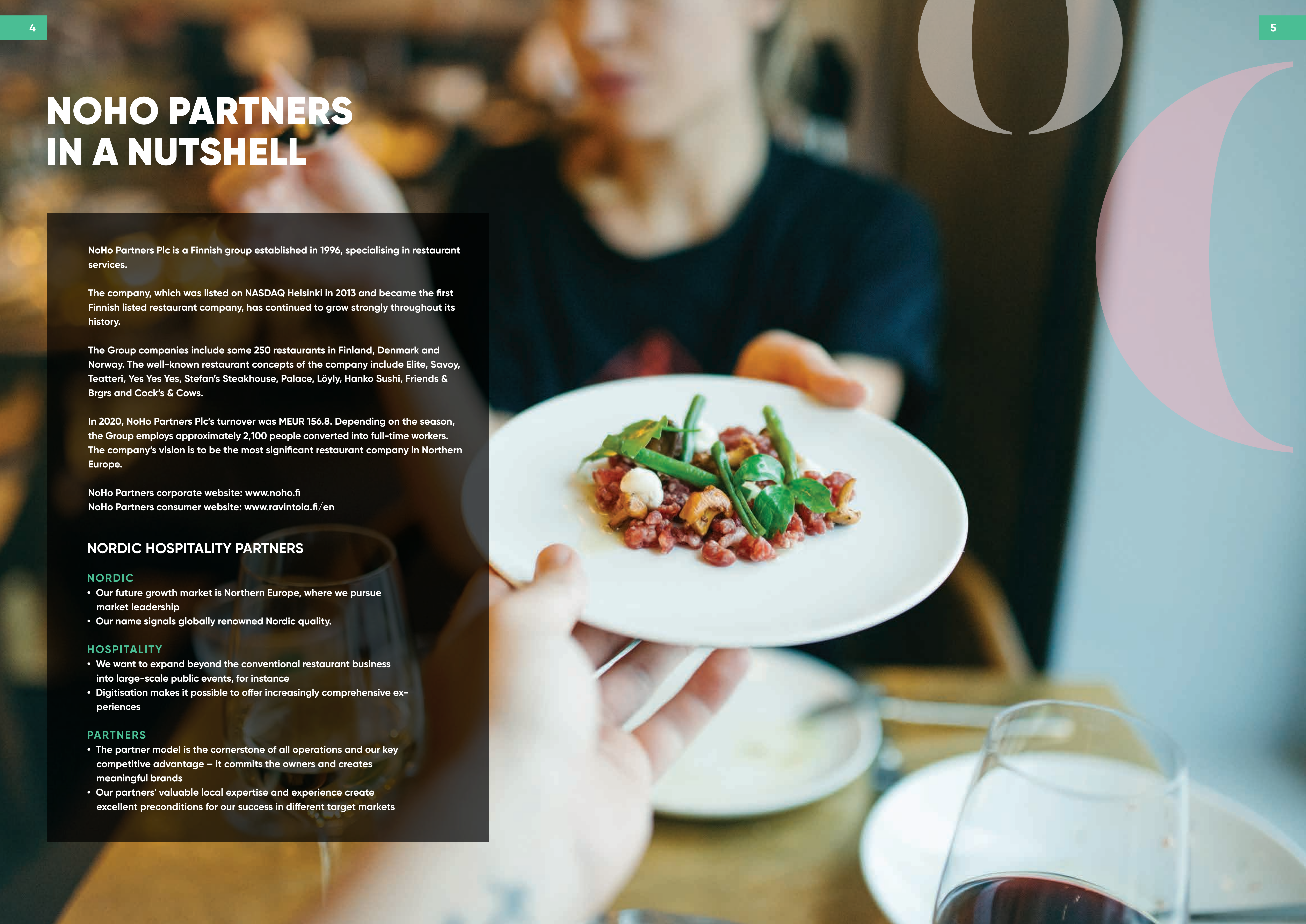


CONTENTS

NOHO PARTNERS PLC

NOHO PARTNERS IN A NUTSHELL 4
NOHO PARTNERS' YEAR 2020 IN FIGURES 6
REVIEW BY THE CEO: AKU VIKSTRÖM 8
HISTORY 10
RESTAURANT BUSINESS IN FINLAND 12
RESTAURANT BUSINESS OUTSIDE FINLAND 14
GROUP'S BUSINESS OPERATIONS 16
IMPACT OF THE COVID-19 PANDEMIC ON BUSINESS OPERATIONS 18
FUTURE OUTLOOK 30
MARKET SITUATION 32
KEY EVENTS IN 2020 34
EVENTS AND PROJECTS IN 2021 44
PERSONNEL 46
VISION AND VALUES 49
BOARD OF DIRECTORS 50
EXECUTIVE TEAM 52

NOHO PARTNERS IN A NUTSHELL



NoHo Partners Plc is a Finnish group established in 1996, specialising in restaurant services.

The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history.

The Group companies include some 250 restaurants in Finland, Denmark and Norway. The well-known restaurant concepts of the company include Elite, Savoy, Teatteri, Yes Yes Yes, Stefan's Steakhouse, Palace, Löyly, Hanko Sushi, Friends & Brgrs and Cock's & Cows.

In 2020, NoHo Partners Plc's turnover was MEUR 156.8. 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 Northern Europe.

NoHo Partners corporate website: www.noho.fi
NoHo Partners consumer website: www.ravintola.fi/en

NORDIC HOSPITALITY PARTNERS

NORDIC

- Our future growth market is Northern Europe, where we pursue market leadership
- Our name signals globally renowned Nordic quality.

HOSPITALITY

- We want to expand beyond the conventional restaurant business into large-scale public events, for instance
- Digitisation makes it possible to offer increasingly comprehensive experiences

PARTNERS

- The partner model is the cornerstone of all operations and our key competitive advantage – it commits the owners and creates meaningful brands
- Our partners' valuable local expertise and experience create excellent preconditions for our success in different target markets

NOHO PARTNERS' YEAR 2020 IN FIGURES

Approximately
2,000
employees (FTE)

Turnover
MEUR 156.8

Approximately
2,100
people working as leased staff

Approximately
250
restaurants in all

Restaurants
80

Entertainment venues
70

Fast casual restaurants
55

International restaurants
40

REVIEW BY THE CEO:
TOWARDS AN ERA OF RECONSTRUCTION

The year 2020 can be described comprehensively in one word: COVID-19. We fought bravely as a team through the difficulties of 2020. The year got off to an excellent start, and we had planned to continue on the successful path of 2019, further developing our domestic business and continuing our systematic international expansion. That's not what happened. We had to harness the majority of our resources to minimise the damage caused by the COVID-19 pandemic.

The safety of our personnel and customers largely determined our operations, and we took many measures to provide the safest possible conditions for restaurant customers. The year was particularly hard on our employees. Our employees went through a demanding process of change in 2019. I hoped that in 2020 they would have been finally able to focus on developing our business and creating excellent customer experiences. Instead, we took active measures as soon as the severity of the pandemic became clear and we had to very swiftly adapt our cost structure to the decreasing volume. Unfortunately, this meant extensive layoffs, and ultimately also dismissals among our personnel. Almost all of our people – from senior management to restaurant employees – were laid off at some point during the year due to the pressure for change resulting from COVID-19.

"My faith in the ability of our team to survive this crisis is unwavering. We are confident that the situation will be easier in the summer of 2021 and, as the vaccination programme advances, the situation will continue to normalise in the autumn."

I would like to thank our personnel and our partners for their endurance and perseverance in surviving a year of unprecedented difficulties.

We managed to negotiate rent reductions and cut other costs significantly. Also, grants from the Finnish, Norwegian and Danish states reduced our losses. Operating cash flow became a key indicator guiding our operations. In terms of this indicator, we were reasonably successful. Unfortunately, however, many other objectives were not achieved. Their time will come later.

We managed to negotiate a financing package with our financiers in spring 2020, allowing us to safeguard our ability to operate in 2020 and, at the beginning of 2021, we negotiated a longer-term financing solution, which will enable us to implement our post-pandemic reconstruction programme.

We have prepared a three-stage action plan for managing the impacts of the COVID-19 pandemic. In the first phase, we implemented purposeful adjustment measures in the exceptional operating environment. In the second stage of the plan, business operations will be resumed in a managed and gradual manner. The third stage will focus on strengthening our competitiveness in the future, among other things. With regard to financing, we have proceeded to the third stage. In terms of operations, we were also in the third stage, but due to the lockdown measures in spring 2021, among other things, we have had to delay the implementation of some of our plans.

In spring 2021, the pandemic situation took a step backwards and the Finnish Government ordered a three-week lockdown. In Norway and Denmark, our restaurants have been closed since the end of 2020. The months ahead will be challenging and they will require patience from our personnel as well as our stakeholders. We have aimed to reduce uncertainty by engaging in active and regular communications with all of our stakeholders during this highly exceptional situation.

My faith in the ability of our team to survive this crisis is unwavering. We are confident that the situation will be easier in the summer of 2021 and, as the vaccination programme advances, the situation will continue to normalise in the autumn.

As part of the reconstruction plan, we have announced that we will publish our updated strategy for 2021–2023 in June. Our company's aim is still to be the leading restaurant company in Northern Europe and grow profitably in increasingly select markets and customer segments.

Aku Vikström

CEO,
NoHo Partners Plc

HISTORY

NoHo Partners was born in 2018 when our predecessor Restamax was going through great changes. At the time, the company expanded into the international market in Denmark and also integrated with Royal Ravintolat. It became necessary to define a new identity and name for ourselves that better communicated our key strengths as well as our future goals and opportunities. The Group started operating as NoHo Partners in December 2018.

Having its roots in the pub business, the listed company has decades of experience in the restaurant industry. The restaurant portfolios of the two merged companies complement each other excellently, both geographically and in terms of their profile.

Here are some important steps from the company's history.

ROYAL RAVINTOLAT

1988
Mia Saari establishes a restaurant in Helsinki.

1990
Mia Saari and Pertti Hynninen start to operate three restaurants: Restaurant NJK, Kulosaaren Casino and Restaurant Sipuli.

1996
Mia Saari's spouse Kasperi Saari joins the company.

1997
The Saari family and Pertti Hynninen start operating a Holiday Inn hotel. Royal Restaurants, the largest private hotel and restaurant company in Finland, is born. The hotel business is operated by Oy Union Hotels Ab, a wholly owned subsidiary of Royal Ravintolat.

The Saaris and Hynninen purchase the Arctia restaurants, transferred to Scandic in a merger. Scandic continues as a partner. The venture capital company CapMan joins as an investor.

2003
Mia and Kasperi Saari and Pertti and Maria Hynninen purchase the shares of other partners, after which the families hold equal holdings in Royal Ravintolat.

2008
Hotels Haven and Fabian are established.

2011
Intera Partners becomes a venture capital investor in the company. The Saari and Hynninen families become minority shareholders.

2014
Royal Ravintolat acquires the Hanko Sushi fast food chain from the company.

2015
Royal Ravintolat acquires the Pizzarium fast food chain. Hotels Haven and Fabian are sold to Kämp Group.

2017
Royal Ravintolat acquires the Sandro fast food chain. The Saari and Hynninen families give up their shareholdings in the company.

RESTAMAX

1996
Restamax's current majority shareholders Timo Laine and Mikko Aartio establish a joint venture, Mr. Max Oy, which commences restaurant operations. Initially, the focus of operations is on the pub business and entertainment venues.

2005
The company's operations are expanded into the restaurant business.

2008
Operations are increasingly focused on entertainment venues and social venues through a merger.

2010
Restamax carries out a directed share issue. The ownership of the company expands and the Restamax Group in its current form comes together through mergers and acquisitions.

2013
The change of Restamax into a public limited company is registered in the Trade Register on 20 September 2013.

A significant step in the history of the company is taken at the end of the year, when Restamax Plc is the first company in the restaurant industry to be listed on the Helsinki Stock Exchange.

2014
At the beginning of the year, Restamax Oyj acquires the Rengasravintolat group, with 16 restaurants in Helsinki, Tampere, Jyväskylä and Pori transferring to the ownership of the company.

In August, labour hire business is incorporated into the Restamax group of companies.

2015
Restaurant operations are expanded into Oulu and Hanko, and labour hire operations are diversified into medical and health care services.

2017
The company increases the number of its restaurants to more than 130 and expands its restaurant operations into a new market area in Vaasa and Rovaniemi.

The labour hire business grows and becomes one of the largest operators in the industry. The market position is strengthened in particular in the manufacturing and construction sectors and the restaurant industry.

NOHO PARTNERS PLC

2018
The Group expands its restaurant operations into Denmark: The company acquires more than 90 per cent of the popular Danish companies Cock's & Cows and The Bird, operating a total of 11 restaurants and bars in Copenhagen at the time of acquisition.

Restamax acquires the entire share capital of Royal Ravintolat on 1 June 2018.

On 19 December 2018, Restamax changes its name to NoHo Partners Plc.

2019
NoHo Partners expands its operations into Norway with the acquisition of 15 restaurants.

NoHo Partners divests its labour hire business. The company becomes the largest shareholder of Eezy Plc, a pioneer in the labour hire industry, with a holding of 30.27 per cent.

2020
The company publishes its result for the record-breaking year 2019 on 5 March 2020. A week later, the COVID-19 epidemic erupts: the company issues a profit warning and immediately commences co-operation negotiations concerning all of its employees in Finland. In Denmark and Norway, restaurants are closed on 12–13 March 2020 until early May. Restaurants in Finland are closed from 1 April to 31 May 2020.

In Norway, a ban on the sale of alcohol from 9 November 2020 closes the restaurants again. In Denmark, restaurants are closed and only take-away sales of restaurants are allowed from 9 December 2020.

RESTAURANT BUSINESS IN FINLAND

NoHo Partners has approximately 250 restaurants and entertainment venues across Finland. The restaurants are divided into four business areas: restaurants, entertainment venues, fast casual restaurants and international restaurants.

We offer memorable experiences for everyday life and special occasions 24 hours a day. Our services cover the entire spectrum of restaurants, from lunch restaurants to fast casual, fine dining to gaming venues and pubs to nightclubs. In addition, our event venues cater for meetings, seminars, private events and other events.

The COVID-19 pandemic had a significant impact on our operations in 2020. We are prepared for market recovery, post-pandemic reconstruction, safeguarding our competitiveness and getting back on the profitable growth track.

Restaurant openings in 2020

WALLIS, LEVI
HOOK, LEVI
FRIENDS & BRGRS, JYVÄSKYLÄ, ESPOO, HELSINKI, ROVANIEMI
SPACE BOWLING & BILLIARDS, OULU, LAPPEENRANTA
MADONNA, HELSINKI
CAFE EUROPA, JYVÄSKYLÄ
PIHKA KAARTI JA RUOHOLAHTI, HELSINKI

Restaurant cities

ESPOO
HÄMEENLINNA
HANKO
HELSINKI
HYVINKÄÄ
JOENSUU
JYVÄSKYLÄ
KUOPIO
LAPPEENRANTA
LEMPÄÄLÄ
LEVI
NAUVO
NOKIA
OULU
PIETARSAARI
PORI
PYHÄ
RAISIO
RAUMA
ROVANIEMI
RUKA
RUOVESI
SEINÄJOKI
TAMPERE
TURKU
VAALIMAA
VAASA
VANTAA

RESTAURANTS

ENTERTAINMENT VENUES

FAST CASUAL RESTAURANTS

INTERNATIONAL RESTAURANTS

RESTAURANT BUSINESS OUTSIDE FINLAND

NoHo Partners became an international restaurant group in spring 2018 when it expanded its operations into Denmark.

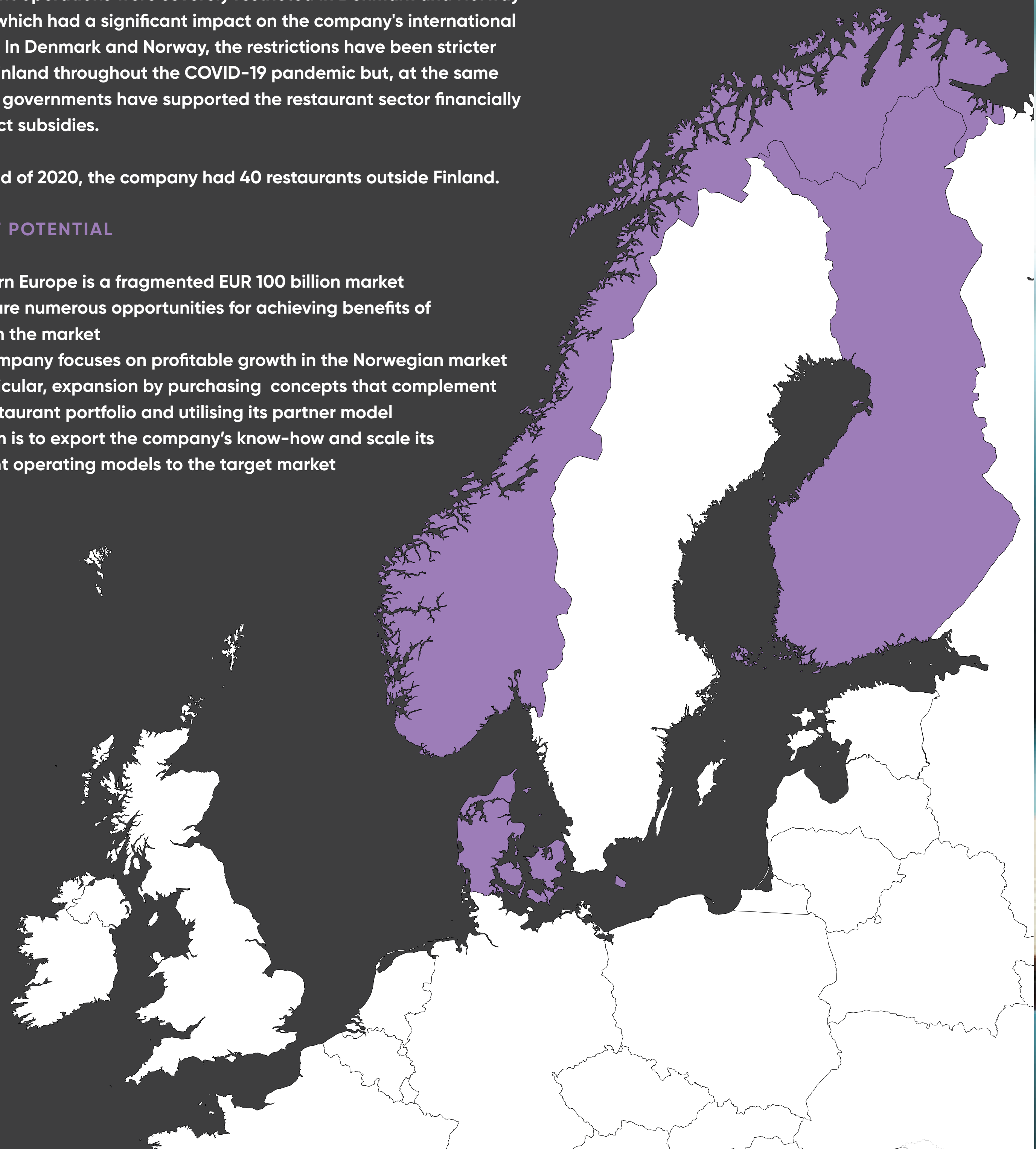
In spring 2019, the company expanded its operations into Norway by establishing a joint venture with the local restaurant operator Crea Diem gruppen and acquiring 15 restaurants. Today, the company has more than 20 restaurants in Norway, making NoHo Partners one of the most important restaurant operators in the country.

Restaurant operations were severely restricted in Denmark and Norway in 2020, which had a significant impact on the company's international business. 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.

At the end of 2020, the company had 40 restaurants outside Finland.

MARKET POTENTIAL

- Northern Europe is a fragmented EUR 100 billion market
- There are numerous opportunities for achieving benefits of scale in the market
- The company focuses on profitable growth in the Norwegian market in particular, expansion by purchasing concepts that complement the restaurant portfolio and utilising its partner model
- The aim is to export the company's know-how and scale its efficient operating models to the target market



At the end of 2020, the company had 40 restaurants outside Finland.

GROUP'S BUSINESS OPERATIONS

At the beginning of 2020, NoHo Partners had a record year behind it, with a record-high result announced on 5 March 2020. There were signs of the COVID-19 situation in other parts of the world, but the effects of the virus had not yet reached Finland at that time. However, the epidemic situation progressed rapidly. The restaurants in Denmark and Norway were closed on 13 March 2020, the company issued a profit warning and commenced co-operation negotiations concerning all of the personnel in Finland.

The impact of the COVID-19 pandemic on the market and the restaurant industry has been severe and the economic consequences for society as a whole have been considerable. The pandemic, its prolongation and the subsequent strict state restrictions on restaurants had a very negative impact on NoHo Partners' business in 2020.

The Group's turnover for 2020 decreased to 57.5 per cent on 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 February 2021, the company negotiated a financing agreement with its main financing providers, securing the company's long-term financial position and facilitating the measures of the post-pandemic reconstruction programme. 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.

IMPACT OF THE COVID-19 PANDEMIC ON BUSINESS OPERATIONS

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 and 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 resumption of business operations in Finland began on 1 June 2020, in a restricted operating environment, the company 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 financing providers, securing the company's long-term financial position and facilitating measures to be taken in the reconstruction phase.

RESTRICTIONS ON RESTAURANTS: FINLAND

After the lockdown 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 on restrictions on restaurants entered into force on 12 December 2020 and will remain in force until 28 February 2021.
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 remain 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.

On 1 March 2021, the Government, together with the President of the Republic, declared a state of emergency in Finland due to the COVID-19 situation. In the state of emergency, restaurants were ordered to close for the period from 8 to 28 March 2021. The closure concerns food and beverage service businesses in regions where the COVID-19 epidemic is in the community transmission and acceleration stage.

On 25 February 2021, the company announced new negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its operations to the closure of restaurants. The co-operation negotiations concern all the Group's employees, i.e. approximately 1,250 employees in Finland. The restrictions on restaurants also indirectly impact the approximately 2,000 people working for the Group as leased staff. The negotiations may result in redundancies and fixed-term, full-time or part-time layoffs of personnel.

RESTRICTIONS ON RESTAURANTS: 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 further notice.

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.

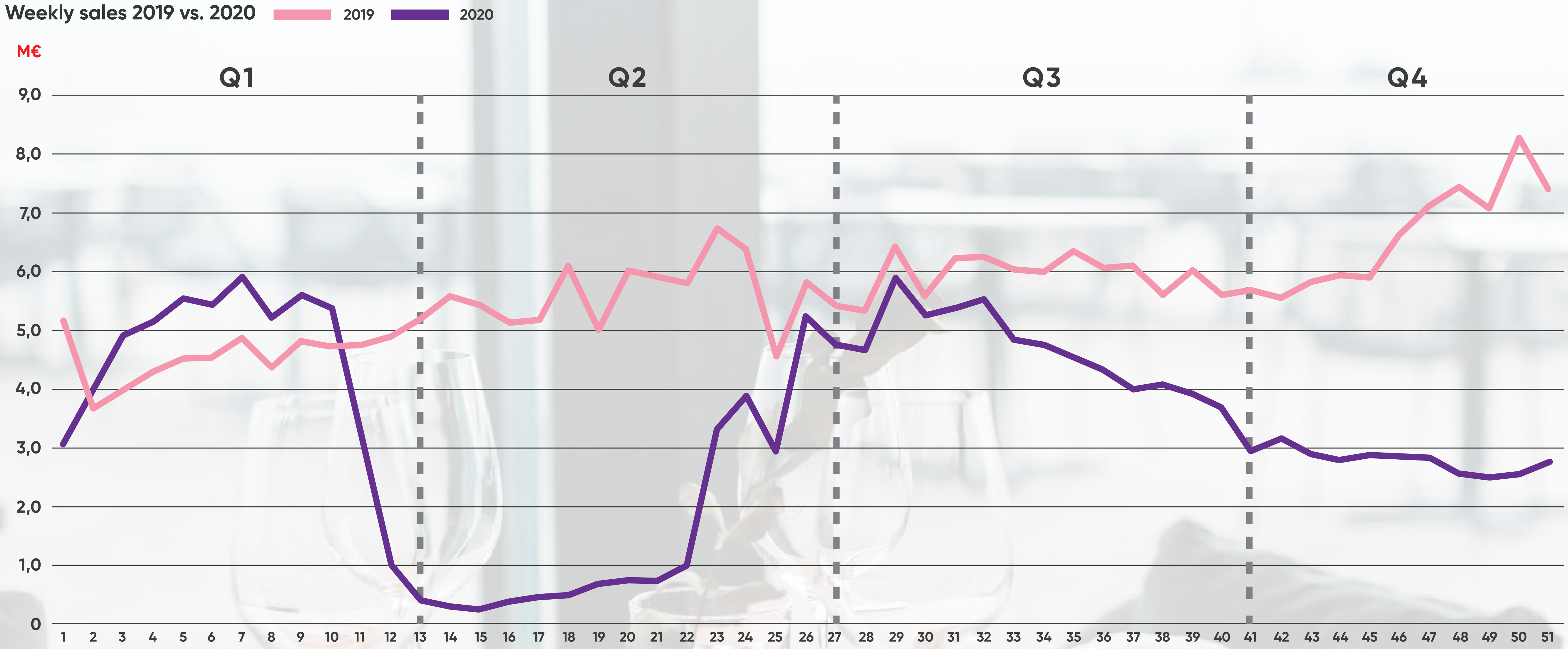
In Norway, alcohol licences were reactivated for food-serving restaurants in Oslo on 6 May 2020 after the restaurant closure in starting from mid-March, and the alcohol licences of other restaurants were reactivated at the beginning of June. The number of customers in the indoor areas of restaurants 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. 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. However, in Oslo, for example, the ban on serving alcohol continued for the time being. Restaurants were ordered to close in Oslo as of 2 March 2021, and only take-away sales are allowed until further notice.

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–March 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 roller-coaster ride with COVID-19



Events in the year of COVID-19

12 February 2020
- NoHo Partners announced the acquisition of a majority holding in the popular fast food chain Friends & Brgrs. The acquisition enters into force on 3 April 2020.

5 March 2020
- The company announced record-high result for 2019: the Group's turnover was MEUR 272.8 and EBIT MEUR 30.6

13 March 2020
- The company's restaurants in Denmark and Norway are closed
- In Finland, events with more than 500 people are prohibited
- The company issues a profit warning, amends its dividend distribution proposal and commences co-operation negotiations concerning all of its employees in Finland

3 April 2020
- The company announced that it had negotiated a financing package of MEUR 34 for the duration of the state of emergency

4 April 2020
- Restaurants in Finland are closed until the end of May

6 May 2020
- Restaurants serving food in Norway open

29 May 2020
- The company announced that it had completed a financing package for the duration of the state of emergency

1 June 2020
- Restaurants in Finland are gradually opened

22 June 2020
- Restrictions on restaurants in Finland are gradually lifted

13 July 2020
- Restrictions on restaurants in Finland are lifted

8 October 2020
- Restrictions on restaurants in Finland are tightened

9 November 2020
- The ban on serving alcohol in Norway enters into force and the company's restaurants are closed

9 December 2020
- Restaurants are closed in Denmark, with only take-away sales allowed

15 February 2021
- The company managed to negotiate a financing agreement with its main financing providers, securing the company's long-term financial position and facilitating the measures of the post-pandemic reconstruction programme.

FINANCIAL INDICATORS

January–December 2020 in short

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 non-recurring depreciation, amortisation and impairment comprised of discontinued units and units whose revenue generating capacity is estimated to decline in the future as well as IFRS 16 impacts of expiring leases.
- Government grants across all of the countries in which the company operates totalled approximately MEUR 12.5 for January–December 2020.

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.

Summary

The market change caused by the COVID-19 pandemic had a significant impact on the Group's result for the 2020 financial period.

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 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 non-recurring depreciation, amortisation and impairment comprised of discontinued units and units whose revenue generating capacity is estimated to decline in the future as well as IFRS 16 impacts of expiring leases.

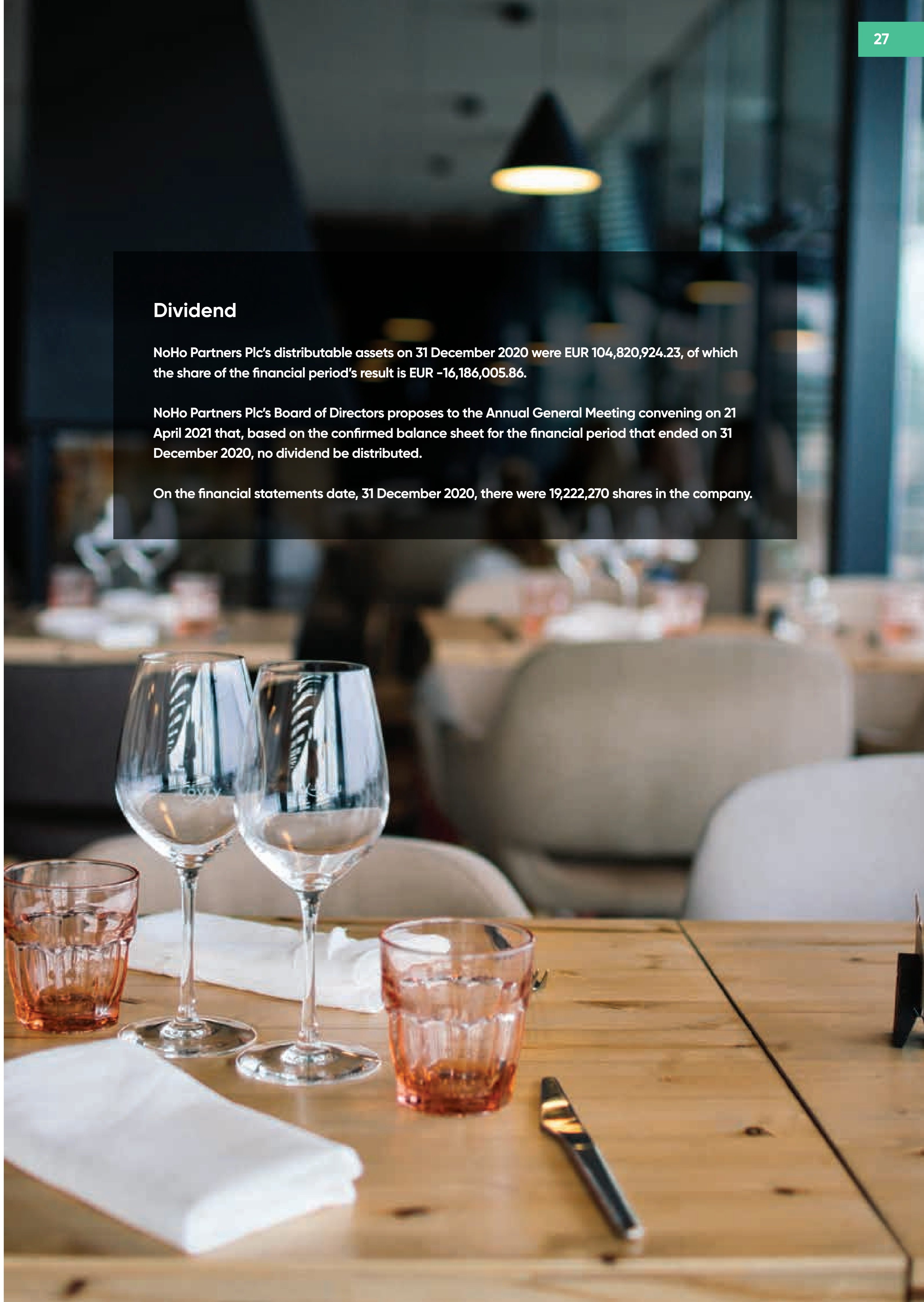
The Group recognised approximately MEUR 12.5 in financial support from the Finnish, Danish and Norwegian governments for the period 1 January–31 December 2020. Reductions in rent totalled approximately MEUR 3.5 in January–December 2020, with most of this total falling in April–May 2020.

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.

Key figures

NOHO PARTNERS GROUP, TOTAL

(EUR 1,000)	1 January–31 December 2020	1 January–31 December 2019
KEY FIGURES, GROUP (CONTINUING AND DISCONTINUED OPERATIONS)		
Turnover	156,771	272,820
EBIT	-23,880	30,551
EBIT, %	-15.2%	11.2%
Result of the financial period	-29,469	47,674
Continuing operations' earnings per share for the financial period attributable to the owners of the Company (EUR)	-1.44	1.10
Earnings per share for the review period attributable to the owners of the Company (EUR)	-1.44	2.36
Operating cash flow	-5,124	30,409
Interest-bearing net net liabilities excluding the impact of IFRS 16, EUR	163,431	105,391
Gearing ratio excluding the impact of IFRS 16, %	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	10,788	7,166
Material margin, %	72.0%	74.3%
Personnel expenses, %	38.0%	32.6%



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.

Turnover in the business areas of the restaurant business

	1 January–31 December 2020	1 January–31 December 2019
RESTAURANTS		
Turnover (MEUR)	**58.0**	**107.5**
Percentage of the total turnover	37.0%	39.4%
Change in turnover	-24.3%	
Units, number	77	75
Turnover/unit (MEUR)	0.75	1.43
ENTERTAINMENT VENUES		
Turnover (MEUR)	**43.9**	**88.5**
Percentage of the total turnover	28.0%	32.4%
Change in turnover	-35.2%	
Units, number	67	65
Turnover/unit (MEUR)	0.66	1.36
FAST CASUAL RESTAURANTS		
Turnover (MEUR)	**31.2**	**33.6**
Percentage of the total turnover	19.9%	12.3%
Change in turnover	24.7%	
Units, number	53	48
Turnover/unit (MEUR)	0.59	0.70
INTERNATIONAL RESTAURANTS		
Turnover (MEUR)	**23.6**	**43.3**
Percentage of the total turnover	15.1%	15.9%
Change in turnover	-16.5%	
Units, number	40	37
Turnover/unit (MEUR)	0.59	1.17

Distribution of turnover into business areas 2020

FUTURE OUTLOOK

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 18 FEBRUARY 2021

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.

Back to the future

The year 2020 was supposed to be a year of profitable growth. The plans changed with the coronavirus pandemic and resources were allocated to adjusting operations, cutting costs and securing cash flow and people.

In 2021, we will be preparing for the time of reconstruction. We have prepared thoroughly for recovery from the COVID-19 shock by trimming costs and refining our operational activities. This, and the restaurant portfolio enhanced further during the crisis and the balance sheet lightened by the complete depreciation programme, will guarantee a solid foundation for improving our structural profitability in the future.

2022
Back on the profitable growth track
- Select growth investments
- Servicing debt
- Improving relative profitability

2021
Time of reconstruction
- Stabilising the financial situation
- Strict investment regimen
- Gradual ramp-up of business

2020
In the eye of the storm
- People and cash flow first
- Adjustment of operations
- Implementing structural savings

Future growth drivers

We will pursue future growth after recovering from the pandemic in the Norwegian market, in the Friends & Brgrs chain and in larger projects in different cities, for instance.

Norway
- Attractive growth market
- Reasonable valuations in acquisitions
- High synergy potential with NoHo's operating model

Friends & Brgrs
- Strong demand drivers
- Concept and business model ready for scaling
- Major potential in the development of the brand and digital sales

Blockbusters
- Large urban culture projects with a turnover of more than MEUR 5 and EBITDA potential of more than MEUR 1 with reasonable investments

MARKET SITUATION

The restaurant industry is a cyclically sensitive sector that reacts quickly to economic cycles, seasonal variation and external disruptions. The COVID-19 pandemic, which grew into an international epidemic in early 2020, is a good example of an external factor that significantly impacted the industry and its development. The development of the coronavirus pandemic and any measures taken to mitigate it in different countries with operations will have a significant impact on the company's different markets and business.

In early 2020, the restaurant market in Finland, Denmark and Norway experienced a major change due to the coronavirus epidemic. Restrictions on assembly and movement imposed by the state, the operation of restaurants in strictly restricted environments and closures of restaurants threaten to destroy thousands of companies and tens of thousands of jobs in the restaurant sector in the countries in which the company operates.

The outlook for the restaurant sector in Finland developed positively in 2019 and the turnover of restaurants grew by 5.3 per cent. The growth trend of eating out continued and the fast food market in particular continued its upward trend. In January–February 2020, the turnover of food service activities continued to grow by around 5 per cent. Starting from March 2020, the impact of the COVID-19 pandemic on the sector has been dramatic. In March 2020, accommodation and food service activities developed the weakest among the main industries of services. In March–December 2020, the turnover of food service activities was -31%, and the full-year turnover decreased by 25% compared to 2019. According to Finnish Hospitality Association MaRa's cyclical barometer of January 2021, insufficient demand in the sector is still seen as the biggest obstacle to sales growth, but financial difficulties also play a significant role as an obstacle to growth. (Source: Finnish Hospitality Association MaRa)

The Danish and Norwegian markets—approximately EUR 8 billion and EUR 9 billion, respectively—are more fragmented than the Finnish market. Dining at restaurants was growing in both countries before the COVID-19 pandemic. In the future, the company will seek profitable growth in both markets, especially in the attractive growth market in Norway, through acquisitions by scaling its operating model.

The development of a second wave of infections and mutations in the virus have prolonged the duration of the state of emergency caused by the pandemic. According to the Norwegian state's assessment, the risk groups in the country would be vaccinated by May 2021. According to the assessment of the Danish state, the entire population would be vaccinated by the end of June 2021. According to the assessment of the Finnish state, 80 per cent of the population would be vaccinated by the end of September 2021.

According to NoHo Partners' view, summer 2020 was a good indication that customer demand in all of its operating countries will rapidly recover when the market returns to normal. In its financial statements release for 2020, published on 18 February 2021, the company announced that it believes the market will begin to recover and operating cash flow will begin to return to positive figures during the second quarter of 2021.

KEY EVENTS IN 2020

JANUARY

CHANGES IN NOHO PARTNERS PLC'S EXECUTIVE TEAM

CFO Jarno Suominen (b. 1972) was appointed the Group's Deputy CEO effective from 1 January 2020. Suominen is responsible for the company's strategic development projects, corporate acquisitions and investor relations and has served as deputy to the CEO as of 14 October 2019.

Jarno Vilponen (b. 1987) was appointed CFO and member of the Executive Team from 1 January 2020. He is responsible for the company's financial administration, reporting, accounting and ICT operations.

EMMAS AND CAFÉ CHRISTIANIA, NORWAY

NoHo Partners continued its expansion in the Norwegian restaurant market in January–February 2020. NoHo Norway AS acquired the business operations of Café Christiania AS on 2 January 2020 and the business operations of the restaurant Emmas on 1 February 2020.

RENEWAL OF THE SALES ORGANISATION

The sales organisation of NoHo Partners was reorganised, for example, with regard to the corporate sales operations. Sales Manager Henri Virlander was appointed on 13 January 2020 to take charge of the sales strategy and operations.

REDEMPTION OF HYBRID BOND

On 16 January 2020, NoHo Partners Plc announced that it would redeem the MEUR 25 hybrid loan issued on 29 March 2019. The redemption was carried out on 17 February 2020 with a redemption price in accordance with the terms and conditions of the hybrid loan, which is 102 per cent of the principal plus the accumulated interests.

FEBRUARY

SPECIAL SHARE ISSUE

On 12 February 2020, NoHo Partners Plc announced that its Board of Directors has decided on a special share issue for cash on the basis of the authorisation given by the Annual General Meeting on 24 April 2019. The shares will be issued as part of the share transaction with which NoHo Partners will buy the majority of Friends & Brgrs Ab Oy's shares from the current shareholders. In this share transaction, the transaction price for the Friends & Brgrs Ab Oy's founding shareholders is paid partly in cash and partly as the company's shares issued for them in the special share issue. The Company expects that the Company's new shares issued during the special share issue will be registered in the Trade Register approximately on 8 April 2020.

FRIENDS & BRGRS ACQUISITION

NoHo Partners announced on 12 February 2020 that it would acquire approximately 70 per cent of the share capital of the popular fast food chain Friends & Brgrs. The goal for the next few years is to expand Friends & Brgrs into a national chain of 30–50 restaurants. The acquisition will enter into force on 1 April 2020.
March

PROFIT WARNING, AMENDMENT OF THE PROFIT DISTRIBUTION PROPOSAL AND COMMENCEMENT OF STAFF ADJUSTMENT MEASURES

On 13 March 2020, NoHo Partners Plc issues a profit warning, amends its profit distribution proposal and commences personnel adjustment measures in the changed market situation.

NoHo Partners Plc cancels its profit guidance for 2020 issued on 5 March 2020. At this point, the company does not specify its turnover and profitability forecast for this year in more detail due to the uncertain market situation. The company is not changing its long-term financial objectives at this stage.

At the same time, the Board of Directors of the company has decided to change the profit distribution proposal provided in connection with the financial statements release 2019 with regard to the additional dividend so that it is not proposed the EUR 0.15 additional dividend be paid in May, but the Board of Directors will be authorised to decide the payment of the maximum of EUR 0.15 additional dividend at a later stage. The authorisation would be valid until the following Annual General Meeting.

Moreover, NoHo Partners will commence measures to adjust its personnel in order to minimise the negative financial impacts of the coronavirus (COVID-19) on its business operations. The company is preparing for the temporary changes in the business environment caused by the legislation as well as decreased customer demand by commencing negotiations on temporary layoffs affecting its personnel under the Act on Cooperation within Undertakings.

RESTAURANTS IN NORWAY AND DENMARK CLOSED

In Denmark and Norway, restaurants are closed until early May by the state.

DECIDING ON LAYOFFS WITHOUT PRIOR CO-OPERATION NEGOTIATIONS

Due to the sudden change in the circumstances of the coronavirus pandemic and the recommendations and orders issued by the authorities and the government, the company announced on 18 March 2020 that it is making a decision concerning layoffs without prior co-operation 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 final number of laid off employees and the duration of the layoffs will be specified at a later time.

THE COMPANY PROVIDES FURTHER INFORMATION ABOUT ITS FINANCIAL POSITION

The company announces on 26 March 2020 that the coronavirus pandemic has had a serious impact on the market and restaurant industry. The sudden change in the market has also considerably affected the operations of NoHo Partners. The order by the Finnish government to close all restaurants will reduce the turnover from the company's restaurants to nearly zero until the end of June. The company announced that it had started ongoing funding negotiations with its current financing providers regarding a financing package of over MEUR 30. The funding negotiations are ongoing in all of the company's market areas in Finland, Denmark and Norway.

NOHO PARTNERS PLC'S BOARD OF DIRECTORS CANCELS ITS PROFIT DISTRIBUTION PROPOSAL

Due to the fast-changing coronavirus pandemic and the general financial uncertainty it causes, NoHo Partners Plc's Board of Directors decided on 26 March 2020 to cancel the profit distribution proposal of EUR 0.40 per share published in the financial statements release 2019. In addition, the company cancels the additional dividend of EUR 0.15 per share published in the same context. The Board of Directors proposes to the Annual General Meeting that no dividends be paid for the financial period 2019.

AMENDMENTS TO THE SCHEDULES OF NOHO PARTNERS' FINANCIAL STATEMENTS, ANNUAL REPORT FOR 2019 AND ANNUAL GENERAL MEETING

NoHo Partners announced on 26 March 2020 that, due to the exceptional situation caused by the coronavirus pandemic, the Board of Directors of NoHo Partners Plc has decided to postpone the publication of its financial statements and annual report for 2019 from the previously announced date. The company will publish its financial statements and annual report for 2019 by the end of April 2020. In addition, the company will postpone its Annual General Meeting, which was planned to take place on 22 April 2020, due to the coronavirus pandemic as well as the guidelines and regulations issued by the Finnish authorities in connection with it. The company will give notice of the Annual General Meeting at a later time.

APRIL

RESTAURANTS IN FINLAND CLOSED

Restaurants in Finland are closed from 1 April to 31 May 2020 by the Finnish Government.

NOHO PARTNERS PLC'S BOARD OF DIRECTORS HAS DECIDED TO POSTPONE THE PAYMENT OF SHARE REWARDS TO THE COMPANY'S KEY EMPLOYEES

NoHo Partners announced on 3 April 2020 that, due to the coronavirus pandemic and the general financial uncertainty it causes, NoHo Partners Plc's Board of Directors has decided, as proposed by the management of the company, to postpone the payment of share rewards pursuant to the share-based incentive scheme directed at the company's key employees for the first earning period.

NOHO PARTNERS PLC HAS CONCLUDED NEGOTIATIONS REGARDING A FINANCING PACKAGE

The company announced on 3 April 2020 that the negotiations with the Group's current financers in all of its market areas in Finland, Denmark and Norway had been concluded and an agreement was reached regarding a financing package of MEUR 34. The interest on the bridge financing is under 4 per cent, including Finnvera's guarantee commission for MEUR 15 of the financing.

MAY

THREE-STAGE ACTION PLAN

On 5 May 2020, NoHo Partners announced it has prepared a three-stage action plan for managing the impacts of the coronavirus pandemic. Stage 1: Business environment in the state of emergency (lock-down) At the beginning of the first stage, the Group focused on quickly reducing expenses, laying off personnel and balancing its finances while restrictions on its business were in place. Stage 2: Restricted operating environment The Group will resume its business operations in a managed and gradual manner over a period of 6–12 months. Decisions on the resumption of business will be made on a weekly basis and separately for each business location. The aim of the company is to ensure a positive operating cash flow, even in the restricted operating environment, as the restaurant industry gradually recovers. Stage 3: Strengthening competitiveness During the coming months, the company's Board of Directors will commence the third stage of the action plan, which is focused on strengthening the company's competitiveness in the post-pandemic restaurant market in 2021 and strengthening the capital structure. The company further indicated that its monthly turnover during the state of emergency will be approximately MEUR 1.5 and monthly expenses will be approximately MEUR 2–3, depending on the ongoing lease negotiations.

GRADUAL RESUMPTION OF BUSINESS OPERATIONS IN DENMARK AND NORWAY

The national authorities in Denmark and Norway lifted certain restrictions and the restaurant business resumed in Norway on 6 May 2020 and in Denmark on 11 May 2020 subject to country-specific restrictions.

CO-OPERATION NEGOTIATIONS ON CONTINUING TEMPORARY LAYOFFS

On 15 May 2020, the company announced that it will begin co-operation negotiations on continuing temporary layoffs due to the uncertain market situation.

FINANCIAL STATEMENTS AND ANNUAL REPORT

On 26 May 2020, the company published its financial statements and annual report, auditor's report, corporate governance statement and remuneration statement for the financial year that ended on 31 December 2019. The company also published its notice of the Annual General Meeting 2020 to be held on 16 June 2020 along with the appendices to the notice of the AGM.

THE COMPANY PROVIDED MORE INFORMATION ON THE PROGRESS OF THE FINANCING NEGOTIATIONS

On 26 May 2020, NoHo Partners announced that, as stated in the financial statements and annual report for 2019 published on the same day, the commercial paper

programme had been extended with regard to EUR 12.5 million until autumn 2020, EUR 2.5 million had been repaid and EUR 7 million will be repaid as part of the already concluded and ongoing financing negotiations by the end of May 2020. The company also announced that the negotiations on financing were progressing on schedule and that the company would provide more detailed information about them when they are concluded.

FINANCING ARRANGEMENTS FINALISED FOR THE PERIOD OF EXCEPTIONAL CIRCUMSTANCES

On 29 May 2020, NoHo Partners announced it had finalised a refinancing programme for its maturing debt as part of its overall financing package. As the final part of the financing package for the period of exceptional circumstances, the company agreed on a debt of EUR 10 million with a right to conversion with the 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 of the debt is 10%. Interests will fall due on the due date together with the principal (PIK). 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.

JUNE

GRADUAL RESUMPTION OF BUSINESS OPERATIONS IN FINLAND

The Finnish national authorities lifted certain restrictions and the restaurant business was resumed on 1 June 2020 in a restricted operating environment. Restaurant opening hours and alcohol serving hours were extended and restrictions on customer volumes were relaxed starting from 22 June 2020.

DECISIONS BY THE ANNUAL GENERAL MEETING

NoHo Partners' Annual General Meeting was held in Tampere on 16 June 2020. Financial statements The Annual General Meeting adopted NoHo Partners Plc's financial statements and discharged the members of the Board of Directors and the CEO from liability for the 2019 financial period. Dividend The Annual General Meeting decided that, based on the balance sheet adopted for the financial period that ended on 31 December 2019, no dividends will be distributed. Remuneration policy for governing bodies The Annual General Meeting approved the company's remuneration policy for governing bodies.

Board of Directors

The meeting decided that the number of members of the Board of Directors will be six (6). The Annual General Meeting decided that the current members of the Board of Directors, Timo Laine, Petri Olkinuora, Mika Niemi, Mia Ahlström, Tomi Terho and Saku Tuominen, be re-elected as members of the Board of Directors for a term of office concluding at the end of the first Annual General Meeting following the election. The meeting elected Timo Laine as Chairman of the Board and Petri Olkinuora as Vice-Chairman. The Annual General Meeting decided that, for the term of office concluding at the end of the first Annual General Meeting following their election, the annual remuneration of the Chairman of the Board of Directors be EUR 40,000, the Vice-Chairman EUR 30,000 and the other members of the Board of Directors EUR 20,000. Separate attendance allowances will not be paid. Travel expenses will be reimbursed in accordance with the company's travel rules.

Auditor

The Annual General Meeting selected as auditor Ernst & Young Oy, a firm of authorised public accountants, for a term of office concluding at the end of the first Annual General Meeting following the selection. Juha Hilmola, APA, will act as the company's responsible auditor. In accordance with the Board's proposal, the meeting decided that the auditor's remuneration will be paid based on the invoice approved by the company.

Authorisation to purchase the company's own shares

The Annual General Meeting decided to withdraw the previous unused authorisations to purchase the company's own shares and authorise the Board to decide upon the purchase of a maximum of 800,000 of the company's own shares in one or several tranches using the company's unrestricted equity under the following conditions: The treasury shares shall be purchased with funds from the company's unrestricted equity, decreasing the distributable profits of the company. The shares are to be acquired in public trading arranged by Nasdaq Helsinki Ltd, due to which the purchase will take place in directed manner, i.e. otherwise than in proportion to the shareholdings of the shareholders. The consideration paid for the shares will be the market price of NoHo Partners Plc's shares in Nasdaq Helsinki Ltd at the time of the purchase. The shares are purchased in trading organised by Nasdaq Helsinki Ltd in accordance with its rules and regulations. The shares can be purchased for financing or carrying out possible corporate acquisitions or other arrangements, to implement incentive schemes within the company or for other purposes decided upon by the Board of Directors. The maximum amount of the shares to be purchased is equivalent to approximately 4.2 per cent of all the shares and votes of the company calculated using the share count on the publication date of the notice of the Annual General Meeting, so the purchase of the shares does not have a significant effect on the share ownership and the distribution of voting rights in the company. The Board of Directors will decide upon other terms related to the repurchase of company shares. The authorisation will remain in force until the end of the next Annual General Meeting, but for no more than 18 months from the General Meeting's resolution on the authorisation.

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

The Annual General Meeting decided to withdraw previous share issue authorisations and authorise the

Board of Directors to decide on the issuance of shares and/or option rights or other special rights entitling to shares as follows: 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.

THE BOARD OF DIRECTORS OF NOHO PARTNERS DECIDED TO GRANT 2.4 MILLION SPECIAL RIGHTS

Based on the authorisation granted by the Annual General Meeting of NoHo Partners, held on 16 June 2020, the Board of Directors decided on 29 June 2020 to issue 2,400,000 special rights to Finnish Industry Investment Ltd (Tesi), which entitle Tesi to subscribe for new shares in the company. The arrangement is part of a previously completed financing package. If the special rights are exercised in full, the shares subscribed will account for a maximum of approximately 12.5% of NoHo Partners' shares outstanding. The conversion right will enter into effect on 30 November 2021. The conversion will be carried out by offsetting the loan principal and accumulated interest against the share subscription price. The subscription price equals the average share price on Nasdaq Helsinki weighted by the trading volumes for the three (3) months preceding the conversion.

JULY

RESTAURANT RESTRICTIONS LIFTED IN FINLAND

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.

SEPTEMBER

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

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

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 company 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.

OCTOBER

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.

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.

NOVEMBER

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. 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.

EVENTS AND PROJECTS IN 2020

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 concerned approximately 600 employees at that time. 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.

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 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

NoHo Partners Plc announced on 15 February 2021 that it had 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 FINNISH GOVERNMENT ORDERS RESTAURANTS TO CLOSE IN FINLAND IN MARCH

On 1 March 2021, the Government, together with the President of the Republic, declared a state of emergency in Finland due to the COVID-19 situation. In the state of emergency, restaurants were ordered to close for the period from 8 to 28 March 2021. The closure concerns food and beverage service businesses in regions where the COVID-19 epidemic is in the community transmission and acceleration stage.

THE GROUP COMMENCED NEW CO-OPERATION NEGOTIATIONS

On 25 February 2021, the company announced new negotiations pursuant to the Act on Co-operation within Undertakings in order to adapt its operations to the closure of restaurants. The co-operation negotiations concern all the Group's employees, i.e. approximately 1,250 employees in Finland. The restrictions on restaurants also indirectly impact the approximately 2,000 people working for the Group as leased staff. The negotiations may result in redundancies and fixed-term, full-time or part-time layoffs of personnel.

PERSONNEL – #ONETEAM

We are one of the biggest employers in the restaurant industry in Finland. Under normal circumstances, we employ approximately 2,100 full-time employees per month, depending on the season, of which approximately 500 employees (FTE) in Denmark and Norway.

Our employees were the hardest hit in the year of COVID-19. Adapting operations to strict restrictions, restaurant closures and changed customer demand required drastic measures in terms of personnel. Co-operation negotiations took place in March, May and October. Almost all of our people – from management to restaurant employees – were laid off at some point during 2020.

The safety of our personnel and customers largely determined our operations and we took many measures to provide the safest possible conditions for restaurant employees and customers.

During the COVID-19 crisis, we strived for effective communications, harnessing all possible channels. One of the most important channels was Teams, where we organised status reviews and compiled up-to-date information for managers, team leaders, restaurant managers and administration so that everyone could pass the up-to-date information on to their own teams. The information distributed in Teams and other channels as well as QA forums covered all possible questions that emerged during the exceptional period, from guidelines issued by the Finnish Institute for Health and Welfare to Kela's forms. In addition to conventional releases, video bulletins, a joint Facebook group for employees, WhatsApp channels and newsletters played an important role.

We set up a crisis team to help our employees, which the employees could contact with all concerns related to the state of emergency. The crisis team provided service through a crisis hotline, WhatsApp and email, answering all questions and concerns.

Operating instructions for the personnel concerning layoffs, applying for grants and completing forms, among other things, were broken down into the simplest models and instructions possible so that no one would be burdened with paperwork. All materials were prepared in Finnish and English.

We are the largest owner of Eezy Plc, the second largest labour hire company in Finland, through which we ensure the availability of skilled staff for our restaurants and events throughout Finland. Depending on the season, we have approximately 2,000 people working as leased staff for us through Eezy. With Eezy and other partners, shifts were sought for those laid off – for example, in retail and sales.

Even though it was a record tough year, we also ultimately see a lot of positive things.

"A crisis always makes you stronger or divides you. We were strengthened by this. A wide range of measures had been planned for 2020 to strengthen NoHo's corporate culture. The plans changed, but our people really found a common front following the COVID-19 crisis," says HR Director **Anne Kokkonen**.

NoHo's new values, prepared in co-operation with restaurant managers, were to be launched at the same time as the COVID-19 shock hit in March. A video and other induction and implementation materials were produced for the launch early in the year.

"The actions taken during the crisis speak for themselves. Values on a PowerPoint slide are just words – actions indicate their true nature. The values were truly tested and measured in practice. Part of the NoHo culture was built and strengthened together with the entire personnel during the crisis. The #oneteam concept also emerged at the same time and began to spread among the personnel. We can be very proud of our people," Kokkonen adds.

We want to promote the well-being, health and ability to cope at work of every employee and engage our experts in long-term employment relationships and career development. The objective of our company's occupational health and safety efforts is to ensure a safe working environment that supports work capacity and provides everyone with equal opportunities, good working conditions and equal treatment. We encourage our personnel's high performance and reward successes. The continuous training of supervisors and employees is an important way of supporting success and prosperity.

Active long-term development work towards these objectives will continue in 2021.

EMPLOYEE BENEFITS

We offer our employees the best restaurant benefits in Finland, and launched expanded benefits at the beginning of 2021. We offer diverse benefits to our employees through our partners, including recreational opportunities and discounts on products and services. We support our employees' ability to take care of themselves with ePassi sport and culture vouchers. Also, the extensive employee benefit programme of our partner CapMan offers our employees a wide range of benefits in areas such as health, tourism and well-being services and consumer goods. The occupational health care service and pension company are both strong and active partners in promoting the well-being of our personnel.

NUMBER OF 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.

People
Entrepreneurship
Quality
Profitability
Responsibility

The most significant restaurant company in Northern Europe.

VALUES

For us, quality is essential in everything we do – for example, in product and customer service. This means that the customer feels that they are getting value for money. This quality always draws from people in all roles, from waiting staff to back office personnel. It is obvious that economic efficiency is important to us and we are quite good at it, and we believe that we can achieve it by encouraging an entrepreneurial attitude in everything – that also underlies our name and core idea (Partners). However, responsibility must not be forgotten in any of this – whether it is about people or the environment.

VISION

Our company's aim is to be the leading restaurant company in Northern Europe and grow profitably in increasingly select markets and customer segments.

BOARD OF DIRECTORS

TIMO LAINE

Chairman of the Board of Directors

- Founder of NoHo Partners Plc's predecessor Restamax Oy
- CEO of Laine Capital Oy
- Dependent of the company and significant shareholder (Laine Capital Oy)

PETRI OLKINUORA

Vice-Chairman of the Board

- Managing Director of Forbia Oy
- Member of the Board of Directors of several real estate and construction companies
- Independent member

TOMI TERHO

Ordinary member

- Member of the Board of Directors of several companies (including Intera Partners Oy, Sitowise Oy, Lummene Capital Oy)
- Independent member

MIKA NIEMI

Ordinary member

- Chairman of the Board and CEO of Udokai Oy
- Chairman of the Board of Tampereen Tenniskeskus Oy
- Dependent of the company and significant shareholder

SAKU TUOMINEN

Ordinary member

- Co-founder and Creative Director of HundrED.org Oy since 2015
- Member of the Board of Financier Group Oy since 2019
- Independent member

MIA AHLSTRÖM

Ordinary member

- CEO and member of the Board of Directors of BCC Ahlström Oy since 2018
- Partner and member of the Board of Directors of Flove Oy since 2019
- Independent member

EXECUTIVE TEAM

AKU VIKSTRÖM

CEO since 2018

- Chairman of the Executive Team since 1 June 2018
- Working for the company since 2018

JARNO SUOMINEN

Deputy CEO since 2020

- Working for the company since 2005

TERO KAIKKONEN

CBO, Fast Casual since 2018

- Working for the company since 2011

BENJAMIN GRIPENBERG

CBO, Restaurants, Helsinki Metropolitan Area since 2018

- Working for the company since 2018

JARNO VILPONEN

CFO since 2020

- Working for the company since 2020

JUHA HELMINEN

Director of International Operations since 2018

- Working for the company since 2017

TANJA VIRTANEN

CBO, Restaurants, rest of Finland since 2018

- Working for the company since 2005

EEMELI NURMINEN

CBO, Nightclubs and Pubs & Entertainment, Helsinki Metropolitan Area (until 31 December 2020)

- Working for the company since 2018

PERTTU PESONEN

Development Director (until 31 January 2021)

- Working for the company since 2006

ANNE KOKKONEN

HR Director since 2018

- Working for the company since 2018

PAUL MELI

CBO, Nightclubs and Pubs & Entertainment, rest of Finland since 2018

- Working for the company since 2008

NoHo

NORDIC HOSPITALITY PARTNERS

WWW.NOHO.FI