



HKFOODS

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Strong development continued in 2024; HKFoods showing clear growth in net sales and comparable EBIT

October–December 2024

- HKFoods' net sales from continuing operations increased by 6.9 per cent to EUR 266.9 (249.7) million. HKFoods increased its sales in all other sales channels except industrial sales, where sales declined as planned. Consumer demand in Finland remained at the comparison period's level but was particularly focused on lower-priced products. HKFoods was able to meet demand with its comprehensive product portfolio, which increased sales in the retail sector. Sales in the food service channel developed strongly, enabling HKFoods to strengthen its position in the market.
- The Group's EBIT from continuing operations totalled EUR 6.5 (3.1) million.
- The Group's comparable EBIT from continuing operations was EUR 10.3 (3.0) million. The improved performance was driven by a better sales mix, production efficiency measures and cost savings. Especially Christmas season sales were successful. Sales to the retail sector increased, especially to the food service channel. In addition, the structure of export sales was strengthened by growth focused on added-value products.
- Cost levels remained high in October–December. In addition to the cost increases in energy and external services, wage costs were pushed up by previously agreed general pay rises. HKFoods was able to cover the impact of the cost increase through production efficiency measures and cost savings. Particularly the investment in the Rauma poultry cutting department increased production efficiency.
- The comparable EBIT of the Business Unit Finland was EUR 14.5 (6.3) million.
- Cash flow from business operations including discontinued operations was EUR 38.4 (33.1) million.
- The company's extensive restructuring was completed on 31 October 2024 when HKFoods sold its Danish business to Plukon Food Group B.V. from the Netherlands.

January–December 2024

- HKFoods' net sales from continuing operations increased by 7.4 per cent to EUR 1,001.8 (933.0) million.
- Sales increased due to good consumer demand and successful commercial activities. Sales increased especially in the Finnish retail channel in the early part of the review period, with the food service channel showing more pronounced sales growth towards the end of the period. Exports from Finland remained at the previous year's level; exports of red meat fell while exports of poultry meat and meat products increased significantly.
- The Group's EBIT from continuing operations totalled EUR 22.4 (14.3) million.
- The Group's comparable EBIT from continuing operations was EUR 27.7 (11.6) million. An improved sales mix, increased production efficiency and cost savings improved EBIT during the review period.
- HKFoods strengthened its position in the Finnish consumer market, which reduced the need for less profitable meat exports. Growth in exports of meat products also strengthened the structure of export sales.
- Cost levels remained high, with the cost of external services in particular rising from the comparison period. Profitability of red meat, especially beef, continued to be challenging in Finland, but improved towards the end of the review period. Increased production volumes, investments in production and efficiency measures enhanced operational efficiency and improved the company's profitability.
- The comparable EBIT of the Business Unit Finland was EUR 37.7 (20.5) million.
- Cash flow from operating activities including discontinued operations was EUR 60.8 (50.6) million. Cash flow improved because of better working capital development performance and lower financing costs than in the comparison period.
- Interest-bearing net debt was EUR 149.8 (287.9) million and net gearing 69.5 (121.0) per cent.
- Interest-bearing net debt excluding IFRS 16 lease liabilities was EUR 62.2 (184.3) million.
- The sale of the Swedish business was completed on 27 March 2024.
- The Board of Directors proposes to the Annual General Meeting that no dividend is to be paid for the financial year 2024. The Board of Directors proposes that the Annual General Meeting resolve to distribute EUR 0.09 per share from the company's reserve for invested unrestricted equity for 2024. The Board of Directors further proposes the Annual General Meeting to authorise the Board of Directors to

resolve 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. Under the authorisation, the Board of Directors could decide to distribute funds in one or more instalments.

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)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	266.9	249.7	1,001.8	933.0
Finland	266.9	249.7	1,001.8	933.0

Key figures, EBIT, continuing operations

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
EBIT	6.5	3.1	22.4	14.3
- % of net sales	2.4	1.3	2.2	1.5
Comparable EBIT	10.3	3.0	27.7	11.6
- % of net sales	3.9	1.2	2.8	1.2
Comparable EBIT, Finland	14.5	6.3	37.7	20.5
- % of net sales	5.4	2.5	3.8	2.2

Key figures, other

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
EBITDA, continuing operations	16.9	11.1	56.3	45.1
Profit before taxes, continuing operations	2.3	-3.9	4.2	-10.7
- % of net sales	0.9	-1.6	0.4	-1.2
Profit for the period, continuing operations	-2.7	-7.2	-1.8	-17.3
- % of net sales	-1.0	-2.9	-0.2	-1.9
EPS, EUR, continuing operations	-0.06	-0.10	-0.09	-0.24
Comparable EPS, EUR, continuing operations	-0.02	-0.10	-0.04	-0.27
Cash flow from operating activities, incl. discontinued operations	38.4	33.1	60.8	50.6
Cash flow after investing activities, incl. discontinued operations	64.3	40.2	141.7	73.3
Return on capital employed (ROCE) before taxes, %, incl. discontinued operations			0.9	3.0
Interest-bearing net debt			149.8	287.9
Net gearing, %			69.5	121.0

HKFoods' CEO Juha Ruohola

HKFoods' continuing operations developed strongly in 2024, with both net sales and comparable EBIT growing significantly. The company's net sales from continuing operations in 2024 increased by 7.4 per cent to EUR 1,001.8 (933.0) million. In the fourth quarter the comparable EBIT was 3.9 (1.2) per cent of net sales. The comparable EBIT margin for the whole year was 2.8 (2.2) per cent. The company's EBIT target is 4 per cent.

HKFoods increased its profitability also in the fourth quarter through successful commercial measures, production efficiency measures and cost savings. Retail sales developed positively with a comprehensive product range and successful Christmas season, which improved the sales mix and profitability. Our food service sector has managed to grow its share in a declining market. The structure of export sales has improved due to increased sales of ready-to-use products.

The company's investment capacity has improved. We have focused our investments on strategic and efficiency investments. The investments in the Rauma and Forssa units have been completed, and our investment in the manufacture of ready-to-eat products in our Eura unit is progressing as well as the investment in the ready meal production of our Vantaa unit. With this investment, we will increase our meal preparation capacity and develop new high-quality meals for consumers' various food moments.

Over the past two and a half years, we have been assessing the position of our businesses within the Group in order to increase our financial flexibility. We have improved HKFoods' profitability and strengthened our balance sheet through the sale of the Baltic business, which was completed in August 2023. The sale of the Swedish business was closed at the end of March 2024. Our major restructuring was completed at the end of October 2024, when the sale of the Danish subsidiary ROSE Poultry A/S to the Dutch Plukon Food Group was closed.

The divestments have strengthened HKFoods' balance sheet as planned and the proceeds have been used to repay the company's loans. The company's net debt decreased by EUR 138.1 million to EUR 149.8 (287.9) million from a year ago. Our net gearing ratio has decreased to 69.5 per cent. As a result of this reduction, our net financing costs have fallen by EUR 7.5 million during 2024. In the financing negotiations in summer 2024, we secured financial continuity until early 2027.

According to HKFoods' vision, updated at the end of 2024, we want 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 other company partners.

The company's strategy affects all sustainability topics identified as material to HKFoods; the most important ones in the medium to long term are climate change, consumer health and safety and animal welfare. These will be pursued with even greater determination. During 2025, we will update our responsibility programme to better address the sustainability topics that we have identified as material to our stakeholders. The wellbeing and safety of our employees will remain at the heart of our responsibility programme. Our key target is to be a safe and healthy workplace for our own employees and the partners working in our units. Improving safety at work is something that will continue to require our continued commitment and action together with all our employees. We are running a quality culture project to improve the quality of our operations and products.

Following the completion of our major restructuring, we are now focusing on implementing our long-term strategy by improving the competitiveness of our core business and the profitability of our operations in Finland. Our efficiency programme, launched at the end of 2024, aims to significantly improve our performance. The programme involves improving production efficiency and strengthening commercial measures.

The measures taken in 2024 have taken the company to the right direction. The hard work has paid off and our future is now on firmer ground than it has been for many years. I would like to thank our own people, our customers, our contractors and our other partners. We are well-positioned to move forward inspired by our new vision.

Key events in 2024

Sale of the Swedish business completed

On 27 March 2024, HKFoods sold the shares in its Swedish subsidiary HKScan Sweden AB (now Scan Sverige AB) to Lantmännen ek för. The transaction was preceded by the approval of the Swedish authorities in February 2024 regarding foreign direct investment (FDI) control and the approval of the arrangement by HKFoods' Extraordinary General Meeting. On 7 March 2024, the EU Commission announced its approval of the arrangement, and the transaction was completed on 27 March 2024.

The purchase price for the shares in HKScan Sweden AB amounted to approximately EUR 60 million in cash as well as 6,869,750 A shares and 665,000 K shares in HKFoods held by Lantmännen. In addition, Lantmännen repaid an intragroup loan between HKFoods and HKScan Sweden AB to the amount of approximately EUR 50 million. HKFoods also reduced its off-balance sheet factoring financing by approximately EUR 55 million and IFRS 16 leasing liabilities by approximately EUR 13 million. A prepayment of EUR 25 million of the purchase price was made upon the signing of the agreement, with the remainder being paid after the completion of the transaction.

With the transaction, HKFoods' ownership of its Swedish business ended.

Details of the transaction have been disclosed in the following releases: [29 December 2023](#), [28 February 2024](#), [7 March 2024](#) and [27 March 2024](#).

The sale of the Danish business unit to Plukon Food Group B.V. was completed on 31 October 2024

On 15 October 2024 HKFoods was informed that the Danish Consumer and Competition Authority had approved the arrangement announced in May 2024 whereby HKFoods sells its operations in Denmark. The sale of the Danish business unit was completed on 31 October 2024. The company received cash of EUR 36.6 million. The amount was used to pay off the company's debts.

Details on the matter have been provided in the following releases: [7 March 2024](#), [2 May 2024](#), [15 October 2024](#) and [31 October 2024](#).

The company name changed to HKFoods

Due to the sale of the Swedish business, the Annual General Meeting approved the change of the company name from HKScan Oyj to HKFoods Oyj. The new name, logo, website and email address were introduced on 27 May 2024 after registration with the Trade Register. The parallel company names of the new name are HKFoods Plc (in English) and HKFoods Abp (in Swedish).

The new name of the Danish subsidiary changed to ROSE Poultry A/S on 27 May 2024. The name of the Polish subsidiary has been HKFoods Poland Sp. z o.o. from 23 August 2024 onwards. HKScan Finland Ltd has changed its name to HKFoods Finland Ltd on 2 September 2024.

Details on the matter were provided in the following releases: [15 March 2024](#), [18 April 2024](#) and [24 May 2024](#).

HKFoods issued secured notes of EUR 90 million

On 17 June 2024, HKFoods issued secured senior notes of EUR 90 million. The three-year notes mature on 17 June 2027, carry a floating interest at the rate of EURIBOR 3 months plus a margin of 7.5 per cent and had an issue price of 100 per cent.

The proceeds from the issue of the notes will be used for refinancing certain existing indebtedness of HKFoods and general corporate purposes of HKFoods' Group.

Details on the matter have been provided in the following releases: [31 May 2024](#), [7 June 2024](#), [10 June 2024](#), [10 June 2024](#) and [13 June 2024](#).

HKFoods redeemed its outstanding notes due 24 March 2025

The Company gave a notice in December to the holders of Notes that it redeems all the outstanding Notes due 24 March 2025 in accordance with Condition 8.3 (*Clean-up call option*) of the terms and conditions of the Notes. The outstanding Notes redeemed on 20 December 2024 in accordance with the terms and conditions of the Notes. On the Redemption Date, the Company paid to the Noteholders a redemption price per Note equal to 100 per cent of their principal amount together with any accrued but unpaid interest. Interest on the Notes redeemed accrues until (but excluding) the Redemption Date.

Details on the matter have been provided in a release: [2 December 2024](#).

HKFoods invests in the growing meal category at its Vantaa unit – New technology line to prepare meals to make consumers' everyday lives easier

HKFoods Plc 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 supports HKFoods' strategy to increase added value and operational efficiency. The company aims to grow in product categories that make everyday life easier for consumers, such as meals, meal components and snacks.

Details on the matter were provided in the following release: [19 September 2024](#).

Development investment in the Eura unit of ready-to-eat products improves profitability and competitiveness

In January 2024, HKFoods announced plans to improve the efficiency of its production operations by centralising the poultry packing activities in the Eura unit to the company's production units in Rauma and Forssa. The statutory negotiations concluded in February. After the statutory negotiations, HKFoods decided to invest approximately EUR 8 million in a production line for ready-to-eat products at its Eura unit. With this strategic investment, HKFoods will improve its profitability by increasing the added value of its products and operational efficiency and respond to the growing consumer demand for quick and easy cooking.

Details on the matter have been provided in a release: [11 January 2024](#), [5 March 2024](#) and [14 March 2024](#).

Changes in HKFoods Plc's Executive Team

Mika Tilli started as the new CFO and member of the Group Executive Team as of 1 July 2024. Jyrki Paappa left the company in summer 2024.

Details on the matter have been provided in a release: [26 March 2024](#).

Following the completion of the sale of the company's Swedish business, Lars Appelqvist, EVP of Business Unit Sweden and member of the Group Executive Team, left the company on 27 March 2024.

Details on the matter have been provided in a release: [27 March 2024](#)

Michael Juhl Jørgensen started as Interim EVP, Business Unit Denmark and member of the Group Executive Team as of 1 July 2024. Jukka Nikkinen left the company on 30 June 2024.

Following the completion of the sale of HKFoods' Danish business, Michael Juhl Jørgensen left HKFoods on 31 October 2024.

Details on the matter have been provided in a release: [27 May 2024](#) and [31 October 2024](#).

Jari Leija, HKFoods Plc's EVP, Business Unit Finland and member of the Executive Team, left the company on 24 October 2024.

Details on the matter have been provided in a release: [24 October 2024](#)

Petri Toivola, EVP, Poultry Business at HKFoods, Mikko Järvinen, EVP Meat Business at HKFoods, and Terhi Hakkarainen, EVP Processed Food Business, were appointed as members of HKFoods Plc's Executive Team as of 27 November 2024.

Details on the matter have been provided in a release: [27 November 2024](#).

HKFoods launched Finnish poultry exports to China in late 2024

HKFoods started exporting poultry meat from Finland to China in late 2024, following an export licence for HKFoods' Rauma unit. The export licence obtained by HKFoods for Finnish poultry meat is a significant addition to HKFoods' extensive export rights. HKFoods currently exports Finnish pork to China.

Details on the matter have been provided in a release: [30 October 2024](#).

HKFoods revised its climate emissions calculation and target

HKFoods has updated the climate emissions calculation, climate target and timeline of its responsibility programme to better align with international climate work guidelines, calculations guidance and reporting standards.

Details on the matter were provided in a release: [25 January 2024](#).

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 taken into account in 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 sustainability themes material to HKFoods' operations are good governance and corporate culture, the environment and social responsibility. In terms of the environment the material sustainability topics include, for example, climate change, water, biodiversity and circular economy. In terms of social responsibility the material sustainability topics include the health, safety and working conditions of the workforce, equal treatment, skills development and diversity, and animal welfare. 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

During the review period, HKFoods was working on the preparation of the sustainability report required by the EU Corporate Sustainability Reporting Directive (CSRD). During the review period, the company updated the double materiality assessment following the guidance provided by the European Finance Advisory Group (EFRAG) and started preparing its sustainability report based on the 2024 data. The figures presented in the sustainability report are in accordance with the sustainability reporting standard, which differ from the key figures and their calculation methods previously used by the Group.

During the review period, the company also continued to implement measures and ongoing research projects related to the climate target renewed at the beginning of 2024. HKFoods joined Valio's Food 2.0 partnership ecosystem, which aims to promote sustainable food production and improve its profitability and international competitiveness. HKFoods also continued to promote responsible procurement and duty of diligence by introducing supplier management software. Furthermore, the company carried on preparing for the implementation of the EU Deforestation Regulation (EUDR).

HKFoods' responsibility programme focuses on two themes: nature and people.

Nature

At the beginning of 2024, HKFoods updated the climate emissions calculation and climate target and timetable of its responsibility programme to better align with international climate work guidelines, calculation guidance and reporting standards. HKFoods Group aims to reach net zero for all greenhouse gas (GHG) emissions by 2050. The SBTi approved HKFoods' short-term targets among the first Nordic food companies for both industrial energy (Industrial) and the land use sector (Forest, Land and Agriculture = FLAG). In addition,

the company published the results of the GHG emissions calculation updated in line with the GHG Protocol Corporate Standard and the draft Land Sector and Removals Guidance for the land use sector.

In order to contribute to climate targets, GHG emissions reduction and climate change adaptation measures will play an important role in the coming years. During the 2024 growing season, projects were implemented on pilot farms as planned, including research on the use of recycled fertilisers, distributed fertilisation techniques, legume cultivation, use of catch crops, field water management and soil carbon sequestration. During the growing season, a pilot study was carried out to investigate the use of controlled drainage in fields and to observe the impact of their use on field water balance and winter wheat yield.

In summer 2024, a study on biodiversity, grazing, animal welfare and monitoring technology development was carried out in Friskalanlahti in Turku. As a result of the grazing, the biodiversity of the area improved, both in terms of insects and birds.

During the review period, HKFoods participated in the Finnish Government's Archipelago Sea Programme, which aims to reverse the diffuse pollution from agriculture into the Archipelago Sea.

People

HKFoods' Code of Conduct and values guide the company's operations and decision-making. HKFoods is committed to promoting the occupational wellbeing and safety of its employees through the Better Together and Safety First programmes. The aim is to create a safe and healthy working community with employee experience, inclusive corporate culture, continuous learning and wellbeing as key elements.

In 2024, HKFoods continued the development of its corporate culture through a quality culture project, with a particular focus on the development of existing processes, employee experience and leadership skills, and improving product quality through employee involvement.

HKFoods offers a wide range of training and development opportunities that contribute to the professional growth and wellbeing of employees. In 2024, employees were offered both internal and external training opportunities, such as language training and training leading to vocational qualifications. In addition, HKFoods promotes the overall wellbeing of its employees through internal wellbeing training and by developing cooperation with its long-term external partners. In 2024, the company launched a number of wellbeing models and support schemes aimed at supporting the physical, social and mental wellbeing of employees.

HKFoods makes goal-oriented efforts towards zero accidents at work, with the key objective of providing a safe workplace for its employees and for its partners operating in the units. HKFoods' total lost time injury frequency rate in Finland and Poland (LTIR) for 01–12/2024 was 16.9 (19.3 for 2023).

In terms of occupational safety, HKFoods has focused on the harmonisation and development of critical processes. The focus has been on improving safety incident handling and forklift safety as well as the introduction of the new HESQ system. The company strives to clarify and streamline its processes related to safety management, reporting, incident handling and communication. The aim is to increase staff safety awareness, improve fire safety on the premises and develop data-driven management.

Group net sales and EBIT

October–December

Net sales

HKFoods' net sales from continuing operations increased by 6.9 per cent to EUR 266.9 (249.7) million. Due to higher volumes, the value of retail sales increased, especially in lower-priced products. Consumer demand in Finland remained at the comparison period's level. The strongest growth was seen in cold cuts and ready meal products. Food service channel sales grew clearly versus the comparison period, with sales increasing in all product categories and HKFoods strengthening its position in the market.

Exports increased thanks to poultry and meat products, which improved the structure of export sales. Following the business transactions in Sweden and Denmark, the Polish bacon unit's sales to Sweden have

been reported as external sales from April 2024 and the sales to Denmark from November 2024. This contributed to higher net sales and increased the share of exports in net sales.

EBIT

HKFoods' EBIT from continuing operations totalled EUR 6.5 (3.1) million. The comparable EBIT from continuing operations was EUR 10.3 (3.0) million.

An item affecting comparability of EUR -3.8 (0.2) million was recorded in continuing operations. Items affecting comparability are described in more detail in the Tables section of this report.

HKFoods' better sales mix, production efficiency measures and cost savings improved the EBIT in October–December. Especially Christmas season sales were successful. Due to its commercial activities, comprehensive product portfolio and good consumer demand, HKFoods' sales to the Finnish retail and food service channels increased.

Increased production volumes together with production efficiency measures have increased production efficiency and improved the company's profitability. The investment in the Rauma poultry cutting department has improved the efficiency of the unit's operations and raised its overall efficiency to a higher level. The profitability of meat products with lower added value remained weak but improved from the comparison period.

Cost levels remained high in October–December 2024. Relative to the same period in the previous year, inflation was driven up by energy, external services and general wage increases.

January–December

Net sales

HKFoods' net sales from continuing operations increased by 7.4 per cent to EUR 1,001.8 (933.0) million. Sales increased due to good consumer demand, successful commercial activities and a diverse product range. Sales grew particularly in the Finnish retail and food service channels. In the early part of the review period, retail sales showed clear growth, while towards the end of the period sales growth in the food service channel was more pronounced. Within HKFoods' own branded products, growth was strongest in the strategically important poultry and ready meal products.

Sales from Finland to export markets remained at the previous year's level, exports of poultry and meat products increased strongly, but meat exports fell. As a result of the business transactions in Sweden and Denmark, the sales of the Polish bacon unit to Sweden have been reported as external sales from the second quarter and the sales to Denmark from November, which contributed to the increase in net sales and the share of exports in net sales.

EBIT

HKFoods' EBIT from continuing operations totalled EUR 22.4 (14.3) million. The comparable EBIT from continuing operations was EUR 27.7 (11.6) million.

HKFoods strengthened its position in the Finnish consumer market, which reduced the need for less profitable meat exports. Sales to the consumer market developed positively for all main product categories.

An important factor in the improved performance was the increased efficiency in production, which was achieved as a result of higher production volumes and long-term efficiency improvements. The investment in the Rauma poultry cutting department has improved the efficiency of the unit and exceeded the efficiency improvement targets. Profitability of red meat continued to be challenging in Finland but improved towards the end of the review period. A better sales mix, increased production efficiency and cost savings improved the review period's EBIT.

Cost levels remained high. Especially the costs of wages and external services increased from the comparison period. The company made contingency arrangements to prepare for disruptions caused by political strikes and to secure customer deliveries, which contributed to the company's increased costs in the first quarter of the year.

An item affecting comparability of EUR -5.3 (2.7) million was recorded in continuing operations. Items affecting comparability are described in more detail in the Tables section of this report.

Balance, cashflow and financing

At the end of the year 2024, HKFoods' balance sheet total was EUR 527.7 (851.7) million. The Group's interest-bearing debt at the end of the year was EUR 186.4 (306.9) million including an IFRS 16 lease liability of EUR 87.6 (89.6) million. The company's net debt decreased from the comparison period by EUR 138.1 million to EUR 149.8 (287.9) million. HKFoods' net gearing ratio was 69.5 (121.0) per cent. The impact of the IFRS 16 lease liability on the net gearing ratio was 40.7 percentage points.

At the end of the year 2024, the company had on its balance sheet a hybrid bond that was issued in 2018 and amounted to EUR 25.9 million. The hybrid bond does not have a specified maturity date, and the hybrid bond is treated as equity. In September, an interest of EUR 4.1 million was paid for the hybrid loan, treated as equity, from the retained earnings. The next possible redemption date for the hybrid loan will be in September 2025.

In June HKFoods Plc issued secured senior notes of EUR 90 million. The three-year notes mature on 17 June 2027, carry a floating interest at the rate of EURIBOR 3 months plus a margin of 7.5 per cent and had an issue price of 100 per cent. The proceeds from the bond were used for the partial repurchase of fixed-rate, unsecured notes due on 24 March 2025 and general corporate purposes of HKFoods' Group. After the repurchase, the remaining old notes amounted to EUR 9.6 million and were fully redeemed at a 100% redemption price on 20 December 2024.

In June HKFoods also entered into a new secured revolving credit facility agreement of EUR 20.0 million with its financing banks, which will mature in 2027. It replaced the previous revolving credit facility of EUR 55.0 million agreement maturing in January 2025.

The Group's liquidity position was satisfactory. A commercial paper programme had been drawn to the amount of EUR 3.0 (3.5) million. Committed credit facilities at the end of 2024 stood at EUR 20.0 (85.0) million and had been drawn to the amount of EUR 0.0 (75.0) million. In October–December, net financial expenses from continuing operations were EUR -4.6 (-6.6) million and in January–December EUR -19.5 (-27.0) million.

Cash flow from operating activities in October–December was EUR 38.4 (33.1) million and in January–December EUR 60.8 (50.6) million. Cash flow after investments in October–December was EUR 64.3 (40.2) million and totalled EUR 141.7 (73.3) million in January–December

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. At the end of 2024, the net gearing ratio limit is 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 2024, the company's net gearing ratio was 69.5 per cent.

The covenant limit for net debt to EBITDA ratio for bank loans is currently 3.75. and 3.5 starting from the end of June 2025. 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 2024, the net debt to EBITDA ratio was 2.6.

The net gearing ratio limit for the new bond is 120 per cent. If the company distributes a dividend or makes a capital repayment, the ratio of net debt to EBITDA as a result of the dividend or capital repayment must not exceed 3.5, as applied to the key figure for the published quarter preceding the decision date. The covenant limit will be 3.0 as from July 2025.

HKFoods' management has assessed the cash flow forecasts of the business over the next 12 months, which indicate that the covenants will not be breached

Disputes and pending legal proceedings

There are some judicial proceedings related to employment relationships and/or occupational accidents, administrative authority processes and a judicial process related to an investment. 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 October–December amounted to EUR 7.2 (6.4) million. Investments for January–December totalled EUR 25.5 (15.9) million. IFRS 16 increases to right-of-use assets totalled EUR 3.0 (2.8) million in October–December and EUR 8.7 (10.6) million in January–December.

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. This investment proceeded during the review period. 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 new products made on the line will be launched during the second quarter of 2025.

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

The approximately EUR 4.6 million development investment in the Rauma poultry cutting department, decided in April 2023, was completed in the second quarter. HKFoods was aiming for total annual savings of around EUR 3 million through the investment and related development activities. The investment in the Rauma poultry cutting department has improved the unit's efficiency and exceeded the efficiency improvement targets.

In the Forssa unit, the investment in the meat packing and dispatch departments, improving the competitiveness and cost-efficiency of production, was implemented in the third quarter.

The investment in a slicing and packaging line to improve capacity and efficiency was completed at the Polish production unit in the third quarter. The investment enabling an increase in the added value and the property development project continued as planned during the rest 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 by making the most efficient and sustainable use of all parts of carcasses. Meat products accounted for more than 50 per cent of exports during the review period. HKFoods exports meat and meat products to, for example, Japan, New Zealand, South Korea and several European countries.

Changes in the international meat market

Strong demand for poultry meat is expected to continue. Beef supply and consumption in the EU is expected to fall. Low pork prices in the US and Brazil are challenging EU export prices. The anti-dumping investigation on EU pork launched by the Chinese Ministry of Commerce (MOFCOM) in June is still pending.

Business Unit Finland

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	266.9	249.7	1,001.8	933.0
EBIT	10.8	6.3	32.9	20.7
- EBIT margin, %	4.0	2.5	3.3	2.2
Comparable EBIT	14.5	6.3	37.7	20.5
- EBIT margin, %	5.4	2.5	3.8	2.2

October–December

Net sales for Business Unit Finland totalled EUR 266.9 (249.7) million. Due to higher volumes, the value of retail sales increased, especially in lower-priced products. Consumer demand in Finland remained at the comparison period's level. The strongest growth was seen in cold cuts and ready meal products. Food service channel sales grew clearly versus the comparison period, with sales increasing in all product categories and HKFoods strengthening its position in the market.

Exports increased thanks to poultry and meat products, which improved the structure of export sales. Following the business transactions in Sweden and Denmark, the Polish bacon unit's sales to Sweden have been reported as external sales from April 2024 and the sales to Denmark from November 2024. This contributed to higher net sales and increased the share of exports in net sales.

EBIT was EUR 10.8 (6.3) million. Comparable EBIT was EUR 14.5 (6.3) million. EBIT included an item of EUR -3.8 (0.0) million affecting comparability.

HKFoods' better sales mix, production efficiency measures and cost savings improved the EBIT in October–December. Especially Christmas season sales were successful. Due to its commercial activities, comprehensive product portfolio and good consumer demand, HKFoods' sales to the Finnish retail and food service channels increased.

Increased production volumes together with production efficiency measures have increased production efficiency and improved the company's profitability. The investment in the Rauma poultry cutting department has improved the efficiency of the unit's operations and raised its overall efficiency to a higher level. The profitability of meat products with lower added value remained weak but improved from the comparison period.

Cost levels remained high in October–December 2024. Relative to the same period last year, inflation was driven up by energy, external services and general wage increases.

January–December

Net sales for Business Unit Finland totalled EUR 1,001.8 (933.0) million. Sales increased due to good consumer demand, successful commercial activities and a diverse product range. Sales grew particularly in the Finnish retail and food service channels. In the early part of the review period, retail sales showed clear growth, while towards the end of the period sales growth in the food service channel was more pronounced. Within HKFoods' own branded products, growth was strongest in the strategically important poultry and ready meal products.

Sales from Finland to export markets remained at the previous year's level, exports of poultry and meat products increased strongly, but meat exports fell. As a result of the business transactions in Sweden and Denmark, the sales of the Polish bacon unit to Sweden have been reported as external sales from the second quarter and the sales to Denmark from November, which contributed to the increase in net sales and the share of exports in net sales.

EBIT was EUR 32.9 (20.7) million. Comparable EBIT was EUR 37.7 (20.5) million. EBIT included an item of EUR -4.8 (0.1) million affecting comparability. HKFoods strengthened its position in the Finnish consumer market, which reduced the need for less profitable meat exports. Sales to the consumer market developed positively for all main product categories.

An important factor in the improved performance was the increased efficiency in production, which was achieved as a result of higher production volumes and long-term efficiency improvements. The investment in the Rauma poultry cutting department has improved the efficiency of the unit and exceeded the efficiency improvement targets. Profitability of red meat continued to be challenging in Finland but improved towards the end of the review period. A better sales mix, increased production efficiency and cost savings improved the review period's EBIT.

Cost levels remained high. Especially the costs of wages and external services increased from the comparison period. The company made contingency arrangements to prepare for disruptions caused by political strikes and to secure customer deliveries, which contributed to the company's increased costs in the first quarter of the year.

Personnel

HKFoods employed 3,000 (2,946) people in its continuing operations.

Continuing operations personnel	1-12/2024	1-12/2023
Personnel on average*	3,000	2,946
Finland**	3,000	2,946
Women / men %	40 / 60	42 / 58
Women / men of superiors %	37 / 63	36 / 64

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

** Including Polish personnel.

Shares and shareholders

At the end of December 2024, HKFoods Plc's paid and registered share capital stood at EUR 66,820,528.10. The company's issued shares totalled 98,951,781 and were divided into two share series as follows: A shares, 93,551,781 (94.54% of the total number of shares) and K shares, 5,400,000 (5.46% 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 HKFoods Plc (665,000 shares) and are not listed.

On 27 March 2024, HKFoods sold the shares in its Swedish subsidiary HKScan Sweden AB (now Scan Sverige AB) to the Swedish company Lantmännen ek för. As part of the purchase price, Lantmännen ek för transferred to HKFoods 7,534,750 own shares, of which 6,869,750 were A shares and 665,000 K shares.

At the end of December, the company held 8,376,408 (1,506,658) A shares and 665,000 (0) K shares as treasury shares, corresponding to 9.14% of the company's total number of shares and 10.75% of the total number of votes.

The calculated market value of HKFoods' shares at the end of December stood at EUR 69.4 (86.9) million. The market value of the Series A shares was EUR 65.8 (82.1) million, and the calculated market value of the unlisted Series K shares was EUR 3.7 (4.8) million.

In January–December, a total of 11,959,218 (15,571,128) of the company's shares were traded with a total value of EUR 8,605,055 (12,190,163). The highest price quoted was EUR 0.99 (0.97) and the lowest EUR 0.56 (0.68). The average price was EUR 0.72 (0.78). At the end of December, the closing price was EUR 0.77 (0.89).

Extraordinary General Meeting 2024

On 29 January 2024, the company convened an Extraordinary General Meeting (EGM), which was held on 28 February 2024 in Turku.

The EGM confirmed and approved the sale of the Swedish business.

The Board of Directors was authorised to decide on the acquisition of the company's own series A shares and series K shares. The authorisation is effective for eighteen (18) months from the decision of the EGM. The authorisation does not revoke earlier authorisations granted by the General Meeting to acquire and/or to accept as pledge the company's own shares.

In addition, the Board of Directors was authorised to decide on the issue of shares. The authorisation will be effective until no later than 30 June 2025. The authorisation revokes earlier authorisations granted to the Board of Directors to decide on the issue of shares or special rights entitling to shares.

The resolutions of the EGM were published in full in a stock exchange release on [28 February 2024](#), and the minutes of the meeting are available on the company's website at www.hkfoods.com.

Annual General Meeting 2024

HKScan Corporation's Annual General Meeting (AGM), held on 18 April 2024 in Turku, adopted the parent company's and consolidated financial statements, discharged the members and the deputy members of the Board of Directors and the CEO from liability for 2023 and adopted the remuneration report and remuneration policy for governing bodies. The AGM resolved that no dividend will be paid for 2023.

The Board members Reijo Kiskola, Jari Mäkilä, Anne Koutonen and Terhi Tuomi were re-elected as members of the Board. Ilkka Uusitalo, former deputy Board member, as well as Niclas Diesen, Lauri Sipponen and Sami Yski were elected as new members of the Board until the end of the Annual General Meeting 2025. At the organisational meeting after the AGM, the Board re-elected Reijo Kiskola as Chairman and Jari Mäkilä as Vice Chairman.

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, M.Sc. (Econ.), Authorized Sustainability Auditor (ASA), as the lead sustainability assurer.

The AGM approved the change of the company's name from HKScan Oyj to HKFoods Oyj and resolved to amend Article 1 of the Articles of Association as follows:

"1 § The name of the company is HKFoods Oyj, in Swedish HKFoods Abp and in English HKFoods Plc. The domicile of the company is Turku."

The AGM authorised the Board of Directors to decide on the acquisition of the Company's own Series A shares and/or on the acceptance as pledge of the Company's own Series A shares. The authorisation is effective until 30 June 2025. The authorisation revokes the authorisation granted by the AGM on 20 April 2023 to the Board of Directors to acquire and/or to accept as pledge the Company's own Series A shares. However, the authorisation does not revoke the authorisation granted by the Extraordinary General Meeting of 28 February 2024 to the Board of Directors to decide on the acquisition of own Series A and Series K shares.

The decisions of the AGM were published in full in a stock exchange release on [18 April 2024](#), and the minutes of the meeting are available on the company's website at www.hkfoods.com.

Share-based long-term incentive plans

The company has the following long-term incentive plans in place for the Group's key employees: the Performance Share Plan (PSP) 2018-2020, the Performance Share Plan (PSP) 2019-2021 and the Restricted Share Plan (RSP) 2019-2021.

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 will be paid during 2021–2023, and the remaining portion of the Group Executive Team rewards is deferred and will 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 deferred remuneration for 2024 were not met, so no deferred remuneration was paid in 2024. The deferred remuneration for 2025 will be paid if the minimum targets set by the Board of Directors are met.

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/about-us/policies-and-certificates/remuneration-policy/>

Short-term business risks

Economic operating environment and financing risks

In January, the European Central Bank (ECB) lowered the deposit rate used to regulate monetary policy by 0.25 percentage points to 2.75 per cent. The ECB has lowered the deposit rate by 1.25 percentage points since last June. The rate cuts are expected to continue as inflation has slowed and the economic outlook for Europe has weakened. The ECB forecasts inflation in the euro area to fall to 2.1 per cent in 2025. Geopolitical tensions may have adverse effects on inflation and interest rate development.

Consumer demand developments remain uncertain in a context of weakened employment and declining consumer purchasing power. Moreover, bankruptcies, lay-offs and redundancies have remained at a high level. In addition, labour market unrest and fiscal rebalancing has further increased uncertainty. Should consumer demand weaken significantly, and HKFoods' sales volumes fall considerably, this could have a negative impact on the company's profitability.

If long-term interest rates increase turn up 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, cashflow and financing.

Price increase and availability of production inputs and raw materials

Uncertainty about the availability and price of inputs can be reflected in production costs. If the liquidity and profitability crisis affecting farms were to reoccur, the situation could weaken the availability of local meat raw material or the company's profitability if it fails to raise the sales prices of its products to cover higher costs in the production chain alongside measures to improve production efficiency.

In the global meat raw material market, changes in the trade relations between major meat importing and exporting countries can lead to significant local price fluctuations. The effects of these price fluctuations are partly unpredictable, and they also concern HKFoods' home markets. In an unstable geopolitical situation, the role of global supply chains is weakening, and the importance and opportunities of regional supply chains and local food production are increasing.

Changes in consumer behaviour

Weaker consumer purchasing power may increase demand for lower-priced products and product categories. This may be reflected in a weakening of HKFoods' sales volume in higher-priced products and a strengthening in basic foods. In the unstable geopolitical situation, the demand for basic foods is expected to remain strong.

The impact of possible international or local food scandals on consumer behaviour cannot be excluded. The discussion surrounding climate change may also affect the consumer demand for meat products. In addition, unexpected actions taken by pressure groups may impact the company's business and consumer demand.

Other business risks

Food safety is of key importance in the long production chain of the food industry.

There is a possibility of animal diseases. African Swine fever and avian flu cases in European countries and the foot-and-mouth disease case in Germany have reduced the export potential of meat outside the EU.

The risk of cyberattacks is high due to the unstable geopolitical situation, and several companies have been targeted by cyberattacks. Cyberattacks can significantly disrupt the company's operations. HKFoods is prepared for cyberattacks through systematic monitoring and cybersecurity enhancements to ensure a rapid response in the event of an incident.

The change in business interruption insurance in the food sector will raise costs and weaken insurance conditions.

The weakened functioning of global logistics chains may pose risks to the company's ability to execute its investments within the planned timeframes and at the planned costs and may affect the availability of capital goods used in HKFoods' value chain. In its planning, HKFoods takes into account the potential impact of cost and scheduling risks on the execution of its investments.

In October, the European Commission decided to impose tariff increases on Chinese electric cars for the next five years. In response, China can either increase tariffs on food imports from Europe or ban imports altogether. If this happens, HKFoods' pork and poultry exports to China could be affected.

Events after the reporting period

Positive profit warning, preliminary information: HKFoods Plc's comparable EBIT 2024 better than expected

HKFoods Plc updated its estimate given on 26 September 2024 for comparable EBIT from continuing operations 2024 due to better production efficiency and commercial success, especially successful Christmas season sales.

According to preliminary and unaudited information, HKFoods Group's comparable EBIT from continuing operations 2024 will be EUR 27–28 million.

Details on the matter were provided in the following release: [15 January 2025](#)

Board of Directors' proposal on the distribution of profit, the distribution of assets from the reserve of unrestricted equity and the authorisation of the Board of Directors to resolve on the distribution of funds recorded in the reserve for invested unrestricted equity

The parent company's distributable equity amounts to EUR 167.2 (195.6) million, including a free equity reserve of EUR 216.2 (216.2) million and results for the financial year 2024 of EUR -23.1 (-69.9) million. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2024 and that the loss for the financial year be recognised in the profit reserves of previous financial years.

The Board of Directors proposes that the Annual General Meeting resolve to distribute EUR 0.09 per share (corresponding to a total of approximately EUR 8.1 million for all 89,910,373 shares currently outstanding) from the company's reserve for invested unrestricted equity for 2024. The repayment of equity will be paid to shareholders who are registered in the shareholders' register of the company held by Euroclear Finland Ltd on the record date of the payment. The record date for the equity repayment will be 25 April 2025 and the payment date 5 May 2025.

The Board of Directors further proposes the Annual General Meeting to authorise the Board of Directors to resolve, at its discretion, on the distribution of the assets recorded in the reserve of unrestricted equity, up to a maximum of EUR 0.05 per share (corresponding to a total of approximately EUR 4.5 million for all 89,910,373 shares currently outstanding). Under the authorisation, it could be possible to resolve to distribute the funds in one or more instalments. The authorisation is valid until the beginning of the next Annual General Meeting. The company will announce any decision of the Board of Directors on the equity repayment and, at the same time, confirm the record and payment dates for the equity repayment. Equity repayments payable under the authorisation will be paid to shareholders entered in the shareholders' register held by Euroclear Finland Oy on the record date for the equity repayment in question.

Annual General Meeting 2025

HKFoods' Annual General Meeting will be held in Turku, Finland on Wednesday, 23 April 2025. The invitation will be published later.

Turku, 14 February 2025

HKFoods Plc
Board of Directors

Webcast

HKFoods will hold a briefing on its 2024 financial statements for analysts, institutional investors and the media on 14 February 2025 at 10:00 am, Finnish time. The event will take place in the conference room "1940" of the Helsinki Olympic Stadium at Paavo Nurmen tie 1, 00250 Helsinki. Entrance is from the Visitor Centre in Tornipiha.

The event can also be followed as a webcast at <https://hkfoods.events.inderes.com/q4-2024>.

The event will be in Finnish, and the recording will be available later in the day at www.hkfoods.com. The 2024 financial statements 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

HKFoods will publish the following financial reports in 2025:

- Interim Report for January–March 2025 on Wednesday 7 May 2025 at about 8:30 EEST
- Half-Year Financial Report 2025 on Wednesday 6 August 2025 at about 8:30 EEST
- Interim Report for January–September 2025 on Wednesday 5 November 2025 at about 8:30 EET

For 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 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 Financial Statements 1 January–31 December 2024

Consolidated income statement

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Continuing operations:				
Net sales	266.9	249.7	1 001.8	933.0
Cost of goods sold 1.	-243.2	-231.8	-925.0	-867.4
Gross profit	23.6	17.9	76.8	65.6
Other operating items total 1.	1.8	2.6	8.8	10.1
Sales and marketing costs 1.	-7.1	-6.1	-27.1	-25.8
General administration costs 1.	-11.8	-11.3	-36.0	-35.7
Operating profit	6.5	3.1	22.4	14.3
Financial income	1.2	1.0	4.6	3.6
Financial expenses	-5.8	-7.6	-24.1	-30.6
Share of profit/loss in associates and joint ventures	0.4	-0.4	1.2	2.0
Profit/loss before taxes	2.3	-3.9	4.2	-10.7
Income tax	-5.1	-3.3	-6.0	-6.6
Profit/loss for the period, continuing operations	-2.7	-7.2	-1.8	-17.3
Profit/loss for discontinued operations	-3.1	-17.2	-24.0	-5.1
Profit/loss for the period	-5.8	-24.4	-25.8	-22.5
Profit/loss for the period attributable to:				
Equity holders of the parent	-7.8	-26.0	-29.2	-26.4
Non-controlling interests	2.0	1.6	3.4	4.0
Total	-5.8	-24.4	-25.8	-22.5
Earnings per share calculated on profit attributable to equity holders of the parent:				
EPS, undiluted, continuing operations, EUR/share	-0.06	-0.10	-0.09	-0.24
EPS, diluted, continuing operations, EUR/share	-0.06	-0.10	-0.09	-0.24
EPS, undiluted, discontinued operations, EUR/share	-0.03	-0.18	-0.26	-0.05
EPS, diluted, discontinued operations, EUR/share	-0.03	-0.18	-0.26	-0.05
EPS, undiluted, EUR/share	-0.10	-0.28	-0.36	-0.29
EPS, diluted, EUR/share	-0.10	-0.28	-0.36	-0.29

Consolidated statement of comprehensive income

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Profit/loss for the period	-5.8	-24.4	-25.8	-22.5
OTHER COMPREHENSIVE INCOME (after taxes):				
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations, continuing operations	0.1	-	0.3	-
Exchange differences on translating foreign operations, discontinued operations	0.0	4.2	-2.0	1.3
Sweden translation difference transfer to profit and loss, discontinued operations	-	-	21.1	-
Cash flow hedging, continuing operations	-0.6	0.5	-2.1	-5.5
Cash flow hedging, discontinued operations	-0.1	-0.3	-0.9	-8.5
Reclassification adjustment (electricity derivative), continuing operations	-	-	-	-2.6
Transfer of the value of Sweden's electricity derivatives to the result for the financial period, discontinued operations	-0.1	-	-1.1	-
Share of associates' and joint ventures' other comprehensive income items, continuing operations	-	-0.1	-	0.5
Items that will not be reclassified to profit or loss				
Actuarial gains or losses, discontinued operations	-	-	-	-4.4
TOTAL OTHER COMPREHENSIVE INCOME	-0.6	-0.2	15.4	-19.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-6.4	-24.7	-10.4	-41.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the parent	-8.4	-26.2	-13.8	-45.6
Non-controlling interests	2.0	1.6	3.4	4.0
Total	-6.4	-24.7	-10.4	-41.6

Consolidated balance sheet

(EUR million)	Note	31 Dec. 2024	31 Dec. 2023
ASSETS			
Intangible assets	2.	44.0	44.0
Tangible assets	3.4	251.6	284.9
Holdings		21.8	24.3
Deferred tax asset	5.	21.2	25.1
Other non-current assets		12.4	26.2
TOTAL NON-CURRENT ASSETS		351.0	404.5
Inventories	6.	59.6	75.2
Current receivables		80.3	97.3
Cash and cash equivalents		36.7	28.7
TOTAL CURRENT ASSETS		176.6	201.1
Assets of disposal group classified as held for sale	7.	-	246.0
TOTAL ASSETS		527.7	851.7
EQUITY AND LIABILITIES			
EQUITY			
		215.4	238.0
Non-current loans, interest-bearing	4.	172.4	289.0
Non-current liabilities, non-interest-bearing		5.4	6.3
TOTAL NON-CURRENT LIABILITIES		177.8	295.3
Current loans, interest-bearing	4.	14.0	17.9
Current liabilities, non-interest-bearing		120.4	161.5
TOTAL CURRENT LIABILITIES		134.5	179.4
Liabilities of disposal group classified as held for sale	7.	-	139.0
TOTAL EQUITY AND LIABILITIES		527.7	851.7

Statement of changes in consolidated equity

-	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	-	-	-	-	-	-	-	-	-29.2	-29.2	3.4	-25.8
Other comprehensive income (+) / expense (-)												
Transl. diff.	-	-	-0.1	-	-	-	19.6	-	-	19.6	-	19.6
Cash flow hedging	-	-	-3.0	-	-	-	-	-	-	-3.0	-	-3.0
Transfer of the value of Sweden's electricity derivatives to the result for the financial period	-	-	-1.1	-	-	-	-	-	-	-1.1	-	-1.1

Associates' and joint ventures' other comprehensive income items transfer to profit and loss	-	-	-0.5	-	-	-	-	-	0.5	0.0	-	0.0
Total other comprehensive income / expense	-	-	-4.7	-	-	-	19.6	-	0.5	15.4	-	15.4
Total compreh. income for the period	-	-	-4.7	-	-	-	19.6	-	-28.7	-13.8	3.4	-10.4
Direct recognitions	-	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Sweden sale related transfer to result for the financial period	-	-	-1.2	-	-	0.2	-	-	-	-1.0	-	-1.0
Acquisition of own shares	-	-	-	-	-	-	-	-5.3	-	-5.3	-	-5.3
Dividend distribution	-	-	-	-	-	-	-	-	-	-	-1.7	-1.7
Hybrid loan	-	-	-	-	-	-	-	-	-4.1	-4.1	-	-4.1
EQUITY ON 31 Dec. 2024	66.8	72.9	0.0	215.4	25.9	8.3	0.8	-9.1	-194.2	186.9	28.5	215.4

(EUR million)	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
EQUITY ON 1 Jan. 2023	66.8	72.9	21.9	215.4	25.9	10.4	-19.9	-4.1	-128.4	260.9	24.6	285.5
Result for the financial period	-	-	-	-	-	-	-	-	-26.4	-26.4	4.0	-22.5
Other comprehensive income (+) / expense (-)												
Transl. diff.-	-	-	-	-	-	-	1.3	-	-	1.3	-	-1.3
Cash flow hedging	-	-	-14.0	-	-	-	-	-	-	-14.0	-	-14.0
Reclassification adjustment (electricity derivative)	-	-	-2.6	-	-	-	-	-	-	-2.6	-	-2.6
Share of associates' and joint ventures' other comprehensive income items	-	-	0.5	-	-	-	-	-	-	0.5	-	0.5
Actuarial gains or losses	-	-	-	-	-	-	-	-	-4.4	-4.4	-	-4.4
Total other comprehensive income / expense	-	-	-16.0	-	-	-	-1.3	-	-4.4	-19.2	-	-19.2
Total comprehensive income for the period	-	-	-16.0	-	-	-	-1.3	-	-30.9	-45.6	4.0	-41.6
Direct recognitions	-	-	-	-	-	-	-	-	0.1	0.1	-	0.1
Baltics sale related transfer to result for the financial period	-	-	-	-	-	-2.2	-	-	-	-2.2	-	-2.2
Transfer of own shares	-	-	-	-	-	-	-	0.3	-0.3	0.0	-	0.0
Dividend distribution	-	-	-	-	-	-	-	-	-	-	-1.9	-1.9
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Hybrid loan	-	-	-	-	-	-	-	-	-2.1	-2.1	-	-2.1
EQUITY ON 31 Dec. 2023	66.8	72.9	5.9	215.4	25.9	8.1	-18.6	-3.8	-161.5	211.1	26.9	238.0

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

-	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Cash flow before change in net working capital	16.8	19.0	62.6	74.2
Change in net working capital	27.6	21.8	24.2	5.9
Financial items and taxes	-6.0	-7.8	-25.9	-29.4
CASH FLOW FROM OPERATING ACTIVITIES	38.4	33.1	60.8	50.6
Cash flow from investing activities	25.8	7.2	80.9	22.6
CASH FLOW AFTER INVESTING ACTIVITIES	64.3	40.2	141.7	73.3
Hybrid loan	-	-	-4.1	-2.1
Change in loans	-40.8	-30.3	-128.3	-58.0
Dividends paid	-	-	-1.7	-1.9
CASH FLOW FROM FINANCING ACTIVITIES	-40.8	-30.3	-134.2	-62.0
NET CASH FLOW	23.5	9.9	7.5	11.3
Cash and cash equivalents at beginning of period	13.5	18.7	29.0	17.8
Translation differences	-0.3	0.4	0.2	-0.1
Cash and cash equivalents at end of period	36.7	29.0	36.7	29.0

Financial indicators

(EUR million)	31 Dec. 2024	31 Dec. 2023
Earnings per share (EPS), undiluted, EUR, continuing operations	-0.09	-0.24
Earnings per share (EPS), diluted, EUR, continuing operations	-0.09	-0.24
Equity per share, EUR	2.08	2.17
Equity ratio, %	40.8	28.8
Adjusted average number of outstanding shares, mill.	91.2	97.4
Gross capital expenditure on PPE, EUR mill., continuing operations	25.5	15.9
Additions in right-of-use assets, EUR mill., continuing operations	8.7	10.6
Depreciation and impairment, EUR mill., continuing operations	33.9	30.8
Employees, average, FTE, continuing operations	3,000	2,946

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 Financial Statements Bulletin

Accounting policies

HKFoods Plc's Financial Statements Bulletin for 1 January–31 December 2024 has been prepared in compliance with the IAS 34 Interim Financial Reporting standards. The same accounting principles have been applied in the financial statements bulletin as in the annual financial statements for 2023. Due to the rounding of the figures to the nearest million euros in the financial statements bulletin, some totals may not agree with the sum of their constituent parts. The accounting principles are explained in the financial statements for 2023. The financial statements bulletin is unaudited.

Assumption of ability to continue as a going concern

The Financial Statements Bulletin for January–December 2024 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 closing of the sale of the Swedish business in March 2024 and the Danish business in October 2024 significantly strengthened the company's financial position. In addition, profitability and cash flow from continuing operations have improved.

HKFoods' covenants for bank loans and revolving credit facilities are the net gearing ratio and the ratio of net debt to EBITDA. At the end of 2024, HKFoods had a net gearing ratio of 69.5 per cent (limit 110 per cent), and a net debt to EBITDA ratio of 2.6 (limit 3.75). HKFoods' management has assessed the cash flow forecasts of the business over the next 12 months, and the forecast indicates that the covenants will not be breached. The management has also assessed the adequacy of liquidity, according to which the company's liquidity is not at risk.

During the second quarter of 2024, HKFoods Plc finalised negotiations to refinance the debt maturing in January–March 2025 and issued secured senior notes of EUR 90 million. The proceeds from the bond were used for the partial repurchase of fixed-rate, unsecured notes due on 24 March 2025 and general corporate purposes of HKFoods Group. After the repurchase, the remaining old notes amounted to EUR 9.6 million and they were fully redeemed at a 100% redemption price on 20 December 2024.

Analysis by segment

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
NET SALES				
- Finland				
Sales, goods	266.1	248.9	998.6	929.5
Sales, services	0.7	0.8	3.2	3.5
Group total, continuing operations	266.9	249.7	1 001.8	933.0
EBIT				
- Finland	10.8	6.3	32.9	20.7
- Group administration costs	-4.2	-3.2	-10.5	-6.4
Group total, continuing operations	6.5	3.1	22.4	14.3
INVESTMENTS				
- Finland				
Gross capital expenditure on PPE	7.2	6.4	25.5	15.9
Additions in right-of-use assets	3.0	2.8	8.7	10.6
Investments total, continuing operations	10.2	9.2	34.2	26.5
AVERAGE NUMBER OF EMPLOYEES, FTE				

- Finland			3,000	2,946
Total, continuing operations			3,000	2,946

Notes to the income statement

1. Items affecting comparability

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Comparable EBIT, continuing operations	10.3	3.0	27.7	11.6
Termination of employment, Group management 1)	-	-	-0.5	-
Termination of employment, Finland 1)	-0.8	-	-1.3	-0.3
Impairment of assets, Finland 1)	-2.9	-	-3.6	-
Reversal of environmental provision, Finland 2)	-	-	-	0.5
Reclassification adjustment of electricity derivatives, Group management 2)	-	-	-	2.6
Change in fair value of electricity derivatives, Group management 2)	-	0.2	-	0.0
EBIT, continuing operations	6.5	3.1	22.4	14.3

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)	31 Dec. 2024	31 Dec. 2023
Opening balance	44.0	113.8
Translation differences	0.1	0.3
Additions	1.1	0.9
Disposals, business disposals	-0.5	-
Depreciation and impairment	-3.2	-4.0
Reclassification between items	2.4	2.3
Assets of disposal group classified as held for sale	-	-69.4
Closing balance	44.0	44.0

3. Changes in tangible assets

(EUR million)	31 Dec. 2024	31 Dec. 2023
Opening balance	284.9	378.6
Translation differences	0.1	0.9
Additions	36.7	47.9
Disposals	-0.3	-7.3
Disposals, business disposals	-34.7	-
Depreciation and impairment	-32.7	-43.8
Reclassification between items	-2.4	-2.7
Assets of disposal group classified as held for sale	-	-88.7
Closing balance	254.4	284.9

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. 2024	0.0	70.3	12.7	82.9	89.6
Translation differences	-	0.0	0.0	0.0	0.0
Additions	0.4	7.8	2.0	10.1	10.1
Disposals, business disposals	-	-0.7	-2.8	-3.5	-3.6
Depreciation for the financial period	-	-6.7	-3.4	-10.2	-
Payments	-	-	-	-	-8.5
Closing balance on 31 Dec. 2024	0.3	70.7	8.4	79.3	87.6

(EUR million)	Land and Water	Buildings and structures	Machinery and equipment	Total	Lease liabilities
Opening balance on 1 Jan. 2023	2.2	80.3	13.8	96.3	101.7
Translation differences	-	0.0	0.0	0.0	0.0
Additions	0.1	9.2	6.4	15.7	15.7
Disposals	-2.2	-	0.0	-2.2	-2.2
Depreciation for the financial period	0.0	-8.1	-5.1	-13.2	-
Payments	-	-	-	-	-11.5
Assets and liabilities of disposal group classified as held for sale	-	-11.1	-2.5	-13.6	-14.1
Closing balance on 31 Dec. 2023	0.0	70.3	12.7	82.9	89.6

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Depreciation expense of right-of-use assets, continuing operations	-2.1	-2.4	-9.0	-8.9
Interest expense on lease liabilities, continuing operations	-1.3	-1.0	-4.7	-4.2
Total amounts recognised in profit or loss, continuing operations	-3.5	-3.4	-13.7	-13.1

5. Deferred tax assets

Out of the total EUR 21.2 million, EUR 19.6 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 December 2024 was EUR 34.0 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)	31 Dec. 2024	31 Dec. 2023
Materials and supplies	31.0	37.5
Semi-finished products	3.0	4.1
Finished products	16.9	25.4
Spare parts	5.5	5.5
Inventories, advance payments	3.3	2.6
Total inventories	59.6	75.2

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

Sale of operations in Baltics

On 31 August 2023, HKFoods and AS Maag Grupp closed the previously announced arrangement whereby HKFoods sells its Baltic operations to AS Maag Grupp of Estonia. The transaction involved the shares of AS HKScan Estonia, AS HKScan Latvia and UAB HKScan Lietuva, the subsidiaries that constituted HKFoods' Business Unit Baltics. 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 years. Of the EUR 70 million fixed purchase price, EUR 55 million was paid at the closing of the transaction and the remainder will be paid over the next three years. HKFoods received EUR 40.8 million in cash at the closing. The sold companies had EUR 2.8 million in cash at the closing.

The Business Unit Baltics was classified as assets and liabilities held for sale on the balance sheet on 31 December 2022, and it is presented in the income statement as discontinued operations. At the end of December 2024, the Group has a purchase price receivable of EUR 20.1 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 conditional purchase price receivable (earn-out) is measured at fair value through profit and loss, and it includes management judgement and estimation. 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 10.5 million at the end of December 2024.

The Group's significant internal transactions between continuing and discontinued operations included the sale and purchase of products between the Baltic operations and the rest of the Group, the Group's administrative service fee from the Baltics and the Group's financial gain on the Baltic 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 the Baltics are shown as a financing cost of discontinued operations.

Sale of operations in Sweden

HKFoods and Lantmännen ek för have on 27 March 2024 closed the transaction announced on 29 December 2023, whereby HKFoods sells 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, the Swedish operations until March 2024 and the Baltic operations until August 2023. The balance sheet information includes the Swedish operations at the end of 2023.

Profit/loss for discontinued operations

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	19.5	245.0	371.7	1.092.7
Cost of goods sold	-18.1	-233.2	-351.6	-1.039.7
Other operating items total	-1.0	-8.5	-15.7	-39.1
Operating profit	0.4	3.3	4.4	13.8
Financial income and expenses	-0.1	-0.6	-1.2	-2.5
Share of profit/loss in associates and joint ventures	-	0.1	-	-0.7
Income tax	-	-0.6	0.8	-0.7
Profit/loss for the period	0.3	2.3	3.9	10.0
Impairment from fair-value measurement, Baltics	-	-2.4	0.2	-0.2
Impairment from fair-value measurement, Sweden	-0.3	-17.1	5.9	-17.1
Impairment from fair-value measurement, Denmark	-3.1	-	-14.1	-
Translation difference transfer to profit and loss, Sweden	-	-	-21.1	-

Other equity items transfer to result for the period, Baltics	-	-	-	2.2
Other equity items transfer to result for the period, Sweden	-	-	1.1	-
Other equity items transfer to result for the period, Denmark	0.1	-	0.1	-
Profit/loss for the period from discontinued operations	-3.0	-17.2	-24.0	-5.1

Cash flow of discontinued operations

(EUR million)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Cash flow from operating activities	0.2	8.4	13.2	28.9
Cash flow from investing activities	33.8	16.2	107.0	42.5
Cash flow from financing activities	-0.1	-1.1	-1.9	-5.2
Cash flow total	33.9	23.5	118.3	66.2

Assets and liabilities of disposal group classified as held for sale

(EUR million)	31 Dec. 2024	31 Dec. 2023
Intangible assets	-	52.1
Tangible assets	-	88.7
Other non-current assets	-	20.2
Inventories	-	39.0
Receivables	-	45.7
Cash and cash equivalents	-	0.3
Total assets (A)	-	246.0
Lease liabilities	-	14.1
Trade payables and other liabilities	-	124.9
Total liabilities (B)	-	139.0
Net balance sheet value (A-B)	-	107.1

Derivative instrument liabilities

(EUR million)	31 Dec. 2024	31 Dec. 2023
Nominal values of derivative instruments		
Foreign exchange derivatives	14.5	98.4
Interest rate derivatives	30.0	20.0
Electricity derivatives	2.5	1.3
Fair values of derivative instruments		
Foreign exchange derivatives	-0.1	-1.7
Interest rate derivatives	-0.2	0.2
Electricity derivatives	0.7	5.2

Consolidated other contingent liabilities

(EUR million)	31 Dec. 2024	31 Dec. 2023
Debts secured by pledges or mortgages		
- loans from financial institutions	3.0	36.0
- bonds	90.0	-
- lease liabilities	10.7	-
On own behalf		
- Assets pledged	235.9	44.3
On behalf of others		
- guarantees and other commitments	6.2	6.3
Other contingencies		
Leasing and rental commitments	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.

Conditional purchase price receivable

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

(EUR million)	31 Dec. 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	0.0	-	0.0	-
- Foreign exchange derivatives	0.1	-	0.1	-
- Commodity derivatives	1.1	-	1.1	-
of which subject to cash flow hedging	0.3	-	0.3	-
Total	11.7	-	1.2	10.5
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	-0.2	-	-0.2	-
- Commodity derivatives	-0.3	-	-0.3	-
of which subject to cash flow hedging	-0.3	-	-0.3	-
Total	-0.7	-	-0.7	-

(EUR million)	31 Dec. 2023	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	0.0	-	0.0	-
- Commodity derivatives	5.2	-	5.2	-
of which subject to cash flow hedging	3.3	-	3.3	-
Total	15.9	-	5.4	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	-1.7	-	-1.7	-
- Commodity derivatives	-	-	-	-
of which subject to cash flow hedging	-	-	-	-
Total	-1.7	-	-1.7	-

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)	1-12/2024	1-12/2023
Sales to associates	8.5	12.7
Purchases from associates	48.6	47.6
Trade and other receivables from associates	0.7	2.0
Trade and other payables to associates	4.3	3.9
Animal purchases from related party*	25.4	28.3
Animal sales to related party*	5.4	6.4
Loan receivable from LSO Osuuskunta	4.9	4.1

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

After the end of the reporting period in January 2025, the Group has purchased Eura factory plot from LSO with EUR 760 thousand. The price was based on external estimate.