



HKFOODS

Half Year Financial Report 2025

6 August 2025

HKFoods' Half Year Financial Report 1 January–30 June 2025

EBIT continued to grow in the second quarter of 2025

April–June 2025

- HKFoods' profitability developed well in the second quarter. The comparable EBIT continued to grow and improved from the comparison period. The result for the period from continuing operations also showed clear growth.
- HKFoods' net sales from continuing operations decreased by 3.5 per cent to EUR 245.7 (254.6) million. Net sales were affected by the food industry strike in April and the shortage of beef. The cool early summer slowed down the start of the barbecue season and affected sales of seasonal products.
- Sales grew in the retail channel due to the growth in poultry and meat products. Consumer demand in Finland strengthened slightly from early 2025 and HKFoods strengthened its position in the meat product market. Sales in the food service channel were at the comparison period's level. There was a clear decline in industrial and export sales, although export sales in the comparison period were boosted by the port strike in March 2024, which caused deliveries to be shifted to the comparison period. Poultry meat exports to China developed according to plan.
- The Group's EBIT from continuing operations increased to EUR 6.2 (3.1) million.
- Comparable EBIT from the Group's continuing operations increased to EUR 6.5 (4.4) million. Comparable EBIT was driven by significant savings from the company's efficiency programme and a better sales mix.
- The strike in the food industry and the overtime and shift change bans related to labour market negotiations, along with the shortage and increased purchase price of beef, had a negative impact on comparable EBIT.
- Cash flow from business operations, including discontinued operations, strengthened and totalled EUR 21.2 (13.1) million. Operating working capital decreased, which significantly improved cash flow.
- The Group's result for the period from continuing operations increased clearly and was EUR 2.0 (-1.7) million.
- The Annual General Meeting held on 23 April 2025 resolved to refund EUR 0.09 per share from the company's reserve for invested unrestricted equity, and this was paid in May.
- During the review period, the company was conducting an assessment of the future of its Polish production unit in Swinoujście, including an evaluation of the possible sale of the unit. After the review period, on 3 July 2025, the company announced that it had completed the assessment and that the Polish production unit would continue to operate as part of the HKFoods Group.

January–June 2025

- HKFoods' profitability continued to develop well, and balance sheet strengthened. Comparable EBIT increased.
- HKFoods' net sales from continuing operations decreased by 0.8 per cent to EUR 479.4 (483.3) million. Sales grew in the food service channel and declined in the domestic retail. Nutritional recommendations have negatively impacted the demand for meat products. Industrial sales declined clearly, and export sales declined slightly.
- Net sales and profitability were negatively impacted by the strike in the food industry in April and the overtime and shift change bans related to labour market negotiations, as well as the shortage and increased purchase price of beef.
- The Group's EBIT from continuing operations increased clearly and totalled EUR 10.8 (4.3) million.
- Comparable EBIT from the Group's continuing operations increased to EUR 11.1 (5.8) million. Comparable EBIT was driven by significant savings from the company's efficiency programme and a better sales mix. The overall sales structure improved due to the growth in food service sales, the decline in less profitable meat exports, and industrial sales decreasing according to plan, among others.
- Cash flow from business operations, including discontinued operations, strengthened to EUR 16.6 (14.9) million.

- HKFoods' balance sheet strengthened, and interest-bearing net debt decreased to EUR 156.3 (215.6) million. Net gearing was 76.3 (98.1) per cent.
- Interest-bearing net debt excluding leasing liabilities under IFRS 16 was EUR 70.4 (124.4) million.
- The Group's result for the period from continuing operations was EUR 2.8 (-5.5) million.

The figures in parentheses refer to the same period in the previous year, unless otherwise mentioned. The figures are unaudited.

Outlook for 2025

HKFoods expects that in 2025 the Group's comparable EBIT will grow compared to 2024.

Key figures, net sales, continuing operations

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|---------------|----------|----------|----------|----------|---------|
| Net sales | 245.7 | 254.6 | 479.4 | 483.3 | 1,001.8 |

Key figures, EBIT, continuing operations

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|------------------|----------|----------|----------|----------|------|
| EBIT | 6.2 | 3.1 | 10.8 | 4.3 | 22.4 |
| - % of net sales | 2.5 | 1.2 | 2.3 | 0.9 | 2.2 |
| Comparable EBIT | 6.5 | 4.4 | 11.1 | 5.8 | 27.7 |
| - % of net sales | 2.6 | 1.7 | 2.3 | 1.2 | 2.8 |

Key figures, other

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|--|----------|----------|----------|----------|-------|
| EBITDA, continuing operations | 13.3 | 11.4 | 25.4 | 20.3 | 56.3 |
| Profit before taxes, continuing operations | 2.7 | -1.4 | 3.9 | -5.1 | 4.2 |
| - % of net sales | 1.1 | -0.6 | 0.8 | -1.1 | 0.4 |
| Profit for the period, continuing operations | 2.0 | -1.7 | 2.8 | -5.5 | -1.8 |
| - % of net sales | 0.8 | -0.7 | 0.6 | -1.1 | -0.2 |
| EPS, EUR, continuing operations | 0.00 | -0.03 | 0.00 | -0.09 | -0.09 |
| Comparable EPS, EUR, continuing operations | 0.01 | -0.02 | 0.00 | -0.07 | -0.04 |
| Cash flow from operating activities, incl. discontinued operations | 21.2 | 13.1 | 16.6 | 14.9 | 60.8 |
| Cash flow after investing activities, incl. discontinued operations | 15.4 | -3.3 | 5.6 | 70.6 | 141.7 |
| Return on capital employed (ROCE) before taxes, %, incl. discontinued operations | | | 6.3 | -1.1 | 0.9 |
| Interest-bearing net debt | | | 156.3 | 215.6 | 149.8 |
| Net gearing, % | | | 76.3 | 98.1 | 69.5 |

HKFoods' CEO Juha Ruohola

Our profitability developed well in the second quarter. The comparable EBIT continued to grow and improved from the comparison period. The result for the period from continuing operations also showed clear growth.

HKFoods' net sales from continuing operations decreased by 3.5 per cent to EUR 245.7 (254.6) million in April–June. However, January–June net sales of EUR 479.4 (483.3) million were almost at the comparison period's level. The review period's net sales were affected by the labour dispute in the food industry and the related strike in the food industry in April, as well as the shortage of beef. Although the shortage of beef affected profitability already in the early part of the year, its impact was most noticeable in the second quarter. The strike as well as the overtime and shift change bans related to labour market negotiations had a negative impact on sales particularly during the Easter season and May Day, which are important seasons for the company. The good news from the spring collective agreement negotiations was the achievement of a three-year industrial peace agreement for the food industry.

The cool early summer has slowed down the start of the barbecue season and affected sales of summer barbecue products. Nevertheless, our sales to the retail channel increased in the second quarter and our sales to the food service channel were at the comparison period's level. We also strengthened our position in the meat product market, even though the new nutritional recommendations released at the end of last year have had a negative impact on the overall meat products market. The shortage of beef has shifted consumer demand to poultry. Our industrial sales decreased according to plan. We also saw a clear decline in export sales, although export sales in the comparison period were boosted by the port strike in March 2024, which caused deliveries to be shifted to the comparison period. Poultry meat exports to China developed according to plan.

The company's comparable EBIT increased to EUR 6.5 (4.4) million in the second quarter. The comparable EBIT margin was 2.6 (1.7) per cent, representing an improvement not only from the comparison period but also from the previous quarter. We still have some way to go to reach our target of 4.0 per cent, but we are on the right track. The comparable EBIT was driven by significant savings from the ongoing efficiency programme and a better sales mix. On the other hand, the food industry strike resulted in a pig backlog at the company's contract farms, and clearing it caused additional costs. The availability challenges and increased purchase price for beef had a negative impact on the company's comparable EBIT.

Our investments in the production in Vantaa and Eura proceeded. Besides improving profitability and increasing the added value, these investments will enable us to grow in line with our strategy in meals, meal components and snacks. In Eura, our investment in the manufacture of ready-to-eat products was completed, and the new products from the production line were launched during the second quarter. Our investment in meal production at the Vantaa unit progressed well during the review period, and new technology products manufactured on the line will be launched in the third quarter of this year.

Over the past couple of years, we have undergone a major restructuring through the sale of our businesses in the Baltics, Sweden and Denmark. As a continuation of this work, during the review period we conducted an assessment of the future of our Polish production unit, which also included considering the possible sale of the unit as one option. As a result of this assessment, we decided to continue with the current group structure, with the Polish bacon unit continuing to operate as part of the HKFoods Group. In recent years, we have made investments in the unit, and it is profitable. In the HKFoods Group's operations in Finland and Poland, we are now focusing on improving the competitiveness of our core business and profitability of our operations, and on commercial activities.

I am pleased that the Financial Times ranked HKFoods as the only Finnish meat industry company for the fifth consecutive time among the European companies that have achieved the greatest reduction in their climate emissions.

Key events in April–June 2025

Food industry strike in April due to food industry dispute

Following the failure of the mediation between the Finnish Food Workers' Union (SEL) and the Finnish Food and Drink Industries' Federation (ETL) in early April 2025, a three-day strike in the meat and staple food sector took place from 8 to 10 April 2025. HKFoods' units in Forssa, Mikkeli and Vantaa were covered by the strike. The strike and the overtime and shift change bans related to labour market negotiations significantly affected the availability of the company's products, caused a pig backlog at the company's contract farms and resulted in additional costs for HKFoods during the review period.

HKFoods launched an investigation to assess the future of its Polish bacon unit

On 28 April 2025, HKFoods announced that it had launched an investigation to assess the future of its bacon production unit in Swinoujście, Poland, including the possible sale of the unit. The investigation was a continuation of HKFoods' assessment of its group structure and the objective of a possible sale was to strengthen the Group's balance sheet. The assessment was completed after the review period, and the unit will continue as part of the Group.

Details on the investigation to assess the future of the unit has been provided in the following stock exchange releases: [28 April 2025](#) and [3 July 2025](#).

Strategy

HKFoods' vision is to be the most valued partner of food moments. This means working together with all our employees to meet the changing needs of consumers and customers by creating sustainable, tasty and nutritious solutions for all meaningful food moments. It is a collaborative effort with customers, consumers, contract farmers and the company's other partners. HKFoods' strategic targets are sustainable commercial excellence and operational efficiency, increased added value and skilled employees.

Following the extensive restructuring, the company will focus on improving the competitiveness and profitability of its core operations and on commercial activities. HKFoods' core operations include pork, beef and poultry, meat products and ready meals and meal components.

HKFoods wants to grow in its core business by increasing the added value of its products and strengthening the value creation capacity of its own brands. The aim is to grow in product categories that make everyday life easier for consumers, such as meals, meal components and snacks. The company also aims to grow in poultry products and in new product categories. HKFoods wants to strengthen its relationship with consumers through its trusted brands and to renew commercially. The food service sector will continue to be an area of growth for the company.

Responsibility is a key part of HKFoods' operations, and the company is developing responsible food production throughout the value chain from farm to consumer by continuing its goal-oriented sustainability work. HKFoods' responsibility programme focuses on two themes: nature and people. Responsibility work is driven by business needs and the expectations and requirements of key stakeholders.

The environmental sustainability topics material to HKFoods' business include climate change, water, biodiversity and circular economy. In terms of social responsibility, material sustainability topics include health, safety and working conditions of the workforce, equal treatment, skills development and diversity, and consumer health and safety. In addition, good governance, corporate culture and animal welfare are key sustainability themes. The company's strategy has impacts on all sustainability topics identified as material to the company; the most important ones in the medium to long term are climate change, consumer health and safety, and animal welfare.

HKFoods is looking for new growth and pursues strategic business opportunities within the limits of its financial resources. For HKFoods, partnerships offer the opportunity to move into new business areas quickly and flexibly.

Corporate Responsibility

HKFoods' first Sustainability Statement for 2024, under the EU Corporate Sustainability Reporting Directive (CSRD) and ESRS reporting standards, was published as part of the Report of the Board of Directors on 27 March 2025. The Sustainability Statement covers topics material to the entire HKFoods value chain, the most important of which are climate change adaptation and mitigation, the wellbeing and skills of own workforce, consumer health and safety, and animal welfare.

The material sustainability topics are based on a double materiality analysis conducted in 2024, which covers the company's material impacts, risks, and opportunities and serves as the basis for sustainability reporting and responsibility work. The double materiality analysis was updated in the second quarter of 2025, but the material topics remained largely unchanged. The company's senior management will review the results in the second half of 2025.

The implementation of HKFoods Plc's policy governance model concerning the updating of policies and guidelines, division of responsibilities, and implementation of policies and guidelines began during the review period. The subsidiaries Kivikylän kotipalvaamo Oy and Lihaturku Harri Tamminen Oy are preparing their own company-specific models, which are planned to be implemented in the second half of 2025.

Key events in April–June in relation to material sustainability topics were as follows:

Climate change

HKFoods conducted a climate change scenario analysis and resilience analysis to assess possible future risks and opportunities under different climate scenarios extending to 2030 and 2050. The analysis helps HKFoods prepare for future challenges and changes and supports the company in developing its climate transition plan, achieving its climate targets and meeting reporting requirements.

The Financial Times ranked HKFoods for the fifth consecutive time among the European companies that have achieved the greatest reduction in their climate emissions. The Europe's Climate Leaders 2025 list, published in April, included 600 companies, of which just under 30 were from Finland. HKFoods was the only Finnish meat industry company on the list. The company has been on the Europe's Climate Leaders list since 2021.

Since 2024, HKFoods has participated in the Food 2.0 research, development and innovation programme funded by Business Finland and led by Valio. The aim of the programme is to reform Finland's food system to make it more sustainable, profitable and exportable. Two three-year projects have been launched under the programme in 2025: the Towards Climate Positive Agriculture project (Carbon+), coordinated by the University of Helsinki, is investigating the impact of agricultural aerosols on climate change, and the AGCLIMATE research project, led by the Finnish Meteorological Institute, is developing solutions to reduce greenhouse gas emissions from agricultural lands.

Own workforce

HKFoods' aim is to create a safe and healthy working community where employee experience, inclusive corporate culture, continuous learning and wellbeing are key elements.

In 2025, HKFoods has continued to develop its corporate culture by investing particularly in staff training, occupational wellbeing and safety and high-quality management. In the second quarter, the company continued the wellbeing models and support schemes launched in the previous year, with the aim of supporting the physical, social and mental wellbeing of employees. Concrete forms of support include a company bicycle benefit and low-threshold services to support mental wellbeing.

HKFoods' key objective is to be a safe workplace for its own workforce and for its partners operating in the units. The company's goal is zero accidents at work. To achieve this, the company carries out goal-oriented safety work focused on accident prevention and promoting a proactive safety culture through measures such as safety training and regular communication. Employees are encouraged to actively report safety observations and to continuously develop safety practices together with their superiors.

The lost-time injury rate (LTIR) for accidents leading to sick leave among HKFoods Group's own workforce in Finland and Poland for the previous 12 months was 19.1 (comparison figure not available for 2024). The LTIR figure also includes the subsidiaries Kivikylän kotipalvaamo Oy, Lihatukku Harri Tamminen Oy and Jokisen Eväät Oy.

In terms of occupational safety, HKFoods continues the harmonisation and development of critical processes. During the second quarter, a new HESQ system and new occupational safety and fire safety guidelines were introduced at all production plants of HKFoods Finland Oy and HKFoods Poland Sp.z o.o. in Finland and Poland.

Consumers and nutrition

In April, HKFoods received an honourable mention in the Food Innovation of the Year competition with its Flavoured Salt innovation for promoting health and making everyday life easier. In the review period, HKFoods also presented the Flavoured Salt innovation at a stakeholder seminar, organised by the National Nutrition Council, the Ministry of Social Affairs and Health and the Ministry of Agriculture and Forestry, which focused on the implementation of food-based dietary guidelines in the Nordic countries.

Flavoured Salt contains no sodium and consists of potassium chloride and flavourings. By replacing part of the salt with Flavoured Salt, it has been possible to reduce salt in several HK® and Kariniemen® products while maintaining the familiar taste. HKFoods has exclusive rights to Flavoured Salt for the time being. The first renewed products were launched in stores in January 2025.

Details on the matter were provided in the following releases: [28 January 2025](#) and [11 April 2025](#) (in Finnish)

Group net sales and EBIT

April–June

Net sales

HKFoods' net sales from continuing operations decreased by 3.5 per cent to EUR 245.7 (254.6) million. Net sales were affected by the strike in the food industry in April and the shortage of beef. The cool early summer delayed the start of the barbecue season and affected the sales of seasonal products.

Sales grew in the retail channel due to the growth in poultry and meat products. Consumer demand in Finland strengthened slightly from the early part of the year. In retail, beef sales declined due to shortage of beef, but poultry sales continued to grow. Sales of meat products increased, due to growth in sausage sales, among others, and HKFoods strengthened its position in the meat products market. HKFoods' retail market share remained at the previous year's level.

Sales to the food service channel were at the comparison period's level. The food service market was affected by the cool early summer, which reduced customer numbers at service stations and other restaurants popular with travellers, for example. Restaurant visits have been less frequent, and customers are choosing more affordable dishes and beverages from the menu.

Industrial sales decreased clearly and in line with plans. There was a clear decline in export sales, although the port strike in March 2024 increased sales in the comparison period as deliveries were shifted to the comparison period. Export sales of poultry increased as exports to China started in the first quarter. Poultry meat exports to China developed according to plan.

As a result of the sale of the Swedish and Danish businesses, bacon sales to Sweden by the Polish bacon unit are reported as the company's external sales from April 2024 and to Denmark from November 2024.

EBIT

HKFoods' EBIT from continuing operations grew to EUR 6.2 (3.1) million. The comparable EBIT from continuing operations increased to EUR 6.5 (4.4) million. An item affecting comparability of EUR -0.3 (-1.3) million

was recorded in continuing operations. Items affecting comparability are described in more detail in the Tables section of this report.

Comparable EBIT was driven by significant savings from the company's efficiency programme and a better sales mix.

The food industry strike and the overtime and shift change bans related to labour market negotiations, along with the shortage and higher purchase prices of beef, had a negative impact on the comparable EBIT.

January–June

Net sales

HKFoods' net sales from continuing operations decreased by 0.8 per cent to EUR 479.4 (483.3) million. Net sales declined due to the food industry strike in April, overtime and shift change bans related to labour market negotiations, and the shortage of beef. Sales grew in the food service channel and declined in domestic retail.

In retail, beef sales declined due to shortage of beef, but pork and poultry sales increased. Sales of meat products declined due to the new nutritional recommendations released in November 2024 and the food industry strikes.

Industrial sales decreased clearly in line with plans. Export sales declined slightly as domestic demand has reduced the need for less profitable meat exports. However, export sales of poultry grew clearly after sales to China started in the review period.

EBIT

HKFoods' EBIT from continuing operations grew clearly and was EUR 10.8 (4.3) million. The comparable EBIT from continuing operations increased to EUR 11.1 (5.8) million.

An item affecting comparability of EUR -0.3 (-1.5) million was recorded in continuing operations. Items affecting comparability are described in more detail in the Tables section of this report.

The comparable EBIT increased due to significant savings from the company's efficiency programme and a better sales mix. The overall sales structure improved due to the growth in food service sales, the decline in less profitable meat exports, and industrial sales decreasing according to plan, among others. The food industry strike and the overtime and shift change bans related to labour market negotiations, along with the shortage and higher purchase prices of beef, had a negative impact on the profitability.

Balance sheet, cashflow and financing

HKFoods' balance sheet continued to strengthen, and at the end of June 2025, HKFoods' balance sheet total was EUR 522.5 (591.0) million. The Group's interest-bearing debt at the end of June was EUR 202.9 (231.7) million including an IFRS 16 lease liability of EUR 85.9 (91.2) million. The company's net debt decreased from the comparison period by EUR 59.3 million to EUR 156.3 (215.6) million. From the end of 2024, the seasonal growth in the net debt was EUR 6.5 million. HKFoods' net gearing ratio was 76.3 (98.1) per cent. The impact of the IFRS 16 lease liability on the net gearing ratio was 41.9 percentage points.

At the end of June 2025, the company had a hybrid bond issued in 2018 amounting to EUR 25.9 million. The hybrid bond does not have a specified maturity date, and the hybrid bond is treated as equity. The next possible redemption date for the hybrid loan will be in September 2025.

The Group's liquidity position was stable. A commercial paper programme had been drawn to the amount of EUR 23.0 (4.0) million. Committed credit facilities at the end of June 2025 stood at EUR 20.0 (20.0) million and had been drawn to the amount of EUR 0.0 (0.0) million. In April–June, net financial expenses from continuing operations were EUR -3.8 (-4.9) million and in January–June EUR -7.7 (-9.9) million.

Cash flow from operating activities in April–June was EUR 21.2 (13.1) million and in January–June EUR 16.6 (14.9) million. Cash flow after investments was EUR 15.4 (-3.3) million in April–June and totalled EUR 5.6 (70.6) million in January–June.

HKFoods' covenants for bank loans and revolving credit facilities are the net gearing ratio and the ratio of net debt to EBITDA. EBITDA includes the share of profits from associates and joint ventures. The net gearing ratio limit was 110 per cent for bank loans until the end of June 2025, 105 per cent until the end of March 2026 and 100 per cent from June 2026. At the end of June 2025, the company's net gearing ratio was 76.3 per cent.

The covenant limit for net debt to EBITDA ratio for bank loans at the end of the review period was 3.5. The limit is 3.25 starting from the end of September 2025 and 3.0 starting from the end of June 2026. At the end of June 2025, the net debt to EBITDA ratio was 2.5.

The net gearing ratio limit for the bond is 120 per cent. HKFoods made a capital repayment for year 2024 from the reserve for invested unrestricted equity in May 2025. If the company distributes a dividend or pays a capital repayment, the net debt to EBITDA ratio must not exceed 3.5 as a result of the capital repayment, when applied to the published ratio for the quarter preceding the decision date. From July 2025, this limit will be 3.0.

Disputes and pending legal proceedings

There are administrative proceedings pending with the authorities; an investment-related legal process and a dispute relating to damage compensation. Regardless of the outcome, the proceedings are not expected to have an impact on the company's financial key figures.

Investments

HKFoods' investments in continuing operations in April–June amounted to EUR 6.5 (8.7) million. Investments for January–June were EUR 10.8 (14.8) million. IFRS 16 increases to right-of-use assets totalled EUR 1.7 (0.1) million in April–June and EUR 2.0 (5.4) million in January–June.

In March 2024, the company decided to centralise the packaging operations of poultry products from Eura to Rauma and Forssa, and to make an investment of approximately EUR 8 million in a production line for ready-to-eat products in its Eura unit. In addition, basic renovation work on the premises of the Eura unit will bring the total investment in Eura to around EUR 9.7 million. The investment in the production of ready-to-eat products was completed and the new products made on the line were launched in the second quarter of 2025.

In September 2024, HKFoods decided on a significant strategic investment of approximately EUR 5 million in the meal production of its Vantaa unit. The investment is HKFoods' response to the growing demand for ready meals in both the retail and food service sectors. The investment proceeded well during the review period and the new technology, high-quality products made on the line will be launched in the third quarter of

2025.

The investments in both Vantaa and Eura support HKFoods' strategy to increase added value and operational efficiency as well as its goal to grow in product categories that make consumers' everyday lives easier, such as meals, meal components and snacks.

In Poland, the company continued the investment in increasing the added value of Polish operations and the property development project during the first half of the year.

In addition, HKFoods implemented several smaller efficiency investments during the review period.

Exports

HKFoods aims to grow the exports and added value of its products in selected product categories and to make the most efficient and sustainable use of all parts of carcasses. HKFoods exports meat and meat products to, e.g., Japan, New Zealand and South Korea as well as several European countries. In April–June 2025, meat products accounted for approximately 60 per cent of exports (approximately one-fifth in the comparison period). During the review period, HKFoods launched a website www.hk-nordcraft.com for Italian and Japanese consumers to strengthen its exports of products.

HKFoods started exporting poultry meat from Finland to China in late 2024, when the company's Rauma unit was granted an export licence. The first sea container deliveries of poultry meat were made to China during the first quarter of 2025, and poultry meat exports to China have developed according to plan.

Changes in the international meat market

Strong demand for poultry meat is expected to continue. Beef supply in the EU is expected to remain scarce until the end of the year. The price of pork in the EU increased in the second quarter compared to the previous quarter but remained lower than in the comparison period last year. EU export prices are being challenged by low pork prices in the United States and Brazil. The anti-dumping investigation on EU pork launched by the Chinese Ministry of Commerce in June 2024 and the import tariffs imposed by the United States in April 2025 are creating uncertainty in the market.

Personnel

HKFoods employed 2,974 (3,013) people in its continuing operations.

| Continuing operations personnel | 1–6/2025 | 1–6/2024 | 2024 |
|---------------------------------|----------|----------|---------|
| Personnel on average* | 2,974 | 3,013 | 3,000 |
| Women / men % | 42 / 58 | 41 / 59 | 40 / 60 |
| Women / men of superiors % | 39 / 61 | 37 / 63 | 37 / 63 |

* Figures include persons employed by HKFoods converted to full-time equivalents (FTE).

Shares and shareholders

At the end of June 2025, HKFoods Plc's paid and registered share capital stood at EUR 66,820,528.10. The company's issued shares totalled 89,910,373 and were divided into two share series as follows: A shares, 85,175,373 (94.73% of the total number of shares) and K shares, 4,735,000 (5.27% of the total number of shares). The A shares are quoted on Nasdaq Helsinki Ltd. The K shares are held by LSO Osuuskunta (4,735,000 shares) and are not listed.

In March 2025, HKFoods Plc cancelled 8,376,408 of its own series A shares and 665,000 of its own series K shares. At the end of June, HKFoods Plc held 0 (8,376,408) of its own series A shares and 0 (665,000) of its own K shares. They accounted for 0.00% of all shares and 0.00% of the voting rights.

The calculated market value of HKFoods' shares at the end of June stood at EUR 134.9 (59.3) million. The market value of the series A shares was EUR 127.8 (56.2) million, and the calculated market value of the unlisted series K shares was EUR 7.1 (3.1) million.

In January–June, a total of 7,909,654 (4,804,697) of the company's shares were traded with a total value of EUR 9,536,471 (3,509,114). The highest price quoted was EUR 1.84 (0.83) and the lowest EUR 0.77 (0.61). The average price was EUR 1.21 (0.73). At the end of June, the closing price was EUR 1.50 (0.66).

Annual General Meeting 2025

HKFoods Plc's Annual General Meeting (AGM), held on 23 April 2025 in Turku, confirmed the financial statements of the parent company and the Group, granted discharge to the members of the Board of Directors (Board) and the CEO for 2024 and approved the remuneration report. The AGM decided that the company will not distribute a dividend for the financial year 2024. The AGM decided to distribute EUR 0.09 per share from the company's reserve for invested unrestricted equity for the year 2024. In addition, the AGM authorised the Board to decide on the distribution of the funds recorded in the reserve for invested unrestricted equity, at its discretion, up to a maximum of EUR 0.05 per share.

The Board members Reijo Kiskola, Jari Mäkilä, Terhi Tuomi, Ilkka Uusitalo, Niclas Diesen, Lauri Sipponen and Sami Yski were re-elected as members of the Board. Outi Henriksson was elected as a new member of the Board until the end of the AGM 2026. At the organisational meeting after the AGM, the Board re-elected Reijo Kiskola as Chair and Jari Mäkilä as Vice Chair.

The auditing firm Ernst & Young Oy was elected as the company's auditor until the end of the next AGM and Maria Onniselkä, Authorized Public Accountant, as the lead audit partner. In addition, the auditing firm Ernst & Young Oy was elected as the sustainability auditing assurer until the end of the next AGM, with Maria Onniselkä, Authorized Sustainability Auditor (ASA), as the lead sustainability assurer.

The AGM decided to amend items 1, 6 and 8 of the Shareholders' Nomination Board's charter to read as follows:

- item 1, company name, HKFoods Plc
- item 6, the Nomination Board will also take into account the general familiarity with sustainability issues (environmental, social responsibility, good governance) when proposing members
- item 8, the Nomination Board shall submit its proposals to the Board of Directors in good time so that the proposals can be included in the invitation to the AGM.

The AGM authorised the Board to decide on share issues and on the issue of option rights and other special rights entitling to shares. In addition, the AGM authorised the Board of Directors to decide on the acquisition and/or pledge of the company's own series A shares. The authorisations will be valid until 30 June 2026, and they revoke both the authorisation granted by the Extraordinary General Meeting on 28 February 2024 to the Board to decide on the issue of series A shares and the authorisation granted by the AGM on 18 April 2024 to the Board to acquire and/or to accept as pledge the company's own series A shares.

The resolutions of the AGM were published in full in the stock exchange release of [23 April 2025](#), and the minutes of the AGM are available on the company's website at www.hkfoods.com.

Share-based long-term incentive plans

The performance/vesting periods of the company's long-term incentive plans 2018–2020 and 2019–2021 (Performance Share Plan (PSP) 2018–2020, Performance Share Plan (PSP) 2019–2021 and Restricted Share Plan (RSP) 2019–2021) have expired.

On 7 April 2021, HKFoods announced changes to the payment schedules of both the Performance Share Plan (PSP) and Restricted Share Plan (RSP) to ensure relative alignment with the company's long-term performance and shareholder returns. According to the new payment schedule, part of the rewards earned were paid during 2021–2023, and the remaining portion of the Group Executive Team rewards was deferred to be paid during 2024–2025. The deferred rewards will be paid on the basis of the achievement of minimum targets set by the Board of Directors for total shareholder return (TSR) and profitability. The Board of Directors has set a ceiling on the cost of the deferred reward.

Part of the shares earned based on the achievement of the performance targets in the 2018–2020 PSP was paid out in spring 2021 according to the original payment schedule and part of the rewards was paid out in spring 2022 according to the new payment schedule. Part of the shares earned based on the achievement of the performance targets in the 2019–2021 PSP and meeting the financial indicator of the 2019–2021 RSP was paid out in spring 2022 and 2023 according to the original payment schedule.

The minimum targets for rewards deferred for 2024–2025 were not met, and therefore no deferred rewards were paid for 2024–2025.

In April 2023, HKFoods announced a new Performance Share Plan for the CEO for the period 2023–2027. Further information on the CEO's incentive scheme is available in the stock exchange release published on [3 April 2023](#).

More information on the share-based incentive plans is available on the company website at: <https://www.hkfoods.com/en/investors-information/corporate-governance/remuneration/>

Short-term business risks

The company's operations involve risks that may affect its results or financial position. HKFoods has described its business risks and risk management in more detail in its 2024 Annual Review, available at <https://www.hkfoods.com/en/investors-information/annual-review-2024/>.

Risks related to the economic operating environment

The decline in economic outlook has accelerated due to the extensive import tariffs imposed by the United States and counter-tariffs imposed by the EU and China. If no agreement is reached in the tariff dispute, market uncertainty and weak consumer confidence will continue.

In October 2024, the European Commission decided to impose tariff increases on Chinese electric cars for the next five years. Possible Chinese counteraction on food imports from Europe may affect HKFoods' exports of pork and poultry meat to China.

If the long-term interest rate level starts to rise again, the risk of impairment losses will increase and may affect the company's economic and financial position, despite the company's improved performance. The company's financing agreements include covenants, which are described in more detail in the section Balance sheet, cashflow and financing.

Changes in consumer demand and behaviour

The development of consumer demand includes uncertainty due to weakened employment and reduced consumer purchasing power. Should consumer demand weaken significantly, this could have a negative impact on the company's profitability. Weaker consumer purchasing power may shift demand to lower-priced products and product categories, which may be reflected in a decline in HKFoods' sales volume in higher-priced products and an increase in basic food products.

The new national nutritional recommendations published in November 2024 have had a negative impact on the meat products market. This may also have an impact on the development of the meat products market in the longer term.

Potential food scandals, discussions surrounding climate change and unexpected actions by pressure groups may affect consumer demand and HKFoods' business.

Price increase and availability of production inputs and raw materials

Uncertainty about the availability and price of production inputs can be reflected in production costs. A possible recurrence of the liquidity and profitability crisis affecting farms could weaken the availability of local meat raw material or the company's profitability if the company fails to raise the sales prices of its products to cover higher costs in the production chain alongside measures to improve production efficiency. Especially the number of dairy farms and dairy cows has declined significantly in recent years, which affects the availability and price of beef for the company.

Other short-term risks

Other short-term risks relate, for example, to food safety in the long production chain. The possibility of animal diseases cannot be ruled out either. The threat of cyber risks has increased, and potential cyber-attacks could have serious consequences for business operations and profitability. HKFoods manages these risks through continuous monitoring, system updates, staff training, and the introduction of new technologies.

Events after the reporting period**Polish production unit to continue as part of the Group**

HKFoods completed its assessment of the future of its bacon unit in Swinoujście, Poland, and announced on 3 July 2025 that the Polish production unit will continue its operations as part of the HKFoods Group. The company has invested in the Polish bacon unit over the past years, and the unit is profitable. The company has developed the unit's capacity and efficiency by investing in a slicing and packaging line in 2024, for example. During the first half of 2025, the company has also continued the investment in increasing the added value of its Polish operations and the property development project. HKFoods Poland Sp. z o.o.'s net sales in 2025 are estimated at EUR 70 million. The unit also has intra-group sales and employs approximately 300 people.

Details on the matter were provided in the following stock exchange releases: [28 April 2025](#) and [3 July 2025](#).

Turku, 6 August 2025

HKFoods Plc

Board of Directors

Webcast

In connection with its Half Year Financial Report for January–June 2025, HKFoods will hold a briefing for analysts, institutional investors and media on 6 August 2025 at 10:00 a.m. EEST as a webcast at <https://hkfoods.events.inderes.com/q2-2025>.

The event will be held in Finnish, and the recording will be available later in the day at www.hkfoods.com.

The Half Year Financial Report for January–June 2025 will be presented by CEO Juha Ruohola and CFO Mika Tilli.

To arrange investor calls, please contact Executive Assistant Suvi Oksava, tel. +358 44 554 4231 or suvi.oksava@hkfoods.com.

Financial reports in 2025

HKFoods will publish its Interim Report for January–September 2025 on Wednesday 5 November 2025 at about 8:30 EET.

Further information

Juha Ruohola, CEO, tel. +358 400 647 160

Mika Tilli, CFO, tel. +358 50 538 5793

HKFoods Media Service Desk email communications@hkfoods.com or tel. +358 10 570 5700.

With 110 years of experience, we at HKFoods make life tastier – today and tomorrow. With nearly 3,000 professionals, we make responsible and locally produced food for consumers' various food moments. Our well-known brands in Finland are HK®, Kariniemen® and Via®. We are developing a more climate-friendly way of producing food. HKFoods is a publicly listed company, and in 2024, our net sales totalled EUR 1 billion. www.hkfoods.com

The brands mentioned in this report – HK®, Kariniemen® and Via® – are registered trademarks of HKFoods Group.

Consolidated Half Year Financial Report 1 January–30 June 2025

Consolidated income statement

| (EUR million) | | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|---|----|----------|----------|----------|----------|---------|
| Continuing operations: | | | | | | |
| Net sales | | 245.7 | 254.6 | 479.4 | 483.3 | 1,001.8 |
| Cost of goods sold | 1. | -226.0 | -237.6 | -441.4 | -452.6 | -925.0 |
| Gross profit | | 19.7 | 17.0 | 38.0 | 30.7 | 76.8 |
| Other operating items total | 1. | 1.2 | 2.4 | 2.4 | 4.9 | 8.8 |
| Sales and marketing costs | 1. | -7.7 | -7.6 | -13.4 | -14.6 | -27.1 |
| General administration costs | 1. | -7.0 | -8.7 | -16.1 | -16.7 | -36.0 |
| Operating profit | | 6.2 | 3.1 | 10.8 | 4.3 | 22.4 |
| Financial income | | 1.3 | 1.2 | 2.4 | 2.3 | 4.6 |
| Financial expenses | | -5.0 | -6.1 | -10.1 | -12.2 | -24.1 |
| Share of profit/loss in associates and joint ventures | | 0.3 | 0.3 | 0.8 | 0.5 | 1.2 |
| Profit/loss before taxes | | 2.7 | -1.4 | 3.9 | -5.1 | 4.2 |
| Income tax | | -0.7 | -0.2 | -1.0 | -0.4 | -6.0 |
| Profit/loss for the period, continuing operations | | 2.0 | -1.7 | 2.8 | -5.5 | -1.8 |
| Profit/loss for discontinued operations | | -3.6 | 1.3 | -3.9 | -20.4 | -24.0 |
| Profit/loss for the period | | -1.6 | -0.4 | -1.1 | -25.9 | -25.8 |
| Profit/loss for the period attributable to: | | | | | | |
| Equity holders of the parent | | -2.6 | -0.8 | -2.3 | -26.4 | -29.2 |
| Non-controlling interests | | 1.0 | 0.5 | 1.2 | 0.5 | 3.4 |
| Total | | -1.6 | -0.4 | -1.1 | -25.9 | -25.8 |
| Earnings per share calculated on profit attributable to equity holders of the parent: | | | | | | |
| EPS, undiluted, continuing operations, EUR/share | | 0.00 | -0.03 | 0.00 | -0.09 | -0.09 |
| EPS, diluted, continuing operations, EUR/share | | 0.00 | -0.03 | 0.00 | -0.09 | -0.09 |
| EPS, undiluted, discontinued operations, EUR/share | | -0.04 | 0.01 | -0.04 | -0.23 | -0.26 |
| EPS, diluted, discontinued operations, EUR/share | | -0.04 | 0.01 | -0.04 | -0.23 | -0.26 |
| EPS, undiluted, EUR/share | | -0.04 | -0.02 | -0.04 | -0.31 | -0.36 |
| EPS, diluted, EUR/share | | -0.04 | -0.02 | -0.04 | -0.31 | -0.36 |

Consolidated statement of comprehensive income

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|---|----------|----------|----------|----------|-------|
| Profit/loss for the period | -1.6 | -0.4 | -1.1 | -25.9 | -25.8 |
| OTHER COMPREHENSIVE INCOME (after taxes): | | | | | |
| Items that may be subsequently reclassified to profit or loss | | | | | |
| Exchange differences on translating foreign operations, continuing operations | -0.4 | 0.0 | 0.2 | 0.2 | 0.3 |
| Exchange differences on translating foreign operations, discontinued operations | - | 0.0 | - | -2.2 | -2.0 |
| Sweden translation difference transfer to profit and loss, discontinued operations | - | - | - | 21.1 | 21.1 |
| Cash flow hedging, continuing operations | 0.4 | 0.0 | -0.1 | -1.4 | -2.1 |
| Cash flow hedging, discontinued operations | - | 0.0 | - | -0.8 | -0.9 |
| Transfer of the value of Sweden's electricity derivatives to the result for the financial period, discontinued operations | - | - | - | -1.0 | -1.1 |
| TOTAL OTHER COMPREHENSIVE INCOME | 0.0 | 0.0 | 0.1 | 16.0 | 15.4 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | -1.5 | -0.4 | -0.9 | -9.9 | -10.4 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: | | | | | |
| Equity holders of the parent | -2.5 | -0.9 | -2.2 | -10.4 | -13.8 |
| Non-controlling interests | 1.0 | 0.5 | 1.2 | 0.5 | 3.4 |
| Total | -1.5 | -0.4 | -0.9 | -9.9 | -10.4 |

Consolidated balance sheet

| (EUR million) | Note | 30 June 2025 | 30 June 2024 | 31 Dec. 2024 |
|---|------|--------------|--------------|--------------|
| ASSETS | | | | |
| Intangible assets | 2. | 43.2 | 42.8 | 44.0 |
| Tangible assets | 3.4 | 250.7 | 256.8 | 251.6 |
| Holdings | | 22.3 | 20.9 | 21.8 |
| Deferred tax asset | 5. | 21.0 | 25.2 | 21.2 |
| Other non-current assets | | 11.6 | 24.8 | 12.4 |
| TOTAL NON-CURRENT ASSETS | | 348.9 | 370.6 | 351.0 |
| Inventories | 6. | 59.0 | 64.4 | 59.6 |
| Current receivables | | 67.9 | 81.3 | 80.3 |
| Cash and cash equivalents | | 46.7 | 15.9 | 36.7 |
| TOTAL CURRENT ASSETS | | 173.6 | 161.6 | 176.6 |
| Assets of disposal group classified as held for sale | 7. | - | 58.8 | - |
| TOTAL ASSETS | | 522.5 | 591.0 | 527.7 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| | | 204.8 | 219.8 | 215.4 |
| Non-current loans, interest-bearing | 4. | 169.2 | 173.7 | 172.4 |
| Non-current liabilities, non-interest-bearing | | 5.1 | 5.5 | 5.4 |
| TOTAL NON-CURRENT LIABILITIES | | 174.3 | 179.3 | 177.8 |
| Current loans, interest-bearing | 4. | 33.7 | 54.6 | 14.0 |
| Current liabilities, non-interest-bearing | | 109.6 | 114.5 | 120.4 |
| TOTAL CURRENT LIABILITIES | | 143.3 | 169.1 | 134.5 |
| Liabilities of disposal group classified as held for sale | 7. | - | 22.8 | - |
| TOTAL EQUITY AND LIABILITIES | | 522.5 | 591.0 | 527.7 |

Statement of changes in consolidated equity

| - | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. | 10. | 11. | 12. |
|--|-------------|-------------|-------------|--------------|-------------|------------|------------|-------------|---------------|--------------|-------------|--------------|
| EQUITY ON 1 Jan. 2025 | 66.8 | 72.9 | 0.0 | 215.4 | 25.9 | 8.3 | 0.8 | -9.1 | -194.2 | 186.9 | 28.5 | 215.4 |
| Result for the financial period | - | - | - | - | - | - | - | - | -2.3 | -2.3 | 1.2 | -1.1 |
| Other comprehensive income (+) / expense (-) | | | | | | | | | | | | |
| Transl. diff. | - | - | - | - | - | - | 0.2 | - | - | 0.2 | - | 0.2 |
| Cash flow hedging | - | - | -0.1 | - | - | - | - | - | - | -0.1 | - | -0.1 |
| Total other comprehensive income / expense | - | - | -0.1 | - | - | - | 0.2 | - | - | 0.1 | - | 0.1 |
| Total compreh. income for the period | - | - | -0.1 | - | - | - | 0.2 | - | -2.3 | -2.2 | 1.2 | -0.9 |
| Direct recognitions | - | - | - | - | - | 0.0 | - | - | 0.2 | 0.2 | - | 0.2 |
| Cancellation of own shares | - | - | - | -9.1 | - | - | - | -9.1 | - | 0.0 | - | 0.0 |
| Distribution of funds | - | - | - | -8.1 | - | - | - | - | - | -8.1 | - | -8.1 |
| Dividend distribution | - | - | - | - | - | - | - | - | - | - | -1.7 | -1.7 |
| EQUITY ON 30 June 2025 | 66.8 | 72.9 | -0.1 | 198.2 | 25.9 | 8.3 | 1.1 | 0.0 | -196.3 | 176.8 | 28.0 | 204.8 |

| (EUR million) | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. | 10. | 11. | 12. |
|--|-------------|-------------|-------------|--------------|-------------|------------|--------------|-------------|---------------|--------------|-------------|--------------|
| EQUITY ON 1 Jan. 2024 | 66.8 | 72.9 | 5.9 | 215.4 | 25.9 | 8.1 | -18.6 | -3.8 | -161.5 | 211.1 | 26.9 | 238.0 |
| Result for the financial period | - | - | - | - | - | - | - | - | -26.4 | -26.4 | 0.5 | -25.9 |
| Other comprehensive income (+) / expense (-) | | | | | | | | | | | | |
| Transl. diff. | - | - | 0.0 | - | - | - | 19.2 | - | - | 19.2 | - | 19.2 |
| Cash flow hedging | - | - | -2.2 | - | - | - | - | - | - | -2.2 | - | -2.2 |
| Transfer of the value of Sweden's electricity derivatives to the result for the financial period | - | - | -1.0 | - | - | - | - | - | - | -1.0 | - | -1.0 |
| Total other comprehensive income / expense | - | - | -3.3 | - | - | - | 19.2 | - | - | 16.0 | - | 16.0 |
| Total comprehensive income for the period | - | - | -3.3 | - | - | - | 19.2 | - | -26.4 | -10.4 | 0.5 | -9.9 |
| Direct recognitions | - | - | - | - | - | - | - | - | -0.2 | -0.2 | - | -0.2 |
| Sweden sale related transfer to result for the financial period | - | - | -1.2 | - | - | 0.1 | - | - | - | -1.1 | - | -1.1 |
| Acquisition of own shares | - | - | - | - | - | - | - | -5.3 | - | -5.3 | - | -5.3 |
| Dividend distribution | - | - | - | - | - | - | - | - | - | - | -1.7 | -1.7 |
| EQUITY ON 30 June 2024 | 66.8 | 72.9 | 1.4 | 215.4 | 25.9 | 8.2 | 0.5 | -9.1 | -188.0 | 194.2 | 25.7 | 219.8 |

COLUMNS: 1. Share capital, 2. Share premium reserve, 3. Revaluation reserve, 4. Reserve for invested unrestricted equity (RIUE), 5. Hybrid loan, 6. Other reserves, 7. Translation differences, 8. Treasury shares, 9. Retained earnings, 10. Equity holders of the parent, 11. Non-controlling interests, 12. Total

Cash flow statement, incl. discontinued operations

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|--|-------------|-------------|-------------|--------------|---------------|
| Cash flow before change in net working capital | 13.1 | 12.3 | 25.7 | 23.9 | 62.6 |
| Change in net working capital | 11.7 | 6.5 | -0.7 | 5.7 | 24.2 |
| Financial items and taxes | -3.5 | -5.7 | -8.3 | -14.7 | -25.9 |
| CASH FLOW FROM OPERATING ACTIVITIES | 21.2 | 13.1 | 16.6 | 14.9 | 60.8 |
| Cash flow from investing activities | -5.8 | -16.4 | -11.0 | 55.7 | 80.9 |
| CASH FLOW AFTER INVESTING ACTIVITIES | 15.4 | -3.3 | 5.6 | 70.6 | 141.7 |
| Hybrid loan | - | - | - | - | -4.1 |
| Change in loans | 7.2 | 0.1 | 14.2 | -82.3 | -128.3 |
| Distribution of funds | -8.1 | - | -8.1 | - | - |
| Dividends paid | -1.5 | -1.7 | -1.7 | -1.7 | -1.7 |
| CASH FLOW FROM FINANCING ACTIVITIES | -2.4 | -1.6 | 4.4 | -84.1 | -134.2 |
| NET CASH FLOW | 13.0 | -4.9 | 10.0 | -13.4 | 7.5 |
| Cash and cash equivalents at beginning of period | 33.8 | 21.0 | 36.7 | 29.0 | 29.0 |
| Translation differences | -0.2 | -0.2 | 0.0 | 0.5 | 0.2 |
| Cash and cash equivalents at end of period | 46.7 | 16.0 | 46.7 | 16.0 | 36.7 |

Financial indicators

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|--|----------|----------|----------|----------|-------|
| Earnings per share (EPS), undiluted, EUR, continuing operations | 0.00 | -0.03 | 0.00 | -0.09 | -0.09 |
| Earnings per share (EPS), diluted, EUR, continuing operations | 0.00 | -0.03 | 0.00 | -0.09 | -0.09 |
| Gross capital expenditure on PPE, EUR mill., continuing operations | 6.5 | 8.7 | 10.8 | 14.8 | 25.5 |
| Additions in right-of-use assets, EUR mill., continuing operations | 1.7 | 0.1 | 2.0 | 5.4 | 8.7 |
| Depreciation and impairment, EUR mill., continuing operations | 7.1 | 8.3 | 14.6 | 16.0 | 33.9 |
| Equity per share, EUR | | | 1.97 | 2.16 | 2.08 |
| Equity ratio, % | | | 39.2 | 37.2 | 40.8 |
| Adjusted average number of outstanding shares, mill. | | | 89.9 | 92.4 | 91.2 |
| Employees, average, FTE, continuing operations | | | 2,974 | 3,013 | 3,000 |

Calculation of financial indicators

HKFoods discloses alternative performance measures (APM) to give relevant information to stakeholders. Disclosed APMs are also used in steering the company. Items affecting comparability and related APMs are disclosed to better reflect the operational business performance and to enhance comparability between periods.

| | |
|--|--|
| Return on capital employed (ROCE) before tax, last 12 months (%) | $\frac{\text{Profit before tax + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average)}} \times 100$ |
| Equity ratio (%) | $\frac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$ |
| Net gearing ratio (%) | $\frac{\text{Net interest-bearing liabilities incl. discontinued operations}}{\text{Total equity}} \times 100$ |
| Earnings per share (EPS)* | $\frac{\text{Profit for the period attributable to equity holders of the parent}}{\text{Average number of outstanding shares during period}}$ |
| Equity per share | $\frac{\text{Equity attributable to holders of the parent}}{\text{Number of outstanding shares at end of period}}$ |
| Market capitalisation | The number of outstanding shares at the end of period x the closing price on the last trading day of the financial year |
| Cash flow before debt service | Cash flow after investing activities before financing activities - financial items |
| Employee numbers | Average of workforce figures calculated at the end of calendar months |
| Items affecting comparability | One-time charges, which are not related to the normal continuing operations and materially affect the company's finances. Examples of such expenses are: capacity adjustments (restructuring), redundancy, legal costs relating to restructuring or similar, one-time expenses related to efficiency/reorganisation programmes, significant compensations or penalties paid out due to a legal verdict or settlement, transaction fees/expenses related to business acquisitions (consultation, advisory, legal, due diligence, registration etc.) and gains/losses of business disposals. |
| Comparable EBIT | Operating profit – items affecting comparability |
| Comparable profit before taxes | Profit before taxes – items affecting comparability |
| Comparable earnings per share (EPS)* | $\frac{\text{Profit for the period attributable to equity holders of the parent – items affecting comparability}}{\text{Average number of outstanding shares during period}}$ |
| Interest-bearing net debt | Interest-bearing debt incl. discontinued operations – cash and bank and interest-bearing receivables incl. discontinued operations Interest-bearing net debt incl. discontinued operations |
| Net debt to EBITDA ratio (leverage) | $\frac{\text{Interest-bearing net debt incl. discontinued operations}}{\text{EBITDA continuing operations + share of profit/loss in associates and joint ventures continuing operations}}$ |

* When calculating the earnings per share, interest and issue costs of the hybrid loan, net of tax, have been reduced from profit for the period.

Notes to the Half Year Financial Report

Accounting policies

HKFoods Plc's Half Year Financial Report 2025 has been prepared in compliance with the IAS 34 Interim Financial Reporting standards. The same accounting principles have been applied in the Half Year Financial Report as in the annual financial statements for 2024. Due to the rounding of the figures to the nearest million euros in the Half Year Financial Report, some totals may not agree with the sum of their constituent parts. The accounting principles are explained in the financial statements for 2024. The Half Year Financial Report is unaudited.

The Half Year Financial Report for January–June 2025 has been prepared on a going concern basis, assuming that HKFoods will be able to realise its assets and settle its liabilities in the foreseeable future in the ordinary course of business. In assessing the going concern basis, HKFoods' management has taken into account the uncertainties and risks associated with the business environment, available funding sources and the cash flow estimates of the Group companies.

The management has also assessed the adequacy of liquidity, according to which the company's liquidity is not at risk.

Notes to the income statement

1. Items affecting comparability

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|---|------------|------------|-------------|------------|-------------|
| Comparable EBIT, continuing operations | 6.5 | 4.4 | 11.1 | 5.8 | 27.7 |
| Termination of employment 1) 2) | -0.3 | -0.7 | -0.3 | -0.9 | -1.7 |
| Impairment of assets 2) | - | -0.6 | - | -0.6 | -3.6 |
| EBIT, continuing operations | 6.2 | 3.1 | 10.8 | 4.3 | 22.4 |

1) Included in the Income Statement in the item "General administration and sales and marketing costs"

2) Included in the Income Statement in the item "Cost of goods sold"

Notes to the statement of financial position

2. Changes in intangible assets

| (EUR million) | 30 June 2025 | 30 June 2024 | 31 Dec. 2024 |
|--|--------------|--------------|--------------|
| Opening balance | 44.0 | 44.0 | 44.0 |
| Translation differences | 0.1 | 0.1 | 0.1 |
| Additions | 0.3 | 0.1 | 1.1 |
| Disposals, business disposals | - | - | -0.5 |
| Depreciation and impairment | -1.5 | -1.7 | -3.2 |
| Reclassification between items | 0.3 | 0.8 | 2.4 |
| Assets of disposal group classified as held for sale | - | -0.5 | - |
| Closing balance | 43.2 | 43.1 | 44.0 |

3. Changes in tangible assets

| (EUR million) | 30 June 2025 | 30 June 2024 | 31 Dec. 2024 |
|--|--------------|--------------|--------------|
| Opening balance | 251.6 | 284.9 | 284.9 |
| Translation differences | 0.1 | 0.1 | 0.1 |
| Additions | 12.4 | 22.2 | 36.7 |
| Disposals | - | 0.0 | -0.3 |
| Disposals, business disposals | - | - | -34.7 |
| Depreciation and impairment | -13.1 | -15.8 | -32.7 |
| Reclassification between items | -0.3 | -0.8 | -2.4 |
| Assets of disposal group classified as held for sale | - | -33.7 | - |
| Closing balance | 250.7 | 256.8 | 251.6 |

4. Right-of-use assets and lease liabilities

| (EUR million) | Land and Water | Buildings and structures | Machinery and equipment | Total | Lease liabilities |
|---------------------------------------|----------------|--------------------------|-------------------------|-------|-------------------|
| Opening balance on 1 Jan. 2025 | 0.3 | 70.7 | 8.4 | 79.3 | 87.6 |
| Additions | - | 0.2 | 1.8 | 2.0 | 2.0 |
| Depreciation for the financial period | 0.0 | -3.2 | -1.1 | -4.4 | - |
| Payments | - | - | - | - | -3.6 |
| Closing balance on 30 June 2025 | 0.2 | 67.6 | 9.0 | 76.9 | 85.9 |

| (EUR million) | Land and Water | Buildings and structures | Machinery and equipment | Total | Lease liabilities |
|--|----------------|--------------------------|-------------------------|-------|-------------------|
| Opening balance on 1 Jan. 2024 | 0.0 | 70.3 | 12.7 | 82.9 | 89.6 |
| Translation differences | - | 0.0 | 0.0 | 0.0 | 0.0 |
| Additions | - | 5.3 | 0.8 | 6.1 | 6.1 |
| Depreciation for the financial period | 0.0 | -3.5 | -1.8 | -5.3 | - |
| Payments | - | - | - | - | -4.5 |
| Assets and liabilities of disposal group classified as held for sale | - | -0.4 | -2.9 | -3.3 | -3.4 |
| Closing balance on 30 June 2024 | -0.1 | 71.7 | 8.8 | 80.4 | 87.8 |

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|--|----------|----------|----------|----------|-------|
| Depreciation expense of right-of-use assets, continuing operations | -2.2 | -2.3 | -4.4 | -4.6 | -9.0 |
| Interest expense on lease liabilities, continuing operations | -1.2 | -1.1 | -2.4 | -2.2 | -4.7 |
| Total amounts recognised in profit or loss, continuing operations | -3.4 | -3.4 | -6.7 | -6.8 | -13.7 |

5. Deferred tax assets

Out of the total EUR 21.0 million, EUR 19.7 million of the deferred tax asset arise from adopted losses, postponed depreciations, and non-deductible interest expenses in the Group's operations in Finland. The increased deferred tax asset arising from tax losses in Finland in 2018 resulted from losses incurred during the Rauma unit ramp up and was therefore temporary in nature.

Deferred tax assets are assumed to be used from losses in 2027 and postponed depreciations and non-deductible interest expenses to material respect by the end of the current decade. The estimate is based on

management's plans for the near future. As plans contain uncertainties, these are mitigated in the estimate with a very conservative assumption on EBIT growth in 2026 and beyond. The utilisation of deferred tax asset is based on taxable profits in the future and the assumption that there are no significant adverse changes in tax legislation. In addition, postponing tax depreciations and deductibility restrictions of interest expense can be used to speed up the utilisation of losses before they expire. The utilisation of postponed tax depreciations and non-deducted interest expense does not have a time limit. Unrecognised Finnish deferred tax asset at the end of June 2025 was EUR 34.2 million.

The company has utilised tax losses in Finland every year in 2019–2024, and no losses have expired. In 2024, the company was able to utilise tax losses, and a EUR 4.3 (4.1) million deferred tax asset was used and recognised as a tax expense. The losses in taxation in Finland expire with the following schedule: EUR 14.5 million in 2027, EUR 14.9 million in 2028, EUR 10.0 million in 2029 and EUR 1.6 million in 2031.

6. Inventories

| (EUR million) | 30 June 2025 | 30 June 2024 | 31 Dec. 2024 |
|-------------------------------|--------------|--------------|--------------|
| Materials and supplies | 32.2 | 36.9 | 31.0 |
| Semi-finished products | 3.4 | 3.1 | 3.0 |
| Finished products | 15.9 | 16.5 | 16.9 |
| Spare parts | 5.8 | 5.4 | 5.5 |
| Inventories, advance payments | 1.9 | 2.4 | 3.3 |
| Total inventories | 59.0 | 64.4 | 59.6 |

7. Assets and liabilities of disposal group classified as held for sale and discontinued operations

Sale of operations in Baltics

HKFoods sold its Baltic operations to AS Maag Grupp of Estonia on 31 August 2023. The debt-free purchase price was EUR 90 million, of which EUR 20 million is conditional on the combined performance of the separately defined meat business subject to the transaction and Maag Grupp's Baltic meat business in the following three years. Of the EUR 70 million fixed purchase price, EUR 55 million was paid at the closing of the transaction and the remainder is paid in 2024 and 2025.

At the end of June 2025, the Group has a purchase price receivable of EUR 16.8 million on its balance sheet. The fixed and unsecured purchase price receivable of EUR 10 million is measured at amortised cost and discounted at 5 per cent. The receivable is due in Q3/2025. The conditional purchase price receivable (earn-out) is measured at fair value through profit and loss, and it includes management judgement and estimation. The management has updated its estimate during Q2/2025 and an impairment amounting to EUR 3.6 million has been made to the receivable. Management has estimated the probability of the earn-out taking into account the uncertainty about the development of profitability. The EBITDA required for the realisation of the earn-out for the divested business is lower than the Group has previously used for valuation purposes, as the realisation of the earn-out is also significantly influenced by the development of the buyer's meat business and the achievable synergies. The conditional purchase price fair value is estimated at EUR 6.9 million at the end of June 2025.

Sale of operations in Sweden

On 27 March 2024, HKFoods and Lantmännen ek för closed the transaction announced on 29 December 2023, whereby HKFoods sold its Swedish business to the Swedish Lantmännen. The transaction concerned the shares in HKScan Sweden AB, the subsidiary that formed HKFoods' Business Unit Sweden.

The purchase price for the shares of HKScan Sweden Ab including the settlement of an internal loan amounted to EUR 83.7 million at closing. In addition, Lantmännen ek för transferred A shares (6,869,750) and K shares (665,000) in HKFoods Corporation held by Lantmännen. The calculated market value of the

shares was EUR 5.5 million at the time of signing the agreement. A prepayment of EUR 25 million of the purchase price was made upon the signing of the agreement. The sold company had EUR 4.4 million in cash at the closing.

The Swedish business unit was classified as assets and liabilities held for sale on the balance sheet on 31 December 2023, and it is presented in the income statement as discontinued operations. The Group's translation difference in equity has come almost entirely from the Swedish operations, and at closing it was recorded from the comprehensive income statement into the income statement.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Swedish operations and the rest of the Group, the Group's administrative service fee from Sweden and the Group's financial gain on the Swedish lending. The figures for continuing and discontinued operations reflect external sales and their costs in accordance with the Group's segment reporting. External financing costs for Sweden are shown as a financing cost of discontinued operations.

Sale of operations in Denmark

On 2 May 2024, HKFoods signed an agreement to sell its Danish business to the Dutch Plukon Food Group B.V. The debt-free purchase price was EUR 44.6 million. The sale of the Danish business unit was completed on 31 October 2024. HKFoods received EUR 36.6 million in cash at the closing. The sold company had EUR 2.7 million in cash at the closing.

The Danish business unit was classified as assets and liabilities held for sale on the balance sheet on 31 March 2024, and it is presented in the income statement as discontinued operations.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Danish operations and the rest of the Group, the Group's administrative service fee from Denmark and the Group's financial gain on the Danish lending. The figures for continuing and discontinued operations reflect external sales and their costs in accordance with the Group's segment reporting. External financing costs for Denmark are shown as a financing cost of discontinued operations.

The income statement and cash flow presented below include the Danish operations until October 2024 and the Swedish operations until March 2024.

Profit/loss for discontinued operations

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|---|----------|----------|----------|----------|--------|
| Net sales | - | 56.2 | - | 292.8 | 371.7 |
| Cost of goods sold | - | -52.2 | - | -276.7 | -351.6 |
| Other operating items total | - | -2.2 | - | -12.4 | -15.7 |
| Operating profit | - | 1.9 | - | 3.7 | 4.4 |
| Financial income and expenses | - | -0.2 | - | -0.9 | -1.2 |
| Income tax | - | - | - | 0.8 | 0.8 |
| Profit/loss for the period | - | 1.6 | - | 3.5 | 3.9 |
| Impairment from fair-value measurement, Baltics | -3.6 | - | -3.6 | 0.3 | 0.2 |
| Impairment from fair-value measurement, Sweden | - | -0.3 | - | 6.7 | 5.9 |
| Impairment from fair-value measurement, Denmark | - | - | -0.3 | -11.0 | -14.1 |
| Translation difference transfer to profit and loss, Sweden | - | - | - | -21.1 | -21.1 |
| Other equity items transfer to result for the period, Sweden | - | - | - | 1.1 | 1.1 |
| Other equity items transfer to result for the period, Denmark | - | - | - | - | 0.1 |
| Profit/loss for the period from discontinued operations | -3.6 | 1.3 | -3.9 | -20.4 | -24.0 |

Cash flow of discontinued operations

| (EUR million) | 4–6/2025 | 4–6/2024 | 1–6/2025 | 1–6/2024 | 2024 |
|-------------------------------------|----------|-------------|-------------|-------------|--------------|
| Cash flow from operating activities | - | 1.0 | - | 11.3 | 13.2 |
| Cash flow from investing activities | - | -3.1 | -1.0 | 70.3 | 107.0 |
| Cash flow from financing activities | - | -0.4 | - | -1.5 | -1.9 |
| Cash flow total | - | -2.5 | -1.0 | 80.2 | 118.3 |

Derivative instrument liabilities

| (EUR million) | 30 June 2025 | 30 June 2024 | 31 Dec. 2024 |
|--|--------------|--------------|--------------|
| Nominal values of derivative instruments | | | |
| Foreign exchange derivatives | 13.4 | 40.5 | 14.5 |
| Interest rate derivatives | 30.0 | 20.0 | 30.0 |
| Electricity derivatives | 3.2 | 0.1 | 2.5 |
| Fair values of derivative instruments | | | |
| Foreign exchange derivatives | 0.1 | 0.0 | -0.1 |
| Interest rate derivatives | -0.2 | 0.2 | -0.2 |
| Electricity derivatives | 0.3 | 2.2 | 0.7 |

Consolidated other contingent liabilities

| (EUR million) | 30 June 2025 | 30 June 2024 | 31 Dec. 2024 |
|---------------------------------------|--------------|--------------|--------------|
| Debts secured by pledges or mortgages | | | |
| - loans from financial institutions | 2.0 | 29.6 | 3.0 |
| - bonds | 90.0 | 90.0 | 90.0 |
| - lease liabilities | 10.7 | 10.7 | 10.7 |
| On own behalf | | | |
| - Assets pledged | 229.0 | 290.0 | 233.0 |
| On behalf of others | | | |
| - guarantees and other commitments | 6.2 | 6.3 | 6.2 |
| Other contingencies | | | |
| Leasing and rental commitments | 0.2 | 0.6 | 0.2 |

The fair value determination principles applied by the Group on financial instruments measured at fair value

Derivatives

The fair values of currency derivatives are determined by using the market prices for contracts of equal duration at the reporting date. The fair values of interest rate swaps are determined using the net present value method supported by the market interest rates at the reporting date. The fair value of commodity derivatives is determined by using publicly quoted market prices.

Conditional purchase price receivable

Valuation principles of the conditional purchase price receivable are described in note 7.

| (EUR million) | 30 June 2025 | Level 1 | Level 2 | Level 3 |
|---|--------------|----------|-------------|------------|
| Assets measured at fair value | | | | |
| Financial assets recognised at fair value through profit or loss | | | | |
| - Conditional purchase price receivable | 6.9 | - | - | 6.9 |
| - Trading derivatives | | | | |
| - Interest rate swaps | - | - | - | - |
| - Foreign exchange derivatives | 0.1 | - | 0.1 | - |
| - Commodity derivatives | 0.6 | - | 0.6 | - |
| of which subject to cash flow hedging | 0.2 | - | 0.2 | - |
| Total | 7.6 | - | 0.7 | 6.9 |
| Liabilities measured at fair value | | | | |
| Financial liabilities recognised at fair value through profit or loss | | | | |
| -Trading derivatives | | | | |
| - Interest rate swaps | -0.2 | - | -0.2 | - |
| - Foreign exchange derivatives | 0.0 | - | 0.0 | - |
| - Commodity derivatives | -0.3 | - | -0.3 | - |
| of which subject to cash flow hedging | -0.3 | - | -0.3 | - |
| Total | -0.5 | - | -0.5 | - |

| (EUR million) | 30 June 2024 | Level 1 | Level 2 | Level 3 |
|---|--------------|----------|------------|-------------|
| Assets measured at fair value | | | | |
| Financial assets recognised at fair value through profit or loss | | | | |
| - Conditional purchase price receivable | 10.5 | - | - | 10.5 |
| - Trading derivatives | | | | |
| - Interest rate swaps | 0.2 | - | 0.2 | - |
| - Foreign exchange derivatives | 0.1 | - | 0.1 | - |
| - Commodity derivatives | 2.2 | - | 2.2 | - |
| of which subject to cash flow hedging | 2.2 | - | 2.2 | - |
| Total | 13.0 | - | 2.5 | 10.5 |
| Liabilities measured at fair value | | | | |
| Financial liabilities recognised at fair value through profit or loss | | | | |
| -Trading derivatives | | | | |
| - Interest rate swaps | - | - | - | - |
| - Foreign exchange derivatives | 0.0 | - | 0.0 | - |
| - Commodity derivatives | 0.0 | - | 0.0 | - |
| of which subject to cash flow hedging | 0.0 | - | 0.0 | - |
| Total | 0.0 | - | 0.0 | - |

The fair values of Level 1 instruments are based on prices quoted on the market. The fair values of Level 2 instruments are to a significant degree based on inputs other than the quoted prices included in Level 1 but nonetheless observable for the relevant asset or liability either directly or indirectly (derived from prices). In determining the fair value of these instruments, the Group uses generally accepted measurement models, the inputs of which are nonetheless to a considerable degree based on observable market information. The fair values of Level 3 instruments are based on inputs which are not based on observable market information but rather to a significant degree on management estimates and measurement models generally acceptable for their use.

Business transactions with related parties

| (EUR million) | 1-6/2025 | 1-6/2024 | 2024 |
|---|----------|----------|------|
| Sales to associates | 2.9 | 4.5 | 8.5 |
| Purchases from associates | 23.3 | 24.3 | 48.6 |
| Trade and other receivables from associates | 0.5 | 1.6 | 0.7 |
| Trade and other payables to associates | 3.6 | 3.9 | 4.3 |
| Animal purchases from related party* | 12.9 | 14.3 | 25.4 |
| Animal sales to related party* | 2.5 | 2.6 | 5.4 |
| Loan receivable from LSO Osuuskunta | 4.1 | 4.0 | 4.9 |

*Members of the Group's Board of Directors and members of the Supervisory Board and Board of Directors of its parent entity LSO Osuuskunta.

In January 2025, the Group purchased Eura factory plot from LSO with EUR 760 thousand. The price was based on an external estimate.