NoHo

NORDIC HOSPITALITY PARTNERS

Half Year Financial Report

Q1–Q2 2023

Kuva: Laura Vanzo Visit Tampere

Profitable growth continued faster than market

APRIL–JUNE 2023 IN BRIEF

- Turnover was MEUR 93.3 (90.2) and increased by 3.5%.
- In the second quarter of 2022, MEUR 4.8 of governmental assistance due to Covid-related business restrictions in the first quarter was retrospectively recorded.
- Operational EBITDA was MEUR 12.6 (18.3, 13.5 when adjusted by governmental assistance*) and decreased by 31.1%.
- EBIT was MEUR 10.7 (16.1, 11.4 when adjusted by governmental assistance*) and decreased by 33.3%.
- EBIT margin was 11.5% (17.9%, 12.6% when adjusted by governmental assistance*)
- The result for the period was MEUR 4.1 (10.5, 5.8 when adjusted by governmental assistance*) and decreased by 61.0%. The result adjusted by the change in Eezy Plc share price and governmental assistance in the same period in the previous year was MEUR 5.9 (6.6).
- Earnings per share were EUR 0.17 (0.45, 0.21 when adjusted by governmental assistance*) and decreased by 63.2%. Earnings per share adjusted by entries related to Eezy Plc shares and governmental assistance in the same period in the previous year was EUR 0.25 (0.25).

JANUARY–JUNE 2023 IN BRIEF

- Turnover was MEUR 169.2 (138.7) and increased by 22.0%.
- Operational EBITDA was MEUR 20.7 (19.4) and increased by 6.8%.
- EBIT was MEUR 16.7 (14.8) and increased by 12.6%.
- EBIT margin was 9.9% (10.7%)
- The result for the period was MEUR 6.6 (7.0) and decreased by 6.1%. The result adjusted by the change in Eezy Plc share price was 7.7 (7.8).
- Earnings per share were EUR 0.26 (0.27) and decreased by 4.8%. Earnings per share adjusted by entries related to Eezy Plc shares was EUR 0.31 (0.29).

Unless otherwise stated, figures in parentheses refer to the corresponding period last year.

* In the second quarter of 2022, MEUR 4.8 of governmental assistance due to Covid-related business restrictions in the first quarter was retrospectively recorded. When adjusted by these grants, operational EBITDA was MEUR 13.5, EBIT MEUR 11.4 and EBIT margin 12.6%. The adjustment only applies between the first and the second quarter of 2022 and does not impact the cumulative result in the first half of 2022.

KEY FIGURES

MEUR	Q2 2023	Q2 2022 *	Change, %	Q1–Q2 2023	Q1–Q2 2022	Change, %	Q1–Q4 2022
Turnover	93.3	90.2	3.5	169.2	138.7	22.0	312.8
Operational EBITDA	12.6	18.3	-31.1	20.7	19.4	6.8	41.6
EBIT	10.7	16.1	-33.3	16.7	14.8	12.6	31.6
EBIT, %	11.5	17.9		9.9	10.7		10.1
Result of the financial period	4.1	10.5	-61.0	6.6	7.0	-6.1	4.9
Earnings per share for the review period attributable to the owners of the company, EUR	0.17	0.45	-63.2	0.26	0.27	-4.8	0.07
Earnings per share adjusted by entries related to Eezy Plc shares, EUR	0.25	0.49	-48.8	0.31	0.29	6.7	0.56
Interest-bearing net liabilities excluding IFRS 16 impact				122.9	126.9	-3.1	121.0
Gearing ratio excluding IFRS 16 impact, %				147.5	138.7		135.1
Ratio of net debt to operational EBITDA excluding IFRS 16 impact				2.9	3.5		2.9
Adjusted equity ratio, %				25.9	29.5		29.1
Material margin, %	75.4	75.1		75.3	74.8		75.3
Personnel expenses, %	32.7	31.9		32.9	34.0		33.2

The calculation formulas for key figures are presented on page 29 of the Interim Report.

FUTURE OUTLOOK

PROFIT GUIDANCE AS OF 6 JULY 2023

NoHo Partners estimates that, during the financial year 2023, it will achieve total turnover of approximately MEUR 380 and EBIT margin of approximately 9% in the restaurant business.

Previous profit guidance (as of 16 February 2023):

Previously, the company estimated that it will achieve total turnover of over MEUR 350 and EBIT margin of approximately 9% in the restaurant business during the financial year 2023.

FINANCIAL TARGETS FOR THE STRATEGY PERIOD 2022-2024

The company's long-term guidance is as follows:

The Group aims to achieve turnover of approximately MEUR 400 and an EBIT margin of approximately 10% during 2024. In the long-term, the company aims to keep the ratio of net debt to operational EBITDA, adjusted for IFRS 16 lease liability, under 3 and distribute annually increasing dividend.

The company will reach the targets set for the strategy cycle ending in 2024 ahead of time. The company will update its long-term strategic and financial targets for the next strategy cycle 2024-2026 and publish them during the first half of 2024.

MARKET ENVIRONMENT

The business outlook for the tourism and restaurant sector has improved from recent years to a pre-pandemic level, but the outlook and consumer confidence continue to be weakened by the uncertain geopolitical climate, consumers' reduced purchasing power and the general rise in costs. The company continues to take active measures to prepare for potentially rapid changes in the market situation by actively monitoring operational efficiency and pricing, using centralised procurement agreements and engaging in regular dialogue with suppliers and other partners. Customer demand is estimated to continue at a good level during 2023.

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. The demand for restaurant services is usually less susceptible to cyclical fluctuations compared to other service and retail industries. The company's size and large portfolio protect it from the strongest fluctuations.

CEO REVIEW

The good start in the beginning of the year continued in the second quarter with an EBIT margin of 11.5%. At the same time, the EBIT margin for the first half of the year increased to almost 10%. I am particularly satisfied with the profitability level achieved in this environment of exceptional cost pressure and weakened consumers' purchasing power. The relative profitability and cash flow in Finnish operations continued at a very good level and enable future growth investments as well as an increasing dividend distribution. I am also happy with the profitability improvement achieved in the international business. As this business segment is still in a strong growth and development phase, I consider an EBIT margin of almost 8% in the quarter to be a very good result.

"Supported by good profitability development and strong cash flow, the company returned to acquisitions-driven growth."

Supported by good profitability development and strong cash flow, the company returned to acquisitions-driven growth. In the reporting period, the acquisitions of three Helsinki-based nightclubs and the Sauna Restaurant Kuuma were completed, and the acquisition of the Sushibar + Wine -chain was announced. Sushibar + Wine will be integrated into the Group in the third quarter. The combined annual revenue of these acquisitions amounts to approximately MEUR 17. After the reporting period, entering into the growing European premium burger market and the establishing of Better Burger Society -company in collaboration with an equity investor were also disclosed. The Swiss Holy Cow! -hamburger chain was announced as the company's first acquisition as well as the strategy to grow and expand through acquisitions of leading local hamburger brands in the European market. I consider this very promising and productive value creation for the shareholders.

The strengthened balance sheet and strong cash flow generated by the business allowed the company to return to paying dividends as well as complete several strategic growth investments within the limits of the targeted debt level.

Throughout the beginning of the year, consumer demand has remained at a good level and also in the second quarter, the use of restaurant services continued at last years' level. In our own restaurant portfolio, the number of customers remained stable in all business areas. For restaurants, the value of average purchase has increased slightly due to inflation whilst in entertainment venues and night clubs we see some decline in consumers' spending. We expect the consumers' purchasing power to continue under pressure during the second half of the year. In response to this, the focus is on high quality customer experience and good value for money across the portfolio.

Profit guidance for the full year 2023 was raised on 6 July following a good beginning of the year and in connection to the acquisition in Switzerland. Due to the good business development, the targets set for the strategy cycle ending in 2024 will be reached ahead of time. We have started planning for the next strategy cycle and will consequently update new long-term financial targets in the first half of 2024.

Aku Vikström
CEO

IMPLEMENTATION OF THE STRATEGY

The Group aims to achieve turnover of approximately MEUR 400 and an EBIT margin of approximately 10% during 2024. In the long-term, the company aims to keep the ratio of net debt to operational EBITDA, adjusted for IFRS 16 lease liability, under 3 and distribute annually increasing dividend.

NoHo Partners' growth strategy focuses on the three areas:

- Profitable growth in the Norwegian restaurant market through acquisitions (50 million growth target)
- Scaling up the Friends & Brgrs chain in Finland (30 million growth target)
- Large and profitable urban projects (30 million growth target)

The core of the company's strategy continues to be on profitable growth, which sets a clear framework on the acquisition targets. Profitability will not be sacrificed for excessively aggressive growth.

In Norway, after a strong growth phase, the company has focused on developing profitability and optimising the restaurant portfolio. Profitability in Norway is now on a good level and focus will return on acquisitions-driven growth.

The expansion of the Friends & Brgrs chain progresses on schedule and very profitably. In the second quarter, the chain expanded with two new restaurants in Tampere and Joensuu, Finland. After the reporting period, NoHo Partners announced that Friends & Brgrs will become part of Better Burger Society, a company established together with equity investor Intera Partners, targeting a leading position in the growing premium burger market in Europe. The first acquisition of Better Burger Society is the Swiss burger chain Holy Cow!. By focusing the scalable brand business in one separate company, NoHo Partners can more efficiently expand its premium burger business into the large European markets.

The final phase of large urban projects of the strategy cycle will come to completion in the second half of the year as the restaurant operations of the Helsinki Expo and Convention Centre are taken over by NoHo Partners as of 1 July 2023 and the cultural centre Helsingin Kulttuurikasarmi, including its four restaurants, opens in November 2023.

TURNOVER AND INCOME

In April–June 2023, the Group's turnover increased by 3.5% to MEUR 93.3 (90.2), which represents growth faster than market (source: Nordea Kuluttajamittari). Operational EBITDA was MEUR 12.6 (18.3) and decreased by 31.1%. EBIT was MEUR 10.7 (16.1) with an EBIT margin of 11.5% (17.9). The result for April–June was MEUR 4.1 (10.5). In the second quarter of 2022, MEUR 4.8 of governmental assistance due to Covid-related business restrictions in the first quarter was retrospectively recorded. When adjusted by these grants, operational EBITDA was MEUR 13.5, EBIT MEUR 11.4 and EBIT margin 12.6%. The result adjusted by the change in Eezy Plc share price and governmental assistance in the same period in the previous year was MEUR 5.9 (6.6).

In January–June 2023, the Group's turnover increased by 22.0% to MEUR 169.2 (138.7). Operational EBITDA increased by 6.8% compared to the corresponding period in the previous year and was MEUR 20.7 (19.4). EBIT was MEUR 16.7 (14.8) with an EBIT margin of 9.9 (10.7). The result for the period was MEUR 6.6 (7.0). The result adjusted by the change in Eezy Plc share price was MEUR 7.7 (7.8).

The company was able to balance the effects of inflation on its business through centralised purchasing agreements and price increases, and the general rise in prices did not significantly affect the material margin. In spite of the labour shortages in the industry, the company also performed well in recruitment and resource allocation, and the growth in turnover as well as operational efficiency has kept personnel expenses at a competitive level.

BUSINESS SEGMENTS

NoHo Partners' business consists of two business segments, which are reported separately:

- Finnish operations
- International business

The business segments are divided into business areas for which turnover is reported. The Finnish operations include three business areas: restaurants, entertainment venues and fast food restaurants. The international business includes two business areas: Norway and Denmark.

FINNISH OPERATIONS

MEUR	Q2 2023	Q2 2022*	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Turnover	77.4	72.9	138.9	110.2	251.2
Operational EBITDA	10.8	15.9	17.3	15.1	34.8
EBIT	9.5	14.6	14.6	12.2	28.2
EBIT, %	12.3	20.0	10.5	11.1	11.2
Material margin, %	75.3	75.1	75.0	74.6	75.3
Personnel expenses, %	32.5	31.5	32.8	33.2	32.8

* In the second quarter of 2022, MEUR 4.3 of governmental assistance due to Covid-related business restrictions in the first quarter was retrospectively recorded. When adjusted by these grants, the segment's operational EBITDA was MEUR 11.6, EBIT MEUR 10.3 and EBIT margin 14.1%. The adjustment only applies between the first and the second quarter of 2022 and does not impact the cumulative result in the first half of 2022.

In April–June 2023, the turnover increased by 6.2% to MEUR 77.4 (72.9) compared to the previous year. Operational EBITDA was MEUR 10.8 (15.9). EBIT in April–June was MEUR 9.5 (14.6) with an 12.3% (20.0) EBIT margin.

In January–June 2023, the turnover increased by 26.1% to MEUR 138.9 (110.2) compared to the previous year. Operational EBITDA was MEUR 17.3 (15.1). EBIT was MEUR 14.6 (12.2) with a 10.5% (11.1) EBIT margin.

Changes in the restaurant portfolio in April–June 2023

- Apollo Live Club, Maxine and Kaivohuone, Helsinki (new)
- Kirsikka, Helsinki (new)
- Friends & Brgrs, Joensuu and Tampere (new)
- Sauna restaurant Kuuma, Tampere (new)
- Hanko Aasia, Jyväskylä (concept change)
- Pigs and chicks, Tampere (closed)

INTERNATIONAL BUSINESS

MEUR	Q2 2023	Q2 2022*	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Turnover	15.9	17.3	30.3	28.5	61.6
Operational EBITDA	1.9	2.4	3.5	4.3	6.8
EBIT	1.2	1.5	2.1	2.6	3.4
EBIT, %	7.8	8.9	6.8	9.1	5.5
Material margin, %	76.0	75.1	76.2	75.6	75.3
Personnel expenses, %	33.7	33.5	33.8	37.1	35.1

* In the second quarter of 2022, MEUR 0.4 of governmental assistance due to Covid-related business restrictions in the first quarter was retrospectively recorded. When adjusted by these grants, the segment's operational EBITDA was MEUR 2.0, EBIT MEUR 1.1 and EBIT margin 6.2%. The adjustment only applies between the first and the second quarter of 2022 and does not impact the cumulative result in the first half of 2022.

In April–June 2023, turnover decreased by 8.1% from the previous year to MEUR 15.9 (17.3). Operational EBITDA was MEUR 1.9 (2.4). EBIT was MEUR 1.2 (1.5) with a 7.8% (8.9) EBIT margin. In April–June 2023, turnover in Norway, denominated in Norwegian krone, was MNOK 113 (111), a growth of 1.1% compared to the previous year. Denominated in euro, the turnover in Norway decreased by MEUR 1.4 due to a significantly weaker Norwegian krone relative to the euro.

In January–June 2023, turnover increased by 6.4% from the previous year to MEUR 30.3 (28.5) Operational EBITDA was MEUR 3.5 (4.3). EBIT was MEUR 2.1 (2.6) with a 6.8% (9.1) EBIT margin.

Changes in the restaurant portfolio in April–June 2023

- Luca Østerbro, Copenhagen (closed)
- Cocks & Cows Amager, Copenhagen (closed)

TURNOVER BY BUSINESS AREA

FINNISH OPERATIONS	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Restaurants					
Turnover, MEUR	33.8	32.2	62.3	49.4	112.2
Share of total turnover, %	36.2	35.7	36.8	35.6	35.9
Change in turnover, %	4.7	-	26.0	-	54.4
Units at the end of period, number	91	92	91	92	93
Entertainment venues					
Turnover, MEUR	31.3	29.9	52.3	41.3	97.2
Share of total turnover, %	33.6	33.1	30.9	29.8	31.1
Change in turnover, %	4.9	-	26.7	-	91.9
Units at the end of period, number	74	71	74	71	71
Fast food -restaurants					
Turnover, MEUR	12.3	10.8	24.3	19.4	41.9
Share of total turnover, %	13.2	12.0	14.3	14.0	13.4
Change in turnover, %	14.3	-	24.9	-	20.6
Units at the end of period, number	54	48	54	48	52
Total turnover, MEUR	**77.4**	**72.9**	**138.9**	**110.2**	**251.2**

INTERNATIONAL BUSINESS	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Norway					
Turnover, MEUR	9.7	11.1	18.6	19.0	39.7
Share of total turnover, %	10.3	12.3	11.0	13.7	12.7
Change in turnover, %	-13.2	-	-1.8	-	136.1
Units at the end of period, number	21	21	21	21	21
Denmark					
Turnover, MEUR	6.2	6.2	11.7	9.5	21.9
Share of total turnover, %	6.7	6.9	6.9	6.9	7.0
Change in turnover, %	1.0	-	22.7	-	95.3
Units at the end of period, number	17	19	17	19	19
Total turnover, MEUR	**15.9**	**17.3**	**30.3**	**28.5**	**61.6**

CASH FLOW, INVESTMENTS AND FINANCING

The Group's operating net cash flow in January–June was MEUR 32.2 (32.3). Cash flow before change in working capital was MEUR 40.2 and changes in working capital MEUR 0.6.

The investment net cash flow in January–June was MEUR -7.1 (-1.7) The investments in January–June in Finland included, for example, the opening of four new Friends & Brgrs restaurants, nine concept changes from Hanko Sushi restaurant to Hanko Aasia restaurant and the acquisition of Lumo Laukontori Oy (Saunaravintola Kuuma). Investing activities in January–June 2022 included a MEUR 4.2 sale of Eezy Plc's shares, classified as assets held for sale.

Financial net cash flow amounted to MEUR -23.8 (-33.4), including MEUR 16.5 of IFRS 16 lease liability payments, MEUR 5.4 of dividend payments and MEUR 6.3 of amortisation of financial institution loans.

The Group's interest-bearing net liabilities excluding the impact of IFRS 16 liabilities increased during January–June by MEUR -1.9 and amounted to MEUR 122.9 at the end of the review period. The Group's gearing ratio excluding the impact of IFRS 16 liabilities increased from 135.1% at the beginning of the financial period to 147.5%.

Adjusted net finance costs in January–June excluding the expense due to the decrease of the market value of Eezy Plc shares classified as assets held for sale were MEUR 7.1 (6.1). IFRS 16 interest expenses included in adjusted net finance costs in January–June were MEUR 3.9 (3.6).

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

NoHo Partners becomes market leader in the Helsinki entertainment and nightclub market through a strategic acquisition

On 27 March 2023, NoHo Partners Plc announced that it had signed an agreement through which the Helsinki nightlife classics, Apollo Live Club, nightclub Maxine and Kaivohuone restaurant, transfer under the ownership of the Group's subsidiary Stadin Night Oy. The seller in the transaction is Night People Group, a Finnish restaurant Group. The businesses are recorded in Group figures as of 1 April 2023.

Decisions by NoHo Partners Plc's Annual General Meeting and first instalment of dividend payment

The Annual General Meeting of NoHo Partners Plc was held on 19 April 2023. The AGM approved all of the proposals submitted to the AGM and approved the Remuneration Report. The AGM adopted the financial statements for 2022 and discharged the company's management from liability for the financial period 1 January–31 December 2022. The decisions of the Annual General Meeting were disclosed with a stock exchange release and are available at the company's website at https://www.noho.fi/en/investors/.

According to the decision by the AGM, the first instalment of the dividend of EUR 0.20 per share was paid on 24 May 2023. The second instalment of EUR 0.20 per share will be paid no later than by 20 October 2023.

NoHo Partners acquires the popular Sauna Restaurant Kuuma in Tampere, Finland

On 27 April 2023, NoHo Partners Plc announced that the company acquired Sauna Restaurant Kuuma located in Tampere in central Finland. 100% of the shares of the company to be acquired, Lumo Laukontori Oy, transferred into NoHo Partners' ownership as of 1.6.2023.

The Board of Directors of NoHo Partners Oyj resolved on a directed share issue without payment to the company's key employees based on the share-based incentive plan

On 3 May 2023, NoHo Partners Plc announced that the Board of Directors of the company resolved on a directed share issue without payment to the key employees of the company in order to pay the reward for the third earning period of the long-term share-based incentive plan from 1 December 2021 to 31 March 2023. The share issue resolution is based on the authorization given by the Annual General Meeting on 19 April 2023. A total of 106 877 new shares were issued without payment in the share issue to eight key employees participating in the share-based incentive plan. As a result of the share issue, the total number of shares in NoHo Partners Oyj will be 20,806,678. The new shares were registered with the Trade Register on 5 May 2023. The new shares were admitted to trading on the official list of Nasdaq Helsinki Ltd. on 9 May 2023.

NoHo Partners acquires majority of the popular Sushibar + Wine -chain

On 15 June 2023, NoHo Partners announced that the company acquired the business operations of Sushibar + Wine – chain together with Matti Sarkkinen, one of the two founders. Sushibar + Wine transfers into the NoHo Partners Group as of 1 August 2023.

EVENTS AFTER THE REPORTING PERIOD

NoHo Partners acquires the leading Swiss premium burger chain Holy Cow! in collaboration with Intera Partners

On 6 July 2023, NoHo Partners announced that the company has, together with private equity investor Intera Partners, established Better Burger Society, a company targeting a leading position in the growing premium burger market in Europe. As part of the transaction, NoHo Partners' share ownership in Friends & Brgrs is invested into the new company. The first acquisition of Better Burger Society is the Swiss premium burger chain Holy Cow!. The transaction is expected to be completed during the third quarter of 2023.

The company issued a positive profit warning

On 6 July 2023, NoHo Partners announced it increased its profit guidance for 2023 concerning revenue in connection to the above-mentioned Holy Cow! -acquisition.

According to the new profit guidance, NoHo Partners estimates that, during the financial year 2023, it will achieve total turnover of approximately MEUR 380 and EBIT margin of approximately 9% in the restaurant business.

In July 2023, Group turnover was approximately MEUR 30.4

NoHo Partners' turnover in July 2023 was approximately MEUR 30.4 (29.3) and increased by 4% compared to the same period in the previous year.

NoHo Partners publishes in the interim reports the Group turnover for the first month of the commencing quarter. The target is to provide better service to investors through timely and transparent investor communications.

PERSONNEL

During January–June 2023, NoHo Partners Group employed on average 1,255 (1,284) full-time employees and 519 (682) part-time employees converted into full-time employees as well as 378 (327) rented employees converted into full-time employees.

Depending on the season, some 2,300 people converted into full-time employees work at the Group at the same time under normal circumstances.

NEAR-TERM RISKS AND UNCERTAINTIES

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 table describes the risks as well as measures to prepare for them and minimise them.

Geopolitical situation	The uncertain geopolitical situation may have an impact on the company's market environment. For the time being, the company does not see a significant impact on demand in its operating countries. The rise in the general cost level caused by the prevailing global situation has an impact on the company's business. To mitigate the impact, the company has prepared for rising raw material prices, for example, through the centralisation of purchase and sales agreements as well as price increases.
General financial situation and changes in customer demand	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 business outlook for the tourism and restaurant sector and consumer confidence have been weakened by the uncertain geopolitical climate and the general rise in costs. Demand for restaurant services has, however, remained at a good level. Inflation and weakening consumer purchasing power and confidence constitute a risk to the development of NoHo Partners' turnover and cash flow. The adaptation of 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.
Liquidity risk	The Group's financing needs will be covered by optimising working capital and through external financing arrangements so 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. Unexpected legislative amendments related to the company's business, might have a negative effect on the company's liquidity.
Financial risks	The Group strives to assess and track the amount of funding required by the business, for example by performing a monthly 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. Market interest rates may have a negative impact on the company's financial expenses. 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.
Amendments to legislation	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, food and labour laws and value-added taxation may affect the company's business.

Rent level development	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 significant impact on the Group's operations.
Labour market situation and labour supply	The availability of skilled part-time labour particularly during high seasons and on the weekends can be seen as an uncertainty factor, that may affect the company's business operations.
Goodwill write-off risk	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 external or internal factors.

Tampere, 8 August 2023

NOHO PARTNERS PLC
Board of Directors

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Consolidated statement of profit or loss and other comprehensive income

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Turnover	93.3	90.2	169.2	138.7	312.8
Other operating income	1.9	6.1	3.6	9.8	13.4
Materials and services	-31.1	-31.2	-55.9	-47.4	-105.7
Employee benefits	-23.0	-20.6	-42.9	-35.8	-77.7
Other operating expenses	-17.9	-16.9	-32.8	-27.3	-63.4
Depreciation, amortisation and impairment losses	-12.4	-11.6	-24.6	-23.3	-47.8
EBIT	**10.7**	**16.1**	**16.7**	**14.8**	**31.6**
Financial income	0.6	0.7	1.2	1.2	1.8
Interest expenses on financial liabilities	-1.9	-1.3	-3.4	-2.8	-5.0
Interest expenses for right-of-use assets	-2.1	-1.9	-3.9	-3.6	-7.4
Other finance costs	-2.1	-0.9	-2.3	-1.2	-11.9
Net finance costs	-5.5	-3.5	-8.5	-6.4	-22.5
Result before taxes	**5.3**	**12.7**	**8.2**	**8.4**	**9.1**
Tax based on the taxable income from the financial period	-1.3	-1.5	-2.9	-2.2	-3.1
Change in deferred taxes	0.1	-0.6	1.3	0.8	-1.2
Income taxes	-1.2	-2.1	-1.7	-1.4	-4.3
RESULT FOR THE FINANCIAL PERIOD	**4.1**	**10.5**	**6.6**	**7.0**	**4.9**
Result of the financial period attributable to					
Owners of the Company	3.4	8.9	5.3	5.4	1.5
Non-contorolling interests	0.7	1.6	1.2	1.5	3.4
Total	**4.1**	**10.5**	**6.6**	**7.0**	**4.9**

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Earnings per share calculated from the result of the review period for owners of the Company					
Basic earnings per share (EUR)	0.17	0.45	0.26	0.27	0.07
Diluted earnings per share (EUR)	0.16	0.45	0.25	0.27	0.07
Consolidated statement of comprehensive income					
Result of the financial period	4.1	10.5	6.6	7.0	4.9
Other comprehensive income items (after tax)					
Foreign currency translation differences, foreign operations	-0.4	-0.8	-1.3	-0.9	-1.1
Other comprehensive income items that may be subsequently reclassified to profit or loss, total	-0.4	-0.8	-1.3	-0.9	-1.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3.7**	**9.7**	**5.3**	**6.1**	**3.8**
Distribution of the comprehensive income for the financial period					
Owners of the Company	3.0	8.1	4.0	4.5	0.4
Non-controlling interests	0.7	1.6	1.2	1.5	3.4
Total	**3.7**	**9.7**	**5.3**	**6.1**	**3.8**

Non-recurring items for the reporting period 1 January – 30 June 2023

Due to the change in the fair value of Eezy Plc share MEUR 1.1 (0.8) has been recognised as net finance cost during the reporting period. During the financial year 2022, MEUR 10.4 reduction of the fair value was recognised in finance cost. More information on the treatment of Eezy Plc shares in the income statement is presented in the notes on page 17.

Consolidated Balance Sheet

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	148.7	136.9	141.0
Intangible assets	37.5	38.1	38.0
Property, plant and equipment	51.8	47.3	50.3
Right-of-use assets	174.5	167.4	159.4
Other investments	0.3	0.3	0.3
Loan receivables	0.2	0.3	0.2
Other receivables	1.8	2.7	1.8
Deferred tax assets	13.9	15.2	13.0
Total non-current assets	**428.8**	**408.2**	**403.9**
Current assets			
Inventories	6.9	6.5	5.6
Loan receivables	0.6	0.9	0.7
Trade and other receivables	21.0	20.2	21.8
Cash and cash equivalents	6.4	3.5	5.2
Total current assets	**34.9**	**31.1**	**33.3**
Total non-current assets held for sale	**14.9**	**25.6**	**16.0**
TOTAL ASSETS	**478.5**	**464.9**	**453.2**

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	0.2	0.2	0.2
Invested unrestricted equity fund	70.2	68.9	70.2
Retained earnings	-1.6	10.3	4.4
Total equity attributable to owners of the Company	**68.8**	**79.4**	**74.8**
Non-controlling interests	6.4	5.7	7.2
Total equity	**75.2**	**85.1**	**82.0**
Non-current liabilities			
Deferred tax liabilities	9.0	9.5	9.2
Financial liabilities	96.9	96.8	98.0
Liabilities for right-of-use assets	150.8	145.8	137.9
Other payables	10.9	2.7	6.1
Total non-current liabilities	**267.6**	**254.8**	**251.1**
Current liabilities			
Financial liabilities	33.2	34.7	29.1
Provisions	0.1	0.0	0.1
Liabilities for right-of-use assets	33.6	29.6	30.8
Income tax liability	3.7	3.5	2.3
Trade and other payables	65.1	57.3	57.8
Total current liabilities	**135.7**	**125.1**	**120.1**
Total liabilities	**403.3**	**379.9**	**371.2**
TOTAL EQUITY AND LIABILITIES	**478.5**	**464.9**	**453.2**

Consolidated Statement of Changes in Equity 2023

	Equity attributable to owners of the Company						
MEUR	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
Equity at 1 January	**0.2**	**70.2**	**-1.2**	**5.6**	**74.8**	**7.2**	**82.0**
Total comprehensive income for the period							
Result of the financial period				5.3	**5.3**	1.2	**6.6**
Other comprehensive income items (after tax)							
Foreign currency translation differences, foreign operations			-1.1		**-1.1**	-0.2	**-1.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**0.0**	**0.0**	**-1.1**	**5.3**	**4.2**	**1.0**	**5.3**
Transactions with shareholder							
Contributions and distributions							
Dividend distribution*				-8.3	**-8.3**	-1.2	**-9.5**
Issue of ordinary shares					**0.0**		**0.0**
Convertible bond conversion					**0.0**		**0.0**
Share-based payments				-0.4	**-0.4**		**-0.4**
TOTAL	**0.0**	**0.0**	**0.0**	**-8.7**	**-8.7**	**-1.2**	**-9.9**
Changes in ownership interests							
Changes in non-controllling interests				-1.5	**-1.5**	-0.7	**-2.2**
TOTAL	**0.0**	**0.0**	**0.0**	**-1.5**	**-1.5**	**-0.7**	**-2.2**
Total transactions with owners of the Company	**0.0**	**0.0**	**0.0**	**-10.2**	**-10.2**	**-1.9**	**-12.1**
Equity at 30 June	**0.2**	**70.2**	**-2.3**	**0.7**	**68.8**	**6.4**	**75.2**

* The Annual General Meeting approved on 19 April 2023 a dividend of EUR 0.40 per share to be paid. The dividend is paid in two instalments. the first instalment of the dividend of EUR 0.20 per share was paid on 24 May 2023. The second instalment of EUR 0.20 per share will be paid no later than by 20 October 2023.

Consolidated Statement of Changes in Equity 2022

	Equity attributable to owners of the Company						
MEUR	Share capital	Invested unrestricted equity fund	Translation difference	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
Equity at 1 January	**0.2**	**58.4**	**-0.1**	**5.9**	**64.4**	**5.0**	**69.4**
Total comprehensive income for the period							
Result of the financial period				5.5	**5.5**	1.5	**7.0**
Other comprehensive income items (after tax)							
Foreign currency translation differences, foreign operations			-0.9		**-0.9**	0.0	**-0.9**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**0.0**	**0.0**	**-0.9**	**5.5**	**4.6**	**1.5**	**6.1**
Transactions with shareholder							
Contributions and distributions							
Dividend distribution					**0.0**	-0.7	**-0.7**
Issue of ordinary shares		0.3			**0.3**		**0.3**
Convertible bond conversion		10.2			**10.2**		**10.2**
Share-based payments				0.5	**0.5**		**0.5**
TOTAL	**0.0**	**10.5**	**0.0**	**0.5**	**10.9**	**-0.7**	**10.3**
Changes in ownership interests							
Changes in non-controllling interests				-0.5	**-0.5**	-0.2	**-0.7**
TOTAL	**0.0**	**0.0**	**0.0**	**-0.5**	**-0.5**	**-0.2**	**-0.7**
Total transactions with owners of the Company	**0.0**	**10.5**	**0.0**	**0.0**	**10.5**	**-0.9**	**9.6**
Equity at 30 June	**0.2**	**68.9**	**-1.0**	**11.3**	**79.4**	**5.7**	**85.1**

Consolidated statement of cash flows

MEUR	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Cash flows from operating activities			
Result of the financial period	6.6	7.0	4.9
Adjustments to the result of the reporting period			
Non-cash transactions	-1.1	-2.0	0.9
Depreciation, amortisation and impairment losses	24.6	23.3	47.8
Net finance costs	8.5	6.4	22.5
Income taxes	1.7	1.4	4.3
Cash flow before change in working capital	**40.2**	**36.1**	**80.3**
Changes in working capital			
Trade and other receivables	-0.2	-4.1	-4.8
Inventories	-1.3	-1.5	-0.5
Trade and other payables	2.1	8.6	9.6
Changes in working capital	**0.6**	**3.0**	**4.3**
Interest paid and other finance costs	-7.5	-6.6	-12.9
Interest received and other finance income	0.1	0.0	0.2
Income taxes paid	-1.1	-0.3	-2.1
Net cash from operating activities	**32.2**	**32.3**	**69.8**
Cash flows from investing activities			
Dividend income	0.5	0.5	0.8
Acquisition of tangible and intangible assets	-6.5	-5.6	-14.7
Change in other non-current receivables	0.5	-0.2	-0.3
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-1.8	-0.1	-2.4
Business acquisitions	-0.7	-0.6	-3.6
Business divestment	0.8	0.2	0.4
Sales of shares of associated companies	0.0	4.2	4.2
Net cash from investing activities	**-7.1**	**-1.7**	**-15.6**

MEUR	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Cash flows from financing activities			
Proceeds from non-current loans and borrowings	5.0	0.0	0.0
Payment of non-current loans and borrowings	-6.3	-14.6	-26.0
Proceeds from/ repayments of current loans and borrowings	-0.8	-3.4	3.4
Current commercial papers drawn/repaid	2.0	0.0	0.0
Acquisition of non-controlling interests	-1.9	-0.1	-1.9
Payment of liabilities for right-of-use assets	-16.5	-14.6	-30.0
Dividend distribution	-5.4	-0.7	-0.8
Cash flows from financing activities	**-23.8**	**-33.4**	**-55.4**
Change in cash and cash equivalents	**1.2**	**-2.9**	**-1.2**
Cash and cash equivalents at the beginning of the financial period	**5.2**	**6.4**	**6.4**
Cash and cash equivalents at the end of the reporting period	**6.4**	**3.5**	**5.2**
Change in cash and cash equivalents	**1.2**	**-2.9**	**-1.2**

Notes

1. ACCOUNTING PRINCIPLES

This unaudited half-year report has been prepared observing the IAS 34 Interim Financial Reporting standard. The half-year report should be read together with the 2022 IFRS consolidated financial statements. The half-year report has been prepared by observing the same accounting principles as with the 2022 IFRS consolidated financial statements, with the exception of the new amendments to the IFRS standards effective as of 1 January 2023. The changes are described in the 2022 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.

All figures are presented as millions of euros (MEUR) and have been rounded to the nearest 0.1 million euros; thus, the sum of individual figures may deviate from the total sum presented.

Valuation and classification of the associated company Eezy Plc

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 classification, the company's shareholding in Eezy Plc has decreased from 25.3% to 20.5% and the company's representation on the Board of Directors of Eezy Plc decreased from two members to one member in the second quarter of 2022. Taking into account the classification of the shareholding as an asset held for sale, the decrease in the shareholding and the change in the number of the company's representatives on the Board of Directors of Eezy Plc, the company has changed the treatment of Eezy Plc from a business-related asset to an investment asset effective from 12 April 2022. As a result of the change in classification, items related to Eezy Plc will be recognised in financial items, below EBIT, going forward.

On 30 June 2023, NoHo Partners owned 5,139,745 shares in Eezy Plc, corresponding to a holding of approximately 20.5%. The book value of the shares on NoHo Partners Plc's balance sheet is MEUR 14.9, corresponding to EUR 2.90 per share at the end of the review period. Due to the change in the fair value of the share MEUR 1.1 has been recognised as financial cost during the financial year 2023. During the financial year 2022, MEUR 10.4 reduction of the fair value was recognised in finance cost: thus, the cumulative reduction in the fair value since the classification related to the number of shares at the end of the reporting period amounts to MEUR 11.5. If the fair value of Eezy Plc returns to its original book value, the recognised impairment will be reversed up the original value (EUR 5.14/share).

2. TURNOVER

DISTRIBUTION OF TURNOVER BETWEEN GOODS AND SERVICES

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Sales of goods	84.6	82.2	153.3	126.5	283.7
Sales of services	8.7	8.0	15.9	12.2	29.1
Total	**93.3**	**90.2**	**169.2**	**138.7**	**312.8**

DISTRIBUTION OF TURNOVER BY BUSINESS AREA

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Restaurants	33.8	32.2	62.3	49.4	112.2
Entertainment venues	31.3	29.9	52.3	41.3	97.2
Fast food restaurants	12.3	10.8	24.3	19.4	41.9
Restaurants in Norway	9.7	11.1	18.6	19.0	39.7
Restaurants in Denmark	6.2	6.2	11.7	9.5	21.9
Total	**93.3**	**90.2**	**169.2**	**138.7**	**312.8**

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 MEUR 0.0 (0.1) was recognised as credit losses and reduction of IFRS 9 credit loss provisions during the period 1 January–30 June 2023.

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 June 2023, the value of gift cards sold was EUR 2.7 million, and they are expected to be recognised as revenue during the next 12 months.

3. SEGMENT INFORMATION

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Turnover					
Finland	77.4	72.9	138.9	110.2	251.2
International	15.9	17.3	30.3	28.5	61.6
Group	**93.3**	**90.2**	**169.2**	**138.7**	**312.8**
Other operating income					
Finland	1.9	5.7	3.5	7.1	10.1
International	0.0	0.5	0.2	2.7	3.3
Group	**1.9**	**6.1**	**3.6**	**9.8**	**13.4**
Depreciation, amortisation and impairment losses					
Finland	-10.0	-8.8	-19.6	-17.8	-36.5
International	-2.4	-2.8	-5.0	-5.5	-11.3
Group	**-12.4**	**-11.6**	**-24.6**	**-23.3**	**-47.8**
EBIT					
Finland	9.5	14.6	14.6	12.2	28.2
International	1.2	1.5	2.1	2.6	3.4
Group	**10.7**	**16.1**	**16.7**	**14.8**	**31.6**
Operational EBITDA					
Finland	10.8	15.9	17.3	15.1	34.8
International	1.9	2.4	3.5	4.3	6.8
Group	**12.5**	**18.3**	**20.8**	**19.4**	**41.6**
Assets					
Finland			427.1	399.9	396.9
International			101.6	113.6	105.9
Eliminations			-50.1	-48.6	-49.5
Group			**478.5**	**464.9**	**453.2**
Liabilities					
Finland			334.3	303.3	301.0
International			119.2	125.2	119.7
Eliminations			-50.1	-48.6	-49.5
Group			**403.4**	**379.9**	**371.2**

The business operations of NoHo Partners are divided into two operational reported segments: the Finnish operations and the international business. The segments' business operations are monitored separately, and they are managed as separate units. The Country Managers of the international business are responsible for their business areas and participate in the international business steering group work on their business areas. Selections, product pricing and marketing measures are decided at the country level.

Business management needs vary from segment to segment, as the maturity of the business operations is very different. The company's position in the Finnish market has stabilised, and in addition to managing daily operational activities, it focuses on seeking growth in accordance with its strategy, both from the scaling up of the Friends & Brgrs chain to the national level as well as from large and profitable urban projects. With regard to international business operations, the company focuses on maintaining profitability level in Denmark and profitable international growth through acquisitions in Norway and Denmark.

The Group's supreme operational decision-maker, NoHo Partners' Executive Team, is responsible for resource allocation and income estimates. The segment information presented by the Group is based on the management's internal reporting that is prepared in accordance with the IFRS standards. The pricing between segments is based on a fair market price.

The Group's evaluation of profitability and decisions concerning the resources to be allocated to a segment are based on the segments' EBIT. It is the understanding of the management that this is the most suitable benchmark for comparing the profitability of the segments to other companies in their respective fields. Financial income and expenses are not monitored at the segment level, as the Group financing mainly manages the Group's liquid assets and financial liabilities.

4. GOVERNMENT GRANTS

The Group received government grants in all its operating countries during the financial year 2022. The comparative data is presented in the Note 2.3. of the Consolidated Financial Statements of NoHo Partners.

SPECIFICATION OF GOVERNMENT GRANTS

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Finland					
Business cost support/ compensation for fixed expenses	0.0	4.3	0.0	4.3	4.3
Norway					
Compensation for fixed expenses	0.0	0.3	0.0	1.3	1.3
Compensation related to wage expenses	0.0	0.1	0.0	0.4	0.4
Denmark					
Compensation for fixed expenses	0.0	0.0	0.0	0.6	0.6
Compensation related to wage expenses	0.0	0.0	0.0	0.2	0.2
Total	**0.0**	**4.8**	**0.0**	**6.9**	**6.9**

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.

5. CHANGES IN GROUP STRUCTURE

ACQUIRED SUBSIDIARIES AND BUSINESSES

	Business acquired	Shareholding acquired	Transfer of the right of ownership and management	Location
Night club acquisitions in Helsinki	x	100	1.4.2023	Helsinki
Kjos Renhold AS		100	1.4.2023	Oslo
Vin-Vin business acquisition	x		2.5.2023	Helsinki
Lumo Laukontori Oy		100	1.6.2023	Tampere

Stadin Night Oy, a subsidiary of NoHo Partners Plc, acquired on 1 April 2023 the businesses of Apollo Live Club and night club Maxine and the entire shareholding of Helsingin Kaivohuone Oy. The acquisitions have been treated as one entirety. The recognised transaction price does not include a potential seller´s sales price repayment, the amount of which is subject to average three year´s EBITDA.

On 1 June 2023 NoHo Partners Plc acquired Sauna Restaurant Kuuma, located in Tampere. 100% of the shares of Lumo Laukontori Oy, were transferred to NoHo Partners.

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

MEUR	Finnish operations	International business	Total
Assets			
Intangible assets	1.8	0.0	1.8
Property, plant and equipment	0.5	0.0	0.6
Non-current receivables	0.2	0.0	0.2
Current receivables	0.3	0.0	0.3
Inventories	0.2	0.0	0.2
Assets in total	**3.0**	**0.0**	**3.0**
Liabilities			
Financial liabilities	1.8	0.0	1.8
Other payables	8.1	0.0	8.1
Liabilities in total	**10.0**	**0.0**	**10.0**
Net assets	**-7.0**	**0.0**	**-7.0**
Total purchase consideration at time of acquisition			
Share of purchase consideration consisting of cash and cash equivalents	2.0	0.1	2.1
Total purchase consideration	**2.0**	**0.1**	**2.1**
Generation of goodwill through acquisitions			
Total purchase consideration	2.0	0.1	2.1
Net identifiable assets of the acquired entity	-7.0	0.0	-7.0
Goodwill	**9.1**	**0.1**	**9.2**

The 40% non-controlling interest related to the acquisition of the night clubs in Helsinki (Apollo Live Club, Maxine and Kaivohuone) does not impact the net assets at the time of the acquisition.

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

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

MEUR	Total acquisitions
Finnish operations	14.2
International business	0.0

Determination of contingent transaction prices

The amount of the transaction price for Sea Horse and Fat Lizard, acquired in 2022, that was paid at the time of acquisition was in total MEUR 4.0, of which the share of the share issue to the sellers of Sea Horse was MEUR 1.3. The contingent transaction prices related to the transactions are in total MEUR 1.9, of which MEUR 0.3 relates to the Sea Horse acquisition and MEUR 1.6 to the Fat Lizard acquisition. The remaining contingent transaction prices are based on the achievement of the financial targets in 2023.

The amount of the transaction price for Dubliners, DOD, MEO, Rådhuskroken, SFB and Complete Security, acquired in 2019, that was paid at the time of acquisition was MEUR 7.2. The acquisition related put and call options for redeeming shares in non-controlling interests' possession were extended to year 2026. The company has estimated that the probability of exercising the options is high. The shareholding of non-controlling interests, MEUR 1.2, is presented as a contingent additional transaction price under liabilities. According to the contracts, the fair value of the companies will be determined in 2026.

SOLD BUSINESS OPERATIONS

The Group didn't have any disposals of business operations during the reporting period.

EVENTS AFTER THE REPORTING PERIOD

THE VALUE OF THE BUSINESSES ACQUIRED AT THE MOMENT OF TRANSFER OF CONTROL

On 15 June 2023, NoHo Partners announced that the company acquired the business operations of Sushibar + Wine – chain together with one of the two founders. In the transaction four of Sushibar + Wine – chain´s restaurants located in Helsinki, including employees, transfer into a new company to be established. NoHo Partners owns 75% and Matti Sarkkinen 25% of the new company. The transfer of ownership is on 1 August 2023. The acquisition cost calculation has not yet been started.

On 6 July 2023, NoHo Partners announced the acquisition by its subsidiary Better Burger Society of the Swiss premium burger chain Holy Cow! for an acquisition price of approximately MEUR 24 for a 76% ownership. The transaction is expected to be completed during the third quarter of 2023 after the approval by the Finnish competition authorities. The acquisition cost calculation has not yet been started.

6. INTANGIBLE AND TANGIBLE ASSETS

GOODWILL

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Book value at the beginning of the period	141.0	137.1	137.1
Business acquisitions	9.1	0.4	5.5
Deductions	0.0	-0.1	-0.9
Translation differences	-1.4	-0.5	-0.7
Book value at the end of the review period	**148.7**	**136.9**	**141.0**

INTANGIBLE ASSETS

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Book value at the beginning of the period	38.0	40.4	40.4
Business acquisitions	1.7	0.1	2.5
Increase	0.4	0.0	0.1
Depreciation, amortisation and impairment losses	-2.2	-2.3	-4.9
Deductions	0.0	-0.1	0.0
Translation differences	-0.3	-0.1	-0.2
Book value at the end of the review period	**37.6**	**38.1**	**38.0**

PROPERTY, PLANT AND EQUIPMENT

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Book value at the beginning of the period	50.3	47.2	47.2
Business acquisitions	0.6	0.1	1.3
Increase	6.6	5.1	13.8
Depreciation, amortisation and impairment losses	-5.0	-4.7	-9.8
Deductions	0.0	-0.1	-1.6
Translation differences	-0.7	-0.2	-0.3
Transfers between account types	0.0	0.0	-0.2
Book value at the end of the review period	**51.8**	**47.3**	**50.3**

7. LEASE AGREEMENTS

The Group applies a practical relief to equipment leases, in accordance with which the Group combines leases with similar characteristics in the portfolio. The Group regularly assesses the size and composition of the portfolio of equipment leases. The incremental borrowing rate applied to new leases is 5.0%.

RIGHT-OF-USE ASSETS

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Book value at the beginning of the period	159.4	162.2	162.2
Business acquisitions	14.2	0.0	4.5
Increase	3.4	8.0	10.7
Reassessments and modifications	17.5	16.2	21.7
Depreciation, amortisation and impairment losses	-17.4	-16.3	-33.1
Deductions	0.0	-1.6	-5.2
Translation differences	-2.6	-1.1	-1.5
Book value at the end of the review period	**174.5**	**167.4**	**159.4**

CHANGE IN LEASE LIABILITY

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Book value at the beginning of the period	168.7	169.0	169.0
Net increases	35.1	22.5	31.7
Rent payments	-20.4	-18.2	-37.4
Rent concessions, Covid-19	0.0	-0.5	-0.5
Interest expenses	3.9	3.6	7.4
Translation differences	-2.9	-1.1	-1.6
Book value at the end of the review period	**184.4**	**175.3**	**168.7**

LEASE LIABILITY

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current	150.8	145.8	137.9
Current	33.6	29.6	30.8
Total	**184.4**	**175.3**	**168.7**

LEASES IN THE INCOME STATEMENT

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Rent concessions, Covid-19	0.0	0.0	0.0	0.5	0.5
Expenses related to short-term leases, leases for underlying assets of low value and variable leases	-3.7	-3.2	-5.7	-4.6	-10.4
Depreciation of right-of-use assets	-8.9	-8.1	-17.4	-16.3	-33.1
Interest expenses on lease liabilities	-2.1	-1.9	-3.9	-3.6	-7.4
Total	**-14.7**	**-13.1**	**-27.1**	**-24.0**	**-50.4**

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.

Covenant review is carried out on quarterly basis and the company fulfilled the covenants imposed.

MATURITY DISTRIBUTION OF FINANCIAL LIABILITIES

MEUR	Balance sheet value	<1 year	1-2 years	2-5 years	>5 years
Financial loans	121.6	24.7	15.2	80.6	1.1
Account limits in use*	8.5				
Total	**130.1**				

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 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.

MATURITY DISTRIBUTION OF INTEREST ON FINANCIAL LIABILITIES

MEUR	<1 year	1-2 years	2-5 years	>5 years
Interest on financial liabilities	6.4	5.5	4.1	0.3

The Group has made interest payments on loans in accordance with the normal terms of the financing agreement.

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

MEUR	Discounted balance sheet value	Undiscounted value	<1 year	1-2 years	2-5 years	>5 years
Non-interest-bearing transaction price liabilities	3.2	3.4	0.6	1.6	1.2	
Trade payables	22.5	22.5	22.5			
Liabilities for right-of-use assets	184.4	220.8	41.0	37.9	74.1	67.7
Total	**210.2**	**246.7**	**64.1**	**39.5**	**75.3**	**67.7**

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

On 30 June 2023, the Group's cash and cash equivalents totalled MEUR 6.4 and the unwithdrawn loan and account limits available to the Group amounted to MEUR 3.9. In addition, the Group owned 5,139,745 shares in the listed company Eezy Plc, corresponding to a holding of 20.5%. At the closing share price on 30 June 2023, the market value of this shareholding was MEUR 14.9.

9. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY AND FAIR VALUE HIERARCHY

30.6.2023 MEUR	Level	Fair value through profit or loss	Amortised acquisition cost	Fair value
Non-current financial assets				
Other investments	2	0.3		0.3
Loan receivables	2		0.2	0.2
Other receivables	2		1.8	1.8
Non-current financial assets total		**0.3**	**2.0**	**2.3**
Current financial assets				
Loan receivables	2		0.6	0.6
Trade and other receivables	2		21.0	21.0
Cash and cash equivalents	2		6.4	6.4
Current financial assets total			**28.0**	**28.0**
Carrying amount total		**0.3**	**30.0**	**30.3**
Financial liabilities	2		96.9	96.9
Liabilities for right-of-use assets			150.8	150.8
Liabilities for business acquisitions	3		2.8	2.8
Other liabilities	2		8.1	8.1
Non-current financial liabilities total			**258.6**	**258.6**
Current financial liabilities				
Financial liabilities	2		33.2	33.2
Liabilities for right-of-use assets			33.6	33.6
Liabilities for business acquisitions	3		0.6	0.6
Trade payables	2		22.5	22.5
Current financial liabilities total			**89.9**	**89.9**
Carrying amount total			**348.6**	**348.6**

30.6.2022 MEUR	Level	Fair value through profit or loss	Amortised acquisition cost	Fair value
Non-current financial assets				
Other investments	2	0.3		0.3
Loan receivables	2		0.3	0.3
Other receivables	2		2.7	2.7
Non-current financial assets total		**0.3**	**3.0**	**3.3**
Current financial assets				
Loan receivables	2		0.9	0.9
Trade and other receivables	2		20.2	20.2
Cash and cash equivalents	2		3.5	3.5
Current financial assets total			**24.7**	**24.7**
Carrying amount total		**0.3**	**27.7**	**27.9**
Financial liabilities	2		96.8	96.8
Liabilities for right-of-use assets			145.8	145.8
Liabilities for business acquisitions	3		1.9	1.9
Other liabilities	2		0.9	0.9
Non-current financial liabilities total			**245.3**	**245.3**
Current financial liabilities				
Financial liabilities	2		34.7	34.7
Liabilities for right-of-use assets			145.8	145.8
Liabilities for business acquisitions	3		0.2	0.2
Trade payables	2		21.9	21.9
Current financial liabilities total			**202.6**	**202.6**
Carrying amount total			**448.0**	**448.0**

Hierarchy levels	
Level 1	The fair values are based on the quoted prices of similar asset items or liabilities on the market.
Level 2	The fair values for the instruments are based on significantly different input information than the quoted prices at level 1, but they are, nevertheless, based on information (i.e. prices) or indirect information (i.e. derived from prices). In determining the fair value of these instruments, the Group uses generally accepted measurement models whose input information is largely based on verifiable market data.
Level 3	The fair values of the instruments are based on input data concerning the asset item or liability that is not based on verifiable market data; instead, they are largely based on the management's estimates and their use in generally accepted measurement models.

10. RELATED PARTY TRANSACTIONS

The Group's related parties are the parent company, subsidiaries, associated company and the key management personnel. Key management personnel include 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

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Sales	0.2	0.0	0.1
Lease costs	0.2	0.2	0.4
Purchases	8.5	8.2	18.1
Receivables	0.1	0.4	0.1
Liabilities	1.8	2.0	2.0

EEZY PLC'S SHARE OF RELATED PARTY TRANSACTIONS

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Sales	0.2	0.0	0.1
Purchases	7.9	7.5	16.3
Liabilities	1.7	1.9	1.9

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

SHARE-BASED INCENTIVE SCHEME FOR KEY PERSONNEL

The Board of Directors of NoHo Partners Oyj resolved on 3 May 2023 on a directed share issue without payment to the key employees of the company in order to pay the reward for the third earning period of the long-term share-based incentive plan from 1 December 2021 to 31 March 2023. The share issue resolution is based on the authorization given by the Annual General Meeting on 19 April 2023. The stock exchange release concerning the long-term share-based incentive plan for the key employees has been published on 30 November 2018 with information also available on the company's web page. A total of 106 877 new shares were issued without payment in the share issue to 8 key employees participating in the share-based incentive plan. As a result of the share issue the total number of shares in NoHo Partners Plc is 20 806 678.

Relating to the third earning period, an already earned maximum of 68 074 shares is contingent to the continuation of the key employees´ employment. MEUR 0.6 has been previously recognised as expenses and the plan will be paid out during the first quarter of 2024.

On 22 December 2022, NoHo Partners Plc announced the fourth earning period of the long-term share-based remuneration scheme for key personnel. The fourth earning period is 24 months, starting on 1 January 2023, and ending on 31 December 2024.The reward criteria for the fourth earning period are based on NoHo Partners Plc's profitable growth. There are ten participants in the long-term incentive plan's fourth earning period.

A maximum of 280,420 reward shares could be awarded for the fourth earning period. The value of the maximum reward at the average share price on the trading day on 21 December would be approximately EUR 2.0 million. The Board of Directors estimates that if the reward is fully paid in new shares, the maximum dilutive effect on the number of the company's registered shares for the fourth earning period is 1.34%.

Costs from the share-based incentive plan are recognised as staff expenses over time and in equity under earnings. Based on the management's estimate, MEUR 0.5 has been recognised as expenses for the fourth earning period during the financial year.

11. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

GUARANTEES AND CONTINGENT LIABILITIES

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Liabilities with guarantees included on the balance sheet			
Loans from financial institutions, non-current	96.0	92.4	96.9
Loans from financial institutions, current	23.4	29.2	22.4
Total	**119.4**	**121.6**	**119.3**
Guarantees given on behalf of the Group			
Collateral notes secured by a mortgage	37.3	37.5	37.3
Real estate mortgage	5.1	5.1	5.1
Subsidiary shares	109.3	103.9	106.9
Other shares	14.9	25.6	16.0
Bank guarantees	9.6	9.8	9.7
Other guarantees	3.0	3.1	3.1
Total	**179.2**	**185.0**	**178.1**
Purchase commitments			
Eezy Plc	**25.5**	**42.2**	**33.4**
Contingent transactions prices	**3.1**	**1.9**	**3.2**

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

12. KEY FIGURES

MEUR	Q2 2023	Q2 2022	Q1–Q2 2023	Q1–Q2 2022	Q1–Q4 2022
Earnings per share, EUR	0.17	0.45	0.26	0.27	0.07
Earnings per share adjusted by entries related to Eezy Plc shares, EUR	0.25	0.49	0.31	0.29	0.56
EBIT, %	11.5	17.9	9.9	10.7	10.1
Material margin, %	75.4	75.1	75.3	74.8	75.3
Personnel expenses, %	32.7	31.9	32.9	34.0	33.2
Average personnel					
Registered personnel					
Full-time personnel			1,255	1,284	1,211
Part-time personnel converted into full-time personnel			519	682	680
Rented workforce, converted to full-time equivalents			378	327	386
Return on equity, % (p.a.)			16.7	18.1	6.5
Return on investment % (p.a.)			9.3	8.1	8.6
Equity ratio, %			15.8	18.3	18.2
Adjusted equity ratio, %			25.9	29.5	29.1
Gearing ratio, %			408.6	355.2	353.1
Interest-bearing net liabilities			307.3	302.2	289.6
Adjusted net finance costs	3.7	2.7	7.1	6.1	12.9
Key figures excluding the IFRS 16 effect					
Gearing ratio, %			147.5	138.7	135.1
Interest-bearing net liabilities			122.9	126.9	121.0
Operational EBITDA, bridge calculation					
EBIT	10.7	16.1	16.7	14.8	31.6
Depreciation, amortisation and impairment losses	12.4	11.6	24.6	23.3	47.8
Translating IFRS 16 lease expenses to be cash flow based	-10.6	-9.4	-20.5	-18.7	-37.8
Operational EBITDA	**12.6**	**18.3**	**20.7**	**19.4**	**41.6**

The calculation formulas for key figures are presented on page 29.

CALCULATION FORMULAS OF KEY FIGURES

Key figures required by the IFRS standards

Earnings per share

$$\frac{\text{Parent company owners' share of result of the financial period}}{\text{Average number of shares}}$$

Earnings per share (diluted)

$$\frac{\text{Parent company owners' share of result of the financial period}}{\text{Diluted average number of shares}}$$

Alternative performance measures

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

Return on equity, %

$$\frac{\text{Result of the financial period (result attributable to the owners of the parent + result attributable to NCIs)}}{\text{Equity on average (attributable to owners of the company and NCIs)}} * 100$$

Equity ratio, %

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

Adjusted equity ratio, %

$$\frac{\text{Equity (attributable to owners of the company and NCIs)}}{\text{Total assets – advances received – liabilities according to IFRS 16}} * 100$$

Return on investment, %

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

Interest-bearing net liabilities

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

Interest-bearing net liabilities excluding IFRS 16

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

Gearing ratio, %

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

Gearing ratio, % excluding IFRS 16

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

Personnel expenses, %

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

Material margin, %

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

Adjusted net finance costs

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

Equity excluding IFRS 16 impact

Equity adjusted by cumulative IFRS 16 bookings related to the income statement

Operational EBITDA

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

Ratio of net debt to operational EBITDA

$$\frac{\text{Interest-bearing net liabilities adjusted for IFRS 16 lease liability}}{\text{Operational EBITDA (last 12 months)}}$$

NoHo

NORDIC HOSPITALITY PARTNERS

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, Sea Horse, Stefan's Steakhouse, Palace, Löyly, Hanko Aasia, Friends & Brgrs, Campingen and Cock's & Cows. Depending on the season, the Group employs approximately 2,300 people converted into full-time employees. The Group aims to achieve a turnover of EUR 400 million by the end of 2024. The company's vision is to be the leading restaurant company in Northern Europe.

WWW.NOHO.FI/EN