HKFOODS

# Half Year Financial Report 2026

5 August 2026

### HKFoods' Half Year Financial Report 1 January–30 June 2026

# Growth in net sales and EBIT continued

## April–June 2026

- HKFoods' net sales from continuing operations grew by 5.3 per cent to EUR 258.7 (245.7) million. Sales grew across all sales channels.
- In retail, sales grew in poultry products, meal components and ready meals. In addition, beef sales showed a clear increase from the comparison period, when the availability of beef raw material was lower. Sales of grilling sausages, however, were below the target. Sales in the food service channel developed strongly in meal components and poultry products. Export and industrial sales grew, driven particularly by poultry meat sales.
- The Group's comparable EBIT from continuing operations strengthened by 19.3 per cent to EUR 7.7 (6.5) million, representing 3.0 (2.6) per cent of net sales. The comparable EBIT was strengthened by sales growth in the retail and food service channels and by improved profitability at HKFoods' subsidiaries.
- The rise in oil prices caused by the war in Iran and the resulting increase in logistics and packaging material costs weakened the comparable EBIT at the end of the review period. In addition, the comparable EBIT was weakened by higher personnel costs and the price increase in purchased services. Sales price increases only partially covered the rise in costs. The challenging global market situation for pork, caused by subdued import demand in Asian markets and oversupply in the EU, particularly weakened export profitability.
- The Group's profit for the period from continuing operations improved to EUR 3.1 (2.0) million, driven by a stronger EBIT.
- Cash flow from operating activities, including discontinued operations, was EUR 11.9 (21.2) million. Cash flow declined as a result of a change in working capital, as stocks were at an exceptionally low level during the comparison period due to a strike in the food industry and a shortage of beef.
- On 22 April 2026, the Annual General Meeting resolved that the company would distribute a dividend of EUR 0.08 per share for the financial year 2025. The dividend was paid in May.

## January–June 2026

- HKFoods' net sales from continuing operations grew by 4.6 per cent to EUR 501.2 (479.4) million. Sales grew across all sales channels, except exports. In Finnish retail and the food service channel, sales developed positively in all product categories apart from meat products. HKFoods' market share in the retail sector remained at the comparison period's level.
- The Group's comparable EBIT from continuing operations strengthened by 21.1 per cent to EUR 13.5 (11.1) million, representing 2.7 (2.3) per cent of net sales. The comparable EBIT was strengthened by sales growth in the retail and food service channels, and by measures under the company's efficiency programme, which increased production efficiency and improved profitability.
- The comparable EBIT was weakened by the rise in oil prices caused by the war in Iran and the resulting increase in logistics and packaging material costs, increased personnel costs and the price increase in purchased services, as well as significantly higher energy costs caused by the cold winter. The sharp rise in the purchase price of beef due to the shortage of beef continued. The increases in sales prices and electricity price hedging measures only partially covered the rise in costs.
- The Group's profit for the period from continuing operations improved to EUR 5.9 (2.8) million.
- Cash flow from operating activities, including discontinued operations, decreased due to a change in working capital and amounted to EUR 6.0 (16.6) million.
- Interest-bearing net debt rose to EUR 157.7 (156.3) million. Net gearing was 82.9 (76.3) per cent.
- Interest-bearing net debt, excluding leasing liabilities under IFRS 16, was EUR 76.5 (70.4) million.

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

## Outlook for 2026 (unchanged)

HKFoods expects that in 2026 the Group's comparable EBIT will grow compared to 2025.

## Key figures

| (EUR million) | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|
| Net sales, continuing operations | 258.7 | 245.7 | 501.2 | 479.4 | 996.4 |
| EBIT, continuing operations | 7.2 | 6.2 | 12.6 | 10.8 | 32.9 |
| - % of net sales | 2.8 | 2.5 | 2.5 | 2.3 | 3.3 |
| Comparable EBIT, continuing operations | 7.7 | 6.5 | 13.5 | 11.1 | 34.1 |
| - % of net sales | 3.0 | 2.6 | 2.7 | 2.3 | 3.4 |
| EBITDA, continuing operations | 14.8 | 13.3 | 27.5 | 25.4 | 62.5 |
| Profit before taxes, continuing operations | 3.7 | 2.7 | 6.8 | 3.9 | 18.7 |
| - % of net sales | 1.4 | 1.1 | 1.4 | 0.8 | 1.9 |
| Profit for the period, continuing operations | 3.1 | 2.0 | 5.9 | 2.8 | 14.2 |
| - % of net sales | 1.2 | 0.8 | 1.2 | 0.6 | 1.4 |
| EPS, EUR, continuing operations | 0.01 | 0.00 | 0.04 | 0.00 | 0.08 |
| Comparable EPS, EUR, continuing operations | 0.02 | 0.01 | 0.05 | 0.00 | 0.09 |
| Cash flow from operating activities, incl. discontinued operations | 11.9 | 21.2 | 6.0 | 16.6 | 51.0 |
| Cash flow after investing activities, incl. discontinued operations | 5.8 | 15.4 | -4.1 | 5.6 | 36.1 |
| Return on capital employed (ROCE) before taxes, %, incl. discontinued operations | | | 8.0 | 6.3 | 6.6 |
| Interest-bearing net debt | | | 157.7 | 156.3 | 141.8 |
| Net gearing, % | | | 82.9 | 76.3 | 73.2 |

## HKFoods' CEO Juha Ruohola

HKFoods' net sales growth and positive profit development continued in the second quarter of 2026. Net sales from continuing operations increased by 5.3 per cent to EUR 258.7 (245.7) million. The Group's comparable EBIT from continuing operations strengthened by 19.3 per cent to EUR 7.7 (6.5) million, representing 3.0 (2.6) per cent of net sales. The profit for the period from continuing operations improved to EUR 3.1 (2.0) million.

Our sales grew across all sales channels in the second quarter. In the retail channel, sales performance during the grilling season was particularly strong for Kariniemen® brand's poultry products, for meal components and for HK® brand's ready meals. As for grilling sausages, however, we were below our target. Beef sales showed a clear increase from the comparison period, when the availability of beef raw material was lower. Growth was seen in pork as well. Sales in the food service channel also developed well.

The comparable EBIT was strengthened by sales growth in the retail and food service channels and by improved profitability at HKFoods' subsidiaries. Measures under the company's efficiency programme have increased production efficiency and improved profitability during the first half of the year.

The rise in oil prices caused by the war in Iran and the resulting increase in logistics and packaging material costs weakened the comparable EBIT at the end of the review period. We estimate that the cost impact of higher oil prices will continue to grow in the second half of the year. We aim to balance the impact of cost increases on profit in the pricing windows following the outbreak of the war. However, visibility in the markets is limited.

The comparable EBIT was also weakened by higher personnel costs and the price increase in purchased services. Sales price increases have only partially covered the rise in costs. The challenging global market situation for pork, caused by subdued import demand in Asian markets and oversupply in the EU, particularly weakened export profitability.

We expect the market situation to remain challenging also during the remainder of the year. In addition, according to preliminary investigations by the Finnish Food Authority, African swine fever (ASF) has been detected in wild boars found dead in Southeast Finland. The detection has no impact on our deliveries in Finland and the EU. Exports of pork and pork products to China and Japan, for example, have been suspended until further notice. We will redirect the products subject to restrictions to other target markets. Authorities are negotiating the resumption of exports to other non-EU countries.

We have advanced our responsibility programme in many ways and have also received significant recognition for our efforts. In May, the Finnish National Commission on Sustainable Development and the Parliament's Committee for the Future awarded HKFoods' nutrition-related commitment as one of the best sustainability commitments of 2025. In addition, we achieved a bronze medal rating in the global EcoVadis sustainability assessment. This places HKFoods among the top 35 per cent of assessed companies. Compared to the previous year, improvement was seen in all areas: environment, labour and human rights, business ethics and sustainable procurement.

Our ETEVÄT programme for contract meat producers aims to improve profitability and production results for both producers and the company, as well as to promote the wellbeing of animals and people, and a vital environment. We have also joined the Saaristomerikumppanit (Archipelago Sea Partners) project led by the John Nurminen Foundation. The project brings together the food industry, retailers, agricultural producers and experts to reduce the impact of agriculture on water bodies in the Archipelago Sea catchment areas. The project aims to decrease nutrient runoff from fields into water bodies, improve soil fertility and strengthen the long-term sustainability of farms.

We continue our determined work to implement our strategy and achieve our goals. Due to seasonality, we expect most of the company's comparable EBIT to be generated in the second half of the year. The growth investments we have carried out in meals and meal components support growth, and we estimate that the strong demand for poultry meat will continue. We will also continue our efficiency improvement programme with determination. In addition, news reports in recent weeks have indicated that the Finnish economy has turned to growth, supporting consumer demand.

I would like to thank our employees, contract producers, customers and other partners for excellent performance in the first half of the year.

## Key events in April−June 2026

### HKFoods launched the ETEVÄT producer programme

The ETEVÄT programme for contract meat producers aims to improve profitability and production results for both producers and the company, as well as to promote the wellbeing of animals and people, and a vital environment. The programme provides producers with information, tools and support for continuous development, and brings responsibility work in primary production together under one framework. HKFoods is developing the ETEVÄT programme together with its contract producer network and partners, such as ProAgria (advisory services) and the Pyhäjärvi Institute (training).

Details on the matter were provided in the following press release (in Finnish): 19 May 2026.

### HKFoods received the Commitment2050 award for measures supporting public health

The Finnish National Commission on Sustainable Development and the Parliament's Committee for the Future recognised HKFoods' nutrition commitment as one of the best sustainability commitments of 2025. The awarded commitment includes four concrete measures: reducing the salt content in the highest-volume HK@-branded whole meat cold cuts; increasing the number of consumer products that meet the Heart Symbol criteria; creating recipes that meet the Heart Symbol criteria and developing plant-based meals for the HoReCa sector. HKFoods responds to the changing needs of consumers and professionals by, for example, expanding its range of products and recipes that meet the Heart Symbol criteria. The actions in the commitment focus on widely consumed foods and the HoReCa sector, which directly supports the National Nutrition Recommendations and the prevention of cardiovascular diseases without requiring consumers to make active choices.

Details on the matter were provided in the following press release (in Finnish): 20 May 2026.

### HKFoods joins the new Archipelago Sea Partners collaboration

HKFoods is participating in the Saaristomerikumppanit (Archipelago Sea Partners) project led by the John Nurminen Foundation. The project brings together the food industry, retailers, agricultural producers and experts to reduce impacts of agriculture on water bodies in the Archipelago Sea catchment areas. The goal is for approximately 20 of HKFoods' contract producers to participate in the project, which will be carried out between 2026 and 2028. Expert advice and support are provided to farms to enable them to implement water protection measures that are tailored to their specific fields and have the greatest possible impact. The aim is to reduce nutrient runoff from fields into water bodies, improve soil fertility and strengthen the long-term sustainability of the farms.

Details on the matter were provided in the following press release (in Finnish): 30 June 2026.

## Strategy

HKFoods' vision is to be the most valued partner of food moments. This means working together with all 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 producers and other company partners.

HKFoods' strategic goal is to achieve profitable and sustainable growth as well as a strong presence in consumers' food moments as a valued partner. The company's focus is on growing product segments: strong and innovative poultry products, and meals and meal components. HKFoods' core business includes pork, beef and poultry meat, meat products, ready meals and meal components.

HKFoods' strategic focus areas are:

- **Growth in selected food moments:** The target is to achieve profitable growth through selected food moments, which include simple everyday life and nutritious snacks.
- **Operational excellence:** Production and processes are enhanced and automated, and the entire value chain is streamlined and developed. Joint efforts are strengthened both internally and through partners.
- **Competent, healthy personnel:** HKFoods inspires people to get involved and renews itself. Wellbeing and safety at work are developed, and corporate culture is strengthened.
- **Sustainable value chain:** HKFoods cares and takes responsibility for a sustainable value chain by developing contract production, utilising innovations and producing tasty, healthy and safe food for consumers' various food moments.

Responsibility is a key part of HKFoods' business. Responsible food production is developed throughout the value chain, from farms to consumers, by continuing the goal-oriented responsibility work. Environment-related sustainability topics material to HKFoods' business include climate change adaptation, biodiversity, and circular economy. In terms of social responsibility, the material sustainability topics include the producer community, the company's own employees, and safe, healthy food. In addition, good governance and corporate culture, and animal welfare are key sustainability themes. The company's strategy has an impact on all sustainability topics identified as material to the company, the most important of which 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.

# Long-term financial targets

The company's long-term financial targets, updated in August 2025, are:

- **EBIT:** over 5 per cent of net sales
- **Return on capital employed (ROCE):** over 12 per cent
- **Net gearing:** less than 80 per cent
- **Dividend:** more than 50 per cent of net profit

# Corporate responsibility

### Key events in responsibility work, April−March 2026

HKFoods has achieved the bronze medal level in the global EcoVadis sustainability rating. This places HKFoods among the top 35 per cent of assessed companies. Compared to the previous year, improvement was seen in all areas. EcoVadis is one of the world's leading sustainability rating systems. It provides an independent assessment of companies' sustainability management systems and practices from the perspectives of the environment, labour and human rights, business ethics and sustainable procurement.

Reducing greenhouse gas emissions

The ETEVÄT producer programme for contract producers was running on 30 broiler, pig and cattle farms. Farm-specific baseline data for emissions calculations was collected from the pilot farms. In addition, field visits were conducted in collaboration with ProAgria to assess emission reduction measures already implemented and to plan next steps. The pilot phase's collaboration and lessons learnt are to be expanded to other contract farms as well.

The From Footprints to Digital Handprints (FF2DH) research and development project, coordinated by HKFoods and co-funded by Business Finland, has been completed. Implemented between 2022 and 2026, the project developed, for example, a system for calculating the environmental impacts of primary production and identified measures to reduce emissions.

Biodiversity

HKFoods joined the Saaristomerikumppanit (Archipelago Sea Partners) project led by the John Nurminen Foundation. The project brings together the food industry, retailers, agricultural producers and experts to reduce impacts of agriculture on water bodies in the Archipelago Sea catchment areas. The goal is for approximately 20 of HKFoods' contract producers to participate in the project, which will be carried out between 2026 and 2028. Expert advice and support are provided to farms to enable them to implement water protection measures that are tailored to their specific fields and have the greatest possible impact. The aim is to reduce nutrient runoff from fields into water bodies, improve soil fertility and strengthen the long-term sustainability of the farms.

Circular economy

HKFoods has carried out the necessary measures to meet the requirements of the first transition period of the EU Packaging and Packaging Waste Regulation (EU 2025/40, PPWR) by 12 August 2026. The company has collected technical and regulatory information related to packaging from packaging material suppliers and contract manufacturers and has, for example, ensured that no prohibited substances, such as PFAS compounds, are used in packaging materials. Based on the information, HKFoods will prepare its own Declaration of Conformity. In addition, the company has taken into account legislative changes regarding producer responsibility fees for packaging materials.

Occupational safety and wellbeing of employees

The lost-time injury rate (LTIR) developed favourably in line with the Group-wide development programme. HKFoods Group's LTIR for work-related accidents leading to sick leave among its own workforce in Finland and Poland for the previous 12 months was 8.6 in the second quarter of 2026, while it was 19.1 in the comparison period and 9.7 in the first quarter of 2026.

Safe food supporting wellbeing

The Finnish National Commission on Sustainable Development and the Parliament's Committee for the Future recognised HKFoods' nutrition commitment as one of the best sustainability commitments of 2025. The awarded commitment includes four concrete measures: reducing the salt content in the highest-volume HK-branded whole meat cold cuts; increasing the number of consumer products that meet the Heart Symbol criteria; creating recipes that meet the Heart Symbol criteria and developing plant-based meals for the HoReCa sector. HKFoods responds to the changing needs of consumers and professionals by, for example, expanding its range of products and recipes that meet the Heart Symbol criteria. The actions in the commitment focus on widely consumed foods and the HoReCa sector, which directly supports the National Nutrition Recommendations and the prevention of cardiovascular diseases without requiring consumers to make active choices.

The HK® brand is one of the main partners of the Finnish Olympic Committee's new Next Generation programme. The programme, launched in May, supports 21 young athletes who rank among the world's best in their age group. The programme highlights the importance of nutrition as a key factor in success and is part of the main partnership between the HK® brand and the Finnish Olympic Committee.

Read about the targets and indicators of HKFoods' 2026–2028 responsibility programme at https://www.hkfoods.com/en/responsibility/.

## Group net sales and EBIT

### April–June

Net sales

In April–June 2026, HKFoods' net sales from continuing operations grew by 5.3 per cent to EUR 258.7 (245.7) million. Sales grew across all sales channels.

In retail, sales increased particularly in Kariniemen® brand's poultry products and meal components as well as in HK® brand's ready meals. Beef sales showed a clear increase from the comparison period, when the availability of beef raw material was lower. Sales of grilling sausages were below target. HKFoods brands strengthened their market share in the retail sector for poultry products and ready meals, although HKFoods' overall market share in the retail sector declined slightly.

Sales in the food service channel showed strong development in meal components and poultry products.

Export and industrial sales grew, driven particularly by poultry meat sales.

EBIT

HKFoods' EBIT from continuing operations increased by 16.6 per cent in April–June 2026 to EUR 7.2 (6.2) million. The comparable EBIT from continuing operations strengthened by 19.3 per cent to EUR 7.7 (6.5) million, representing 3.0 (2.6) per cent of net sales. An item affecting comparability of EUR -0.5 (-0.3) million was recorded in continuing operations. Items affecting comparability are described in more detail in the Tables section of this report.

The comparable EBIT was strengthened by sales growth in the retail and food service channels and by improved profitability at HKFoods' subsidiaries.

The rise in oil prices caused by the war in Iran and the resulting increase in logistics and packaging material costs weakened the comparable EBIT at the end of the review period. In addition, comparable EBIT was weakened by higher personnel costs and the price increase in purchased services. Sales price increases only partially covered the rise in costs. The challenging global market situation for pork, caused by subdued import demand in Asian markets and oversupply in the EU, particularly weakened export profitability.

### January–June

Net sales

In January–June 2026, HKFoods' net sales from continuing operations grew by 4.6 per cent to EUR 501.2 (479.4) million.

Sales grew across all sales channels, except for exports. Sales of poultry, meal components and pork and beef increased in both the Finnish retail and food service channels. Sales development was particularly strong for Kariniemen® brand's poultry products and meal components as well as for HK® brand's ready meals and pork and beef meat products. HKFoods' market share in the retail sector remained at the comparison period's level.

Industrial sales grew due to increased demand for poultry meat. While export sales declined overall, poultry exports, however, showed a clear increase.

EBIT

HKFoods' EBIT from continuing operations increased by 16.8 per cent in January–June 2026 to EUR 12.6 (10.8) million. The comparable EBIT from continuing operations strengthened by 21.1 per cent to EUR 13.5 (11.1) million, representing 2.7 (2.3) per cent of net sales. An item affecting comparability of EUR -0.8 (-0.3) million was recorded in continuing operations. Items affecting comparability are described in more detail in the Tables section of this report.

The comparable EBIT was strengthened by sales growth in the retail and food service channels, and by measures under the company's efficiency programme, which increased production efficiency and improved profitability. The comparable EBIT was weakened by the rise in oil prices caused by the war in Iran and the resulting increase in logistics and packaging material costs, increased personnel costs and the price increase in purchased services, as well as significantly higher energy costs caused by the cold winter. The sharp rise in the purchase price of beef due to the shortage of beef continued. The increases in sales prices and electricity price hedging measures only partially covered the rise in costs.

## Balance, cashflow and financing

At the end of June 2026, HKFoods' balance sheet total was EUR 494.4 (522.5) million. The Group's interest-bearing debt at the end of June was EUR 185.4 (202.9) million, including an IFRS 16 lease liability of EUR 81.2 (85.9) million. The company's net debt increased from the comparison period by EUR 1.5 million to EUR 157.7 (156.3) million. The seasonal increase in the net debt from the end of 2025 was EUR 15.9 million. HKFoods' net gearing ratio was 82.9 (76.3) per cent. The impact of the IFRS 16 lease liability on the net gearing ratio was 42.7 percentage points.

At the end of June 2026, the company had in its balance sheet a hybrid bond issued in August 2025 amounting to EUR 20.0 million. The hybrid bond bears a fixed interest rate of 8.750 per cent per annum from the issue date to the reset date of 21 August 2028. The hybrid bond is treated as equity. The hybrid bond does not have a specified maturity date, but the Group is entitled to redeem the hybrid bond at the nominal amount on the reset date of 21 August 2028 and subsequently, on each coupon interest payment date.

The Group's liquidity position was stable. A commercial paper programme had been drawn to the amount of EUR 13.0 (23.0) million. Committed credit facilities at the end of June 2026 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 2026, net financial expenses from continuing operations were EUR -3.7 (-3.8) million and in January–June EUR -6.9 (-7.7) million. Cash flow from operating activities in April–June was EUR 11.9 (21.2) million and in January–June EUR 6.0 (16.6) million. Cash flow after investments was EUR 5.8 (15.4) million in April–June and totalled EUR -4.1 (5.6) million in January–June. At the end of June 2026, the company's net gearing ratio was 82.9 (76.3) per cent and the net debt to EBITDA ratio was 2.4 (2.5).

## Disputes and pending legal proceedings

A legal process related to the investment in the property development project in Poland is pending. Regardless of the outcome, the process is 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 6.2 (6.5) million. Investments for January–June were EUR 9.8 (10.8) million. IFRS 16 increases to right-of-use assets totalled EUR 0.3 (1.7) million in April–June and EUR 0.6 (2.0) million in January–June.

In the first quarter of 2026, HKFoods decided to invest in the automation of the cutting department at its Forssa production unit to improve cost efficiency and competitiveness. The investment is proceeding according to plan. In addition, an investment project was launched in the second quarter at the Forssa unit's freezer department, with the goal of establishing a tempering department to serve the needs of the Mikkeli, Vantaa and Forssa production units.

HKFoods also implemented several smaller efficiency investments during the review period. The investment enabling higher added value of Polish operations and the property development project in Poland has been completed.

# Exports

HKFoods aims to grow the exports of its meat products, enhance the added value of its products and utilise all parts of carcasses as efficiently as possible. HKFoods exports meat and meat products to, for example, Japan, New Zealand, South Korea and several European countries. In the second quarter of 2026, the share of meat products in exports stood at 56 per cent (Q2/2025: 59 per cent). Poultry meat exports to China developed as planned.

### Changes in the international meat market

Due to oversupply, the EU market price for pork began to decline in the second quarter of 2026, even though consumer demand has increasingly shifted from more expensive beef to more affordable pork and the grilling season in Europe is still ongoing. The EU producer price of pork in June was a quarter lower than a year earlier. One reason for the oversupply is the export restrictions affecting Spain related to African swine fever (ASF), which continue to pose challenges for the pork market internationally. The outlook for pork demand in the Asia-Pacific region has also weakened.

Strong demand for poultry meat is expected to continue in the EU. In the second quarter of 2026, the market price of poultry meat in the EU strengthened, as expected, supported by seasonally increased demand.

The beef supply is expected to remain scarce in the EU. High beef prices have shifted consumer demand toward more affordable meat proteins, such as poultry and pork, which has led to a decline in beef prices in the EU internal market since the beginning of the year.

The Mercosur Trade Agreement between the EU and four South American countries entered into force on 1 May 2026 following a decision by the European Commission. The agreement had no impact on the EU beef market in the second quarter of the year, nor is it expected to have any significant impact in the short term.

# Personnel

HKFoods employed 3,071 (2,974) people in its continuing operations.

| Continuing operations personnel | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|
| Personnel on average* | 3,071 | 2,974 | 2,993 |
| Women / men % | 41 / 59 | 42 / 58 | 42 / 58 |
| Women / men of superiors % | 37 / 63 | 39 / 61 | 40 / 60 |

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

# Shares and shareholders

At the end of June 2026, 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 per cent of the total number of shares) and K shares, 4,735,000 (5.27 per cent 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 February 2026, HKFoods Plc purchased 90,000 own Series A shares in trading organised by Nasdaq Helsinki Ltd. The purchase was based on the authorisation received from the Annual General Meeting held on 23 April 2025. In March 2026, HKFoods Plc transferred without consideration 89,332 own Series A shares to the company's CEO to pay the first instalment of the rewards from performance share plan 2023–2027. At the end of June 2026, HKFoods Plc held 668 (0) own A shares and 0 (0) own K shares. They accounted for 0.00 per cent of all shares and 0.00 per cent of voting rights.

The calculated market value of HKFoods' shares at the end of June stood at EUR 144.8 (134.9) million. The market value of the Series A shares was EUR 137.1 (127.8) million, and the calculated market value of the unlisted Series K shares was EUR 7.6 (7.1) million.

In January–June, a total of 8,151,092 (7,909,654) of the company's shares were traded with a total value of EUR 14,059,456 (9,536,471). The highest price quoted was EUR 1.96 (1.84) and the lowest EUR 1.48 (0.77). The average price was EUR 1.72 (1.21). At the end of June, the closing price was EUR 1.61 (1.50).

## Annual General Meeting 2026

HKFoods Plc's Annual General Meeting (AGM), held on 22 April 2026 in Turku, adopted the parent company's and consolidated financial statements, discharged the members of the Board of Directors and the CEO from liability for 2025 and confirmed the remuneration report for governing bodies.

The AGM resolved that the company will distribute a dividend of EUR 0.08 per share for the financial year 2025. The AGM further resolved to authorise the Board of Directors to decide, at its discretion, on the distribution of funds recorded in the reserve for invested unrestricted equity, up to a maximum of EUR 0.07 per share. Under the authorisation, funds can be distributed in one or more instalments. The authorisation is valid until the beginning of the next Annual General Meeting.

The Board members Jari Mäkilä, Lauri Sipponen, Terhi Tuomi, Ilkka Uusitalo and Sami Yski were re-elected as members of the Board. In addition, Mirel Leino-Haltia, Juha-Pekka Ojala and Ellen Rydbeck were elected as new members of the Board until the end of the Annual General Meeting 2027. At the organisational meeting after the AGM, the Board elected Ilkka Uusitalo as Chair and Jari Mäkilä as Vice Chair. The Annual General Meeting resolved to keep the Board members' annual fees at the previous year's level.

The auditing firm Ernst & Young Oy was elected as the auditor of the company until the end of the AGM 2027 and Maria Onniselkä, Authorised Public Accountant, as the lead audit partner. In addition, the sustainability auditing firm Ernst & Young Oy was elected as the sustainability reporting assurer until the end of the AGM 2027, with Maria Onniselkä, M.Sc. (Econ.), Authorised Sustainability Auditor (ASA) as the lead sustainability reporting assurer.

The AGM resolved to authorise the Board of Directors to decide on share issue as well as issue of option rights and other special rights entitling to shares. In addition, the AGM resolved to authorise the Board of Directors to decide on the purchase of the company's own Series A shares and/or on the acceptance of the company's own Series A shares as pledge. The authorisations shall be effective until 30 June 2027, and they revoke the authorisations granted by the Annual General Meeting on 23 April 2025 to the Board to decide on the issue of Series A shares and 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 22 April 2026, and the minutes of the AGM are available on the company's website at www.hkfoods.com.

## Share-based long-term incentive plans

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: 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 describes its business risks and risk management in more detail in its Annual Review 2025, which is available at www.hkfoods.com/en/investors-information/annual-review-2025/.

### Risks related to economic operating environment

Finland's unemployment rate has risen to the highest in the EU. Economic growth in the country has been weak, forecasts for the coming years have been revised downwards and the public sector's cost-cutting measures will continue. The war in Iran has accelerated inflation and raised market interest rates. These factors further undermine consumer confidence, which was already weak before the war in Iran began.

China imposed additional tariffs on pork imports from EU countries from 10 September 2025. The additional tariffs do not apply to poultry meat, but their possible extension to poultry meat cannot be ruled out. The tariff increases may affect HKFoods' exports of pork and poultry meat to China.

Due to rising inflation in the eurozone, it is likely that the European Central Bank will further raise key interest rates during the second half of 2026 to curb inflation. As long-term interest rates rise, the risk of impairment losses will increase and may affect the company's economic and financial position, despite improved performance. The geopolitical situation can affect financial markets.

### Changes in consumer demand and behaviour

There is uncertainty surrounding the development of consumer demand due to weak employment, accelerated inflation and consumers' reduced 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

Considering the geopolitical situation, uncertainty about the availability and price of production inputs can be reflected in production costs. In particular, the increase in the prices of fuels, natural gas and raw materials for fertilisers, as well as higher energy, packaging and logistics costs resulting from the war in Iran, are driving up 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.

### Animal disease risks

African swine fever (ASF)

The risk of African swine fever (ASF) spreading in Finland has increased significantly since ASF was preliminary detected in wild boars found dead in Southeast Finland. Exports of pork and pork products to China and Japan, for example, have been suspended until further notice, and the products subject to restrictions will be redirected to other target markets. The success of the authorities' measures to restart exports to other non-EU countries will have an impact on pork export opportunities.

HKFoods has no contract producers of pork within the infected zone designated by the authorities. The detection currently has no impact on HKFoods' deliveries in Finland and the EU. If ASF spreads to production pork farms in the core pork production area in Western Finland, the availability of Finnish pork could decline significantly.

Other animal diseases

The possibility of other animal diseases cannot be ruled out either. Highly pathogenic avian influenza (HPAI) has caused widespread outbreaks in wild birds and poultry in Europe. The risk of the disease spreading to poultry also in Finland has increased. Due to the epidemic, the supply of poultry meat in the EU has decreased, and authorities in certain countries have imposed restrictions on the import and export of poultry products.

### Cyber risks

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

### African swine fever detected in Virolahti, Southeast Finland, on 30 July 2026

According to preliminary investigations by the Finnish Food Authority, African swine fever (ASF) has been detected in wild boars found dead in Southeast Finland. The Food Authority's results are still being verified at the EU Reference Laboratory (EURL) for African swine fever in Spain. However, immediate action has been taken to limit the spread of the disease. African swine fever does not infect humans.

HKFoods has no contract producers of pork within the infected zone designated by the authorities. The detection has no impact on HKFoods' deliveries in Finland and the EU. Exports of pork and pork products to China and Japan, for example, have been suspended until further notice. HKFoods will redirect the products subject to restrictions to other target markets. Authorities are negotiating the resumption of exports to other non-EU countries.

Information on the matter has been published on HKFoods' website.

Turku, 5 August 2026

**HKFoods Plc**
Board of Directors

## Webcast

In connection with its Half Year Financial Report, HKFoods will hold a briefing for analysts, institutional investors and media on 5 August 2026 at 10:00 a.m. EEST as a webcast at https://hkfoods.events.inderes.com/q2-2026. 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 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 reporting in 2026

HKFoods will publish its Interim Report for January–September 2026 on Wednesday 4 November 2026 at about 8:30 a.m. EET.

## Further information

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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 locally produced food for consumers' various food moments. Our well-known brands in Finland are HK®, Kariniemen® and Via®. HKFoods is a publicly listed company, and in 2025, 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 2026

## Consolidated income statement

| (EUR million) | | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|---|
| Continuing operations: | | | | | | |
| Net sales | | 258.7 | 245.7 | 501.2 | 479.4 | 996.4 |
| Cost of goods sold | 1. | -236.9 | -226.0 | -459.3 | -441.4 | -909.4 |
| Gross profit | | 21.8 | 19.7 | 41.9 | 38.0 | 87.0 |
| | | | | | | |
| Other operating items total | 1. | 0.8 | 1.2 | 1.1 | 2.4 | 3.9 |
| Sales and marketing costs | 1. | -7.1 | -7.7 | -13.6 | -13.4 | -25.2 |
| General administration costs | 1. | -8.3 | -7.0 | -16.8 | -16.1 | -32.8 |
| Operating profit | | 7.2 | 6.2 | 12.6 | 10.8 | 32.9 |
| | | | | | | |
| Financial income | | 1.0 | 1.3 | 1.8 | 2.4 | 4.5 |
| Financial expenses | | -4.7 | -5.0 | -8.7 | -10.1 | -19.4 |
| Share of profit/loss in associates and joint ventures | | 0.3 | 0.3 | 1.0 | 0.8 | 0.7 |
| Profit/loss before taxes | | 3.7 | 2.7 | 6.8 | 3.9 | 18.7 |
| | | | | | | |
| Income tax | | -0.6 | -0.7 | -0.9 | -1.0 | -4.5 |
| Profit/loss for the period, continuing operations | | 3.1 | 2.0 | 5.9 | 2.8 | 14.2 |
| Profit/loss for discontinued operations | | - | -3.6 | - | -3.9 | -11.4 |
| Profit/loss for the period | | 3.1 | -1.6 | 5.9 | -1.1 | 2.8 |
| | | | | | | |
| Profit/loss for the period attributable to: | | | | | | |
| Equity holders of the parent | | 1.4 | -2.6 | 3.9 | -2.3 | -1.1 |
| Non-controlling interests | | 1.8 | 1.0 | 2.0 | 1.2 | 3.8 |
| Total | | 3.1 | -1.6 | 5.9 | -1.1 | 2.8 |
| | | | | | | |
| Earnings per share calculated on profit attributable to equity holders of the parent: | | | | | | |
| EPS, undiluted, continuing operations, EUR/share | | 0.01 | 0.00 | 0.04 | 0.00 | 0.08 |
| EPS, diluted, continuing operations, EUR/share | | 0.01 | 0.00 | 0.04 | 0.00 | 0.08 |
| EPS, undiluted, discontinued operations, EUR/share | | 0.00 | -0.04 | 0.00 | -0.04 | -0.13 |
| EPS, diluted, discontinued operations, EUR/share | | 0.00 | -0.04 | 0.00 | -0.04 | -0.13 |
| EPS, undiluted, EUR/share | | 0.01 | -0.04 | 0.04 | -0.04 | -0.05 |
| EPS, diluted, EUR/share | | 0.01 | -0.04 | 0.04 | -0.04 | -0.05 |

# Consolidated statement of comprehensive income

| (EUR million) | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|
| Profit/loss for the period | 3.1 | -1.6 | 5.9 | -1.1 | 2.8 |
| | | | | | |
| OTHER COMPREHENSIVE INCOME (after taxes): | | | | | |
| Items that may be subsequently reclassified to profit or loss | | | | | |
| Exchange differences on translating foreign operations, continuing operations | 0.0 | -0.4 | -0.5 | 0.2 | 0.4 |
| Cash flow hedging, continuing operations | 0.2 | 0.4 | 0.8 | -0.1 | -0.1 |
| TOTAL OTHER COMPREHENSIVE INCOME | 0.2 | 0.0 | 0.3 | 0.1 | 0.3 |
| | | | | | |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 3.3 | -1.5 | 6.2 | -0.9 | 3.0 |
| | | | | | |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: | | | | | |
| Equity holders of the parent | 1.5 | -2.5 | 4.2 | -2.2 | -0.8 |
| Non-controlling interests | 1.8 | 1.0 | 2.0 | 1.2 | 3.8 |
| Total | 3.3 | -1.5 | 6.2 | -0.9 | 3.0 |

# Consolidated balance sheet

| (EUR million) | Note | 30 June 2026 | 30 June 2025 | 31 Dec. 2025 |
|---|---|---|---|---|
| ASSETS | | | | |
| | | | | |
| Intangible assets | 2. | 43.5 | 43.2 | 43.4 |
| Tangible assets | 3.4 | 247.3 | 250.7 | 251.7 |
| Holdings | | 23.0 | 22.3 | 22.3 |
| Deferred tax asset | 5. | 18.8 | 21.0 | 18.9 |
| Other non-current assets | | 4.6 | 11.6 | 3.9 |
| TOTAL NON-CURRENT ASSETS | | 337.3 | 348.9 | 340.1 |
| | | | | |
| Inventories | 6. | 69.2 | 59.0 | 63.1 |
| Current receivables | | 60.2 | 67.9 | 58.1 |
| Cash and cash equivalents | | 27.7 | 46.7 | 51.1 |
| TOTAL CURRENT ASSETS | | 157.1 | 173.6 | 172.4 |
| | | | | |
| TOTAL ASSETS | | 494.4 | 522.5 | 512.6 |
| | | | | |
| EQUITY AND LIABILITIES | | | | |
| | | | | |
| EQUITY | | 190.3 | 204.8 | 193.8 |
| | | | | |
| Non-current loans, interest-bearing | 4. | 76.2 | 169.2 | 168.1 |
| Non-current liabilities, non-interest-bearing | | 4.7 | 5.1 | 5.0 |
| TOTAL NON-CURRENT LIABILITIES | | 80.8 | 174.3 | 173.1 |
| | | | | |
| Current loans, interest-bearing | 4. | 109.3 | 33.7 | 25.5 |
| Current liabilities, non-interest-bearing | | 113.9 | 109.6 | 120.2 |
| TOTAL CURRENT LIABILITIES | | 223.2 | 143.3 | 145.7 |
| | | | | |
| TOTAL EQUITY AND LIABILITIES | | 494.4 | 522.5 | 512.6 |

# Statement of changes in consolidated equity

| (EUR million) | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. | 10. | 11. | 12. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EQUITY ON 1 Jan. 2026** | **66.8** | **72.9** | **-0.1** | **193.7** | **20.0** | **8.3** | **1.2** | **0.0** | **-199.7** | **163.1** | **30.7** | **193.8** |
| Result for the financial period | - | - | - | - | - | - | - | - | 3.9 | 3.9 | 2.0 | 5.9 |
| Other comprehensive income (+) / expense (–) | | | | | | | | | | | | |
| Transl. diff. | - | - | - | - | - | - | -0.5 | - | - | -0.5 | - | -0.5 |
| Cash flow hedging | - | - | 0.8 | - | - | - | - | - | - | 0.8 | - | 0.8 |
| Total other comprehensive income / expense | - | - | 0.8 | - | - | - | -0.5 | - | - | 0.3 | - | 0.3 |
| **Total compreh. income for the period** | **-** | **-** | **0.8** | **-** | **-** | **-** | **-0.5** | **-** | **3.9** | **4.2** | **2.0** | **6.2** |
| Direct recognitions | - | - | - | - | - | - | - | - | 0.0 | 0.0 | - | 0.0 |
| Purchase of own shares | - | - | - | - | - | - | - | -0.2 | - | -0.2 | - | -0.2 |
| Distribution of own shares | - | - | - | - | - | - | - | 0.2 | -0.2 | - | - | - |
| Dividend distribution | - | - | - | - | - | - | - | - | -7.2 | -7.2 | -2.2 | -9.4 |
| **EQUITY ON 30 June 2026** | **66.8** | **72.9** | **0.7** | **193.7** | **20.0** | **8.3** | **0.7** | **0.0** | **-203.2** | **159.9** | **30.4** | **190.3** |

| (EUR million) | 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 | 0.0 | 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** |

*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) | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|
| Cash flow before change in net working capital | 14.2 | 13.1 | 26.5 | 25.7 | 63.6 |
| Change in net working capital | 1.1 | 11.7 | -13.3 | -0.7 | 4.2 |
| Financial items and taxes | -3.4 | -3.5 | -7.2 | -8.3 | -16.9 |
| CASH FLOW FROM OPERATING ACTIVITIES | 11.9 | 21.2 | 6.0 | 16.6 | 51.0 |
| | | | | | |
| Cash flow from investing activities | -6.1 | -5.8 | -10.1 | -11.0 | -14.9 |
| CASH FLOW AFTER INVESTING ACTIVITIES | 5.8 | 15.4 | -4.1 | 5.6 | 36.1 |
| | | | | | |
| Hybrid loan, interest | - | - | - | - | -4.1 |
| Hybrid loan, redemption | - | - | - | - | -25.9 |
| Hybrid loan, issue | - | - | - | - | 19.3 |
| Change in loans | -12.5 | 7.2 | -9.1 | 14.2 | 3.0 |
| Distribution of funds | - | -8.1 | -0.4 | -8.1 | -12.2 |
| Purchase of own shares | - | - | -0.2 | - | - |
| Dividends paid | -9.4 | -1.5 | -9.4 | -1.7 | -1.7 |
| CASH FLOW FROM FINANCING ACTIVITIES | -21.9 | -2.4 | -19.2 | 4.4 | -21.6 |
| | | | | | |
| NET CASH FLOW | -16.1 | 13.0 | -23.3 | 10.0 | 14.4 |
| | | | | | |
| Cash and cash equivalents at beginning of period | 43.5 | 33.8 | 51.1 | 36.7 | 36.7 |
| Translation differences | 0.3 | -0.2 | -0.2 | 0.0 | 0.0 |
| Cash and cash equivalents at end of period | 27.7 | 46.7 | 27.7 | 46.7 | 51.1 |

## Financial indicators

| (EUR million) | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|
| Earnings per share (EPS), undiluted, EUR, continuing operations | 0.01 | 0.00 | 0.04 | 0.00 | 0.08 |
| Earnings per share (EPS), diluted, EUR, continuing operations | 0.01 | 0.00 | 0.04 | 0.00 | 0.08 |
| Gross capital expenditure on PPE, EUR million, continuing operations | 6.2 | 6.5 | 9.8 | 10.8 | 25.6 |
| Additions in right-of-use assets, EUR million, continuing operations | 0.3 | 1.7 | 0.6 | 2.0 | 3.6 |
| Depreciation and impairment, EUR million, continuing operations | 7.6 | 7.1 | 14.9 | 14.6 | 29.5 |
| Equity per share, EUR | | | 1.78 | 1.97 | 1.81 |
| Equity ratio, % | | | 38.5 | 39.2 | 37.8 |
| Adjusted average number of outstanding shares, million | | | 89.9 | 89.9 | 89.9 |
| Employees, average, FTE, continuing operations | | | 3,071 | 2,974 | 2,993 |

# 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 (%) | $\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$ |
| 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 – cash and bank and interest-bearing receivables |
| Net debt to EBITDA ratio (leverage) | $\frac{\text{Interest-bearing net debt}}{\text{EBITDA + share of profit/loss in associates and joint ventures}}$ |

** 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 2026 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 2025. 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 2025. The Half Year Financial Report is unaudited.

## Notes to the income statement

## 1. Items affecting comparability

| (EUR million) | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|
| **Comparable EBIT, continuing operations** | **7.7** | **6.5** | **13.5** | **11.1** | **34.1** |
| Restoration cost [3] | - | - | -0.3 | - | - |
| Termination of employment [1] [2] | -0.1 | -0.3 | -0.1 | -0.3 | -0.3 |
| Impairment of assets [2] | -0.5 | - | -0.5 | - | -0.4 |
| Losses on sales of non-current assets [3] | - | - | - | - | -0.2 |
| Poland unit future assesment [3] | - | - | - | - | -0.3 |
| **EBIT, continuing operations** | **7.2** | **6.2** | **12.6** | **10.8** | **32.9** |

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"
3) Included in the Income Statement in the item "Other operating income and expense"

## Notes to the statement of financial position

## 2. Changes in intangible assets

| (EUR million) | 30 June 2026 | 30 June 2025 | 31 Dec. 2025 |
|---|---|---|---|
| Opening balance | 43.4 | 44.0 | 44.0 |
| Translation differences | -0.2 | 0.1 | 0.1 |
| Additions | 0.2 | 0.3 | 1.6 |
| Additions, business acquisitions | 0.8 | - | - |
| Depreciation and impairment | -1.3 | -1.5 | -3.0 |
| Reclassification between items | 0.6 | 0.3 | 0.6 |
| Closing balance | 43.5 | 43.2 | 43.4 |

## 3. Changes in tangible assets

| (EUR million) | 30 June 2026 | 30 June 2025 | 31 Dec. 2025 |
|---|---|---|---|
| Opening balance | 251.7 | 251.6 | 251.6 |
| Translation differences | -0.3 | 0.1 | 0.2 |
| Additions | 10.1 | 12.4 | 27.6 |
| Disposals | -0.1 | - | -0.5 |
| Depreciation and impairment | -13.6 | -13.1 | -26.6 |
| Reclassification between items | -0.6 | -0.3 | -0.6 |
| Closing balance | 247.3 | 250.7 | 251.7 |

## 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. 2026 | 0.1 | 66.1 | 8.3 | 74.5 | 84.0 |
| Additions | - | -0.3 | 0.9 | 0.6 | 0.6 |
| Depreciation for the financial period | - | -2.8 | -1.2 | -4.0 | - |
| Payments | - | - | - | - | -3.4 |
| Closing balance on 30 June 2026 | 0.1 | 63.0 | 8.0 | 71.0 | 81.2 |

| (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) | 4–6/2026 | 4–6/2025 | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|---|---|
| Depreciation expense of right-of-use assets, continuing operations | -2.0 | -2.2 | -4.0 | -4.4 | -8.5 |
| Interest expense on lease liabilities, continuing operations | -1.2 | -1.2 | -2.4 | -2.4 | -4.8 |
| Total amounts recognised in profit or loss, continuing operations | -3.1 | -3.4 | -6.4 | -6.7 | -13.2 |

## 5. Deferred tax assets

Out of the total EUR 18.8 million, EUR 17.7 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 2026 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 2027 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 2026 was EUR 35.1 million.

The company has utilised tax losses in Finland every year in 2019–2025, and no losses have expired. In 2025, the company has recorded to balance sheet previously unrecognised deferred tax asset from losses amounting to EUR 3.3 million. In 2025, the company was able to utilise tax losses, and a EUR 5.3 (4.3) million deferred tax asset was used and recognised as a tax expense. The losses in taxation in Finland expire with the following schedule: EUR 3.0 million in 2028, EUR 10.0 million in 2029 and EUR 1.6 million in 2031.

## 6. Inventories

| (EUR million) | 30 June 2026 | 30 June 2025 | 31 Dec. 2025 |
|---|---|---|---|
| Materials and supplies | 38.0 | 32.2 | 33.5 |
| Semi-finished products | 2.5 | 3.4 | 2.6 |
| Finished products | 20.5 | 15.9 | 19.0 |
| Spare parts | 6.4 | 5.8 | 6.0 |
| Inventories, advance payments | 1.8 | 1.9 | 2.0 |
| **Total inventories** | 69.2 | 59.0 | 63.1 |

## Derivative instrument liabilities

| (EUR million) | 30 June 2026 | 30 June 2025 | 31 Dec. 2025 |
|---|---|---|---|
| Nominal values of derivative instruments | | | |
| | | | |
| Foreign exchange derivatives | 20.4 | 13.4 | 16.5 |
| Interest rate derivatives | 40.0 | 30.0 | 40.0 |
| Electricity derivatives | 4.2 | 3.2 | 3.3 |
| | | | |
| Fair values of derivative instruments | | | |
| | | | |
| Foreign exchange derivatives | 0.1 | 0.1 | 0.0 |
| Interest rate derivatives | 0.2 | -0.2 | -0.1 |
| Electricity derivatives | 0.9 | 0.3 | -0.1 |

## Consolidated other contingent liabilities

| (EUR million) | 30 June 2026 | 30 June 2025 | 31 Dec. 2025 |
|---|---|---|---|
| Debts secured by pledges or mortgages | | | |
| - loans from financial institutions | - | 2.0 | 1.0 |
| - bonds | 90.0 | 90.0 | 90.0 |
| - lease liabilities | 10.7 | 10.7 | 10.7 |
| | | | |
| On own behalf | | | |
| - Assets pledged | 238.2 | 229.0 | 230.8 |
| | | | |
| On behalf of others | | | |
| - guarantees and other commitments | 6.6 | 6.2 | 6.2 |
| | | | |
| Other contingencies | | | |
| Leasing and rental commitments | 0.5 | 0.2 | 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.

| (EUR million) | 30 June 2026 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Assets measured at fair value | | | | |
| Financial assets recognised at fair value through profit or loss | | | | |
| - Trading derivatives | | | | |
| - Interest rate swaps | 0.2 | - | 0.2 | - |
| - Foreign exchange derivatives | 0.1 | - | 0.1 | - |
| - Commodity derivatives | 1.1 | - | 1.1 | - |
| of which subject to cash flow hedging | 1.1 | - | 1.1 | - |
| **Total** | **1.4** | **-** | **1.4** | **-** |
| | | | | |
| 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 | -0.2 | - | -0.2 | - |
| of which subject to cash flow hedging | -0.2 | - | -0.2 | - |
| **Total** | **-0.2** | **-** | **-0.2** | **-** |

| (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** | **-** |

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) | 1–6/2026 | 1–6/2025 | 2025 |
|---|---|---|---|
| Sales to associates | 3.4 | 2.9 | 6.5 |
| Purchases from associates | 25.2 | 23.3 | 48.6 |
| Trade and other receivables from associates | 0.5 | 0.5 | 0.4 |
| Trade and other payables to associates | 4.2 | 3.6 | 3.8 |
| Animal purchases from related party* | 13.7 | 12.9 | 26.5 |
| Animal sales to related party* | 2.7 | 2.5 | 5.4 |
| Loan receivable from LSO Osuuskunta | 3.4 | 4.1 | 3.1 |

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