NOHO

NORDIC HOSPITALITY PARTNERS

Interim Report

Q3/2021

NOHO PARTNERS PLC'S INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2021

EBIT turned positive – a strong outlook for the rest of the year

NoHo Partners achieved a good result in the third quarter of 2021 in spite of the restaurant restrictions that were in effect. As restrictions were gradually lifted, customer demand recovered quickly in all of the Group's operating countries. Turnover in July–September 2021 grew by 10 per cent year-on-year and amounted to more than 80 per cent of the turnover in the pre-pandemic comparison period in 2019. Operating cash flow was positive in each month and totalled approximately MEUR 7.5 for the review period. EBIT amounted to MEUR 3.9 representing 6.4 per cent of turnover.

Turnover in October 2021 exceeded the level of October 2019 and operating cash flow doubled compared to the reference period in 2019 and exceeded MEUR 3. Based on consumer demand and the good advance booking situation of the Group's restaurants, NoHo Partners estimates that turnover for the final quarter of the year 2021 will be approximately MEUR 70 and operating cash flow will exceed MEUR 10.

JULY–SEPTEMBER 2021 IN BRIEF

- Turnover increased by 10.5% to MEUR 61.9 (MEUR 56.0).
- EBIT increased by 34.5% to MEUR 3.9 (MEUR 2.9).
- The EBIT percentage was 6.4% (5.2%), an increase of 21.8%.
- The result for the financial period was MEUR 1.3 (MEUR 0.4), an increase of 200.5%.
- Earnings per share were EUR 0.04 (EUR 0.01), an increase of 323.3%.
- Operating cash flow increased by 36.6% to MEUR 7.5 (MEUR 5.5).

JANUARY–SEPTEMBER 2021 IN BRIEF

- Turnover declined by 6.9% to MEUR 116.5 (MEUR 125.2).
- EBIT increased by 37.2% to MEUR -7.6 (MEUR -12.1).
- The EBIT percentage was -6.5% (-9.7%), an increase of 32.6%.
- The result for the financial period was MEUR -13.7 (MEUR -17.6), an increase of 22.3%.
- Earnings per share were EUR -0.63 (EUR -0.90), an increase of 29.7%.
- Operating cash flow fell by 25.4% to MEUR 1.5 (MEUR 2.0).
- The gearing ratio excluding the impact of IFRS 16 liabilities was 223.7%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 159.2. IFRS 16 liabilities totalled MEUR 158.9. The gearing ratio including the impact of IFRS 16 was 481.6%.
- Government grants for January–September 2021 totalled approximately MEUR 9.2: Finland approximately MEUR 3.8, Denmark approximately MEUR 2.5 and Norway approximately MEUR 2.9.

SIGNIFICANT EVENTS IN THE REVIEW PERIOD

- Restaurant restrictions in Finland were tightened again in July, when several regions were classified as being in the acceleration phase. Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the acceleration phase at the beginning of August. Restrictions were eased regionally in September.
- In Denmark, restaurant restrictions were lifted completely on 10 September 2021.
- In Norway, restaurant restrictions were lifted completely on 25 September 2021.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

- Restaurant restrictions were eased in Finland at the beginning of October 2021. In regions in the acceleration phase, restrictions on alcohol service hours, opening hours and customer capacity were lifted completely. In regions in the community transmission phase, alcohol service hours and opening hours were extended and the prohibition of karaoke and dancing was lifted throughout the country.
- A COVID-19 passport was implemented in Finland on 16 October 2021. NoHo Partners started using the COVID-19 passport at a few of its nightclubs as an alternative to the restaurant restrictions in the community transmission phase.
- The Finnish Government extended the validity of the decree restricting the operations of restaurants until 15 November 2021.

NUMBER OF RESTAURANTS

- On 30 September 2021, the Group had 230 reported restaurant units in total:
  - Restaurants 76
  - Entertainment venues 63
  - Fast casual restaurants 52
  - International restaurants 39

Future Outlook

THE MARKET

Demand recovered quickly in the third quarter as restaurant restrictions were gradually lifted. Nevertheless, the year has been very difficult for the restaurant industry and the determined adjustment of costs has continued. Customer demand has been strong as restrictions have been gradually lifted. The Group's future profit performance will be influenced by the development of the epidemiological situation, the restrictions imposed by the authorities and the vaccination coverage.

NEW PROFIT GUIDANCE EFFECTIVE FROM 9 NOVEMBER 2021:

NoHo Partners estimates that, in the final quarter of 2021, the Group will achieve a total turnover of approximately MEUR 70 and the turnover for the full financial year 2021 will amount to approximately MEUR 190.

The Group's operating cash flow is estimated to be more than MEUR 10 in the positive in the final quarter of 2021 and approximately MEUR 12 in the positive for the full financial year 2021.

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

Restrictions on business activities, potential changes to the restrictions and their effect on customer demand, the development of vaccination coverage as well as the global economic uncertainty may have an impact on the Group's turnover and financial result in the near future.

PREVIOUS PROFIT GUIDANCE (10 AUGUST 2021):

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

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

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

FINANCIAL TARGETS

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

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

According to a management estimate published on 11 June 2021, the turnover of NoHo Partners Group in 2022 will be approximately MEUR 280 with the current units and approximately MEUR 400 as a whole in 2024. It is estimated that approximately MEUR 50 of the expected growth of approximately MEUR 120 will come from Norway, approximately MEUR 30 from the scaling of Friends & Brgrs business operations, approximately MEUR 30 from large and profitable urban projects and approximately MEUR 10 from the Group's other businesses.

DESCRIPTION OF ACCOUNTING PRINCIPLES

- Unless otherwise stated, figures in parentheses refer to the corresponding period last year.
- The Group adopted operating cash flow as a new performance measure effective from 1 April 2020. (Calculation formula: EBIT + depreciation and impairment – share of associated company's result – adjustment of IFRS 16 lease expenses to cash flow based.) This performance measure presents the cash flow generated by the company before investments, taxes and finance costs. It is intended to illustrate the cash flow generated by the restaurant business.

KEY FIGURES

NoHo Partners Group, total

(EUR 1,000)	1 Jul.–30 Sep. 2021	1 Jul.–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
KEY FIGURES, ENTIRE GROUP					
Turnover	61,888	56,024	116,540	125,156	156,771
EBIT	3,938	2,928	-7,600	-12,108	-23,880
EBIT, %	6.4%	5.2%	-6.5%	-9.7%	-15.2%
Result of the financial period	1,347	448	-13,665	-17,582	-29,469
Earnings per share (EUR) for the review period attributable to the owners of the Company	0.04	0.01	-0.63	-0.90	-1.44
Operating cash flow, EUR	7,531	5,512	1,520	2,037	-5,124
Interest-bearing net liabilities excluding IFRS 16 impact, EUR			159,248	148,570	163,431
Gearing ratio excluding IFRS 16 impact, %			223.7%	156.6%	192.0%
Interest-bearing net liabilities, EUR			318,168	296,464	316,621
Gearing ratio, %			481.6%	317.5%	391.0%
Equity ratio, %			14.6%	20.5%	18.1%
Return on investment, % (p.a.)			-2.4%	-4.0%	-5.9%
Adjusted net finance costs*, EUR	3,138	2,492	9,472	6, 926	10,197
Material margin, %	74.1%	73.3%	73.5%	72.8%	72.0%
Personnel expenses, %	32.1%	32.5%	36.4%	37.1%	38.0%

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

ALTERNATIVE PERFORMANCE MEASURES

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

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

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

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

Review by the CEO: Aku Vikström

Our business continued its recovery in the third quarter and we achieved a good result thanks to demand being stronger than expected. Turnover grew by 10 per cent year-on-year and amounted to more than 80 per cent of the turnover in the pre-pandemic comparison period in 2019. Operating cash flow was positive in each month and totalled approximately MEUR 7.5 for the review period. EBIT for the quarter turned positive and was 6.4 per cent of turnover, which can be considered a good level in light of the circumstances.

The entertainment venue business resumed during the review period after restrictions on alcohol service were lifted in Finland. The much-discussed COVID-19 passport was implemented at a few of our nightclubs and the experiences around it were positive for the most part. It will be an important tool for the future should there be a need to tighten restaurant restrictions due to the COVID-19 situation. We now know that we will be able to operate our business relatively normally when the COVID-19 passport is in use.

There has been a clear turn in our international business. As the restrictions were lifted, our business in Norway returned to strong profit performance. Opening in Oslo has got off to a great start and the rest of the year looks promising. We also achieved a long-awaited turnaround in Denmark, where we achieved an operationally good EBITDA level for the second consecutive quarter. Our portfolio renewal and cost saving measures are reflected in the improved business model in Denmark.

We have been able to start reducing our debt thanks to our positive cash flow and the continued sale of our holdings in Eezy. During the past quarter, we sold shareholdings in Eezy for MEUR 2.4 and recognised a capital gain of MEUR 0.6 for the quarter from these sales. Our net debt fell below MEUR 160 at the end of the third quarter. After the review period, we made an additional loan repayment of MEUR 8.7, which means that our loan amortisation programme is ahead of schedule.

The outlook and expectations for the high season at the end of the year are positive. At the beginning of November, our booking situation represented 76% of the actual figures for 2019. Thanks to the promising booking situation and good consumer demand, we estimate that our turnover for the final quarter will be approximately MEUR 70 and our operating cash flow will exceed MEUR 10. Nevertheless, we remain prepared to react to quick changes in the market environment.

Last but not least, I want to take this opportunity to put the spotlight on all of the NoHo employees who have made an important contribution during the difficult period that has lasted almost two years. In our personnel survey conducted in September, 86 per cent of the respondents were very satisfied or fairly satisfied with NoHo as a workplace. Our high job satisfaction, along with the competence and commitment of our people, are our most important competitive advantages as we enter the most important season of the year.

Aku Vikström
CEO, NoHo Partners

Turnover and Income

JULY–SEPTEMBER 2021 IN BRIEF

The Group's turnover in July–September 2021 was MEUR 61.9, an increase of 10.5 per cent year-on-year. Personnel expenses were 32.1 per cent and the material margin was 74.1 per cent. EBIT grew by 34.5 per cent to MEUR 3.9. Operating cash flow grew by 36.6 per cent to MEUR 7.5. Adjusted net finance costs totalled MEUR 3.1. Profit grew by 200.2 per cent to MEUR 1.3, while earnings per share increased by 323.3 per cent year-on-year and amounted to EUR 0.04.

JANUARY–SEPTEMBER 2021 IN BRIEF

The Group's turnover in January–September 2021 was MEUR 116.5, a decrease of 6.9 per cent year-on-year. Personnel expenses were 36.4 per cent and the material margin was 73.5 per cent. Depreciation, amortisation and impairment totalled MEUR 35.1. EBIT grew by 37.2 per cent to MEUR -7.6. Operating cash flow was MEUR 1.5, a decrease of 25.4 per cent. Adjusted net finance costs totalled MEUR 9.5. The result improved by 22.3 per cent to MEUR -13.7, while earnings per share were EUR -0.63, representing year-on-year growth of 29.7 per cent.

OCTOBER 2021 IN BRIEF

The Group's turnover in October 2021 was approximately MEUR 24, which is an increase of roughly 95 per cent compared to the corresponding period in 2020 and exceeds the turnover of the corresponding period in 2019 by more than 10 per cent. Operating cash flow exceeded MEUR 3 in in October.

OUTLOOK FOR NOVEMBER–DECEMBER 2021

Based on the current estimate on the development of the operating environment, turnover in November 2021 is expected to be more than MEUR 23 and operating cash flow is expected to be more than MEUR 3. Turnover in December 2021 is expected to be more than MEUR 23 and operating cash flow is expected to be more than MEUR 3.

Turnover in the business areas of the restaurant business:

	1 Jul.–30 Sep. 2021	1 Jul.–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
RESTAURANTS					
Turnover (MEUR)	**22.5**	**20.0**	**43.5**	**44.3**	**58.0**
Percentage of the total turnover	36.4%	35.7%	37.3%	35.4%	37.0%
Change in turnover	12.5%		-1.8%		
Units, number	76	75	76	75	77
Turnover/unit (MEUR)	0.30	0.27	0.57	0.59	0.75
ENTERTAINMENT VENUES					
Turnover (MEUR)	**18.1**	**19.1**	**29.9**	**38.2**	**43.9**
Percentage of the total turnover	29.3%	34.1%	25.6%	30.6%	28.0%
Change in turnover	-5.1%		-21.8%		
Units, number	63	63	63	63	67
Turnover/unit (MEUR)	0.29	0.30	0.47	0.61	0.66
FAST CASUAL RESTAURANTS					
Turnover (MEUR)	**11.3**	**9.9**	**28.4**	**22.3**	**31.2**
Percentage of the total turnover	18.2%	17.7%	24.4%	17.8%	19.9%
Change in turnover	14,1%		27,5%		
Units, number	52	54	52	54	53
Turnover/unit (MEUR)	0.22	0.18	0.55	0.41	0.59
INTERNATIONAL RESTAURANTS					
Turnover (MEUR)	**10.0**	**7.0**	**14.7**	**20.3**	**23.6**
Percentage of the total turnover	16.1%	12.5%	12.6%	16.2%	15.1%
Change in turnover	42,4%		-27.5%		
Units, number	39	40	39	40	40
Turnover/unit (MEUR)	0.26	0.18	0.38	0.51	0.59

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

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

In the first half of 2021, the Group operated in a strictly restricted or closed business environment in all of its operating countries. In the third quarter, the restrictions were relaxed in Finland and gradually lifted in Denmark and Norway. More detailed information on the changes in restaurant restrictions is provided in Note 1: Accounting principles, on page 24 of the interim report.

In Finland, the strict restaurant restrictions were eased at the end of June, when the restrictions on the number of customers, alcohol service hours and opening hours were lifted for areas in the baseline phase of the pandemic. Only Uusimaa remained in the acceleration phase, where alcohol service in restaurants was allowed until midnight and restaurants could stay open until 1:00 a.m. Restaurant restrictions were tightened again in late July, when several regions were classified as being in the acceleration phase. In the beginning of August, Uusimaa and Pirkanmaa, among others, were designated as being in the community transmission phase.

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

The Group did not receive government grants from the Finnish state during the third quarter of 2021.

In Denmark, in response to the improved pandemic situation, restaurants were allowed to open, subject to restrictions, on 21 April 2021 after a shutdown of five months. Starting from 1 June 2021, the opening hours of restaurants serving food and bars were extended until midnight and, starting from 15 July 2021, until 02:00. A COVID-19 passport and table reservation were required for admission to restaurants. Safe distances of 1.5 metres also needed to be ensured. The COVID-19 passport requirement was lifted and nightclubs were allowed to reopen on 1 September 2021. Restaurant restrictions were lifted throughout the country on 10 September 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. Starting from the beginning of July 2021, a cost support model entered into force in Denmark, whereby fixed cost support was extended for restaurants whose turnover is less than 40 per cent of their turnover in the corresponding period in 2019.

In Norway, the prohibition of alcohol service that had been in effect since November 2020 in Oslo was lifted at the end of May 2021. The national restrictions on restaurants were lifted at the end of June. Since then, the restrictions were municipality-specific. For example, in Oslo, restaurants serving food and bars were allowed to stay open until 3:00 a.m., but additional customers could not be allowed in after midnight. In indoor areas of restaurants, customers were required to have a seat, table service was required and safe distances of 1.5 metres needed to be ensured. Nightclubs remained closed. Society was reopened and restaurant restrictions were lifted throughout the country on 25 September 2021.

The Norwegian state's 80% compensation for fixed costs remained in effect until the end of September 2021, when restaurant restrictions were lifted.

Government assistance during the state of emergency

In January–September 2021, the Group received support amounting to approximately MEUR 3.8 from the Finnish state, approximately MEUR 2.5 from the Danish state and approximately MEUR 2.9 from the Norwegian state. The financial support received by the Group from the Danish and Norwegian governments for the period 1 July–30 September 2021 totalled approximately MEUR 0.7. The Group did not receive support from the Finnish state in the third quarter.

A more detailed account of government assistance and the distribution thereof is presented in Note 3 Government grants in the interim report.

Summary

The market changes caused by the COVID-19 pandemic and the strict restriction measures concerning the restaurant industry had a significant impact on the Group's result in January–September 2021. In the third quarter, when the restrictions were gradually lifted, demand was strong in all of the Group's operating countries.

The Group's turnover in July–September 2021 was approximately MEUR 61.9, representing growth of about 10.5 per cent compared to the corresponding period in 2020 and amounting to roughly 80.7 per cent of the turnover in the corresponding period in 2019, before the COVID-19 pandemic. Turnover in January–September 2021 was MEUR 116.5, which represents 93.1 per cent of the corresponding period in 2020 and 59.0 per cent of the corresponding period in 2019. The Group estimates that it lost approximately MEUR 90 in turnover due to the COVID-19 pandemic in January–September 2021.

Operating cash flow was MEUR 7.5 in July–September 2021 and MEUR 1.5 in January–September. In July–September 2021, the Group's EBIT turned positive, amounting to approximately MEUR 3.9, with the EBIT percentage being 6.4%. The Group's EBIT for January–September 2021 was approximately MEUR 7.6 in the negative. The cost saving measures implemented in response to the pandemic are reflected in a clear improvement in relative profitability compared to the reference periods in 2019 and 2020.

The Group recognised approximately MEUR 0.7 in financial support from the Finnish, Danish and Norwegian governments for the period 1 July–30 September 2021 and approximately MEUR 9.2 for the period 1 January–30 September 2021. Reductions in rent totalled approximately MEUR 2.0 in January–September 2021.

The Group's turnover in October 2021 was approximately MEUR 24, which is an increase of roughly 95 per cent compared to the corresponding period in 2020 and exceeds the turnover of the corresponding period in 2019 by more than 10 per cent. Operating cash flow exceeded MEUR 3 in in October.

Based on the current estimate on the development of the operating environment, turnover in November 2021 is expected to be more than MEUR 23 and operating cash flow is expected to be more than MEUR 3.

Turnover in December 2021 is expected to be more than MEUR 23 and operating cash flow is expected to be more than MEUR 3.

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

Cash Flow, Investments and Financing

The Group's operating net cash flow in January–September 2021 was MEUR 26.3 (MEUR 12.9).

Growth investments made in the third quarter of 2021 included the opening of the restaurants Hook and Haukilahden Helmi in Espoo, the opening of Restaurant Chéri in Helsinki and the opening of entertainment venue Campingen in Stavanger, Norway.

The Group's gearing ratio excluding the impact of IFRS 16 liabilities was 223.7%. Interest-bearing net liabilities excluding the impact of IFRS 16 amounted to MEUR 159.2. IFRS 16 liabilities totalled MEUR 158.9. The Group's interest-bearing net liabilities (including IFRS 16 liabilities) at the end of September 2021 were MEUR 318.2 (MEUR 296.5). Adjusted net finance costs in January–September 2021 were MEUR 9.5 (MEUR 6.9). The equity ratio was 14.6% (20.5%) and the gearing ratio was 481.6% (317.5%).

Significant Events During the Reporting Period

RESTAURANT RESTRICTIONS IN NORWAY WERE EASED AND SUBSEQUENTLY LIFTED

In Norway, the national restrictions on restaurants were lifted in and, starting from the beginning of July, the restrictions were municipality-specific. Restaurant restrictions were lifted in throughout the country on 25 September 2021.

RESTAURANT RESTRICTIONS IN DENMARK WERE EASED AND SUBSEQUENTLY LIFTED

In Denmark, starting from 15 July 2021, the opening hours of restaurants serving food and bars were extended until 02:00. Entry into restaurants was subject to having a COVID-19 passport, which is a certificate of having received the first dose of a vaccine, having had COVID-19 during the past 12 months or a negative COVID-19 test taken within the past 72 hours. Nightclubs were allowed to reopen and the COVID-19 passport requirement was lifted on 1 September 2021. Restaurant restrictions were lifted throughout the country on 10 September 2021.

RESTAURANT RESTRICTIONS IN FINLAND WERE TIGHTENED AND SUBSEQUENTLY RELAXED GRADUALLY

Restaurant restrictions were tightened in late July, when several regions – such as Pirkanmaa and Uusimaa – were classified as being in the acceleration phase. At the beginning of August, Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the community transmission phase. In September, the restrictions in regions in the acceleration and community transmission phases were gradually relaxed and the opening hours and alcohol service hours of restaurants were extended by one hour.

NEW RESTAURANTS:

- Hook Tapiola, **Espoo**
- Haukilahden Helmi, **Espoo**
- Chéri, **Helsinki**
- Campingen, **Stavanger, Norway**

Events After the Review Period and New Projects

RESTAURANT RESTRICTIONS WERE RELAXED IN FINLAND

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

COVID-19 PASSPORT IMPLEMENTED IN FINLAND

A COVID-19 passport was implemented in Finland on 16 October 2021 as an alternative to the restaurant restrictions imposed by the public authorities. The COVID-19 passport is used in regions in the community transmission phase that are subject to restaurant restrictions. NoHo Partners started using the COVID-19 passport at a few of its nightclubs in regions in the community transmission phase.

RESTAURANT RESTRICTIONS EXTENDED IN FINLAND

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

NEW RESTAURANTS:

- Davai Davai, **Helsinki**
- Baarikärpänen, **Helsinki**

Personnel

In the period 1 January–30 September 2021, the restaurant operations of the NoHo Partners Group employed on average 851 (896) full-time employees and 569 (513) part-time employees converted into full-time employees as well as 216 (259) rented employees converted into full-time employees.

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

Near-Term Risks and Uncertainties

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

The COVID-19 pandemic has had a significant impact on NoHo Partners' operations in all of the Group's operating countries starting from March 2020. The key risks caused by the COVID-19 pandemic have been related to the health and safety of the Group's employees and customers as well as loss of turnover, cash flow, liquidity, solvency and profit. The predictability of business development over the coming months is still subject to significant uncertainty. During the next few months, the most significant risk is related to the negative business impacts of the pandemic following the fourth wave of the epidemic and the potential resulting business restrictions imposed by the public authorities. The pandemic situation, restrictions imposed by the authorities and related news coverage may have a significant impact on consumer behaviour. The rate of vaccine coverage 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. Starting from spring 2021, the economic growth and demand outlook as well as consumer confidence in the economy have improved substantially.

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

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

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

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

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

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

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

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

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

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

Financial Reporting in 2022

NoHo Partners' financial reporting schedule in 2022 is as follows:

- Financial statements release for 2021 on Thursday, 17 February 2022
- Financial statements and annual report for 2021 during week 11
- Interim report for January–March 2022 on Tuesday, 10 May 2022
- Half-year report for January–June 2022 on Tuesday, 9 August 2022
- Interim report for January–September 2022 on Tuesday, 8 November 2022

Tampere, 9 November 2021

NOHO PARTNERS PLC

Board of Directors

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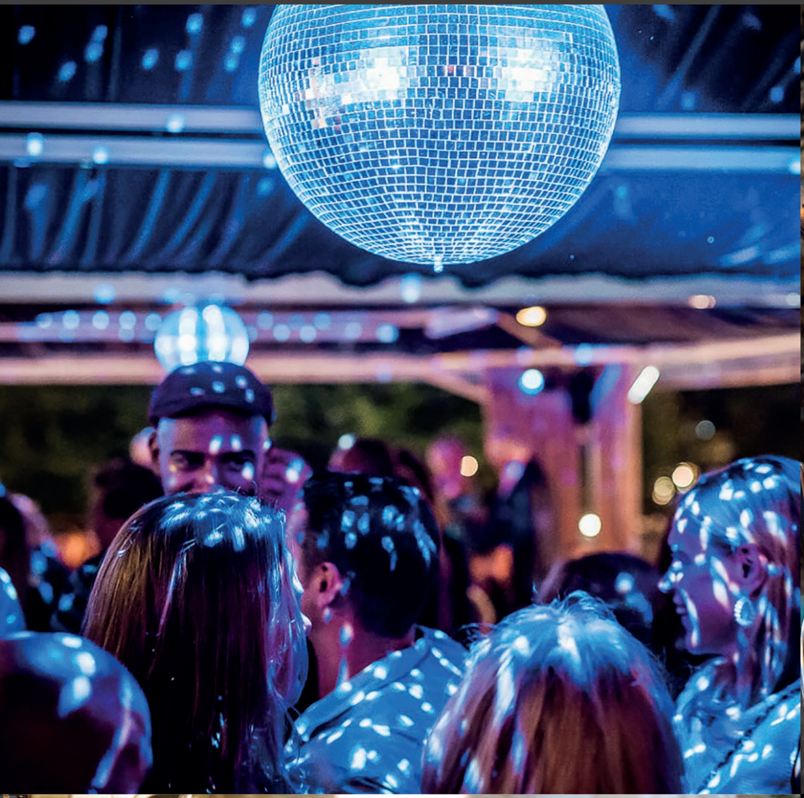
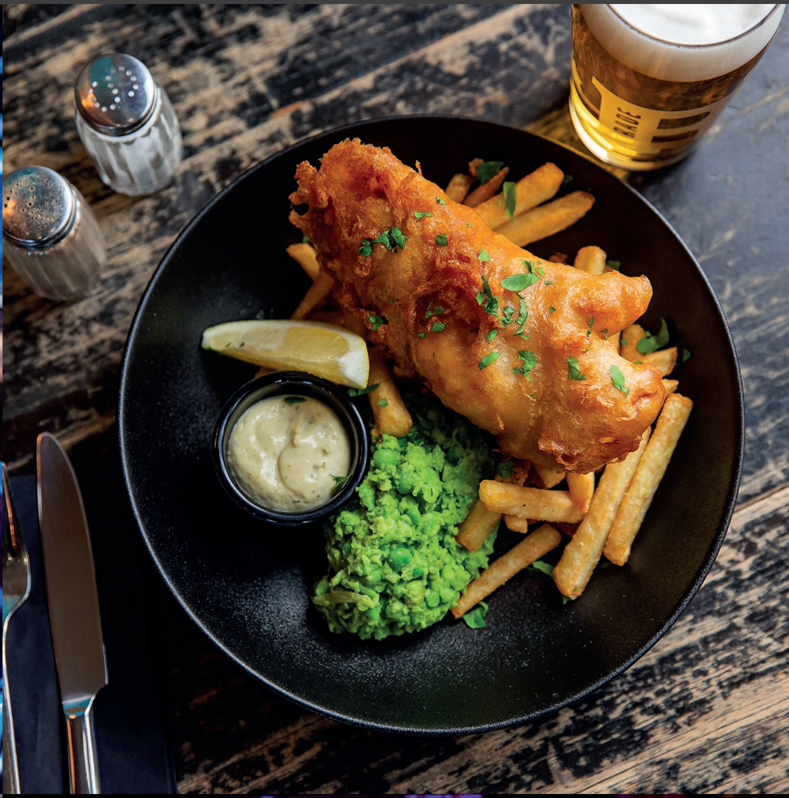
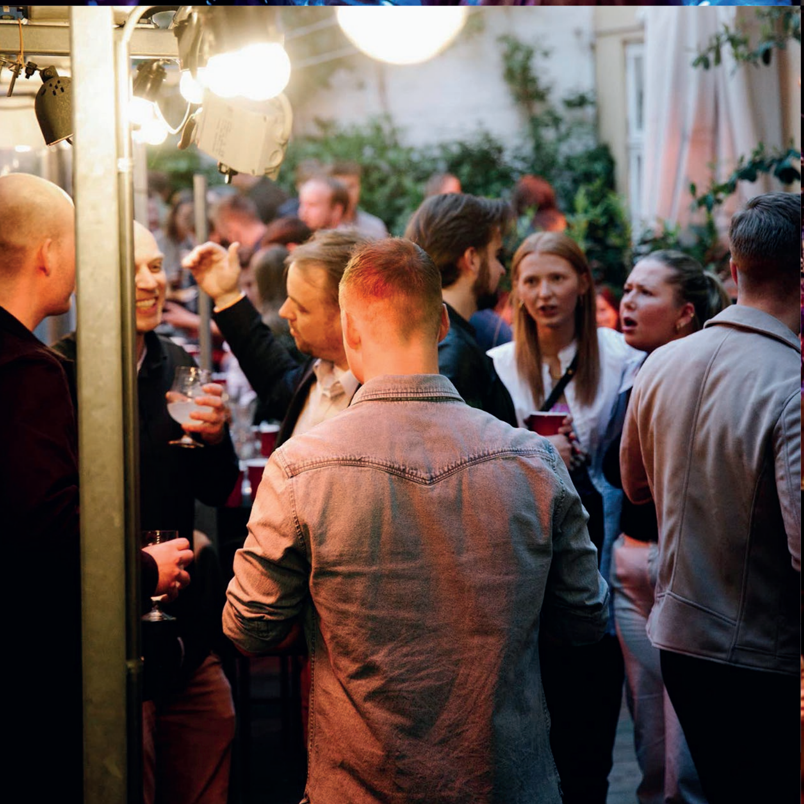
NOHO PARTNERS PLC is a Finnish group established in 1996, specialising in restaurant services. The company, which was listed on NASDAQ Helsinki in 2013 and became the first Finnish listed restaurant company, has continued to grow strongly throughout its history. The Group companies include some 250 restaurants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

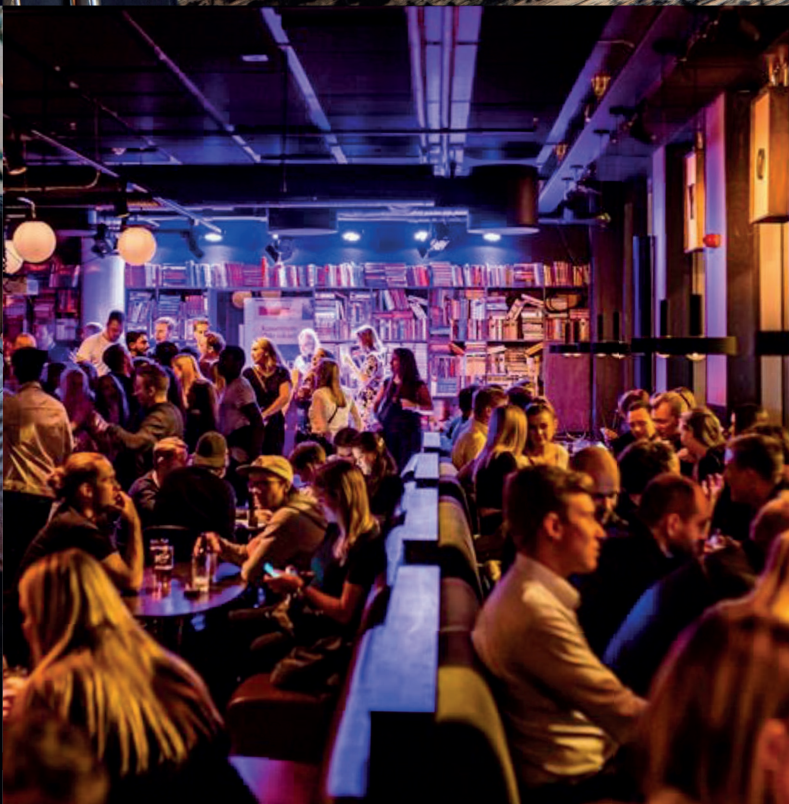
Interim Report 1 January – 30 September 2021:

Table Section and Notes









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

The information presented in the Interim Report has not been audited

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

EUR 1,000	1 July–30 Sep. 2021	1 July–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Turnover	61,888.2	56,024.0	116,539.5	125,156.2	156,770.8
Other operating income	2,481.2	3,293.5	12,647.8	13,728.8	16,904.5
Raw materials and supplies	-21,586.9	-20,367.7	-40,696.9	-45,676.5	-57,867.2
Employee benefits	-14,789.0	-13,445.9	-33,864.3	-36,374.4	-47,660.6
Other operating expenses	-11,801.1	-11,994.1	-27,332.2	-30,822.0	-40,595.0
Depreciation, amortisation and impairment losses	-12,232.0	-11,204.1	-35,124.2	-38,372.7	-51,956.7
Share of profit of associated company	-22.1	622.6	230.3	252.1	524.2
EBIT	**3,938.4**	**2,928.2**	**-7,600.0**	**-12,108.5**	**-23,880.0**
Financial income	168.9	18.7	624.0	37.6	322.8
Finance costs	-3,239.7	-2,667.0	-9,739.7	-8,270.1	-11,282.0
Net finance costs	-3,070.8	-2,648.3	-9,115.7	-8,232.5	-10,959.2
Profit before tax	**867.6**	**279.9**	**-16,715.7**	**-20,341.0**	**-34,839.2**
Tax based on the taxable income from the financial period	-519.5	-1,255.4	-510.2	-1,618.4	-1,110.7
Change in deferred taxes	999.2	1,423.8	3,560.8	4,377.6	6,481.1
Income tax expense	479.8	168.5	3,050.6	2,759.2	5,370.4
Profit for the period	**1,347.3**	**448.3**	**-13,665.1**	**-17,581.8**	**-29,468.8**
Profit for the period attributable to:					
Owners of the Company	743.7	174.6	-12,196.3	-16,607.8	-26,825.2
Non-controlling interests	603.6	273.7	-1,468.8	-974.0	-2,643.6
Total	**1,347.3**	**448.3**	**-13,665.1**	**-17,581.8**	**-29,468.8**
Earnings per share calculated from the result of the review period for owners of the Company					
Basic earnings per share	0.04	0.01	-0.63	-0.90	-1.44
Diluted earnings per share (EUR)	0.04	0.01	-0.63	-0.90	-1.44
Consolidated statement of comprehensive income					
Result of the financial period	**1,347.3**	**448.3**	**-13,665.1**	**-17,581.8**	**-29,468.8**
Other comprehensive income (after tax):					
Foreign currency translation differences, foreign operations	81.4	112.5	28.8	-374.3	175.3
Other comprehensive income items that may be subsequently reclassified to profit or loss, total	81.4	112.5	28.8	-374.3	175.3
Total comprehensive income for the period	**1,428.7**	**560.8**	**-13,636.3**	**-17,956.2**	**-29,293.5**
Distribution of the comprehensive income for the financial period					
Owners of the Company	825.1	287.1	-12,167.5	-16,982.2	-26,649.9
Non-controlling interests	603.6	273.7	-1,468.8	-974.0	-2,643.6
Total	**1,428.7**	**560.8**	**-13,636.3**	**-17,956.2**	**-29,293.5**

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

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

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

During the review period, the Group's rent concessions amounted to approximately MEUR 2.0.

During the third quarter, additional depreciation and impairment has been recognised on tangible and intangible assets totalling approximately MEUR 1.

The result of the associated company Eezy Plc for the period 1 January–30 June 2021 was MEUR 0.3. Eezy Plc's effect on the result was MEUR 0.5 in the comparison period 1 January–30 September 2020 and MEUR 0.6 in the period 1 January–31 December 2020.

On 11 June 2021, the Group published its updated strategy and financial targets for the strategy period 2022–2024. In connection with this, the Group classified its shareholding in Eezy Plc as an asset held for sale.

After the shares were classified as an asset held for sale, capital gains of MEUR 0.6 have been recognised on the sale of the shares. The capital gain is recognised in other operating income in the consolidated income statement.

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

Unrealised foreign exchange losses on loans were recognised in financial expenses in the amount of EUR 1.1 million.

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

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

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

The result for the review period includes approximately MEUR 6.5 of non-recurring depreciation, amortisation and impairment comprised of discontinued units and units whose revenue generating capacity is 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.

Consolidated balance sheet (IFRS)

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
ASSETS			
Non-current assets			
Goodwill	135,848.8	134,979.3	135,169.0
Intangible assets	41,611.5	46,383.0	44,609.4
Property, plant and equipment	45,748.9	49,554.1	48,508.5
Right-of-use assets	152,492.6	143,777.0	148,024.4
Shares in associated companies and joint ventures	340.7	39,688.9	39,212.3
Other investments	260.1	137.9	137.9
Loan receivables	127.0	190.2	125.0
Other receivables	3,026.4	2,838.5	2,921.9
Deferred tax assets	12,805.6	2,403.2	8,944.4
Non-current assets	**392,261.6**	**419,952.2**	**427,652.9**
Current assets			
Inventories	4,335.0	5,218.1	3,690.3
Loan receivables	857.1	271.9	296.4
Trade and other receivables	14,985.9	15,524.7	13,540.2
Cash and cash equivalents	10,871.6	14,202.0	3,122.9
Current assets total	**31,049.6**	**35,216.7**	**20,649.9**
Non-current assets held for sale	**30,374.0**	**0.0**	**0.0**
TOTAL ASSETS	**453,685.3**	**455,168.9**	**448,302.8**
EQUITY AND LIABILITIES			
Equity			
Share capital	150.0	150.0	150.0
Invested unrestricted equity fund	58,425.1	58,425.1	58,425.1
Retained earnings	4,621.7	27,961.5	17,562.2
Total equity attributable to owners of the owners of the Company	**63,196.8**	**86,536.7**	**76,137.3**
Non-controlling interests	2,866.2	6,848.2	4,840.0
Total equity	**66,063.0**	**93,384.9**	**80,977.4**
Non-current liabilities			
Deferred tax liabilities	7,920.9	3,286.0	7,640.1
Financial liabilities	123,491.6	109,453.4	94,111.6
Liabilities for right-of-use assets	130,618.8	122,300.1	126,068.2
Other payables	4,249.2	3,778.0	3,688.4
Non-current liabilities	**266,280.5**	**238,817.4**	**231,508.3**
Current liabilities			
Financial liabilities	47,900.2	56,940.6	73,556.9
Provisions	0.0	0.0	356.4
Liabilities for right-of-use assets	28,301.8	25,593.7	27,121.6
Trade and other payables	45,139.8	40,432.3	34,782.2
Current liabilities	**121,341.8**	**122,966.6**	**135,817.1**
Total liabilities	**387,622.3**	**361,784.1**	**367,325.4**
TOTAL EQUITY AND LIABILITIES	**453,685.3**	**455,168.9**	**448,302.8**

Consolidated statement of changes in equity

Consolidated statement of changes in equity

	Equity attributable to owners of the Company							
2021 **EUR 1,000**	**Share capital**	**Invested unrestricted equity fund**	**Translation difference**	**Retained earnings**	**Hybrid bond**	**TOTAL**	**Non-controlling interests**	**EQUITY, TOTAL**
Equity at 1 January	**150.0**	**58,425.1**	**46.7**	**17,515.5**	**0.0**	**76,137.3**	**4,840.0**	**8,0977.4**
Total comprehensive income for the period								
Result of the financial period				-12,196.3		**-12,196.3**	-1,468.8	**-13,665.1**
Other comprehensive income items (after taxes)								
Foreign currency translation differences, foreign operations			28.8			**28.8**	0.0	**28.8**
Total comprehensive income for the period	**0.0**	**0.0**	**28.8**	**-12,196.3**	**0.0**	**-12,167.4**	**-1,468.8**	**-13,636.3**
Other changes total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Transactions with shareholders								
Contributions and distributions								
Equity loans						**0.0**		**0.0**
Dividend distribution						**0.0**	-637.4	**-637.4**
Share-based payments						**0.0**		**0.0**
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-637.4**	**-637.4**
Changes in ownership interests								
Changes in non-controlling interests' shares without a change in controlling interest				-773.1		**-773.1**	-79.6	**-852.7**
Changes in NCI with a change in control						**0.0**	212.0	**212.0**
TOTAL	**0.0**	**0.0**	**0.0**	**-773.1**	**0.0**	**-773.1**	**132.4**	**-640.7**
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-773.1**	**0.0**	**-773.1**	**-505.0**	**-1,278.1**
Equity at 30 September	**150.0**	**58,425.1**	**75.5**	**4,546.2**	**0.0**	**63,196.8**	**2,866.2**	**66,063.0**

Consolidated statement of changes in equity

	Equity attributable to owners of the Company							
2020 **EUR 1,000**	**Share capital**	**Invested unrestricted equity fund**	**Translation difference**	**Retained earnings**	**Hybrid bond**	**TOTAL**	**Non-controlling interests**	**EQUITY, TOTAL**
Equity at 1 January	**150.0**	**57,670.4**	**-128.6**	**46,571.0**	**25,000.0**	**129,262.8**	**7,760.4**	**137,023.2**
Total comprehensive income for the period								
Result of the financial period				-16,607.8		**-16,607.8**	-974.0	**-17,581.8**
Other comprehensive income items (after taxes)								
Foreign currency translation differences, foreign operations			-374.3			**-374.3**	0.0	**-374.3**
Total comprehensive income for the period	**0.0**	**0.0**	**-374.3**	**-16,607.8**	**0.0**	**-16,982.2**	**-974.0**	**-17,956.2**
Other changes total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Transactions with shareholders								
Contributions and distributions								
Equity loans				-1,992.4	-25,000.0	**-26,992.4**		**-26,992.4**
Dividend distribution						**0.0**	-578.2	**-578.2**
Issue of ordinary shares		754.7				**754.7**		**754.7**
Share-based payments				675.0		**675.0**		**675.0**
TOTAL	**0.0**	**754.7**	**0.0**	**-1,317.4**	**-25,000.0**	**-25,562.6**	**-578.2**	**-26,140.9**
Changes in ownership interests								
Changes in non-controlling interests' shares without a change in controlling interest				-181.4		**-181.4**	630.4	**449.0**
Changes in NCI with a change in control						**0.0**	9.7	**9.7**
TOTAL	**0.0**	**0.0**	**0.0**	**-181.4**	**0.0**	**-181.4**	**640.1**	**458.7**
Total transactions with owners	**0.0**	**754.7**	**0.0**	**-1,498.7**	**-25,000.0**	**-25,744.0**	**61.8**	**-25,682.2**
Equity at 30 September	**150.0**	**58,425.1**	**-503.0**	**28,464.5**	**0.0**	**86,536.7**	**6,848.2**	**93,384.9**

Consolidated statement of cash flows (IFRS)

EUR 1,000	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Cash flows from operating activities			
Result of the financial period	-13,665.1	-17,581.8	-29,468.8
Adjustments to the result of the reporting period			
Non-cash transactions	-953.7	-1,199.9	8.8
Depreciation, amortisation and impairment losses	35,124.2	38,372.7	51,956.7
Net finance costs	9,115.7	8,232.5	10,959.2
Tax expense	-3,050.6	-2,759.2	-5,370.4
Share of profit of associated company	-230.3	-252.1	-524.2
Cash flow before change in working capital	**26,340.2**	**24,812.2**	**27,561.3**
Changes in working capital			
Trade and other receivables	-1,155.2	7,865.8	9,921.8
Inventories	-629.3	791.6	2,319.4
Trade and other payables	9,527.8	-14,096.4	-20,250.0
Changes in working capital	**7,743.3**	**-5,439.0**	**-8,008.8**
Dividends received	632.6	0.0	752.1
Interest paid and other finance costs	-8,172.4	-5,870.3	-9,265.2
Interest received and other finance income	31.3	19.9	39.9
Income taxes paid	-310.8	-662.6	-2,644.5
Net cash from operating activities	**26,264.2**	**12,860.2**	**8,434.8**
Cash flows from investing activities			
Acquisition of tangible and intangible assets	-5,925.6	-4,340.3	-6,072.8
Change in other non-current receivables	303.6	271.7	160.0
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-3,084.5	-3,567.0	-3,564.9
Sales of subsidiaries with time-of-acquisition liquid assets deducted	1.4	0.0	0.0
Business acquisitions	-700.0	-1,555.7	-1,223.1
Business divestment	282.2	111.0	148.7
Sales of shares of associated companies	8,660.3	0.0	0.0
Associated company shares purchased	-0.6	0.0	0.0
Net cash flows from investing activities	**-463.2**	**-9,080.3**	**-10,552.1**
Cash flows from financing activities			
Proceeds from non-current loans and borrowings	7,000.0	68,972.7	45,945.9
Payment of non-current loans and borrowings	0.0	-3,390.7	-4,400.4
Proceeds from/repayments of current loans and borrowings	-3,814.6	4,307.4	31,064.9
Current commercial papers repaid	-500.0	-17,500.0	-17,500.0
Acquisition of non-controlling interests	-584.3	-200.0	-566.6
Repayment of hybrid bond	0.0	-27,528.0	-27,528.0
Payment of liabilities for right-of-use assets	-19,518.4	-17,278.1	-24,623.5
Dividends paid	-635.0	-579.3	-770.2
Net cash from financing activities	**-18,052.3**	**6,804.0**	**1,622.1**
Change in cash and cash equivalents	**7,748.7**	**10,583.9**	**-495.2**
Cash and cash equivalents at the beginning of the financial period	**3,122.9**	**3,618.1**	**3,618.1**
Change in cash and cash equivalents	**7,748.7**	**10,583.9**	**-495.2**
Cash and cash equivalents at the end of the reporting period	**10,871.6**	**14,202.0**	**3,122.9**

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

Notes

1. Accounting Principles

This unaudited interim report has been prepared observing the IAS 34 Interim Financial Reporting standard. The interim report should be read together with the 2020 IFRS consolidated financial statements. The interim report has been prepared by observing the same accounting principles as with the 2020 IFRS consolidated financial statements, with the exception of the new amendments to the IFRS standards effective as of 1 January 2021. The changes are described in the 2020 IFRS consolidated financial statements.

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

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

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

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

In Finland, restrictions on restaurants were in effect at the beginning of 2021, with stricter restrictions having been introduced in November 2020 due to the deterioration of the pandemic. Alcohol service was ordered to end at midnight nationwide and restaurants could stay open until 01:00. In the regions where the pandemic was in the acceleration phase, alcohol service was permitted until 10 p.m. and restaurants that primarily serve alcohol could stay open until 11 p.m. In nightclubs, bars and pubs, the customer capacity was restricted to half of the normal capacity. In restaurants that primarily serve food, the permitted customer capacity was 75 per cent and they could stay open until midnight. In regions where the pandemic was in the community transmission phase, restaurants that primarily serve food had to close by 11 p.m. With a legislative proposal approved by the Parliament on 26 February 2021, the validity of the restrictions on restaurant operations was extended until the end of June 2021.

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

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

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

In May, restrictions were gradually eased regionally and, starting from 13 May 2021, almost throughout the country, whereupon alcohol service in areas in the baseline phase was extended until midnight and opening hours until 01:00, while in areas in the acceleration phase, alcohol service was extended until 22:00 and opening hours until 23:00. In areas in the community transmission phase, restaurants serving alcohol were allowed to serve alcohol until 18:00 and stay open until 19:00, while other restaurants were ordered to stop serving alcohol at 19:00 and close at 20:00.

Restaurant restrictions were eased on 24 June 2021, when the restrictions on the number of customers, alcohol service hours and opening hours were removed for areas in the baseline phase. Only Uusimaa remained in the acceleration phase, where the alcohol service hours of restaurants were extended until midnight and opening hours until 01:00. Restaurant restrictions were tightened again in late July, when several regions were classified as being in the acceleration phase. Uusimaa, Pirkanmaa and Southwest Finland were classified as being in the acceleration phase at the beginning of August.

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

The Group did not receive government grants from the Finnish state during the third quarter of 2021.

In Denmark, due to the acceleration of the COVID-19 pandemic, restaurants were closed across the country on 9 December 2020, with only take-away sales allowed. In response to the improved pandemic situation, Denmark allowed restaurants to reopen, subject to restrictions, starting from 21 April 2021, with alcohol service ending at 22:00 and doors closing at 23:00. Customer capacity was restricted to about half of full capacity, and a COVID-19 passport and table reservation were required for entry. Starting from 1 June 2021, the opening hours of restaurants serving food and bars were extended until midnight and, starting from 15 July 2021, until 02:00. A COVID-19 passport was required for admission to restaurants. Safe distances of 1.5 metres also needed to be ensured. The COVID-19 passport requirement was lifted and nightclubs were allowed to reopen on 1 September 2021. Restaurant restrictions were lifted throughout the country on 10 September 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 from March until the end of June 2021. The state also paid employees' wages for the first seven days starting from the reopening of restaurants on 21 April 2021. Starting from the beginning of July 2021, a cost support model entered into force, whereby fixed cost support was extended for restaurants whose turnover is less than 40 per cent of their turnover in the corresponding period in 2019.

In Norway, a ban on alcohol sales in restaurants was introduced on 9 November 2020, after which restaurants have not been allowed to serve alcohol at all. The Group's restaurants in Norway are primarily restaurants that serve alcohol, and they were closed. The restriction on serving alcohol was cancelled regionally in the third week of January 2021. However, in Oslo, for example, the ban on serving alcohol continued until 2 March 2021, when restaurants in Oslo were ordered to close entirely. The prohibition of alcohol service in Norway was reinstated nationally, effective from 26 March 2021. It was subsequently cancelled on a regional basis on 16 April 2021. From that date onwards, restaurants in certain municipalities were allowed to stay open until 22:30, with alcohol service ending at 22:00. In Oslo, the prohibition of alcohol service continued until 25 May 2021, when restaurants serving food were allowed to reopen. Entertainment venues were allowed to reopen on 26 May 2021. In Oslo and in Trondheim, for example, alcohol service was allowed until 22:00. In most other municipalities, alcohol service was allowed until midnight.

The national restrictions were lifted at the end of June. Since then, the restrictions were municipality-specific. In Oslo, restaurants serving food and bars were allowed to stay open until 3:00, but additional customers could not be allowed in after midnight. In indoor areas of restaurants, customers were required to have a seat, table service was required and safe distances of 1.5 metres needed to be ensured. Restaurant restrictions were lifted completely throughout the country on 25 September 2021.

The Norwegian state's 80% compensation for fixed costs remained in effect until the end of September 2021, when society was re-opened and restaurant restrictions were lifted. The Norwegian state also supported employment by paying 50 per cent of the wages of re-employed personnel until the end of June 2021. Companies in Norway also received additional support by municipalities and arts councils while the restrictions remained in place.

Government grants

In January–September 2021, the Group received support amounting to approximately MEUR 3.8 from the Finnish state, approximately MEUR 2.5 from the Danish state and approximately MEUR 2.9 from the Norwegian state. The financial support received by the Group from the Danish and Norwegian governments for the period 1 July–30 September 2021 totalled approximately MEUR 0.7. The Group did not receive support from the Finnish state in the third quarter.

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

Going concern assumption

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

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

During the review period, the Group's rent concessions amounted to approximately MEUR 2.0.

As the ultimate duration and overall impacts of the pandemic are difficult to predict, its effects on NoHo Partners' future turnover, result, cash flow and financial position may deviate from the current estimates and assumptions of the management.

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

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

Measurement of associated company Eezy Plc

NoHo Partners Plc reduced its shareholding in Eezy Plc during the review period. On 30 September 2021, the Group owned 5,914,745 shares in Eezy Plc, corresponding to a holding of 23.8 per cent. The book value of the shares on NoHo Partners Plc's balance sheet is MEUR 30.4, corresponding to EUR 5.14 per share. The closing price of the Eezy share at the end of September was EUR 6.70.

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

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

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

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

After the shares were classified as an asset held for sale, capital gains of MEUR 0.6 have been recognised on the sale of the shares. The capital gain is recognised in other operating income in the consolidated income statement.

2. Turnover

DISTRIBUTION OF TURNOVER BETWEEN GOODS AND SERVICES

EUR 1,000	1 July–30 Sep. 2021	1 July–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Sale of goods	56,450.7	51,380.9	108,104.0	114,487.9	144,473.7
Sale of services	5,437.5	4,643.2	8,435.6	10,668.2	12,297.1
Total	**61,888.2**	**56,024.0**	**116,539.5**	**125,156.2**	**156,770.8**

DISTRIBUTION OF TURNOVER BY BUSINESS AREA

EUR 1,000	1 July–30 Sep. 2021	1 July–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Restaurants	22,506.5	20,003.7	43,492.3	44,301.6	57,994.6
Entertainment venues	18,120.3	19,102.5	29,888.2	38,248.2	43,920.4
Fast casual restaurants	11,291.8	9,891.3	28,436.3	22,328.9	31,239.2
International restaurants	9,969.6	7,026.6	14,722.7	20,277.5	23,616.7
Total	**61,888.2**	**56,024.0**	**116,539.5**	**125,156.2**	**156,770.8**

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

Asset and debt items based on contracts with customers

Of asset items based on contracts, a total of EUR 425 thousand was recognised as credit losses and IFRS 9 credit loss provisions during the period 1 January–30 September 2021.

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

Restaurants sell gift cards, which are presented in current liabilities. Gift card revenue is recognised when the card is used. On 30 September 2021, the value of gift cards sold was EUR 2,006 thousand, and they are expected to be recognised as revenue during the next 12 months.

3. Government grants

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

The Group has received government grants amounting to approximately MEUR 9.2 during the period 1 January–30 September 2021 in Norway, Denmark and Finland to mitigate the negative impacts of the COVID-19 pandemic. In the third quarter, the Group received government grants in Denmark and Norway totalling approximately MEUR 0.7.

During the first quarter of 2021 in Finland, the Group recognised business cost support from the Finnish state in the amount of MEUR 1.0 based on costs that arose during the period 1 November 2020–28 February 2021. In the second quarter of 2021, the Group recognised MEUR 2.8 in closure and fixed uncovered cost compensation from the Finnish state for March–May 2021. The Group did not receive any government grants from the Finnish state in the third quarter.

In Denmark, the state has supported companies in the restaurant industry during the crisis by covering 80 per cent of their fixed expenses, relative to the decline in turnover. In addition to fixed expenses, the Danish state also covered 80 per cent of wage expenses starting from March 2021 until the end of June. Starting from the beginning of July 2021, a cost support model entered into force in Denmark, whereby fixed cost support was extended for restaurants whose turnover is less than 40 per cent of their turnover in the corresponding period in 2019. Government grants from the Danish state totalled approximately MEUR 2.5 for January–September 2021, with roughly MEUR 0.2 of this total allocated to July–September 2021.

The Norwegian state's turnover-based compensation for fixed costs was 80 per cent in April–June 2021. The compensation policy remained in effect until the end of September 2021, when society was reopened and restaurant restrictions were lifted throughout the country. Companies were also paid additional financial support in Norway through municipalities and arts councils. Government grants from the Norwegian state totalled approximately MEUR 2.9 for January–September 2021, with roughly MEUR 0.5 of this total allocated to July–September 2021.

SPECIFICATION OF GOVERNMENT GRANTS

EUR 1,000	1 July–30 Sep. 2021	1 July–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Finland					
Compensation for restriction of operations/ closure compensation *	0.0	143.3	1,800.0	4,192.0	4,192.0
Business cost support/compensation for fixed expenses **	0.0	0.0	2,000.0	0.0	0.0
Re-employment support	0.0	533.3	0.0	800.0	800.0
Re-employment support	0.0	0.0	0.0	0.0	146.9
Norway					
Compensation for fixed expenses	484.8	384.0	2,905.6	1,552.2	2,791.3
Denmark					
Compensation for fixed expenses	233.2	471.9	1,595.1	2,231.2	2,958.3
Compensation related to wage expenses	0.0	186.4	908.1	1,365.1	1,586.4
Total	**718.0**	**1,719.0**	**9,208.9**	**10,140.4**	**12,474.8**

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

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

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

4. Changes in Group Structure

ACQUIRED SUBSIDIARIES AND BUSINESSES

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

Allas Sea Pool restaurant business

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

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

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

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

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

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

Determination of contingent transaction prices

Of the transaction price for the acquisition of The Bird Mother ApS, acquired in 2018, a total of EUR 1,409 thousand was paid at the time of acquisition. The remainder of the transaction price will be determined according to the actual EBITDA for July 2021–December 2021 and the multiplier stipulated by the acquisition agreement. The estimated earn-out amounts to EUR 801 thousand.

SOLD BUSINESS OPERATIONS

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

Name	Shareholding sold	Location	Date of control transfer
Casseli Oy	57.5%	Tampere	1 May 2021
Business operations of restaurant London Pub	-	Tampere	30 July 2021

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

Goodwill	**198.0**
Intangible fixed assets	**16.6**
Property, plant and equipment	**411.4**
Other asset items	**434.0**
Non-controlling interests	**212.0**
Liabilities	**-673.9**
Net assets, total	**598.2**

Gains on disposal totalling EUR 253.2 thousand were recognised in the income statement. An expense of EUR 138.7 thousand has been recognised in the income statement on the discounting of a trade receivable related to the sale of assets.

5. Intangible and Tangible Assets

EUR 1,000 **Goodwill**	**30 September 2021**	**30 September 2020**	**31 December 2020**
Book value 1 Jan.	135,169.0	128,831.6	128,831.6
Business acquisitions	504.8	7,450.9	7,450.9
Deductions	-198.0	-266.5	-266.5
Translation differences	373.0	-1,036.7	-847.0
Book value at the end of the review period	**135,848.8**	**134,979.3**	**135,169.0**

Intangible assets	**30 September 2021**	**30 September 2020**	**31 December 2020**
Book value 1 Jan.	44,609.4	48,461.4	48,461.4
Business acquisitions	472.7	1,861.0	1,861.0
Increase	26.2	684.0	745.3
Depreciation, amortisation and impairment losses	-3,790.2	-4,071.7	-6,307.5
Deductions	-93.2	-150.7	0.0
Translation differences	386.9	-499.8	-249.7
Transfers between account types	0.0	98.8	98.8
Book value at the end of the review period	**41,611.5**	**46,383.0**	**44,609.4**

Tangible assets	**30 September 2021**	**30 September 2020**	**31 December 2020**
Book value 1 Jan.	48,508.5	57,008.4	57,008.4
Business acquisitions	172.5	1,272.7	1,272.7
Increase	5,898.5	4,898.0	6,522.1
Depreciation, amortisation and impairment losses	-8,565.6	-11,949.1	-14,915.5
Deductions	-460.2	-965.0	-925.4
Translation differences	195.2	-716.5	-359.5
Transfers between account types	0.0	5.6	-94.3
Book value at the end of the review period	**45,748.9**	**49,554.1**	**48,508.5**

6. Lease agreements

During the review period, the Group's rent concessions amounted to approximately MEUR 2. The Group has applied the practical expedient stipulated by the amendment to not treat rent concessions granted due to the COVID-19 pandemic as changes in leases under IFRS 16. The incremental borrowing rate applied to the changes in leases is 5.0%.

RIGHT-OF-USE ASSETS

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
Book value 1 Jan.	148,024.4	159,077.4	159,077.4
Increase	5,620.2	9,608.7	20,216.6
Reassessments and modifications	21,161.5	1,736.4	2,649.6
Depreciation, amortisation and impairment losses	-22,768.4	-22,351.9	-30,733.7
Deductions	-316.0	-1,574.9	-1,574.9
Translation differences	770.9	-2,718.7	-1,610.6
Book value at the end of the review period	**152,492.6**	**143,777.0**	**148,024.4**

CHANGE IN LEASE LIABILITY

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
Lease liability at the beginning of the period	153,189.8	161,299.3	161,299.3
Net increases	26,465.7	9,770.2	21,291.3
Rent payments	-23,773.2	-20,795.9	-29,516.9
Rent concessions, COVID-19	-2,001.0	-3,128.0	-3,128.0
Interest expenses	4,254.8	3,517.8	4,886.2
Translation differences	784.6	-2,769.6	-1,642.1
Lease liability at the end of the period	**158,920.6**	**147,893.8**	**153,189.8**

LEASE LIABILITY

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
Non-current	130,618.8	122,300.1	126,068.2
Current	28,301.8	25,593.7	27,121.6
Total	**158,920.6**	**147,893.8**	**153,189.8**

LEASES IN THE INCOME STATEMENT

EUR 1,000	1 July–30 Sep. 2021	1 July–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Rent concessions, COVID-19	400.0	0.0	2,001.0	3,128.0	3,128.0
Expenses related to short-term leases, leases for underlying assets of low value and variable leases	-882.8	-575.3	-3,103.3	-1,466.7	-3,261.0
Depreciation of right-of-use assets	-7,560.7	-7,267.2	-22,768.4	-22,351.9	-30,733.7
Interest expenses on lease liabilities	-1,445.2	-1,189.9	-4,254.8	-3,517.8	-4,886.2
Total	**-9,488.6**	**-9,032.3**	**-28,125.4**	**-24,208.3**	**-35,752.9**

7. Impairment testing

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

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

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

The impairment testing conducted on 30 June 2021 is described in NoHo Partners' half-year report 2021. The Group's management has assessed that, on 30 September 2021, there were no indications of impairment that would create the need to update impairment testing compared to the situation on 30 June 2021.

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

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
Goodwill	135,848.8	134,979.3	135,169.0
Brands and name-use-rights	21,757.9	21,757.9	21,757.9
Non-competition agreements	120.0	120.0	120.0
Leases	2,736.1	2,736.1	2,736.1

8. Financial liabilities

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

The COVID-19 pandemic has had a significant negative impact on the business operations and liquidity of NoHo Partners. In spring 2020, the Group negotiated a financing package with its current financing partners for the duration of the exceptional coronavirus pandemic situation and a refinancing programme for maturing loans as part of the overall financing package. The financing arrangements are described in NoHo Partners' consolidated financial statements for 2020.

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

During the review period, the Group extended its commercial paper programme at the amount of MEUR 4.0 until December 2021.

During the review period, the Group was released from the covenant assessment that was to be conducted on 30 September 2021 in accordance with the financing agreement. The company agreed with its creditors on an additional repayment of loans amounting to MEUR 8.7, which was made using cash and cash equivalents after the end of the reporting period and allocated to the Group's current financial liabilities. The next covenant review will take place on 31 December 2021.

MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES, 30 SEPTEMBER 2021

EUR 1,000	Balance sheet value	Less than 1 year Q4/2021	Less than 1 year Q1/2022	Less than 1 year Q2/2022	Less than 1 year Q3/2022	1 to less than 2 years	2–5 years	More than 5 years
Finnish Industry Investment Ltd	11,124.7			11,124.7				
Commercial paper programme	4,000.0	4,000.0						
Other loans	150,193.3	12,637.9	2,017.0	8,902.1	3,144.7	32,569.6	89,622.5	1,299.5
Total	**165,318.0**	**16,637.9**	**2,017.0**	**20,026.8**	**3,144.7**	**32,569.6**	**89,622.5**	**1,299.5**

Account limits in use *	6,073.8
Total	**171,391.8**

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

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

MATURITY DISTRIBUTION OF INTEREST ON FINANCIAL LIABILITIES, 30 SEPTEMBER 2021

EUR 1,000	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Interest on financial liabilities	4,990.9	3,835.1	7,610.0	218.3

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

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

EUR 1,000	Discounted balance sheet value	Undiscounted value	Less than 1 year	1 to less than 2 years	2–5 years	More than 5 years
Transaction price liabilities	2,583.3	2,844.2	596.7	871.7	1,375.8	
Trade payables	17,051.6	17,051.6	17,051.6			
Liabilities for right-of-use assets	158,920.6	190,965.3	33,803.7	31,279.1	67,404.8	58,477.7
Total	**178,555.5**	**210,861.1**	**51,452.0**	**32,150.8**	**68,780.5**	**58,477.7**

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

On 30 September 2021, the Group's cash and cash equivalents totalled MEUR 10.9 and the unwithdrawn loan and account limits available to the Group amounted to MEUR 6.8. In addition, on 30 September 2021, the Group owned 5,914,745 shares in the listed company Eezy Plc, corresponding to a holding of 23.8 per cent. At the closing share price on 30 September 2021, the market value of this shareholding exceeded MEUR 39.

Liquidity risk

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

The COVID-19 pandemic and the restrictions introduced by governments have had a significant impact on consumer behaviour. Compared to the demand shock caused by the first wave of the COVID-19 pandemic in spring 2020, the Group's management expects that the current situation will not involve a similar change in consumer behaviour that would cause an unexpected liquidity risk due to negative working capital becoming payable. However, unexpected legislative amendments, such as the temporary implementation of the Emergency Powers Act and lockdown, might have a negative effect on the company's liquidity.

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

9. Related party transactions

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

TRANSACTIONS WITH RELATED ENTITIES

EUR 1,000	Sales	Lease costs	Acquisitions	Lease income	Receivables	Liabilities
30 September 2021	37.8	245.1	7,701.1	111.1	144.1	1,196.0
30 September 2020	209.8	248.4	7,891.4	19.9	317.9	1,130.6
31 December 2020	294.2	331.2	9,545.9	24.7	407.7	813.3

Eezy Oyj's share of related party transactions						
30 September 2021	17.9	0.0	6,416.3	15.1	0.0	1,072.4
30 September 2020	38.0	0.0	7,615.9	19.9	4.8	1,078.8
31 December 2020	48.0	0.0	9,074.4	24.7	3.3	654.9

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

SHARE-BASED INCENTIVE SCHEME FOR KEY PERSONNEL

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

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

Costs from the share-based incentive plan are recognised as staff expenses over time and in equity under earnings. Based on the management's estimate, for the second earning period, EUR 900 thousand in benefits paid in shares had been entered as expenses by 30 September 2021 during the 21-month monitoring period.

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

Aku Vikström
CEO, Chairman of the Executive Team

Jarno Suominen
Deputy CEO

Jarno Vilponen
CFO

Juha Helminen
Director of International Operations

Anne Kokkonen
HR Director

Benjamin Gripenberg
CBO, Restaurants, Helsinki Metropolitan Area

Tanja Virtanen
CBO, Restaurants, rest of Finland

Paul Meli
CBO, Entertainment venues

Tero Kaikkonen
CBO, Fast casual restaurants

10. Contingent Liabilities and Assets and Commitments

GUARANTEES AND CONTINGENT LIABILITIES

EUR 1,000	30 September 2021	30 September 2020	31 December 2020
Liabilities with guarantees included on the balance sheet			
Loans from financial institutions, non-current	123,876.5	93,881.1	78,004.7
Loans from financial institutions, current	37,277.3	48,764.2	70,315.2
Total	**161,153.8**	**142,645.3**	**148,319.9**
Guarantees given on behalf of the Group			
Collateral notes secured by a mortgage	37,457.9	37,455.4	37,457.6
Real estate mortgage	4,269.0	4,364.5	4,268.8
Subsidiary shares	103,918.7	104,341.1	103,435.9
Other shares	39,633.3	32,640.7	44,373.4
Bank guarantees	9,601.8	8,959.3	9,156.8
Other guarantees	3,093.6	4,649.0	5,161.2
Total	**197,974.3**	**192,410.0**	**203,853.7**
Purchase commitments			
Eezy Plc	53,634.6	61,538.5	60,050.9
Total	**53,634.6**	**61,538.5**	**60,050.9**
Contingent liabilities and assets	**2,255.6**	**3,540.0**	**2,736.1**

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

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

11. Events After the Reporting Period

After the reporting period, the Group made an additional repayment of current financial liabilities in the amount of MEUR 8.7.

12. Key Figures

EUR 1,000	1 July–30 Sep. 2021	1 July–30 Sep. 2020	1 Jan.–30 Sep. 2021	1 Jan.–30 Sep. 2020	1 Jan.–31 Dec. 2020
Earnings per share, EUR	0.04	0.01	-0.63	-0.90	-1.44
EBIT, %	6.4%	5.2%	-6.5%	-9.7%	-15.2%
Material margin, %	74.1%	73.3%	73.5%	72.8%	72.0%
Personnel expenses, %	32.1%	32.5%	36.4%	37.1%	38.0%
Average personnel					
Registered personnel					
Full-time personnel			851	896	721
Part-time personnel converted into full-time personnel			569	513	501
Rented workforce, converted to full-time equivalents			216	259	236
Return on equity, % (p.a.)			-24.8%	-20.3%	-27.0%
Return on investment % (p.a.)			-2.4%	-4.0%	-5.9%
Equity ratio, %			14.6%	20.5%	18.1%
Gearing ratio, %			481.6%	317.5%	391.0%
Interest-bearing net liabilities, EUR			318,168.4	296,464.2	316,621.2
Adjusted net finance costs*, EUR	3,138.3	2,491.9	9,471.9	6,926.4	10,196.7
Operating cash flow, EUR	7,530.6	5,511.6	1,519.7	2,037.4	-5,124.0
Key figures excluding the IFRS 16 effect					
Gearing ratio, %			223.7%	156.6%	192.0%
Interest-bearing net liabilities, EUR			159,247.8	148,570.5	163,431.4
Operating cash flow, bridge calculation					
EBIT	3,938.4	2,928.2	-7,600.0	-12,108.5	-23,880.0
Depreciation, amortisation and impairment losses	12,232.0	11,204.1	35,124.2	38,372.7	51,956.7
Share of profit of associated company	22.1	-622.6	-230.3	-252.1	-524.2
Translating IFRS 16 lease expenses to be cash flow based	-8,661.9	-7,998.2	-25,774.2	-23,974.8	-32,676.5
Operating cash flow	**7,530.6**	**5,511.6**	**1,519.7**	**2,037.4**	**-5,124.0**

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

CALCULATION FORMULAS FOR KEY FIGURES

Key figures required by the IFRS standards

Earnings per share

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

Earnings per share (diluted)

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

Alternative performance measures

Return on equity %

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

Equity ratio %

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

Return on investment %

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

Interest-bearing net financial liabilities

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

Interest-bearing net financial liabilities excluding IFRS 16

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

Gearing ratio %

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

Gearing ratio % excluding IFRS 16

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

Personnel expenses %

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

Material margin %

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

Adjusted net finance costs

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

Operating cash flow

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

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