

HKFOODS

HKFoods Plc

Listing of

EUR 90 million senior secured notes due 17 June 2027
The Notes are represented by units in denominations of EUR 1,000

On 17 June 2024, HKFoods Plc ("**HKFoods**" or the "**Issuer**") will issue senior secured notes with an aggregate principal amount of EUR 90 million (the "**Notes**") to professional clients, eligible counterparties and retail clients (each as defined in Directive 2014/65/EU, as amended, "**MiFID II**"). The Notes are represented by units in denominations of EUR 1,000. The Notes were offered for subscription in a minimum subscription amount of EUR 100,000. The Notes bear floating interest at the rate of EURIBOR 3 months plus a margin of 7.5 per cent per annum. This document (this document and the documents incorporated herein by reference jointly referred to as the "**Listing Prospectus**") has been prepared by HKFoods, a public limited company incorporated in Finland. This Listing Prospectus has been prepared solely for the purpose of admission to trading of the Notes on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**") and does not constitute any public offering of the Notes.

The Notes are secured by certain assets of the Issuer, as described in more detail in the "*Terms and Conditions of the Notes*" and in section "*Additional information on the Common Transaction Security and Intercreditor Agreement*". Application will be made for the Listing of the Notes, and the Listing is expected to take place on or about 17 June 2024.

This Listing Prospectus has been drawn up in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the "**Prospectus Regulation**"), the Commission Delegated Regulation (EU) 2019/979, the Commission Delegated Regulation (EU) 2019/980 (the "**Delegated Regulation**") in application of Annexes 6, 14 and 21 (as applicable) thereof, the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**") and the guidelines of the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The FIN-FSA, which is the competent authority for the purposes of the Prospectus Regulation in Finland, has approved this Listing Prospectus (journal number FIVA/2024/899). The FIN-FSA has only approved this Listing Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval shall not be considered as an endorsement of the Issuer or as an endorsement of the qualities of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. This Listing Prospectus has been drawn up as a single document in accordance with Article 24 of the Delegated Regulation. This Listing Prospectus also contains a summary in the format required by Article 7 of the Prospectus Regulation.

The validity of this Listing Prospectus expires when the Listing of the Notes has taken place. The obligation to supplement the Listing Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Listing Prospectus is no longer valid.

The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and any of said documents may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction. The Issuer and the Joint Lead Managers (defined hereafter) advise persons into whose possession the Listing Prospectus comes to inform themselves of and observe all such restrictions. None of the Issuer or the Joint Lead Managers accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Notes is aware of such restrictions. In particular, the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Canada, New Zealand, Australia, Japan, Hong Kong, Singapore, South Africa or any other jurisdiction in which it would not be permissible to offer the Notes and the Listing Prospectus may not be sent to any person in the aforementioned jurisdictions.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S. The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk factors" below.

Joint Lead Managers



IMPORTANT INFORMATION

MiFID II product governance / Retail investors, professional investors and eligible counterparties target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Important – EEA retail investors – The Notes are not PRIIPs for the purposes of Regulation ((EU) No 1286/2014) (the "**PRIIPs Regulation**") and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Notes.

In this Listing Prospectus, "**HKFoods**", "**HKFoods Group**" and the "**Issuer**" refer to HKFoods Plc and its consolidated subsidiaries, except where the context may otherwise require. "**Subsidiaries**" refers to the Issuer's subsidiaries together, unless the context requires that the expression refers only to a certain subsidiary or business unit or some of these on a combined basis.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and such documents form part of this Listing Prospectus. See "*Documents incorporated by reference*".

Danske Bank A/S ("**Danske**") and OP Corporate Bank plc ("**OP**") are acting as the joint lead managers (jointly, the "**Joint Lead Managers**") of the issue and Listing of the Notes. The Joint Lead Managers are not acting for anyone else in connection with the issue and Listing of the Notes and will not be responsible to anyone other than HKFoods for providing the protections afforded to their respective clients nor for providing any advice in relation to the issue and Listing of the Notes or the contents of the Listing Prospectus. Potential investors should rely only on the information contained in the Listing Prospectus including information incorporated by reference in the Listing Prospectus. Without prejudice to any obligation of HKFoods pursuant to applicable rules and regulations, neither the delivery of the Listing Prospectus nor any offering or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of HKFoods since the date of the Listing Prospectus or that the information herein is correct as of any time subsequent to the date of the Listing Prospectus. Nothing contained in the Listing Prospectus is, or shall be relied upon as, a promise or representation by the Issuer or the Joint Lead Managers as to the future. Investors are advised to inform themselves of any stock exchange releases and press releases published by the Issuer from and including the date of the Listing Prospectus.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of HKFoods and the terms and conditions of the Notes (as set out in Annex A: Terms and Conditions of the Notes), including the risks and merits involved. None of the Issuer, the Joint Lead Managers or any of their respective affiliated parties or representatives, has made or is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors (in conjunction with their advisors, if applicable) should make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

Neither the Issuer nor the Joint Lead Managers have authorised any person to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by HKFoods or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Joint Lead Managers. The Joint Lead Managers have not independently verified the information contained herein. Accordingly, to the fullest extent permitted by applicable laws, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in the Listing Prospectus or any other information provided by the Issuer in connection with the issue or the Listing of the Notes. The Joint Lead Managers accordingly disclaim any and all liability whether arising in tort, contract, or otherwise in relation to the information contained or incorporated by reference in the Listing Prospectus or any other information provided by the Issuer in connection with the Listing of the Notes or their distribution or otherwise in respect of this Listing Prospectus.

Information presented on HKFoods' website or any other website does not form a part of the Listing Prospectus (except for the Listing Prospectus itself and information which has been incorporated by reference to the Listing Prospectus), and the information on such websites has not been scrutinised or approved by the FIN-FSA. Prospective investors should not rely on such information in making their decision to invest in the Notes.

The Notes shall not be offered, sold, directly or indirectly, and this Listing Prospectus must not be distributed or published, outside Finland, except for circumstances in which this is not in breach of applicable laws. Those in possession of this Listing Prospectus should assess and comply with the restrictions pertaining to them. Non-compliance with such restrictions may be in breach of securities laws in the relevant jurisdictions. The Issuer, the Joint Lead Managers or any of their respective affiliated parties or representatives are not liable for such breaches, regardless of whether those considering an investment in the Notes are aware of such restrictions. Besides filing the Listing Prospectus with the FIN-FSA and the application to Nasdaq Helsinki, neither the Issuer nor the Joint Lead Managers have taken any action, nor will they take any action to render the Notes or their possession, or the distribution of the Listing Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for that purpose.

This Listing Prospectus has been prepared in English only but with a Finnish summary. Save for the Issuer's audited consolidated financial statements for the financial years ended 31 December 2023 and 31 December 2022, no part of this Listing Prospectus has been audited.

The Notes and the Listing are governed by Finnish law and any dispute arising in relation to the Notes shall be settled by Finnish courts in accordance with Finnish law.

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SUMMARY

INTRODUCTION

*This summary contains all the elements required to be included in a summary for this type of securities and issuer. This summary should be considered as an introduction to this Listing Prospectus (the "**Listing Prospectus**"). Any decision to invest in the securities presented in this Listing Prospectus (the "**Notes**"), should be based on consideration of the Listing Prospectus as a whole by the investor. An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in this Listing Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Listing Prospectus before legal proceedings are initiated. HKFoods Plc ("**HKFoods**" or the "**Issuer**") assumes civil liability in respect of this summary, including the Finnish translation of this summary, only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Listing Prospectus, or if it does not provide, when read together with the other parts of the Listing Prospectus, key information to said investors when considering whether or not to invest in the securities issued by HKFoods.*

Name of the Issuer:	HKFoods Plc (in Finnish: <i>HKFoods Oyj</i>)
Registered address:	Lemminkäisenkatu 48, FI-20520 Turku, Finland
Business identity code:	0111425-3
Legal entity identifier (LEI):	7437000PN6E448NPGY86
ISIN code of the Notes:	FI4000571708

This Listing Prospectus has been prepared solely for the purpose of admission to trading of the Notes on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**") and does not constitute any public offering of the Notes. This Listing Prospectus has been approved by the Finnish Financial Supervisory Authority (the "**FIN-FSA**") as the competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") on 13 June 2024. The FIN-FSA has only approved this Listing Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA on this Listing Prospectus shall not be considered as an endorsement of the issuer that is the subject of this Listing Prospectus. The journal number of the approval of this Listing Prospectus is FIVA/2024/899.

The identity and contact details of the competent authority, the FIN-FSA, approving the Finnish Prospectus are as follows:

Financial Supervisory Authority
P.O. Box 103, FI-00101 Helsinki, Finland
Tel.: +358 9 183 51
E-mail: registry@fiva.fi

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

HKFoods Plc is a public limited company incorporated on 31 December 1975 in Finland under the laws of Finland. HKFoods is domiciled in Turku, Finland. The Issuer is registered in the Finnish Trade Register (the "**Trade Register**") under business identity code 0111425-3 and legal entity identifier (LEI) 7437000PN6E448NPGY86.

General

HKFoods is a Finnish food company with over 100 years of experience in responsible food production and use of local, high-quality raw materials. HKFoods produces, markets and sells responsibly produced and delicious food that is part of the consumers versatile food moments – both every day and on special occasions. HKFoods' core business includes meat, meat products and ready-made foods, such as meals, meal components and snacks. HKFoods' products are to a large extent made of high-quality pork, beef, poultry and other raw materials and they are sold under HKFoods' strong brands that are well-known by consumers according to the view of HKFoods' management. HKFoods' main market is Finland. In addition to its main market, HKFoods exports to close to 30 countries around the world.

HKFoods' key long-term strategic target is to grow into a versatile food company. In the current environment, HKFoods' focus has been on strengthening its financial base and improving the competitiveness of the Issuer's core business and the profitability of its operations. Advancing the long-term strategy will require HKFoods to achieve a stronger balance sheet. Important steps in improving HKFoods' profitability and strengthening its balance sheet was the completion of the

divestment process of the Baltic business in August 2023, the sale of the Swedish business in March 2024 and signing the agreement to sell the Danish business to Plukon Food Group B.V. in May 2024.

Major shareholders

As at 31 May 2024, the shareholding of HKFoods' biggest shareholder, LSO Osuuskunta, was 30.14 per cent of shares and 66.59 per cent of votes. The Issuer is thus directly controlled by LSO Osuuskunta for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act. The Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

The following table sets forth the shareholders owning at least one per cent of the shares and votes in HKFoods as at 31 May 2024 according to the shareholder register maintained by Euroclear Finland Oy.

Shareholder	Shares, total	Shares, %	Votes, %(¹)
LSO Osuuskunta.....	29,818,884	30.14	66.59
HKFoods(¹)	9,041,408	9.14	-
Apteekkien Eläkekassa	3,581,889	3.62	1.99
Sijoitusrahasto Fourton Hannibal	3,250,000	3.28	1.81
Citibank Europe PLC	2,982,076	3.01	1.66
The Central Union of Agricultural Producers and Forest Owners (MTK)	2,711,414	2.74	1.51

(1) Own shares held by HKFoods do not entitle to any rights in HKFoods.

Key management and auditor of the Issuer

The table below sets out the members of the Issuer's board of directors as at the date of this Listing Prospectus:

Name	Year born	Position	First elected to the Board of Directors
Reijo Kiskola	1954	Chair	2018
Jari Mäkilä	1970	Deputy Chairman	2018
Anne Koutonen	1962	Member	2019
Terhi Tuomi	1966	Member	2019
Niclas Diesen	1980	Member	2024
Lauri Sipponen	1969	Member	2024
Ilkka Uusitalo	1968	Member	2024
Sami Yski	1971	Member	2024

The table below presents the members of the Group Executive Team as at the date of this Listing Prospectus.

Name	Position	Year born
Juha Ruohola	CEO	1965
Jyrki Paappa(¹)	CFO	1965
Jari Leija	Executive Vice President, Business Unit Finland	1965
Jukka Nikkinen(²)	Executive Vice President, Business Unit Denmark	1962
Markku Suvanto	Executive Vice President, Administration	1966

(1) Jyrki Paappa will act as the CFO of HKFoods until 30 June 2024. HKFoods has appointed Mika Tilli as the new CFO and a member of the Group Executive Team of HKFoods as of 1 July 2024.

(2) Jukka Nikkinen will act as the Executive Vice President, Business Unit Denmark until 30 June 2024. HKFoods has appointed Michael Juhl Jørgensen as Interim Executive Vice President, Business Unit Denmark and member of the Group Executive Team as of 1 July 2024.

The Issuer's auditor is Authorised Public Accountants Ernst & Young Oy. Ernst & Young Oy has appointed Maria Onniselkä, Authorised Public Accountant as the responsible auditor. Ernst & Young Oy and Maria Onniselkä are registered in the auditor register maintained by the Finnish Patent and Registration Office.

What is the key financial information regarding the issuer?

Historical financial information

Selected financial information and key figures of HKFoods' continuing operations (unless otherwise stated) for the periods indicated are presented in the table below. The continuing operations include only the Finnish operations (including the

Polish unit¹), as the Danish, Swedish and Baltic operations are regarded as discontinued operations. HKFoods announced in May 2024 that it has signed an agreement to sell the shares of its Danish subsidiary HKScan Denmark A/S and the Issuer has estimated that the criteria of IFRS 5 for assets and liabilities held for sale and discontinued operations are met. In addition, the sale of Swedish business was completed on 27 March 2024 and the sale of Baltic business was completed on 31 August 2023.

All figures presented in the tables below are unaudited and not comparable to the figures presented in the audited financial statements of the Issuer, as the figures in the audited financial statements include discontinued operations and the figures presented in the table below refer only to continuing operations (i.e. Finnish operations), unless otherwise stated. The figures as at and for the three months ended 31 March 2024 and 31 March 2023 as well as for the financial year ended 31 December 2023 have been derived from the Issuer's unaudited interim report for the three months ended 31 March 2024 unless otherwise stated. The figures for the financial years ended on 31 December 2022 and 31 December 2021 are based on unaudited management figures.

Selected financial information (continuing operations)	For the three months ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
(EUR million, unless otherwise stated)	(unaudited)		(unaudited)		
Net sales	228.7	218.0	933.0	877.2	778.0
Comparable EBITDA.....	9.1	5.5	42.9	23.4	32.9
% of net sales	4.0%	2.5%	4.6%	2.7%	4.2%
EBITDA	8.9	7.4	45.1	21.3	33.6
% of net sales	3.9%	3.4%	4.8%	2.4%	4.3%
Comparable operating profit.....	1.4	-2.3	11.6	-7.3	-2.1
% of net sales	0.6%	-1.0%	1.2%	-0.8%	-0.3%
Operating profit (EBIT)	1.2	-0.4	14.3	-7.0	1.4
% of net sales	0.5%	-0.2 %	1.5%	-0.8%	0.2%
Profit for the financial year ⁽¹⁾	-3.8	-6.5	-17.3	-20.6	-14.7

(1) The difference between Operating profit (EBIT) and Profit for the financial year figures is caused by the amount of financial expenses incurred by the Issuer, which has decreased the profit for the financial years.

¹ Starting from the financial statements for the year ended 31 December 2023, the Polish unit's figures have been reported as part of the Finnish business unit.

Selected financial information (including discontinued operations)	For the three months ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
(EUR million, unless otherwise stated)	(unaudited)		(unaudited)		
Cash flow from operating activities.....	1.8	-5.7	50.6	18.9	54.6
Cash flow from investing activities	72.1	-7.1	22.6	-40.8	26.5
Cash flow from financing activities	-82.5	25.8	-62.0	14.4	-100.3
Net gearing, %	93.8%	139.6%	121.0%	123.7%	92.2%
Total interest-bearing debt ⁽⁴⁾	231.1	406.1	321.0	364.5	341.9
Total interest-bearing net debt ⁽⁴⁾	208.0	372.7	287.9	353.1	310.5
Net debt to EBITDA ratio (leverage) ⁽¹⁾	2.5x	6.2x ⁽⁵⁾	3.7x ⁽⁵⁾	6.2x	3.8x
Net debt to adjusted EBITDA ratio (leverage) ⁽²⁾	3.8x ⁽⁵⁾				
Liquidity covenant ⁽³⁾	29.5		35.5 ⁽⁵⁾		
Total assets.....	598.0	988.3	851.7	976.0	993.7
Total equity	221.8	266.9	238.0	285.5	336.9
Equity ratio, %.....	37.1 %	27.0 %	28.8 %	29.3 %	33.9 %

- (1) The Issuer's reported net debt to EBITDA ratio includes the last twelve-month (LTM) EBITDA and share of profit from associated companies and joint ventures from continuing and discontinued operations.
- (2) Net debt to adjusted EBITDA ratio includes LTM EBITDA from continuing operations and Danish operations. This is only relevant from first quarter of 2024 after divestment of Swedish business. In the incurrence test set out in the Terms and Conditions, also the net debt is adjusted for certain events that have taken place after the most recently ended reporting period (see Condition 11.4 (Incurrence Test)).
- (3) Figures provided only for the three months ended 31 March 2024 and for the financial year 2023 as the liquidity covenant has been in force as of 1 July 2023.
- (4) The hybrid bond (amounted to EUR 25.9 million on the Issuer's balance sheet as at 31 March 2024) not included in the figures.
- (5) Based on management figures.

What are the key risks that are specific to the issuer?

- Economic and political uncertainty in the countries in which HKFoods operates, or in global economic and financial market conditions, could adversely affect the Issuer.
- Negative developments in consumer confidence and/or spending may have a material adverse effect on the Issuer.
- The Issuer's business is capital intensive and requires continuous investments in its facilities.
- Fluctuations in the costs of raw materials and commodities and their availability may have a material adverse effect on the Issuer.
- Structural changes in the consumer goods retail sector and intense competition within the food industry may have a material adverse effect on HKFoods.
- HKFoods is dependent on its production facilities and uninterrupted operation of its value chains.
- Changes in consumer behaviour and perception of HKFoods and its products, as well as seasonal fluctuation in demand may have a material adverse effect on the Issuer.
- HKFoods' operations involve legal risks relating to contracts and compliance.
- Animal disease epidemics may have a material adverse effect on the Issuer.
- The Issuer may not receive financing on competitive terms or at all or it may have difficulties in complying with the financial covenants of its financing arrangements.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities are senior secured notes with an aggregate nominal amount of EUR 90 million due on 17 June 2027 (the "**Notes**"). The Notes will be issued on 17 June 2024 (the "**Issue Date**") to professional clients, eligible counterparties and retail clients (each as defined in Directive 2014/65/EU, as amended, "**MiFID II**"). On the Issue Date, a total of 90,000 Notes will be issued. The Notes are represented by units in denominations of EUR 1,000 (the "**Nominal Amount**"). ISIN code of the Notes is F14000571708 and the Notes are denominated in euro. The Issuer may later issue further notes having the same terms and conditions as the Notes, as set out in the Terms and Conditions of the Notes. The final maturity date of the Notes is 17 June 2027 (the "**Final Maturity Date**"). The Issuer shall redeem all of the outstanding Notes in full on the

Final Maturity Date, unless the Issuer has prepaid or redeemed the Notes prior to the Final Maturity Date in accordance with the Terms and Conditions of the Notes.

The Notes will be issued at an issue price of 100 per cent. The Notes carry interest at a floating rate of EURIBOR 3 months plus a margin of 7.5 per cent per annum, payable quarterly in arrears commencing on 17 September 2024 and thereafter on 17 December, 17 March, 17 June and 17 September each year (each an "**Interest Payment Date**") until 17 June 2027. Each note carries interest at the applicable interest rate from (and including) the Issue Date up to (but excluding) the relevant redemption date. Interest accrues during an interest period. The first interest period is the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date. Each consecutive interest period is the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period, if relevant). Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period in respect of which payment is being made divided by 360 (actual/360-days basis).

Any payments under or in respect of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland Oy.

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer ranking *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unconditional, unsubordinated and secured obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law, and without any preference among them. Each Note will be freely transferable after it has been registered into the respective book-entry account of a holder of the Notes (the "**Noteholder**"), but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, due to local laws or otherwise. Each Noteholder is responsible for ensuring compliance with such restrictions at its own cost and expense.

The Notes are secured by a common transaction security comprising initially (i) all the shares and related rights (to the extent able to be pledged under Finnish law) in HKScan Finland Oy owned by the Issuer, (ii) receivables under the intra-group loans granted by the Issuer to HKScan Finland Oy, (iii) certain receivables under the bilateral credit facility granted by the Issuer to LSO Osuuskunta, (iv) the real estate mortgage notes to be registered on the Issuer's leasehold property with registration no. 309-11-1122-1-L1 and HKScan Finland Oy's leasehold and freehold properties with registration nos. 50-407-2-40-L2, 491-35-1-1, 61-8-1291-26 and 684-26-2604-1 in the amount of EUR 300,000,000 for each property, (v) the business mortgage notes of the Issuer and HKScan Finland Oy in the amount of EUR 300,000,000 for each business mortgage note, (vi) certain trademarks of HKScan Finland Oy. The common transaction security also secures certain other liabilities of the Issuer, and additional liabilities may become secured by the common transaction security in the future. The amount of the initial obligations that the common transaction security secures, amounts to approximately EUR 201,600,000. All of the liabilities secured by the common transaction security shall rank *pari passu* and *pro rata* with no preference between them, except for certain liabilities owed and certain costs incurred by Nordic Trustee Oy in its capacity as common security agent and certain Issuer agents and creditor representatives.

A request by Nordic Trustee Oy (the "**Agent**") for a decision by the Noteholders on a matter relating to the Terms and Conditions and any other document designated by the Issuer and the Agent as finance documents (the "**Finance Documents**") shall, at the option of the Agent, be dealt with at a meeting of the noteholders (the "**Noteholders' Meeting**") or by way of a written procedure among the Noteholders (the "**Written Procedure**"). A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.

Where will the securities be traded?

The Issuer will make an application for listing of the Notes on the official list of Nasdaq Helsinki, and the listing is expected to take place on or about 17 June 2024.

What are the key risks that are specific to the securities?

- Active trading market for the Notes may not develop.
- Since the Notes bear a floating interest rate, their price may vary as a result of changes in the interest rates.
- The Issuer may not be able to finance the prepayment of Notes following Event of Default, Demerger Event or Change of Control Event.
- Neither the Issuer nor the Notes are currently rated by any rating agency.
- The Common Security Document may be insufficient to cover all the Secured Obligations.

KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Details of the admission to trading on a regulated market

The Issuer will make an application for listing of the Notes on the official list of Nasdaq Helsinki, and the listing is expected to take place on or about 17 June 2024.

The total costs relating to the issue and the Listing are expected to amount to approximately EUR 1.6 million. HKFoods will receive no proceeds from the Listing.

Why is this Listing Prospectus being produced?

This Listing Prospectus has been produced by HKFoods solely for the purpose of admission to trading of the Notes on the official list of Nasdaq Helsinki and does not constitute any public offering of the Notes.

The net proceeds from the issue of the Notes are EUR 90 million less the costs and expenses incurred by the Issuer in connection with issue of the Notes.

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with issue of the Notes, for refinancing certain existing indebtedness of the Issuer and general corporate purposes of the HKFoods' group.

Material interests

HKFoods has entered into agreements with Danske Bank A/S and OP Corporate Bank plc (the "**Joint Lead Managers**") with respect to certain services provided by the Joint Lead Managers in connection with the issue and Listing of the Notes. In addition, the Joint Lead Managers acted as dealer managers and OP as tender agent in the tender offer concerning HKFoods' existing EUR 90.0 million notes due 24 March 2025 and as solicitation agents and OP as tabulation agent in the consent solicitation concerning the same notes.

Each of the Joint Lead Managers and/or their respective affiliates have acted and may in future act as lenders under certain facility agreements of the Issuer, for which they have received, or will receive, customary fees, and each of the Joint Lead Managers and/or their respective affiliates, in their capacities as lenders under certain facility agreements, will be parties to the intercreditor agreement to be entered into between, among others, the Issuer and other secured parties benefiting from the common transaction security. Furthermore, each of the Joint Lead Managers and/or their respective affiliates have performed, and may in the future perform, advisory, consulting and/or banking services for HKFoods in the ordinary course of their business. The Joint Lead Managers and/or their respective affiliates may hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities of the Issuer.

In connection with the issue and Listing of the Notes, Nordic Trustee Oy acting as the Agent and the Common Security Agent has a business interest customary in the financial markets.

TIIVISTELMÄ

JOHDANTO

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Tätä tiivistelmää on pidettävä tämän Esitteen ("**Esite**") johdantona. Sijoittajan tulee perustaa tässä Esitteessä esitetyjä arvopapereita ("**Velkakirjat**") koskeva sijoituspäätöksensä Esitteeseen kokonaisuutena. Arvopapereihin sijoittava sijoittaja voi menettää kaiken tai osan sijoitetusta pääomasta. Jos tuomioistuimessa pannaan vireille tähän Esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi sovellettavan lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan Esitteen käännöskustannuksista. HKFoods Oyj ("**HKFoods**" tai "**Liikkeeseenlaskija**") vastaa siviilioikeudellisesti tästä tiivistelmästä vain, jos tiivistelmä luettuna yhdessä Esitteen muiden osien kanssa on harhaanjohtava, epätarkka tai epäohdonmukainen tai jos tiivistelmässä ei luettuna yhdessä Esitteen muiden osien kanssa anneta keskeisiä tietoja sijoittajille, kun he harkitsevat sijoittamista HKFoodsin liikkeeseenlaskemiin arvopapereihin.

Liikkeeseenlaskijan nimi:	HKFoods Oyj
Osoite:	Lemminkäisenkatu 48, 20520 Turku, Suomi
Yritys- ja yhteisötunnus:	0111425-3
Oikeushenkilötunnus (LEI-tunnus):	7437000PN6E448NPGY86
Arvopaperien ISIN-tunnus:	FI4000571708

Tämä Esite on laadittu yksinomaan Velkakirjojen ottamiseksi kaupankäynnin kohteeksi Nasdaq Helsinki Oy:n pörssilistalle ("**Nasdaq Helsinki**") ("**Listalleotto**") eikä se ole tarjous Velkakirjoista yleisölle. Finanssivalvonta on asetuksen (EU) 2017/1129 ("**Esiteasetus**") mukaisena toimivaltaisena viranomaisena hyväksynyt tämän Esitteen 13.6.2024. Finanssivalvonta on hyväksynyt tämän Esitteen vain siltä osin kuin se täyttää Esiteasetuksen mukaiset kattavuutta, ymmärrettävyyttä ja johdonmukaisuutta koskevat vaatimukset. Finanssivalvonnan Esitettä koskevaa hyväksyntää ei tule pitää osoituksena sen liikkeeseenlaskijan hyväksynnästä, jota tämä Esite koskee. Tämän Esitteen hyväksymispäätöksen diaarinumero on FIVA/2024/899.

Toimivaltaisen viranomaisen eli Finanssivalvonnan, joka hyväksyy tämän esitteen, yhteystiedot ovat seuraavat:

Finanssivalvonta
PL 103, 00101 Helsinki, Suomi
Puhelinnumero: +358 9 183 51
Sähköpostiosoite: kirjaamo@finanssivalvonta.fi

KESKEISIÄ TIETOJA LIIKKEESEENLASKIJASTA

Kuka on arvopapereiden liikkeeseenlaskija?

HKFoods Oyj on Suomen lakien mukaisesti Suomessa 31.12.1975 perustettu julkinen osakeyhtiö. HKFoodsin kotipaikka on Turku. Liikkeeseenlaskija on merkitty Patentti- ja rekisterihallituksen ylläpitämään kaupparekisteriin ("**Kaupparekisteri**") Y-tunnuksella 0111425-3 ja oikeushenkilötunnuksella (LEI) 7437000PN6E448NPGY86.

Yleistä

HKFoods on suomalainen ruokatalo, jolla on yli 100 vuoden kokemus vastuullisesta elintarviketuotannosta ja paikallisten, korkealaatuisten raaka-aineiden käytöstä. HKFoods valmistaa, markkinoi ja myy vastuullisesti tuotettua ja herkullista ruokaa, joka on osa kuluttajien moninaisia ruokahetkiä – arjessa ja juhlassa. HKFoodsin ydinliiketoimintaan kuuluvat liha, lihatuotteet ja valmisruoat, kuten ateriat, ateriakomponentit ja välipalat. HKFoodsin tuotteet valmistetaan pääosin korkealaatuisesta sian-, naudan- ja siipikarjanlihasta sekä muista raaka-aineista, ja niitä myydään HKFoodsin vahvojen, HKFoodsin johdon näkemyksen mukaan kuluttajien keskuudessa tunnettujen brändien alla. HKFoodsin päämarkkina-alue on Suomi. Päämarkkina-alueen lisäksi HKFoods harjoittaa vientiä lähes 30 maahan ympäri maailmaa.

HKFoodsin pitkän aikavälin strateginen tavoite on kasvaa monipuuliseksi ruokataloksi. Nykyisessä toimintaympäristössä HKFoods on keskittynyt taloudellisen perustan vahvistamiseen sekä ydinliiketoimintansa kilpailukyvyyn ja toimintojen kannattavuuden parantamiseen. Pitkän aikavälin strategian edistäminen edellyttää HKFoodsilta nykyistä vahvempaa tasetta. HKFoodsin kannattavuuden parantamisen ja taseen vahvistamisen kannalta tärkeitä vaiheita olivat Baltian liiketoiminnan myyntiprosessin loppuun saattaminen elokuussa 2023, Ruotsin liiketoiminnan myynti maaliskuussa 2024 ja Tanskan liiketoiminnan myyntiä Plukon food Group B.V:lle koskevan sopimuksen allekirjoittaminen toukokuussa 2024.

Suurimmat osakkeenomistajat

31.5.2024 HKFoodsin suurin osakkeenomistaja LSO Osuuskunta omisti 30,14 prosenttia HKFoodsin osakkeista ja 66,59 prosenttia kaikista HKFoodsin osakkeiden tuottamista äänistä. Liikkeeseenlaskija on siten välittömästi LSO Osuuskunnan määräysvallassa Arvopaperimarkkinalain 2 luvun 4 §:n tarkoittamalla tavalla. Liikkeeseenlaskija ei ole tietoinen toimista, jotka voisivat muuttaa määräysvaltaa Liikkeeseenlaskijassa.

Alla olevassa taulukossa on lueteltu ne HKFoodsin osakkeenomistajat, jotka omistavat HKFoodsin osakkeista ja osakkeisiin liittyvistä äänistä vähintään yhden prosentin 31.5.2024 perustuen Euroclear Finland Oy:n ylläpitämään osakasluetteloon.

Osakkeenomistaja	Osakkeet yhteensä	Osakkeet, %	Äännet, % ⁽¹⁾
LSO Osuuskunta.....	29.818.884	30,14	66,59
HKFoods.....	9.041.408	9,14	-
Apteekkien Eläkekassa.....	3.581.889	3,62	1,99
Sijoitusrahasto Fourton Hannibal.....	3.250.000	3,28	1,81
Citibank Europe PLC	2.982.076	3,01	1,66
Maa- ja metsätaloustuottajain Keskusliitto MTK ry.....	2.711.414	2,74	1,51

(1) HKFoodsin hallussa olevat omat osakkeet eivät tuota oikeuksia yhtiössä.

Liikkeeseenlaskijan johdon avanhenkilöt ja tilintarkastaja

Alla olevassa taulukossa esitetään HKFoodsin Liikkeeseenlaskijan hallituksen jäsenet tämän Esitteen päivämääränä:

Nimi	Syntymävuosi	Asema	Valittu ensimmäisen kerran hallitukseen
Reijo Kiskola.....	1954	Puheenjohtaja	2018
Jari Mäkilä.....	1970	Varapuheenjohtaja	2018
Anne Koutonen.....	1962	Jäsen	2019
Terhi Tuomi.....	1966	Jäsen	2019
Niclas Diesen.....	1980	Jäsen	2024
Lauri Sipponen.....	1969	Jäsen	2024
Ilkka Uusitalo.....	1968	Jäsen	2024
Sami Yski.....	1971	Jäsen	2024

Alla olevassa taulukossa esitetään konsernin johtoryhmän jäsenet tämän Esitteen päivämääränä.

Nimi	Asema	Syntymävuosi
Juha Ruohola.....	Toimitusjohtaja	1965
Jyrki Paappa ⁽¹⁾	Talousjohtaja	1965
Jari Leija.....	Suomen liiketoimintayksiköstä vastaava johtaja (EVP)	1965
Jukka Nikkinen ⁽²⁾	Tanskan liiketoimintayksiköstä vastaava johtaja (EVP)	1962
Markku Suvanto.....	Hallintojohtaja (EVP)	1966

(1) Jyrki Paappa toimii HKFoodsin talousjohtajana 30.6.2024 saakka. HKFoods on nimittänyt Mika Tillin uudeksi talousjohtajaksi ja konsernin johtoryhmän jäseneksi 1.7.2024 alkaen.

(2) Jukka Nikkinen toimii HKFoodsin Tanskan liiketoimintayksiköstä vastaavana johtajana 30.6.2024 saakka. HKFoods on nimittänyt Michael Juhl Jørgensenin Tanskan liiketoimintayksiköstä vastaavaksi väliaikaiseksi johtajaksi ja johtoryhmän jäseneksi 1.7.2024 alkaen.

Liikkeeseenlaskijan tilintarkastaja on tilintarkastusyhteisö Ernst & Young Oy. Ernst & Young Oy on nimittänyt päävastuulliseksi tilintarkastajaksi KHT Maria Onniselän. Ernst & Young Oy ja Maria Onniselkä on merkitty Patentti- ja rekisterihallituksen ylläpitämään tilintarkastajarekisteriin.

Mitä ovat liikkeeseenlaskijaa koskevat keskeiset taloudelliset tiedot?

Historialliset taloudelliset tiedot

Alla olevassa taulukossa esitetään HKFoodsin jatkuvien toimintojen (ellei toisin mainita) eräitä taloudellisia tietoja ja tunnuslukuja ilmoitetuilta ajanjaksoilta. Jatkuvat toiminnot sisältävät vain Suomen toiminnot (mukaan lukien Puolan yksikkö), sillä Tanskan, Ruotsin ja Baltian toiminnot luokitellaan lopetetuiksi toimintoiksi. HKFoods ilmoitti toukokuussa 2024 allekirjoittaneensa sopimuksen tanskalaisen tytäryhtiönsä HKScan Denmark A/S:n osakkeiden myynnistä ja liikkeeseenlaskija on arvioinut, että IFRS 5. kohdan kriteerit myytävänä oleville omaisuuserille ja veloille sekä lopetetuille

toiminnoille täyttyvät. Lisäksi Ruotsin liiketoiminnan myynti toteutettiin 27.3.2024 ja Baltian liiketoiminnan myynti toteutettiin 31.8.2023.

Kaikki alla olevissa taulukoissa esitetyt luvut ovat tilintarkastamattomia eivätkä ne ole vertailukelpoisia Liikkeeseenlaskijan tilintarkastetuissa tilinpäätöksissä esitettyjen lukujen kanssa, koska tilintarkastetuissa tilinpäätöksissä esitetyt luvut sisältävät lopetetut toiminnot ja alla olevassa taulukossa esitetyt luvut koskevat vain jatkuvia toimintoja (eli Suomen toimintoja), ellei toisin mainita. Luvut 31.3.2024 ja 31.3.2023 päättyneiltä kolmen kuukauden jaksolta sekä 31.12.2023 päättyneeltä tilikaudelta on johdettu Liikkeeseenlaskijan tilintarkastamattomasta osavuositarkastuksesta 31.3.2024 päättyneeltä kolmen kuukauden jaksolta, ellei toisin mainita. Luvut koskien 31.12.2022 ja 31.12.2021 päättyneitä tilikautia perustuvat tilintarkastamattomaan johdon raportointiin.

Eräitä taloudellisia tietoja (jatkuvat toiminnot)	1.1.–31.3.		1.1.–31.12.		
	2024	2023	2023	2022	2021
(miljoonaa euroa, ellei toisin ilmoitettu)	(tilintarkastamaton)		(tilintarkastamaton)		
Liikevaihto	228,7	218,0	933,0	877,2	778,0
Vertailukelpoinen käyttökate (EBITDA)	9,1	5,5	42,9	23,4	32,9
% liikevaihdosta	4,0 %	2,5 %	4,6 %	2,7 %	4,2 %
Käyttökate (EBITDA)	8,9	7,4	45,1	21,3	33,6
% liikevaihdosta	3,9%	3,4%	4,8%	2,4%	4,3%
Vertailukelpoinen liiketulos	1,4	-2,3	11,6	-7,3	-2,1
% liikevaihdosta	0,6 %	-1,0 %	1,2 %	-0,8 %	-0,3 %
Liiketulos (EBIT)	1,2	-0,4	14,3	-7,0	1,4
% liikevaihdosta	0,5 %	-0,2 %	1,5 %	-0,8 %	0,2 %
Tilikauden voitto ⁽¹⁾	-3,8	-6,5	-17,3	-20,6	-14,7

(1) Liiketuloksen ja tilikauden voiton välinen ero johtuu Liikkeeseenlaskijalle aiheutuneista rahoituskuluista, jotka ovat alentaneet tilikausien tulosta.

Eräitä taloudellisia tietoja (sisältäen lopetetut toiminnot)	1.1.–31.3.		1.1.–31.12.		
	2024	2023	2023	2022	2021
(miljoonaa euroa, ellei toisin ilmoitettu)	(tilintarkastamaton)		(tilintarkastamaton)		
Liiketoiminnan rahavirta	1,8	-5,7	50,6	18,9	54,6
Investointien rahavirta	72,1	-7,1	22,6	-40,8	26,5
Rahoituksen rahavirta	-82,5	25,8	-62,0	14,4	-100,3
Nettovelkaantumisaste %.....	93,8 %	139,6 %	121,0 %	123,7 %	92,2 %
Korollinen velka yhteensä ⁽⁴⁾	231,1	406,1	321,0	364,5	341,9
Korollinen nettovelka yhteensä ⁽⁴⁾	208,0	372,7	287,9	353,1	310,5
Nettovelan ja käyttökatteen suhde ⁽¹⁾	2.5x	6.2x ⁽⁵⁾	3.7x ⁽⁵⁾	6.2x	3.8x
Nettovelan ja oikaistun käyttökatteen suhde ⁽²⁾	3.8x ⁽⁵⁾				
Likviditeettikovenanti ⁽³⁾	29.5		35.5 ⁽⁵⁾		
Varat yhteensä.....	598,0	988,3	851,7	976,0	993,7
Oma pääoma yhteensä.....	221,8	266,9	238,0	285,5	336,9
Omavaraisuusaste, %	37,1 %	27,0 %	28,8 %	29,3 %	33,9 %

(1) Liikkeeseenlaskijan raportoitu nettovelan ja käyttökatteen suhdeluku sisältää lopetettujen toimintojen käyttökatteen (EBITDA) viimeiseltä kahdelta toista kuukaudelta sekä jatkuvien ja lopetettujen liiketoimintojen osuuden osakkuusyritysten ja yhteisyritysten tuloksista.

(2) Nettovelan ja oikaistun käyttökatteen suhde sisältää viimeisen kahdelta toista kuukauden käyttökatteen jatkuvien toimintojen lisäksi Tanskan liiketoiminnan. Tämä on merkityksellinen ainoastaan vuoden 2024 ensimmäisestä vuosineljänneksestä alkaen Ruotsin liiketoimintojen myynnin jälkeen. Velkakirjojen ehtojen mukaisessa incurrence test -laskelmassa myös nettovelka on oikaistu tietyillä viimeksi päättyneen raportointikauden jälkeisillä tapahtumilla (katso ehto 11.4 (Incurrence Test)).

(3) Luvut esitetty vain vuoden 2024 ensimmäiseltä vuosineljännekseltä ja tilikaudelta 2023, koska likviditeettikovenanti on ollut voimassa 1.7.2023 alkaen.

(4) Lukuihin ei sisälly hybridilaina, jonka määrä Liikkeeseenlaskijan taseessa 31.3.2024 oli 25,9 miljoonaa euroa.

(5) Perustuu johdon raportointiin.

Mitkä ovat liikkeeseenlaskijaan liittyvät olennaiset riskit?

- Taloudellinen ja poliittinen epävarmuus maissa, joissa HKFoods toimii, tai maailmanlaajuiset epävarmat talouden ja finanssimarkkinoiden olosuhteet voivat vaikuttaa haitallisesti Liikkeeseenlaskijaan.
- Negatiivinen kehitys kuluttajien luottamuksessa ja/tai kulutuksessa voi vaikuttaa olennaisen haitallisesti Liikkeeseenlaskijaan.
- Liikkeeseenlaskijan liiketoiminta edellyttää suurta pääomaa ja jatkuvia investointeja tuotantolaitoksissa.
- Vaihtelut raaka-aineiden ja hyödykkeiden kustannuksissa ja saatavuudessa voivat vaikuttaa olennaisen haitallisesti Liikkeeseenlaskijaan.
- Rakenteelliset muutokset kuluttajatuotteiden sektorilla ja ruokateollisuuden kireä kilpailu voivat vaikuttaa olennaisen haitallisesti HKFoodsiin.
- HKFoods on riippuvainen tuotantolaitoksista ja arvoketjujen keskeytymättömästä toiminnasta.
- Muutokset kuluttajakäyttäytymisessä, kuluttajien käsitys HKFoodsista ja sen tuotteista sekä kausittaiset kysynnän vaihtelut voivat vaikuttaa olennaisen haitallisesti Liikkeeseenlaskijaan.
- HKFoodsin toimintoihin liittyy oikeudellisia sopimuksiin ja lainsäädännön noudattamiseen liittyviä riskejä.
- Eläintautiepidemiat voivat vaikuttaa olennaisen haitallisesti Liikkeeseenlaskijaan.
- Liikkeeseenlaskija ei välttämättä saa tarvitsemaansa rahoitusta sille edullisilla ehdoilla tai ollenkaan, tai sillä voi olla vaikeuksia noudattaa lainasopimustensa kovenanttiehtoja.

KESKEISET TIEDOT ARVOPAPEREISTA

Mitkä ovat arvopapereiden keskeiset ominaisuudet?

Arvopaperit ovat senioriehtoisia ja vakuudellisia velkakirjoja, joiden yhteenlaskettu nimellisarvo on 90 miljoonaa euroa ja jotka erääntyvät 17.6.2027 ("**Velkakirjat**"). Velkakirjat lasketaan liikkeeseen 17.6.2024 ("**Liikkeeseenlaskupäivä**") ammattimaisille asiakkaille, hyväksyttävillä vastapuolilla ja yksityisasiakkaille (siten kuin kukin on määritelty direktiivissä 2014/65/EU, muutoksineen, "**MiFID II**"). Liikkeeseenlaskupäivänä lasketaan liikkeeseen yhteensä 90.000 Velkakirjaa. Velkakirjojen yksikkökoko on 1.000 euroa ("**Nimellismäärä**"). Velkakirjojen ISIN-koodi on FI4000571708 ja Velkakirjat ovat euromääräisiä. Liikkeeseenlaskija voi myöhemmin laskea liikkeeseen lisää velkakirjoja, joilla on vastaavat, Velkakirjojen ehdoissa määritellyt ehdot kuin Velkakirjoilla. Velkakirjojen lopullinen erääntymispäivä on 17.6.2027 ("**Lopullinen**").

Eräntymispäivä"). Liikkeeseenlaskija lunastaa kaikki liikkeessä olevat Velkakirjat kokonaisuudessaan Lopullisena Eräntymispäivänä, ellei Liikkeeseenlaskija ole Velkakirjojen ehtojen mukaisesti maksanut tai lunastanut Velkakirjoja ennenaikaisesti ennen Lopullista Eräntymispäivää.

Velkakirjat lasketaan liikkeeseen 100 prosentin merkintähintaan. Velkakirjoille maksetaan vaihtuvakorkoista kolmen kuukauden euriborkorkoa lisätynä 7,5 prosentin vuotuisella marginaalilla. Velkakirjoille kertyvä korko maksetaan neljännesvuosittain 17.9.2024 alkaen ja sen jälkeen 17.12., 17.3., 17.6. ja 17.9. kunakin vuonna (kukin "**Koronmaksupäivä**") 17.6.2027 saakka. Kullekin velkakirjalle kertyy korkoa soveltuvan korkokannan mukaisesti Liikkeeseenlaskupäivästä (Liikkeeseenlaskupäivä mukaan lukien) soveltuvaan lunastuspäivään (lunastuspäivä pois lukien) asti. Korko kertyy korkojakson ajalta. Ensimmäinen korkojakso on Liikkeeseenlaskupäivästä (Liikkeeseenlaskupäivä mukaan lukien) ensimmäiseen Koronmaksupäivään (ensimmäinen Koronmaksupäivä pois lukien) asti. Kukin seuraava korkojakso on Koronmaksupäivästä (Koronmaksupäivä mukaan lukien) seuraavaan Koronmaksupäivään asti (tai soveltuvasti tätä lyhyempi jakso). Velkakirjojen korko lasketaan kunkin kyseessä olevan korkojakson todellisten päivien lukumäärän mukaan käyttäen jakajana lukua 360 (*actual/360-days basis*).

Kaikki Velkakirjojen alaiset tai niihin liittyvät maksut maksetaan arvo-osuusjärjestelmää ja arvo-osuustilejä koskevan kotimaisen lainsäädännön ja Euroclear Finland Oy:n sääntöjen ja päätösten mukaisesti.

Velkakirjat ovat Liikkeeseenlaskijan suorina, ehdottomina, alistamattomia ja vakuudellisia velvoitteita, jotka ovat samanarvoisia keskenään ja vähintään samanarvoisia kaikkien muiden Liikkeeseenlaskijan suorien, ehdottomien, alistamattomien ja vakuudellisten velkojen kanssa, lukuun ottamatta sellaisia velvoitteita, joilla on etuoikeus pakottavan lain nojalla. Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on rekisteröity asianomaiselle Velkakirjan haltijan ("**Velkakirjanhaltija**") arvo-osuustilille, mutta Velkakirjanhaltijoihin saattaa kohdistua soveltuvin osin Velkakirjojen osto- tai siirtoarjotuksia paikallisten lakien vuoksi tai muutoin. Jokaisen Velkakirjanhaltijan on varmistettava näiden rajoitusten noudattaminen omalla kustannuksellaan.

Velkakirjojen vakuutena on yhteinen transaktiovakuus, joka koostuu alustavasti (i) kaikista Liikkeeseenlaskijan omistamista HKScan Finland Oy:n osakkeista sekä niihin liittyvistä oikeuksista (siltä osin kuin pantattavissa Suomen lain alla), (ii) Liikkeeseenlaskijan HKScan Finland Oy:lle myöntämien konserninsisäisten lainojen alaisista saatavista, (iii) Liikkeeseenlaskijan LSO Osuuskunnalle myöntämän luottolimitin alaisista saatavista, (iv) Liikkeeseenlaskijan vuokraoikeuden nojalla hallitsemalle kiinteistölle (rekisterinumero 309-11-1122-1-L1) sekä HKScan Finland Oy:n vuokraoikeuden ja omistusoikeuden nojalla hallitsemille kiinteistöille (rekisterinumero 50-407-2-40-L2, 491-35-1-1, 61-8-1291-26 ja 684-26-2604-1) rekisteröitävistä kiinnityksistä määrältään 300.000.000 euroa kutakin kiinteistöä kohden, (v) Liikkeeseenlaskijan ja HKScan Finland Oy:n yritysikiinnityksistä määrältään 300.000.000 euroa kutakin yritysikiinnitystä kohden, (vi) tietyistä HKScan Finland Oy:n tavaramerkeistä. Transaktiovakuus suojaa myös Liikkeeseenlaskijan tiettyjä muita velvoitteita, joita on myös mahdollista tulla lisää tulevaisuudessa jakamaan transaktiovakuus. Vakuudellisten velvoitteiden, joita transaktiovakuus alustavasti suojaa, määrä on noin 201.600.000 euroa. Kaikki vakuudelliset velvoitteet, joita yhteinen transaktiovakuus suojaa, ovat maksunsaantijärjestyksessä samanvertaisia, lukuunottamatta tiettyjä Nordic Trustee Oy:lle vakuusagentin roolissa sekä tietyille Liikkeeseenlaskijan agenteille ja tietyille velkojen edustajille olevia vastuita ja aiheutuneita tiettyjä kuluja, jotka ovat maksunsaantijärjestyksessä etusijalla.

Nordic Trustee Oy:n ("**Agentti**") pyyntö, että Velkakirjanhaltijat tekevät päätöksen Velkakirjojen ehtoihin ja muihin Liikkeeseenlaskijan ja Agentin rahoitusasiakirjoiksi määrittämiin asiakirjoihin ("**Rahoitusasiakirjat**") liittyvässä asiassa, käsitellään Agentin valinnan mukaan Velkakirjanhaltijoiden kokouksessa ("**Velkakirjanhaltijoiden Kokous**") tai Velkakirjanhaltijoiden kirjallisessa menettelyssä ("**Kirjallinen menettely**"). Asianmukaisesti koolle kutsutussa ja pidetyssä Velkakirjanhaltijoiden Kokouksessa tai Kirjallisessa Menettelyssä päätetty asia sitoo kaikkia Velkakirjanhaltijoita riippumatta siitä, ovatko he läsnä tai edustettuina velkakirjojen haltijoiden kokouksessa tai vastasivatko he Kirjallisessa Menettelyssä.

Missä arvopapereilla tullaan käymään kauppaa?

Liikkeeseenlaskija tulee tekemään hakemuksen Velkakirjojen ottamisesta kaupankäynnin kohteeksi Nasdaq Helsingin pörssilistalle ja listalleoton odotetaan tapahtuvan arviolta 17.6.2024.

Mitkä ovat arvopapereihin liittyvät keskeiset riskit?

- Velkakirjoille ei välttämättä kehity aktiivista kaupankäyntimarkkinaa.
- Velkakirjat ovat vaihtuvakorkoisia, joten niiden hinta voi vaihdella korkotasojen vaihteluiden takia.
- Liikkeeseenlaskija ei välttämättä pysty rahoittamaan Velkakirjojen ennenaikaista takaisinmaksua Event of Default -, Demerger Event - tai Change of Control -tapahtuman seurauksena.
- Liikkeeseenlaskijalla tai Velkakirjoilla ei ole tällä hetkellä yhtenkään luottoluokituslaitoksen antamaa luottoluokitusta.
- Vakuudet eivät välttämättä riitä kattamaan kaikkia niitä velvoitteita, joille ne toimivat vakuutena.

KESKEISET TIEDOT ARVOPAPEREIDEN KAUPANKÄYNNIN KOHTEEKSI OTTAMISESTA

Mitkä ovat arvopaperiin sijoittamisen edellytykset ja aikataulu?

Tiedot kaupankäynnin kohteeksi ottamisesta säännellyllä markkinalla

Liikkeeseenlaskija tulee tekemään hakemuksen Velkakirjojen ottamisesta kaupankäynnin kohteeksi Nasdaq Helsingin pörssilistalle ja listalleoton odotetaan tapahtuvan arviolta 17.6.2024.

Liikkeeseenlaskusta ja listalleotosta aiheutuvien kokonaiskustannusten yhteismäärän arvioidaan olevan noin 1,6 miljoonaa euroa. HKFoods ei saa Listalleottamisesta tuottoja.

Miksi tämä Listalleottoesite on laadittu?

HKFoods on laatinut tämän Esitteen yksinomaan Velkakirjojen ottamiseksi julkisen kaupankäynnin kohteeksi Nasdaq Helsingin pörssilistalle eikä se muodosta mitään Velkakirjojen yleisölle tarjoamista.

Velkakirjojen liikkeeseenlaskun nettotuotot ovat 90 miljoonaa euroa vähennettynä Liikkeeseenlaskijalle Velkakirjojen liikkeeseenlaskun yhteydessä aiheutuneilla kustannuksilla ja kuluilla.

Liikkeeseenlaskija käyttää Velkakirjojen liikkeeseenlaskusta saadut varat, vähennettynä Liikkeeseenlaskijalle Velkakirjojen liikkeeseenlaskun yhteydessä aiheutuneilla kustannuksilla ja kuluilla, tiettyjen Liikkeeseenlaskijan olemassa olevien velkojen jälleenerahoittamiseen ja HKFoodsin konsernin yleisiin liiketoiminnallisiin tarkoituksiin.

Olennaiset intressit

HKFoods on solminut Danske Bank A/S:n ja OP Yrityspankki Oyj:n ("**Pääjärjestäjät**") kanssa sopimuksia koskien tiettyjä Velkakirjojen liikkeeseenlaskuun ja Listaamiseen liittyviä Pääjärjestäjien tarjoamia palveluita. Lisäksi Pääjärjestäjät toimivat järjestäjinä HKFoodsin 24.3.2025 erääntyvän 90,0 miljoonan euron suuruisen joukkovelkakirjalainan takaisinostotarjouksen sekä asiamiehinä kyseistä joukkovelkakirjalainaa koskevan suostumuspyyntömenettelyn yhteydessä.

Kumpikin Pääjärjestäjistä ja/tai niiden lähipiiriyhtiöt ovat toimineet ja saattavat tulevaisuudessa toimia lainanantajina tietyissä Liikkeeseenlaskijan lainasopimuksissa, joista ne ovat saaneet tai tulevat saamaan tavanomaisia palkkioita ja kumpikin Pääjärjestäjistä ja/tai niiden lähipiiriyhtiöt, tiettyjen lainasopimusten alaisina lainanantajina, tulevat osapuoliksi velkojien väliseen sopimukseen, joka on tarkoitus tehdä muun muassa Liikkeeseenlaskijan ja muiden vakuudellisten velkojien, joiden hyväksi yhteinen transaktiovakuus annetaan, välillä. Lisäksi kumpikin Pääjärjestäjistä ja/tai niiden lähipiiriyhtiöt ovat tarjonneet ja saattavat tulevaisuudessa tarjota sijoitus-, konsultti- ja/tai pankkipalveluita HKFoodsille osana tavanomaista liiketoimintaansa. Pääjärjestäjät ja/tai niiden lähipiiriyhtiöt voivat omistaa pitkiä tai lyhyitä positioita ja voivat käydä kauppaa tai muulla tavoin toteuttaa liiketoimia omaan tai asiakkaidensa lukuun Liikkeeseenlaskijan velkainstrumenteilla tai osakepohjaisilla arvopapereilla.

Nordic Trustee Oy:llä, joka toimii Agenttina ja vakuusagenttina, on Velkakirjojen tarjoamisen ja Listalleoton yhteydessä rahoitusmarkkinoille tavanomainen liiketaloudellinen intressi.

RISK FACTORS

Investing in the Notes involves various risks that can be material. Those considering an investment in the Notes are recommended to carefully study the risk factors presented below and the other information presented in this Listing Prospectus. Factors possibly relevant to an investment decision are also discussed elsewhere in this Listing Prospectus. Each of the risks presented below in this Listing Prospectus is specific to the Issuer and may affect the Issuer's ability to fulfil its obligations under the Notes. Any or all of the risks may have an adverse effect on the Issuer's business operations, operating result and financial position and may cause the Issuer not to reach its financial targets. If these risks result in a decrease in the market price of the Notes, or adversely affect the Issuer's ability to fulfil its obligations when due, those who invested in them may lose their investment in part or in full. In addition, risks and uncertainty factors that are unknown or regarded as minor at the present time may have a material adverse effect on the Issuer's business operations, operating result and financial position during the tenor of the Notes.

The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on information known and assessed at the time of preparing the Listing Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. While the categories are not presented in any order of materiality, in each risk category the most material risks, in the assessment of the Issuer, taking into account the negative impact on the Issuer and the probability of their occurrence, are presented first. The description of the risk factors is based on the information and values available on the date of this Listing Prospectus and is not necessarily exhaustive.

The risks presented herein have been divided into seven categories based on their nature. These categories are:

- 1. Risks related to HKFoods' operating environment*
- 2. Risks related to HKFoods' business operations*
- 3. Risks related to HKFoods' financing*
- 4. Risks related to the Notes as debt of the Issuer*
- 5. Risks related to the marketability of the Notes*
- 6. Risks related to the status and form of the Notes*
- 7. Risks related to the Common Transaction Security and the Intercreditor Agreement*

Should one or more of the risk factors described herein materialise, it may have a material adverse effect on HKFoods' business, financial condition, results of operations and prospects and, thereby, on HKFoods' ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. As a result, investors may lose part or all of their investment.

*Words and expressions under categories "Risks related to the Notes as debt of the Issuer", "Risks related to the marketability of the Notes", "Risks related to the status and form of the Notes" and "Risks related to the Common Transaction Security and the Intercreditor Agreement" shall have the meanings defined in Annex A: Terms and Conditions of the Notes (the "**Terms and Conditions**"). References to "**Conditions**" are references to the terms and conditions of the Terms and Conditions.*

Risks related to HKFoods' operating environment

Economic and political uncertainty in the countries in which HKFoods operates, or in global economic and financial market conditions, could adversely affect the Issuer

HKFoods' main market is Finland. In addition, HKFoods exports to close to 30 countries around the world (see also "*Business overview – General*"). Some of the economies of the countries in which HKFoods operates have, in the recent years, been adversely affected by the uncertain global economic and financial market conditions as well as international sanctions. Further, trade tensions between the United States and the People's Republic of China may have an adverse effect on the export agreements concerning food between the Chinese and Finnish food authorities. As at the date of this Listing Prospectus, HKFoods exports pork to China and in November 2023 HKFoods announced that it is launching poultry meat exports to China, which are expected to start during the first half of 2024. Additionally, HKFoods announced in January 2024 that it will start exporting pork to South Africa. HKFoods is therefore exposed to the effects of trade actions and barriers due to the international nature of its operations. Various countries, such as the United States and the People's Republic of China, have implemented, and may in the future implement trade restrictions and barriers. Further, there can be no assurance that countries targeted by anti-dumping and countervailing measures would not respond with corresponding measures which could escalate into a trade war. Global economic conditions have been, and are likely to continue to be, affected by concerns over increased geopolitical tensions as well as political developments, such as the increased threat of escalated trade conflicts on a global level.

An economic slowdown or a recession, regardless of its severity, or any other negative political or economic developments in HKFoods' home market and in the other countries in which HKFoods operates may affect HKFoods' business in a number of ways, including among other things, the income, wealth, liquidity, business and/or financial condition of HKFoods, as well as its customers and its suppliers. In recent years, general economic and financial market conditions in Europe and the rest of the world have fluctuated significantly due to, among other things, the ongoing war between Russia and Ukraine, as well as sanctions and countersanctions imposed as a result of the war, which has increased uncertainty and price volatility, depressed stock prices and increased the risk of a wider economic downturn and a slowdown in global economic growth. In addition, macroeconomic conditions, such as rising inflation and rising interest rates, can negatively affect HKFoods' business. In Europe, interest rates have recently been under upward pressure due to the general economic and inflationary situation. Interest rates have risen significantly recently, and there is uncertainty in how the interest rate level and inflation level will develop over the long term. High inflation and rising interest rates impact consumer spending and thus might impact the demand of HKFoods' products as well as increase costs and cause uncertainty in HKFoods' operating environment.

Further, possible weakness in the global economy may reduce customer demand or place an additional financial strain on HKFoods' customers, which may negatively impact HKFoods' ability to collect its receivables fully or in a timely manner, which, in turn, could require HKFoods to contribute additional capital or obtain alternative financing to meet its obligations under any financing arrangements. Further, HKFoods may not be able to utilise the opportunities created by the economic fluctuations and HKFoods may not be able to adapt to a long-term economic recession or stagnation. Failing to exploit the potential opportunities or adapting to possible long-term economic recession or stagnation may lead to, for example, decrease in sales and consequently, may have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

Negative developments in consumer confidence and/or spending may have a material adverse effect on the Issuer

HKFoods' results of operations depend on consumer consumption of retail and food service products, and as such, they are sensitive to changes in consumer confidence and spending (see also "*Business overview – Significant factors affecting HKFoods' ability to implement its business strategy – Customer relations*" and "*Trend and market information – Market growth, drivers and trends*"). For example, increased taxes and public payments resulting from the indebtedness of the public sector coupled with increasing unemployment could weaken purchasing power, causing a negative development in consumer confidence and/or spending. Should a recession or a general slow-down of economic activity occur, this may result in lower consumer purchasing power, and as a result shift demand to lower-priced products. For example, in Finland variable interest rate mortgages are common, which means that in a high interest rate environment, a higher amount of household income is used towards interest payments. Consequently, the overall consumer purchasing power may be affected through higher interest rates should wage growth not match the pace of inflation. These developments generally affect the types or categories of products bought by consumers, as well as HKFoods' sales margins. Deterioration in consumer confidence, employment levels, rising interest rates or inflation or unfavourable changes in taxation may have an adverse impact on consumer spending and consequently on HKFoods' net sales and margins. There is uncertainty relating to the evolution of consumer demand in the environment of high inflation and high interest rates. If consumer demand weakens significantly and HKFoods' sales volumes fall considerably, this will have a negative impact on HKFoods' profitability.

Risks related to HKFoods' business operations

The Issuer's business is capital intensive and requires continuous investments in its facilities

In recent years, HKFoods has announced and made significant investments to its facilities. For example, in March 2023, HKFoods announced that it has decided to make an investment of approximately EUR 8 million in the production of ready-to-eat meals at its Eura unit. Additionally, HKFoods has over the past years made significant investments also in its other facilities such as Forssa and Rauma units with the aim to, *inter alia*, increase these units' profitability and competitiveness. HKFoods plans to continue to invest in maintaining and developing its facilities also in the future. HKFoods' investments into the continuing operations² for the three months ended 31 March 2024 amounted to EUR 6.2 million (unaudited) and to EUR 21.5 million (unaudited) for the financial year 2023. HKFoods' investments amounted to EUR 37.4 million (including discontinued operations) for the financial year 2022 and to EUR 48.2 million (including discontinued operations) for the financial year 2021. For information on recent material investments, see "*Business overview – Material investments*".

The amount and timing of HKFoods' future investments may differ materially from its current estimates due to various factors, many of which are beyond HKFoods' control. In addition, HKFoods' existing facilities and potential new facilities will require investments in the future which could be significant. There are no guarantees that HKFoods would have

² For more information on the continuing operations, see "*Business overview – Selected financial information*".

sufficient financial resources available to finance such investments, the costs relating to its facilities or to support its estimated capital expenditures. Also, the Issuer may not be able to execute the investments within the planned timeframes or in a planned manner. If HKFoods is not able to make the required investments in a timely manner or at all due to, for example, lack of available financing, this could have a material adverse effect on HKFoods' business, competitiveness, financial condition, profitability and prospects.

Fluctuations in the costs of raw materials and commodities and their availability may have a material adverse effect on the Issuer

The profitability of HKFoods' business is greatly affected by the global risk associated with changes in the availability and market price of raw materials such as feed, pork, poultry and beef as well as commodities, such as electricity. Global and particularly Europe-wide political decisions associated with meat production may have a substantial effect on HKFoods' raw material procurement. The prices for pork, beef and poultry are mainly determined in a global market. The level of primary production capacity is a crucial factor affecting the price and availability of raw materials. Global or regional overproduction or excess supply may decrease the price of feed and raw materials and increase their availability, while underproduction or short supply may lead to lower availability and rising prices. The economic cycle also impacts the price level of raw materials. Oversupply, economic uncertainty and fluctuating consumption have affected sales prices in HKFoods' home market, and especially the export market, and may continue to do so in the foreseeable future.

Other factors having a substantial effect on the production of raw materials and, consequently, the price level include the European Union's (the "EU") agricultural and subsidy policies, trade barriers, animal disease epidemics and measures associated with preventing and fighting them, as well as regional production circumstances, including heat and dry spells that may be affected by climate conditions. The prices of products sold by HKFoods to retail are agreed months ahead in Finland, and under these circumstances, changes in the prices of raw materials cannot necessarily be passed on to product prices quickly enough. Passing higher raw material prices on to product prices may also be difficult even in situations where prices have not been agreed in advance.

HKFoods has delivered a promise of 100 per cent domestic meat content in its main brands, HK® and Kariniemen® in Finland. This makes HKFoods vulnerable to domestic meat production declines and price increases. Also, HKFoods is facing growing competition in all market areas from retail chains and other industrial operators, which are increasingly competing on the food market with their own products and brands (see "*Trend and market information – Competitive landscape*").

HKFoods is also exposed to commodity risks as physical electricity consumption poses one of the most significant commodity risks in HKFoods Group. In the food processing industry, energy and electricity prices are among the most significant cost items. In addition to production, energy costs are reflected in transport and the entire logistics chain. HKFoods is, therefore, vulnerable to a substantial increase in energy or electricity prices or difficulties with the availability of energy or electricity, a substantial increase in waste management costs and the failure of alternative measures (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy*").

Recently, strong cost inflation has continued, especially for raw materials and external services and inflation has increased the overall costs and the uncertainty in HKFoods' operating environment. The inflationary pressure, high interest rates and the risk of resulting price increases poses a risk that HKFoods' will not be able to retain its current cost levels. High interest rates not only result in additional costs throughout HKFoods' value chain, but also rise costs for consumers. Should HKFoods not be able to cover cost levels increases with sales price increases this could have a material adverse effect on HKFoods' profitability.

Structural changes in the consumer goods retail sector and intense competition within the food industry may have a material adverse effect on HKFoods

The structure of the consumer goods retail sector is constantly changing. Globally operating retail chains are seeking new markets and competition between chains is intense. For example, the entry of foreign low-price chains into the market in Finland has increased price competition and resulted in local companies establishing hard discount retail schemes. The combination of a concentrated trade environment and market consolidation has reduced the number of brands sold by some retailers. The supply of private-label products, i.e. the retailers' own products, typically at lower price points, has also increased.

For a food industry company, the structural changes in retail trade may mean increased buying power for retailers and lead to pressure on the production of private-label products, as well as lead to pressure on the pricing of HKFoods' own brands. In the future, the food industry in Finland as well as in HKFoods' other market areas may need to compete for deliveries not only with domestic operators but also increasingly with international companies and companies operating in lower-cost countries (see "*Trend and market information – Competitive landscape*").

HKFoods is dependent on its production facilities and uninterrupted operation of its value chains

HKFoods is dependent on the uninterrupted operation of its production units and distribution centres (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Dependence on production facilities and uninterrupted operation of the delivery chain*"). If one of the key production units of HKFoods is destroyed or closed or experiences a temporary halt in operations, regardless of the reason, if its equipment is damaged in a significant manner or other disruptions occur in production, this is likely to cause delays in HKFoods' ability to produce and distribute its products as scheduled. In addition, factory upgrades or service breaks may cause risks of failures or delay deliveries. Such interruptions and consequent delays in the deliveries of products can lead to lost sales and give rise to additional expenditure.

The delivery of orders on very short lead times is characteristic of the Issuer's industry and HKFoods is dependent on third parties, such as retailers and wholesalers. Short lead times increase the significance of an effective and dependable supply chain and emphasise the need to be able to anticipate consumer behaviour. Likewise, the importance of the reliability of logistics systems and other technological systems is high. If distribution centres are damaged, destroyed or taken out of commission for whatever reason, or if the products held in the distribution centres suffer significant damage, HKFoods would have to come up with an alternative method of delivering products to customers until such time as the relevant distribution centre can again be made available for operations. The materialisation of the risks regarding distribution centres may lead to decrease in sales and increase in inventories resulting service level decrease and, consequently, may have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

Changes in consumer behaviour and perception of HKFoods and its products, as well as seasonal fluctuation in demand may have a material adverse effect on the Issuer

One of the food production industry's challenges is to predict consumer needs, preferences and behaviour (see also "*Trend and market information – Market growth, drivers and trends*" and "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Consumer behaviour, confidence and trends*"). These needs are affected by social changes such as general growth in purchasing power and the age structure of consumers. In addition to general trends, understanding the varying purchasing criteria of consumers and their willingness and ability to assimilate information presents challenges. Substantial changes in food consumption habits normally take place over a very long period of time. However, there is no certainty that such changes could not occur quicker and thereby affect HKFoods' ability to react to them.

Further, changes in the methods in which consumers purchase food, as well as the emergence of new purchasing channels, such as food service, e-commerce and other similar channels, may affect HKFoods' position in the market. Knowing and monitoring the purchasing and eating habits of different consumer groups is a challenge for HKFoods.

Segmentation of consumer groups into increasingly smaller special groups is continuing also at the national levels, and it is even more difficult to foresee consumer behaviour. The selection criteria for foods besides price, domestic origin and taste, which remain the most important, are becoming more and more diverse. Health-oriented thinking has been a rising trend in the consumer market in recent years and a proportion of consumers avoid all meat products due to ethical, environmental, or other reasons. This proportion of consumers can increase in the future and also the segmentation of consumer groups could continue making it even more difficult to foresee consumer preferences.

The core business of HKFoods is the development, production, marketing and selling of meat and meat products. Pork, beef, and poultry are HKFoods' main raw materials. It is possible that due to e.g. environmental or animal rights related matters, consumers or certain consumer groups may boycott HKFoods or its products, no matter whether HKFoods' behaviour has been called into question or not. Even boycotts by certain minor groups may have an impact on the perceptions and behaviour of other consumers in the longer run.

Furthermore, HKFoods' sales are subject to seasonal fluctuation (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Consumer behaviour, confidence and trends*"). For example, the success of the barbecue season during the summer months has a substantial effect particularly on HKFoods' processed meat products group. Cold and rainy weather may substantially reduce sales during the barbecue season. Therefore, weather conditions may have a material effect on HKFoods' results or financial condition. In addition to the barbecue season, for example Christmas and Easter are important seasons for HKFoods.

There is no guarantee that HKFoods' product range will remain in line with consumer habits and preferences, HKFoods' new products will succeed as expected or HKFoods will be able to respond to changes in consumer requirements through new products or seasonal fluctuations.

HKFoods' operations involves legal risks relating to contracts and compliance

HKFoods' main market is Finland and HKFoods exports to close to 30 countries. The operations of HKFoods are strictly regulated in all of its countries of operation. As a result, HKFoods has to comply with a wide range of laws and regulations enacted on both the European and the national level, most notably competition law, health and safety regulations, consumer law, environmental regulations, labour regulations, competition regulations, which may include restrictive regulations due to leading market shares and corporate and tax laws as well as import and export regulations (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Compliance and safety*").

The nature and timing of regulatory changes are beyond HKFoods' control and any new laws or regulations affecting HKFoods' operations or services, as well as any amendments to, or new interpretations of, the existing laws and regulations may affect its competitiveness generally or increase costs, and HKFoods cannot guarantee that it would be compliant with such changed requirements without taking material action. Any changes in the regulatory framework and/or the loss of benefits associated with a status or an authorisation could require HKFoods to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing or even halting of the development of its business activities.

In the normal course of its business activities, HKFoods can be involved in legal proceedings (for instance, regarding contractual responsibility, employer's liabilities, anti-trust, anti-bribery and anti-corruption cases, penal issues as well as consumer law violations which may be litigated by individual parties or by Consumer Ombudsmen on behalf of a consumer group). From time to time, HKFoods may become subject to tax and administrative audits. In addition, the Issuer has deductible losses and it utilises various tax planning mechanisms, for which the scheduling of tax depreciation is considered most important. The application of deferred tax assets is based on an assumption, that there will be no significant negative changes in the tax legislation applicable to HKFoods. However, there are no guarantees that this kind of significant negative changes will not occur in the future, and that the Issuer will be able to apply the deferred tax assets fully or partially. Contract and compliance risks may also arise from liabilities assumed in mergers and acquisitions, including exposure to environmental liability.

In its operations, HKFoods is also highly dependent on the authorities in its countries of operation, and the procedures of the authorities may vary considerably in HKFoods' various sectors of operation. Changes in the regulatory framework and/or the loss of benefits associated with a status or an authorisation could require HKFoods to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment activities. In addition, various unexpected actions potentially taken by pressure groups may cause restrictions to the business or volatility in demand. Changes in international trade restrictions, international sanctions and trade bans and various countries' competition legislation pose a risk that requires continuous follow-up and the development of self-supervision functions. Breaches of business principles and the Group's Code of Conduct are also recognised as operational risks. Cases that are technically or contractually unclear may also involve claims for compensation addressed to HKFoods.

Animal disease epidemics may have a material adverse effect on the Issuer

An outbreak of animal disease, such as bovine spongiform encephalopathy (BSE), avian flu, Newcastle disease, foot-and-mouth disease, African swine fever, high pathogenic avian flu (H5N6 and H5N8) or any other animal disease may affect the Issuer's business and demand for its products (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Consumer behaviour, confidence and trends*" and "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Management of the long value chain and so-called meat balance, availability and prices of raw materials and commodities*"). For example, the African swine fever, which has high animal mortality rates and has during the past few years spread to Russia and some European countries, would cause a severe risk of an animal disease epidemic. The Finnish Food Safety Authority states that the African swine fever has never been found in Finland, but the risk of its spread to Finland has increased. H5N8 avian flu has been found in wild birds also in some countries in which HKFoods operates. African Swine fever and avian flu cases in European countries have reduced the export potential of meat outside the EU.

Animal diseases may affect the availability of raw materials, production processes and their costs, as well as consumer behaviour for extended periods. In a fully integrated value chain discovery of an animal disease may temporarily interrupt, in the worst-case scenario, the supply of raw materials if substitute raw material sources such as imports from abroad are not available.

In other European countries, animal disease epidemics have had a stronger impact through reduced consumption compared to Finland. An animal disease epidemic might prevent or temporarily hinder the procurement of raw materials, and additionally, official protection measures during an epidemic may affect HKFoods' operations even if the case does

not directly concern HKFoods or its operating area. Despite tightened regulations, strict control of feeds, professional handling of animal carcasses and HKFoods' strict self-control system may lead to additional costs and there are no guarantees that any measures would be sufficient to prevent cases of animal disease epidemics.

The Issuer is dependent on its customer relationships and decreasing co-operation with one or several important customers may have a material adverse effect on the Issuer

Well-functioning co-operation with major customers plays a central role in HKFoods' business (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Customer relations*"). Decreasing co-operation with one or several important customers may harm HKFoods' business. Should an important customer decide to reduce the offering of HKFoods' products in its product range, consumers would not have an opportunity to purchase HKFoods' products even though their preferences may not have changed. In addition, problems affecting customers' ability to take deliveries may significantly interrupt the product distribution of HKFoods. The materialisation of any of the above risks could lead to decrease in sales and increase in inventories and, consequently, may have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

Product quality and product liability risks may have a material adverse effect on the Issuer

As a food manufacturing company, HKFoods' production processes need to comply with strict food safety standards and its product safety standards are based on risk assessments of products and processes (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Compliance and safety*"). The safety risks of foodstuffs are related to the purity of raw materials (residues, foreign substances), microbiological purity, and packages and labelling. In addition to rigorous in-house quality controls and food safety certificate standards, the facilities of all industry operators in the value chain are subject to strict scrutiny by the authorities. The actual or perceived safety risks of foodstuffs, potential lawsuits or claims relating to such risks, published reports about risks or litigation relating to such risks could adversely affect the volume or growth rate of HKFoods' sales and result in decreased usage of its products or increased litigation costs.

HKFoods may not have complete certainty over the risk-free management of the entire value chain. An animal disease or other detected faults or defects in products or in product descriptions discovered at a critical point in HKFoods' value chain could interrupt production in the unit concerned and disturb the entire chain's operations. If actual or perceived health, safety or product liability risks were to materialise, they may have an adverse effect on the demand for HKFoods' products among customers and consumers.

Potential divestments, acquisitions or failure in the divestment or integration of businesses acquired may have a material adverse effect on the Issuer

In order to develop its business, HKFoods may acquire, either in its current market area or in new geographical areas, companies or businesses to enhance its competitive position. It is possible that the integration of any acquired companies or businesses would not succeed as planned, thus creating unexpected costs and shortcomings in business-related estimates. It is also possible that a planned transaction does not materialise due to various reasons, for example, the buyer's inability to gather funds required for the transaction or the blocking by competition authorities. Other risks relating to acquisitions include potentially unknown liabilities, possible inability to manage the business operations and personnel acquired, and the risk of the benefits or synergies not being realised. In addition, consolidation of different industrial sectors may have an adverse effect on HKFoods' strategic competitive position. Expansion into new geographical areas may also cause problems relating to exchange rate fluctuations, unexpected changes in statutory requirements, changes in and compliance with local legislation and regulations, as well as political risks.

Further, HKFoods may divest parts of its business operations. There are no guarantees that HKFoods will succeed in such divestments, or such divestments may not necessarily produce the expected cash flow or capital gain. Potential divestments may also lead to unpredictable impacts, risks, hidden liabilities and write-downs which the Issuer has not been able to prepare for. The execution of a potential divestment may require considerable resources from HKFoods' management, in which case the core business of HKFoods may suffer. If the transaction or divestment is not carried out at all or is carried out partially, this may have a clear impact on HKFoods' ability to continue its operations.

HKFoods has announced and carried out several such divestments in recent years. For example, in March 2024 HKFoods completed the sale of its Swedish business and in 2023 HKFoods completed the divestment of its Baltic businesses. In addition, HKFoods announced in May 2024 that it had signed an agreement to sell its Danish business (for more information see "*Business overview – General*" and "*Business overview – Business strategy*"). The materialisation of any of the above risks relating to divestments and acquisitions could lead to decrease in sales and increase in inventories and, consequently, may have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

Labour disputes or the loss of or failure to recruit skilled personnel may have a material adverse effect on the Issuer

HKFoods' success is materially dependent on the professional expertise of the Issuer's management and other personnel, as well as on HKFoods' ability to foster the commitment of current management and other personnel and recruit new, skilled employees in the future (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Availability of labour and relations between employer and employees*").

To remain competitive and be able to implement its strategy, HKFoods will need to hire and retain sufficient numbers of highly skilled employees with expertise in the relevant parts of HKFoods' business operations. A portion of this competence is held by certain key persons who are of particular importance in ensuring that HKFoods retains and develops its competitiveness. The growth and profitability of HKFoods' future business activities depend on its continued ability to recruit and retain key employees as well as sufficient number of employees with the necessary industry experience and skills. Failure in recruiting or retaining key employees would have material adverse effects on HKFoods' business, financial condition, results of operations and future prospects.

HKFoods is vulnerable to potential legal or illegal strikes in its value chain or in its own operations. Labour disputes in HKFoods' business operations or associated areas may have an adverse effect on the business of HKFoods. HKFoods or employers' organisations may not necessarily succeed in negotiating new satisfactory collective agreements once the currently valid agreements expire. Furthermore, currently valid collective agreements concerning HKFoods' personnel may not necessarily prevent strikes or work stoppages at HKFoods' production facilities. Labour disputes in the transport sector may prevent the distribution of HKFoods' products, and labour disputes affecting HKFoods' important suppliers may hamper HKFoods' business. For example, in March and April 2024, political strikes in Finland affecting international transport completely stopped HKFoods' sea container transport. The strikes forced HKFoods to stockpile a significant amount of meat and meat products, which led to an increase in inventory levels. The stock situation is expected to return to normal during June 2024. In addition, HKFoods had to prepare to the disruptions caused by the strikes as well as to ensure customer deliveries which raised HKFoods' costs in first quarter of 2024. In particular, labour disputes or exceptional arrangements associated with pending negotiations taking place before the most important holiday seasons, being Christmas, Easter and Midsummer, may have a material adverse effect on HKFoods' business and financial condition.

The Issuer's insurance cover may prove to be insufficient

HKFoods' facilities, equipment and other property could be at risk of being damaged because of events such as mechanical failures, human error, cyber intrusion and natural hazards. All of these hazards can result in loss of property, damage to property, business interruptions and delays. HKFoods carries insurance to protect against accident-related, cyber and liability risks involved in the conduct of its business operations. However, HKFoods' insurance policies may be inadequate or unavailable to protect it in the event of a claim or other loss, or the insurance coverage may be cancelled or otherwise terminated.

Additionally, there are risks in respect of the scope of HKFoods' insurance coverage. HKFoods may not be able to continue to obtain insurance on commercially reasonable terms or at all. HKFoods may incur liabilities or losses not covered by its insurance, such as liabilities for breach of contract. The amount of any liabilities may exceed HKFoods' policy limits and HKFoods may incur losses from interruption of its business due to reasons that are excluded from the insurance coverage.

HKFoods is exposed to environmental risks in its operations

Due to the nature of HKFoods' business, the most substantial environmental load of its own production is caused by energy usage, water usage, waste originated in the processing of biomass materials, waste water and emissions of the production facilities (see "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Management of the long value chain and so-called meat balance, availability and prices of raw materials and commodities*"). Heavy metals or dangerous environmental toxins are not used in the meat industry. Ammonia used in cooling machines may cause injuries at the production facility and nearby in the event of a failure.

Environmental management is a key component in HKFoods' management system, and environmental concerns are catered for at every stage of operations. There is a possibility of, for example, human error or sabotage which may lead to substantial environmental damage. It is possible that in such a situation, legal action directed against HKFoods, any revocations of licences or other sanctions would have an adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

The Issuer may not be able to protect its brand and intellectual property in all circumstances

HKFoods' products are sold in the consumer market, in which the visibility and reputation of product brands have substantial effects on their attractiveness for consumers. HKFoods' core brand names include HK®, Kariniemen® and

Via® (see also "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Brands and product development*"). Brands may lose their value as a consequence of negative publicity associated with HKFoods brand names. The risks related to brands are also increased by the growth of international low-price brands and the local nature of many brands. It is impossible to fully foresee consumer reactions to any particular brand. Negative publicity affecting one or more important HKFoods brand names may have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

If HKFoods fails to establish, protect or enforce its brand names, products imitating HKFoods' brand names, packaging or other properties of HKFoods' products may enter the market. The entry into the market of products imitating HKFoods' products may have an adverse effect on HKFoods' sales and the reputation of its brands. HKFoods incurs costs for the establishment, protection and enforcement of its brand names and the related intellectual property rights. The possible expansion of HKFoods' business into new countries may increase the costs associated with measures to establish, protect and enforce the brands and the intellectual property rights, as well as the risks associated with the increasing presence of products imitating HKFoods' products.

The Issuer is dependent on its major information systems, and their malfunction may have a material adverse effect on the efficiency and/or continuity of the Issuer's operations

HKFoods' business is dependent on information technology and on HKFoods' ability to manage and maintain stocks efficiently, deliver products to customers in a timely manner, maintain the cost-efficiency of operations, respond to customers' sales inquiries and process sales transactions by using various information systems and other similar information and communications systems offered and supported by third parties. Besides order and distribution chain management, HKFoods uses information systems in every stage of the production chain from planning to distribution, and uses the systems in question as a communication channel with employees, foreign subsidiaries, contract suppliers, customers and other stakeholders. In addition, HKFoods utilises information systems in financial administration, debt collection, customer service and forecasting results and cash flows. Thus, the performance and reliability of HKFoods' major information systems are critical to HKFoods' ability to carry out its business operations (see also "*Business overview – Business strategy – Significant factors affecting HKFoods' ability to implement its business strategy – Information systems and data privacy*").

System failures and service breaks may occur as a result of several reasons, such as computer viruses, security breaches and other illegal action by third parties, natural catastrophes, malfunctions of appliances, machines or software, connection failures, long-term power outages or HKFoods' inability or failure to properly protect, repair or maintain the communications and information systems.

The risk of cyber-attacks has increased due to the unstable geopolitical situation. In the event of a cyber-attack, HKFoods' operations could be significantly affected. In February 2024, HKFoods was targeted by a cyber-attack, which did not cause disruptions or hindrances to operations, but which involved a data breach of HKFoods' information systems, and based on forensic investigations undertaken after the attack it seemed the attacker may have gained access to some of the personal data processed by HKFoods. Such cyber attacks on HKFoods' information systems may result in financial loss, measures taken by authorities or loss of reputation. As HKFoods' business is dependent on the continuing functioning of its major information systems, disruptions involving them may materially hamper the continuity of operations for an unspecified period. Thus, disruptions in the functioning of such systems may have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

HKFoods may be adversely affected by any future application of restrictions on greenhouse gas emissions or other sustainability related laws and regulations or failure to adhere to best practices in sustainability or may not be able to reach its sustainability targets

The increasing significance of and focus on sustainability may lead to increasing restrictions for the meat industry regarding pollution and greenhouse gas emissions and other sustainability related laws and regulations. National and EU legislative developments and restrictions related to climate change on food production and increasing regulation of carbon emissions could significantly increase HKFoods' costs. Further, in case such regulation would be specific to a region or country, the risk of a competitive disadvantage could arise, which could, for example, decrease HKFoods' competitiveness, for example, in some of its export countries.

HKFoods may be unable to adapt its production facilities in a timely or appropriate manner to any new climate change related regulations. For example, due to the growing demand of lower emission technologies HKFoods may not have the desired timely access to lower emission technologies which may cause delays in the implementation of investments in renewable energy and energy efficiency. Further, adapting to new sustainability regulations may also require HKFoods to make more significant investments than anticipated or result in higher capital expenditure than estimated and could also potentially result in sanctions imposed by authorities for non-compliance. In addition to direct financial impact, there is a

risk that insufficient measures to comply with sustainability related regulations and best practices, or to meet customer expectations for sustainability, may give rise to negative publicity, which may have a material adverse effect on HKFoods' brands and lead to a loss of reputation. This may result in consumer attitudes that are more negative towards the meat industry in general, or cause consumers to view HKFoods' competitors more favorably. Such shifts in consumer attitude or demand and/or negative publicity could reduce HKFoods' sales significantly and thus, have a material effect on HKFoods' financial condition.

HKFoods has set sustainability targets, such as targeting net zero for all greenhouse gas emissions by 2050, that play a key role in its strategy (see "*Business overview – Responsibility at HKFoods – Climate target*"). Although HKFoods is committed to achieving its sustainability targets, there are number of factors, many of them outside HKFoods' control which could hinder or prevent HKFoods from achieving its targets. Not achieving sustainability targets could, for example, give rise to negative publicity and lead to reputational harm. This could require redirecting of management and personnel resources away from the development and promotion of business operations and could have an adverse effect on HKFoods' business operations. In addition, HKFoods' measures to achieve its sustainability targets might result in higher costs than HKFoods currently anticipates, and such costs might be incurred earlier than expected, which could have a material adverse effect on HKFoods' financial condition, results of operations and prospects.

Risks related to HKFoods' financing

The Issuer may not receive financing on competitive terms or at all or it may have difficulties in complying with the financial covenants of its financing arrangements

Uncertainty in the financial markets may cause the price of the financing needed to conduct HKFoods' business to increase or to be less readily available. HKFoods' ability to finance its operations depends on a number of factors, such as the amount of cash flows from its operations and its access to additional debt or equity financing if needed. There can be no assurance that HKFoods will have access to additional financing or that it will be able to refinance its facilities at a commercially reasonable cost, or at all. As at 31 March 2024, HKFoods' interest-bearing debt amounted to EUR 231.1 million, net debt to EUR 208.0 million (hybrid bond (amounted to EUR 25.9 million on the Issuer's balance sheet as at 31 March 2024) is not included in these figures as it is treated as equity) and net gearing was 93.8 per cent.

The Issuer uses various forms of debt financing. HKFoods has revolving credit facilities with banks, bank loans, current accounts with overdraft facilities and the short-term EUR 200 million Finnish commercial paper programme. HKFoods' committed credit facilities on 31 March 2024 stood at EUR 55.0 million and were undrawn. In December 2023, the company agreed to extend the maturity of the EUR 75.0 million credit facility, EUR 10.0 million additional credit facility and EUR 36.0 million bank loan to January 2025 (see "*Business overview – Description of current financing of the HKFoods Group*").

HKFoods could encounter difficulties in raising sufficient financing and, as a result, could lack access to the liquidity that it needs. For example, HKFoods did not use its first redemption option of the hybrid bond issued in 2018 resulting in coupon rate increase from 8 per cent to 16 per cent, which can have an effect on HKFoods' reputation in the debt capital markets and thus make it more difficult for HKFoods to access the financing it needs. Further, in connection with HKFoods' disposal of its Baltic operations in December 2022, which could have potentially led to non-compliance with the net gearing covenant, HKFoods needed to seek a temporary waiver from a covenant under the terms and conditions of EUR 90.0 million senior unsecured notes maturing in March 2025, which was approved by the noteholders.

HKFoods' loan agreements and senior unsecured notes, respectively, are subject to financial covenants. HKFoods' covenants for bank loans and revolving credit facilities are the net gearing ratio, the ratio of net debt to EBITDA and the liquidity covenant. HKFoods' covenant for senior unsecured notes is the net gearing ratio. The EBITDA includes the share of profits from associates and joint ventures. According to the loan terms, the net gearing ratio limit is 125 per cent for the bank loans and 130 per cent for the senior unsecured notes maturing in March 2025. At the end of March 2024, the Issuer's net gearing ratio was 93.8 per cent. The covenant limit for net debt to EBITDA ratio is 4.5. At the end of March 2024, the net debt to EBITDA ratio was 2.5. The minimum limit for the liquidity covenant is EUR 15.0 million. At the end of March 2024, the liquidity was EUR 29.5 million.

There can be no assurance that HKFoods will be able to meet its financial covenants as set out in HKFoods' loan agreements. In such situation, in order to avoid an event of default, HKFoods might be required to obtain a waiver from its creditors, renegotiate its agreements or repay or refinance its borrowings. Any of these actions could then result in increased financing costs and there can be no assurance that the attempted actions would be successful. In the event of not being able to successfully renegotiate, repay or refinance its agreements and borrowings, the continuing financing of HKFoods could be at risk, which could lead to insolvency, liquidation of assets, and, ultimately, even bankruptcy of the Issuer. Not being able to receive financing on competitive terms or at all or a failure to comply with the financial covenants of its financing arrangements could therefore have a material adverse effect on HKFoods' business, financial condition, results of operations and future prospects.

Fluctuations in currency exchange rates may have a material adverse effect on the Issuer's earnings and balance sheet

While HKFoods' main market is Finland, HKFoods also exports its products to close to 30 countries. HKFoods is therefore exposed to risks arising from foreign exchange rate fluctuations and it carries out foreign currency denominated imports and exports both outside and within the HKFoods Group. The aim of transaction risk management is to hedge the Issuer's business against foreign exchange rate movements and allow the business units time to react and adapt to fluctuations in exchange rates.

The translation risk arises from the consolidation of equity into the basic currency in subsidiaries whose operational currency is not the euro. The largest such foreign-currency exposures of the Group are to the Danish krone and the Polish zloty. Fluctuations of exchange rates affect the amount of consolidated equity, and translation differences are generated in connection with equity in accounting. Such differences could result in significant changes in HKFoods' earnings and balance sheet from period to period. Consequently, fluctuations in foreign exchange rates may have an adverse effect on HKFoods' business, financial condition, results of operations and future prospects. The Group Treasury identifies and manages foreign exchange translation risks according to HKFoods' Treasury Policy. HKFoods does not currently hedge the translation risk.

Fluctuations in interest rates may have a material adverse effect on the Issuer's earnings and balance sheet

Fluctuations in interest rates can have a significant effect on HKFoods. The Issuer's main exposure to interest rate risks arises through interest-bearing liabilities. As at 31 March 2024, HKFoods Group's interest-bearing debt was EUR 231.1 (EUR 406.1 million as at 31 March 2023) million of which 60 per cent (EUR 138.4 million, excluding EUR 20.0 million of interest derivatives classified as fixed rate loans) bear interest at floating rates including an IFRS 16 lease liability of EUR 93.2 (EUR 106.5 million as at 31 March 2023) million and interest-bearing net debt was EUR 208.0 million (EUR 372.7 million as at 31 March 2023). The Notes shall have a floating interest rate, adding to the total amount of floating rate debt of the Issuer.

The goal of interest rate risk management is to reduce the fluctuation of interest expenses in the income statement, minimise debt servicing costs and improve predictability. The Issuer's short-term money market investments expose it to the cash flow interest rate risk. There can be no assurance that any hedging will enable HKFoods to fully manage its exposure to movements in interest rates or to continue to do so at a reasonable cost. Fluctuations in interest rates may therefore increase HKFoods' costs of financing and have material adverse effect on the Issuer's earnings. Moreover, as financial liabilities, except for derivative contract liabilities, are recognised in the balance sheet and subsequently measured at amortised cost using the effective interest method, fluctuations in interest rates may have a material adverse effect on the Issuer's balance sheet.

HKFoods is exposed to credit and counterparty risks

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards HKFoods. HKFoods is exposed to credit and counterparty risks through all of its trade receivables and receivables related to financing intermediaries, such as cash, deposits, derivatives, receivables under guarantees and other receivables. Counterparty risks are mostly related to derivative contracts and investment activities. As for trade receivables, counterparty risks are mostly related to customers and producers. HKFoods applies the IFRS 9 expected credit loss provisions when considering its credit losses. Thus, the information used in such considerations includes estimates of both current and predicted state of affairs. If one or more of such estimates later turns out to be wrong, HKFoods' credit losses may increase and HKFoods' credit loss provisions may not be sufficient to cover all of the credit losses.

A possible impairment of goodwill, trademarks or other intangible assets or tangible assets or deferred tax assets may have a material adverse effect on HKFoods' financial condition and results of operations

As at 31 March 2024, HKFoods had EUR 43.1 million in intangible assets consisting of trademarks and other intangible assets, 22.8 million of goodwill and EUR 256.1 million in tangible assets and EUR 25.1 million in deferred tax assets. Other intangible and tangible assets are amortised or depreciated over their useful lives and tested for impairment when events or changes in circumstances indicate that the carrying amount of the asset exceeds the recoverable amount. Goodwill and trademarks are not amortised but are tested for impairment annually and whenever there are indications of possible impairment. The key assumptions affecting the present value of cash flows are the growth prospects of the business, cost trends and the discount rates employed. Goodwill and trademarks are monitored by the management at the business segment level. The assumptions used in the impairment calculations involve judgment that the management has used in estimating the development of different factors. In impairment testing the discounted present value of the recoverable cash flows of each cash-generating unit is compared with the carrying amount of the unit in question. If the present value is lower than the carrying amount, the difference is recognised through profit and loss as an expense in the current year.

Deferred tax assets arise mostly from adopted losses, postponed depreciations and non-deductible interest expenses in HKFoods Group's operations in Finland. 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. Deferred tax assets are recognised for the amount which it is likely that taxable profit will be generated in the future, but were such taxable profit not be generated this would possibly lead to an impairment of the deferred tax assets.

The growth prospects of the business, cost trends, and the discount rate employed are the key sources of uncertainty in the methods, assumptions and estimates. This sensitivity derives from the challenge of estimating the future developments of the factors mentioned above. Changes in the business environment of cash-generating units that are sudden or unexpected may result in an increase in capital costs or in a situation where a cash-generating unit is forced to estimate clearly lower cash flows. Recognition of an impairment loss is likely in such situations, which would decrease HKFoods' results. Other events and circumstances that could result in an impairment of goodwill include increasing financial uncertainty, increasing competition and other factors leading to declining sales or profitability. HKFoods has had to make impairments also previously, for example in connection with the signing of the sale of the Danish business in which the valuation of the Danish assets and liabilities at the estimated purchase price including transaction costs resulted in an impairment of EUR 11 million. With regard to discontinuing operations, during the financial years of 2021–2023, the classification of the Baltic operations as assets and liabilities held for sale and its valuation at fair value based on the purchase price resulted in an impairment of EUR 30.6 million. Moreover, signing of the sale of the Swedish business led to EUR 17.3 million impairment in book value, which was allocated to goodwill. Besides the aforementioned, there have been no further impairments regarding discontinued operations. In addition, regarding continuing operations, there have been no impairments for financial years 2021–2023 or for the three months ended 31 March 2024. The risks related to impairment of assets will increase and have an effect on the financial position in case the Issuer is not able to improve its financial performance and strengthen its balance sheet.

Risks related to the Notes as debt of the Issuer

Investors in the Notes are exposed to credit risk in respect of the Issuer and may forfeit interest and principal amount invested

Investors in the Notes are exposed to credit risk in respect of the Issuer. The investor's possibility to receive interest payments and payments of principal under the Notes is thus dependent on the Issuer's ability to fulfil its payment obligations, which in turn, is to a large extent dependent developments in the Issuer's business and the Issuer's financial performance. In particular, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in part or in its entirety.

The Issuer may incur additional debt and grant additional security without the consent of the holders of the Notes

The Issuer and its subsidiaries may be able to incur additional debt in the future without the consent of the holders of the Notes. Although the financing agreements of the Issuer (in addition to the incurrence covenants of the Notes) contain covenants relating to and restrictions on the incurrence of additional debt, these restrictions are subject to a number of qualifications and expectations, and debt incurred in compliance with these restrictions could be substantial and secured. Such incurrence of further debt and granting of additional security may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer or may worsen the position and priority of the Noteholders in such winding-up or insolvency procedure.

The Issuer is dependent on its operative subsidiaries

The Issuer is the parent company of the HKFoods Group and has operative subsidiaries, of which it is dependent on. Accordingly, payments of interest and principal in respect of the Notes will effectively be paid from cash flows generated from the business of the Issuer's subsidiaries operating HKFoods' business areas. Accordingly, the ability of the Issuer to pay interest on and repay the Notes will be subject to all the risks to which the HKFoods Group is subject. The ability of the Issuer to make payments of interest and principal on the Notes is dependent on its rights to receive intra-company payments from its subsidiaries. If these payments are not made by the subsidiaries, for whatever reason, the Issuer would not expect to have any other sources of funds available to it that would be sufficient to make payments on the Notes.

HKFoods may be able to merge, demerge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders

In addition to the rights of creditors in general, the Notes contain only limited provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the Terms and Conditions do not, except for the Mergers and Demergers condition (see Condition 11.8) and the Disposals condition (see Condition 11.5), restrict the Issuer's ability

to enter into a merger, demerger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of incorporation or regulatory regime and/or its composition and business provided that the Issuer does not cease to carry on its current business in its entirety. In the event the Issuer enters into such a transaction, Noteholders could be materially and adversely affected.

No voting rights

The Notes carry no voting rights with respect to general meetings of shareholders of the Issuer. Consequently, the Noteholders cannot influence any decisions of the general meetings of shareholders of the Issuer concerning, for instance, the capital structure of the Issuer.

The Issuer's shareholding is concentrated and its biggest shareholder may independently cause the adoption of significant resolutions affecting Noteholders

As at 31 May 2024, the shareholding of HKFoods' biggest shareholder, LSO Osuuskunta, was 30.14 per cent of shares and 66.59 per cent of votes (see "*Certain additional information – Controlling shareholder*"). With its shareholding, LSO Osuuskunta may independently cause the adoption of significant resolutions on matters such as the adoption of the annual accounts, payment of dividends up to an amount proposed or approved by the board of directors from time to time, election of the members of the board of directors and discharging them. The interests of LSO Osuuskunta may differ from those of debt investors and, consequently, with its shareholding LSO Osuuskunta may independently cause the adoption of resolutions contrary to the interests of the debt investors. In addition, should LSO Osuuskunta sell a significant part of its shareholding in the Issuer or should the market believe it is about to do so, it could adversely affect HKFoods.

Risks related to the marketability of the Notes

Active trading market for the Notes may not develop

The Notes constitute a new issue of securities by the Issuer. There is no public market for the Notes. Although application will be made for the Listing of the Notes, no assurance can be given that such application will be approved. In addition, the Listing of the Notes will not guarantee that a liquid public market for the Notes will develop and even if such a market were to develop, neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such market (see Condition 24 (Listing)). The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

There can be no assurance that an active trading market for the Notes will develop, or, if one does, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the price and value of the Notes.

Since the Notes bear a floating interest rate, their price may vary as a result of changes in the interest rates

The Notes bear interest on their outstanding principal amount at a floating interest rate. The interest rate may vary during the investment period. If the interest rate develops in an unfavourable manner, the yield of an investor may be less than expected or an investor may not receive any profits. Additionally, the rate of a floating rate interest at any given time may not depict the past or future performance of the Notes.

A holder of a security with a floating interest rate is exposed to the risk that the market value of the security may fall as a result of changes in the market interest rates. Market interest rates follow the changes in general economic conditions, and are affected by, among other things, demand and supply for money, liquidity, inflation rate, economic growth, benchmark rates of central banks, implied future rates, and changes and expectations related thereto. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

The regulation and reform of interest rate benchmarks may adversely affect the value of the Notes, and the benchmark may cease to be provided or the quotation may be substantially changed

Interest rates which are deemed to be interest rate "benchmarks" (including euro interbank offered rate (EURIBOR)) are subject to recent national and international regulatory guidance, such as the EU Benchmarks Regulation (as defined in

section "*Overview of the Notes and the offering*"), and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forward. This may cause EURIBOR to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value and return on the Notes.

The Issuer may not be able to finance the prepayment of Notes following Event of Default, Demerger Event or Change of Control Event

Upon Event of Default, Demerger Event or Change of Control Event Noteholders are entitled to demand prepayment of the Notes. The source for the funds required for any prepayment as a result of any such event will be available cash or cash generated from operating activities or other sources, including issuance of shares, borrowings, sales of assets or funds provided by subsidiaries of the Issuer. There can be no assurance that the Issuer will have or will be able to generate or obtain sufficient funds to prepay the Notes that have been requested to be prepaid.

The Issuer may have an obligation to prepay the Notes prior to maturity

As specified in the Terms and Conditions, Noteholders are entitled to demand prepayment of the Notes in case of Event of Default, Demerger Event or Change of Control Event. Such prepayment may have a material adverse effect on HKFoods' business, financial condition, results of operations and prospects and, thereby, on HKFoods' ability to fulfil its obligations under the Notes of such Noteholders who elect not to exercise their right to prepayment of the Notes as well as on the market price and value of such Notes.

The Issuer has a right to redeem and purchase Notes prior to maturity

The Issuer may at any time voluntarily redeem the Notes (see Condition 8.3 (Voluntary total redemption (call option))). Although the redemption amount payable is designed to avoid the incurrence of losses by the Noteholders, such redemption initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes and may be incapable of reinvesting the redemption amount at a yield comparable to that offered by the Notes.

In addition, as specified in the Terms and Conditions, the Issuer may at any time prior to maturity purchase Notes in any manner and at any price it deems appropriate. Only if such purchases are made by a tender offer, such tender offer must be available to all Noteholders alike. The Issuer is entitled to dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases, whether by tender or otherwise, may have a material adverse effect on such Noteholders who do not participate in the purchases as well as the market price, liquidity and value of such Notes.

Furthermore, in certain situations, the Issuer is entitled to redeem all of the outstanding Notes by notifying Noteholders of such redemption (see Condition 8.4 (Clean-up call option)). Such redemption initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

Neither the Issuer nor the Notes are currently rated by any rating agency

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process. Accordingly, investors may not be able to refer to any independent credit rating agency when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes as investors often base part of their decision to buy debt securities on the credit rating. The absence of rating may also increase the borrowing costs of the Issuer.

Risks related to the status and form of the Notes

The rights of the Noteholders depend on the Agent's actions and financial standing

By subscribing for, or accepting assignment of, any Note, each Noteholder will accept the appointment of the Agent to act on behalf and to perform administrative functions relating to the Notes. The Agent shall have, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes. However, the rights, duties and obligations of the Agent as the representative of the Noteholders will be subject to the provisions of the Terms and Conditions and the Agency Agreement. The role of the Agent is governed by the Finnish Act on Noteholders' Agent (574/2017, as amended). A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Furthermore, it cannot be excluded that the successor Agent would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

The materialisation of any of the above risks may have an adverse effect on the enforcement of the rights of the Noteholders and the right of the Noteholders to receive payments under the Notes.

Any amendments made to the Notes pursuant to the Terms and Conditions bind all Noteholders

The Terms and Conditions may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The Terms and Conditions contain provisions for Noteholders to attend meetings or participate in a written procedure to consider and vote upon matters affecting their interests generally (see Condition 16 (Noteholders' Meeting) and Condition 17 (Written Procedure)). Resolutions passed at such meetings or in a written procedure bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or participate in a written procedure and Noteholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting or participate in a written procedure and Noteholders who voted in a manner contrary to the majority.

If any payment under the Notes has not been claimed within three years from the due date, the right to such payment shall become void

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void (see Condition 22 (Prescription)). Such prescription will incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three years.

Risks related to the Common Transaction Security and the Intercreditor Agreement

The Common Transaction Security may not be sufficient to cover all the Secured Obligations

There is no assurance that the Common Transaction Security, benefiting, among others, the Noteholders, will be sufficient to cover all the Secured Obligations and, therefore, all the Issuer's payment obligations under the Notes may not be secured, if at all. For example, the Intercreditor Agreement includes a right, under certain conditions, for additional creditors to accede to the Intercreditor Agreement (either as a result of refinancing of the liabilities to the original secured creditors or as a result of incurrence of additional indebtedness) which may increase the amount of the Secured Obligations and accordingly reduce the proportionate share of the Noteholders of the Common Transaction Security. The claims of the Noteholders rank *pari passu* with the claims of the other secured creditors except for liabilities owed to the Common Security Agent and certain costs incurred by certain creditor representatives and issuer agents which have priority to enforcement proceeds relating to the Common Transaction Security.

Further, if the relevant security provider is declared bankrupt, a business mortgage provides a priority in respect of fifty (50) percent of the actual liquidation value of the security provider's encumbered movable assets and the pledgee shall be considered an unsecured creditor in respect of the remaining fifty (50) percent of such liquidation value. The enforcement of a business mortgage also requires an enforceable title for execution, which impacts the timeline for enforcement.

The Common Transaction Security may prove to be insufficient, for example, if the valuation of the properties subject to Common Transaction Security is inaccurate and does not properly reflect the actual liquidation proceeds that would be obtained from enforcing the Common Transaction Security. As the valuation is inherently based on estimations, there is a risk that the valuation does not accurately reflect the actual fair market value from time to time. The valuation is subject to various uncertainties, such as price and rental income volatility and the reliability of information sources used for the

valuation. Further, the assumptions and the underlying assessments used as the basis for the valuation may prove to be inaccurate or erroneous.

The Common Transaction Security may be susceptible to recovery

Pursuant to the Finnish Act on Recovery to a Bankruptcy Estate (758/1991, as amended) (applicable by reference to reorganisation and execution proceedings), a bankruptcy estate or an administrator appointed in the insolvency proceedings of a security provider may make a claim for the Common Transaction Security to be recovered. While as a general rule, security agreed on and perfected at the time when a debt is issued and granted by a company that is solvent and does not become insolvent due to the grant of such security is not subject to a recovery risk, pursuant to the mandatory Finnish recovery rules referred to above, a transaction can, subject to certain pre-requisites, be revoked if the transaction was concluded within a certain period of time (the length of which varies depending on the type of transaction and the parties thereto) before the application for bankruptcy, reorganisation or execution was filed with the competent court. Furthermore, a security interests may be subject to a recovery if such security interest was perfected later than three months prior to the application for bankruptcy or reorganisation being filed with the competent court or such perfection measures were not carried out without undue delay after the origination of the debt. If any part of the Common Transaction Security is recovered, such part of the Common Transaction Security would not secure the Notes.

The enforcement of the Common Transaction Security will be subject to the procedures and limitations set out in an Intercreditor Agreement

The enforcement of the Common Transaction Security is subject to the procedures and limitations agreed in the Intercreditor Agreement. The Intercreditor Agreement contains limitations on, for example, the ability of different creditor groups to take action under the Intercreditor Agreement and, therefore, any enforcement of security may be delayed due to the provisions of the Intercreditor Agreement.

Insolvency administrator may not respect the Intercreditor Agreement

The Intercreditor Agreement contains provisions on sharing between the Secured Parties of the proceeds received from the enforcement of the Common Transaction Security. If a Secured Party receives enforcement proceeds or other payments in excess of what is stipulated by the Intercreditor Agreement, such Secured Party is obligated to share such proceeds with the other Secured Parties. However, it is not certain that a Secured Party or a bankruptcy administrator of such Secured Party would respect the Intercreditor Agreement which potentially could adversely affect the other Secured Parties.

Rights in the Common Transaction Security may be adversely affected by the failure to perfect it or to ensure its proper maintenance

Pursuant to Finnish law, a security interest can only be properly perfected and its priority retained through certain actions undertaken by the secured creditor or the security provider. The Common Transaction Security may not be perfected if the Common Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of such security. Such failure may result in the loss of the security interest in the Common Transaction Security or adversely affect the priority of the security interest in favour of the Secured Parties against third parties including a bankruptcy administrator and other creditors who may claim a security interest in the same Common Transaction Security.

The Finance Documents may be amended without the consents of the Noteholders

Subject to certain conditions under the Terms and Conditions of the Notes, the Agent (acting on behalf of the Noteholders) may agree to amendments of, and grant waivers and consents and give written instructions in respect of, the Finance Documents (as defined in the Terms and Conditions of the Notes) without consulting the Noteholders. Any of the above mentioned actions may result in less beneficial rights and more cumbersome obligations for the Noteholders under the Intercreditor Agreement and the Common Security Documents.

The Common Transaction Security may be released in certain circumstances

In addition to the authority for the Common Security Agent to release relevant part of the Common Transaction Security and to discharge Secured Obligations and certain intra-Group liabilities in order to facilitate enforcement of the Common Transaction Security or a distressed disposal made in accordance with the Intercreditor Agreement, the Intercreditor Agreement provides that in connection with a disposal of an asset by a member of the Group under non-distressed circumstances, the Common Security Agent is under the Intercreditor Agreement authorised to release the Common Transaction Security over that asset and where the asset consists of shares in the capital of a Group Company, the

Common Transaction Security over that Group Company's and its Subsidiaries' assets. Although the Common Transaction Security shall be released *pro rata* between the Secured Parties and continue to rank *pari passu* between the Secured Parties, such release will impair the security interest and the secured position of the Noteholders.

Rights in the Common Transaction Security are shared with certain existing debt and potential new debt

Any claims by the Noteholders in respect of the Common Transaction Security would be initially shared by the rights of the Credit Facility Creditors under the Initial Credit Facility Agreement, the noteholders' agent and issuer agent under the Notes and the Common Security Agent. Any debt under the Credit Facility Documents rank at least *pari passu* with the Notes, and such claims would be entitled to share the Common Transaction Security in priority to or rateably with the Noteholders. Moreover, should the Issuer raise additional new debt in accordance with the Intercreditor Agreement, such new debt could also share in the Common Transaction Security and creditors of such new debt could claim their rights in respect of the Common Transaction Security. Any such new debt would therefore dilute the relative share of the Noteholders rights in the Common Transaction Security. Due to the Common Transaction Security being common to both creditors under the Notes and the Credit Facility Creditors, this may endanger the probability that the Noteholders will receive full payment, or any payment at all, from the Common Transaction Security at the time of enforcement of security and the Noteholders could find it difficult or impossible to recover the amounts owed to them under the Notes.

RESPONSIBILITY STATEMENT

This Listing Prospectus has been prepared by HKFoods Plc and HKFoods Plc accepts responsibility regarding the information contained in this Listing Prospectus. To the best knowledge of HKFoods Plc, the information contained in this Listing Prospectus is in accordance with the facts and makes no omission likely to affect its import.

HKFoods Plc
Turku, Finland

CERTAIN ADDITIONAL INFORMATION

Information about the Issuer

The business name of the Issuer is HKFoods Plc (in Finnish *HKFoods Oyj* and in Swedish *HKFoods Abp*). The Issuer is a public limited company incorporated in Finland, and it is organised under the laws of Finland. The Issuer is registered in the Finnish Trade Register under the business identity code 0111425-3. The Issuer was registered in the Trade Register on 31 December 1975. The Issuer's legal entity identifier code (LEI) is 7437000PN6E448NPGY86. The registered address of the Issuer is Lemminkäisenkatu 48, FI-20520 Turku, Finland, and its telephone number is +358 10 570 100. The shares in the Issuer are admitted to trading on the official list of Nasdaq Helsinki under the trading code HKFOODS.

According to Section 2 of the Issuer's Articles of Association the Issuer's line of business is to engage in the meat and other foodstuffs industry, to process by-products of the meat industry, to engage in the fodder industry, trade in products and supplies for the above sectors, and consultation associated with the business of the company. The company can for its activities own and possess land, buildings, and real estate and other shares that justify the possessing, carrying on leasing and trade as well as other investment activities. The company can carry on activities either itself or through subsidiaries.

Special cautionary notice regarding forward-looking statements

This Listing Prospectus includes forward-looking statements which are not historical facts but statements regarding future expectations. These forward-looking statements include, without limitation, those regarding the Issuer's future financial position and results of operations, the Issuer's strategy, objectives, future developments in the markets in which the Issuer participates or is seeking to participate or anticipated regulatory changes in the markets in which the Issuer operates or intends to operate. In some cases, forward-looking statements can be identified by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should" or "will" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and are based on numerous assumptions. The Issuer's actual results of operations, including the Issuer's financial condition and liquidity and the development of the industries in which the Issuer operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Listing Prospectus. In addition, even if the Issuer's historical results of operations, including the Issuer's financial condition and liquidity and the development of the industry in which the Issuer operates, are consistent with the forward-looking statements contained in this Listing Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements are set forth in a number of places in this Listing Prospectus, including in the sections "*Risk factors*" and "*Business overview*", and wherever this Listing Prospectus includes information on the future results, plans and expectations with regard to the Issuer, the future growth and profitability of the Issuer and the future general economic conditions to which the Issuer is exposed.

Market and industry information

This Listing Prospectus contains estimates regarding the markets and industries in which HKFoods operates as well as its competitive positions therein. Such estimates cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organisations and institutions. HKFoods believes that its internal estimates of market data and information derived therefrom and included in this Listing Prospectus are helpful in order to give investors a better understanding of the industries in which HKFoods operates as well as its position therein. Although HKFoods believes that its internal market estimates are fair, they have not been reviewed or verified by any external

experts and HKFoods cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Where third-party information, such as market data and market estimates have been derived from third party sources, such as industry publications, the name of the source is given. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that any such information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer has not independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Listing Prospectus contain market data or market estimates in connection with which no source has been presented, such market data or market estimate is based on the estimates of HKFoods' management. Where information on HKFoods' markets or HKFoods' competitive position therein is provided expressly according to HKFoods' management in this Listing Prospectus, such assessments have been made by HKFoods' management on the basis of information available to HKFoods' management.

No incorporation of website information

Information presented on HKFoods' website (at www.hkscan.com and www.hkfoods.com) or any other website does not form a part of this Listing Prospectus (except for the Listing Prospectus itself, any supplement to the Listing Prospectus and information which has been incorporated by reference to the Listing Prospectus or any supplement thereto, see section "*Documents incorporated by reference*"), and the information on such websites has not been scrutinised or approved by the FIN-FSA. Prospective investors should not rely on such information in making their decision to invest in the Notes.

Controlling shareholder

As at 31 May 2024, the shareholding of HKFoods' biggest shareholder, LSO Osuuskunta, was 30.14 per cent of shares and 66.59 per cent of votes. The Issuer is thus directly controlled by LSO Osuuskunta for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act. The Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

The following table sets forth the shareholders owning at least one per cent of the shares and votes in HKFoods as at 31 May 2024 according to the shareholder register maintained by Euroclear Finland Oy.

Shareholder	Shares, total	Shares, %	Votes, % ⁽¹⁾
LSO Osuuskunta.....	29,818,884	30.14	66.59
HKFoods ⁽¹⁾	9,041,408	9.14	-
Apteekkien Eläkekassa	3,581,889	3.62	1.99
Sijoitusrahasto Fourton Hannibal	3,250,000	3.28	1.81
Citibank Europe PLC	2,982,076	3.01	1.66
The Central Union of Agricultural Producers and Forest Owners (MTK)	2,711,414	2.74	1.51

(1) Own shares held by HKFoods do not entitle to any rights in HKFoods.

No material agreements outside the ordinary course of business

Except for the sale of the Swedish and Danish business described in "*Business overview – Business strategy*", as at the date of this Listing Prospectus, HKFoods has not entered into material agreements outside the ordinary course of its business based on which a company belonging to HKFoods Group would have material obligations or rights materially affecting the Issuer's ability to meet its obligations to the Noteholders in respect of the Notes.

Shares and share capital

As the date of this Listing Prospectus, the Issuer has two share classes and in total 98,951,781 shares, comprising of 93,551,781 A shares and 5,400,000 K shares. The shares have been issued in accordance with Finnish laws. The A shares have been listed on Nasdaq Helsinki since 1997. The K shares are not listed and 4,735,000 K shares are held by LSO Osuuskunta and 665,000 K shares are held by the Issuer as treasury shares. Each A share entitles to one vote and each K share to twenty votes at the Issuer's general meeting. Each Issuer's share entitles to dividend. There are no voting restrictions related to the shares.

According to articles 13 and 14 of the Issuer's Articles of Association the consent of the board of directors is required for the transfer of K shares by assignment. If the consent is not forthcoming, the board of directors shall convert any K share transferred into an A share. In addition, according to article 15 of the Issuer's Articles of Association a shareholder whose proportion of the total number of votes yielded by all the Issuer's shares, either alone or together with other shareholders

as defined in article 16 of the Issuer's Articles of Association, reaches or exceeds 33 1/3 per cent or 50 per cent (shareholder with redemption obligation) shall, upon request by other shareholders, (shareholders with the right to redeem) redeem the shares of these and the securities entitling thereto under the Finnish Companies Act (624/2006, as amended) (the "**Companies Act**").

As at the date of this Listing Prospectus, the Issuer's registered share capital is EUR 66,820,528.10 and all the shares have been paid in full. The shares do not have nominal value. The shares have been entered in the book-entry system maintained by Euroclear Finland Oy. The ISIN code of the A shares is FI0009006308 and the ISIN code of the K shares is FI0009006662.

ADDITIONAL INFORMATION ON THE COMMON TRANSACTION SECURITY AND INTERCREDITOR AGREEMENT

The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Notes. To the extent there is any discrepancy between the Terms and Conditions of the Notes and the following description, the Terms and Conditions of the Notes will prevail. Capitalised terms used have the same meaning as defined in the Terms and Conditions of the Notes.

Common Transaction Security

The Issuer and HKScan Finland Oy will grant the Common Transaction Security for the due and punctual fulfilment of the Secured Obligations, including the payment obligations under the Notes.

At the issuance of the Notes, the Common Transaction Security comprises the following assets:

- a) all the shares and related rights (to the extent able to be pledged under Finnish law) in HKScan Finland Oy owned by the Issuer;
- b) receivables under the intra-group loans granted by the Issuer to HKScan Finland Oy;
- c) receivables under the bilateral credit facility granted by the Issuer to LSO Osuuskunta;
- d) the real estate mortgage notes to be registered on the Issuer's leasehold property with registration no. 309-11-1122-1-L1 and HKScan Finland Oy's leasehold and freehold properties with registration nos. 50-407-2-40-L2, 491-35-1-1, 61-8-1291-26 and 684-26-2604-1, in the amount of EUR 300,000,000 for each property;
- e) the business mortgage notes of the Issuer and HKScan Finland Oy, in the amount of EUR 300,000,000 for each business mortgage note; and
- f) certain trademarks of HKScan Finland Oy.

The Common Transaction Security will be granted with first priority, save for the EUR 6,000,000 mortgage in favour of Kivikylän kotipalvaamo Oy registered on HKScan Finland Oy's leasehold property with registration no. 50-407-2-40-L2, which shall rank first in priority.

The properties subject to the Common Transaction Security are factory properties. The freehold properties are located in Rauma, Forssa and Mikkeli and the leasehold properties are located in Outokumpu and Eura. The combined value of the properties subject to the Common Transaction Security is EUR 92,600,000.

The Common Security Agent shall hold the Common Transaction Security on behalf of the Secured Parties in accordance with the Intercreditor Agreement and the Common Security Documents. Subject to the provisions of the Intercreditor Agreement, the Common Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Common Transaction Security in safe custody.

The Common Transaction Security is and is to be granted only for the benefit of the Secured Parties. The Common Security Documents provide and will provide that only the Common Security Agent may exercise the rights under the Common Security Documents and only the Common Security Agent, subject to the Intercreditor Agreement and the Noteholders' decisions pursuant to Condition 15 (*Decisions by Noteholders*) of the Terms and Conditions of the Notes, has the right to enforce the Common Security Documents. Consequently, the other Secured Parties shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favour under the Common Security Documents.

The Common Security Agent shall (in its sole discretion and without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Common Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Common Transaction Security, creating further security for the benefit of the Secured Parties or for any other purposes in accordance with the terms of the Intercreditor Agreement and the relevant Common Security Documents.

The Common Security Documents for the Common Transaction Security are governed by the laws of Finland.

For more information about the Common Transaction Security, see "*Terms and Conditions of the Notes*".

Intercreditor Agreement

In connection with the issue of the Notes, among others, the Issuer as company, original debtor and original intra-group lender, the Agent as initial noteholders' agent acting for and on behalf of the Noteholders and the Common Security Agent as common security agent acting for and on behalf of the Noteholders and other Secured Parties will enter into an intercreditor agreement (the "**Intercreditor Agreement**"), which, among other things, regulates the ranking of debt and enforcement of the Common Transaction Security.

Secured Obligations

Upon the issuance of the Notes, the Common Transaction Security will secure the Issuer's obligations under or pursuant to:

- the Intercreditor Agreement;
- the Initial Credit Facility Documents (as defined in the Intercreditor Agreement);
- the Common Security Documents;
- the Hedging Agreements (as defined in the Intercreditor Agreement);
- Terms and Conditions of the Notes;
- the Agency Agreement;
- the Common Security Agent Agreement; and
- the Issuer Agent Agreement.

Upon the issuance of the Notes, the amount of the initial obligations that the Common Transaction Security secures, amounts to approximately EUR 201,600,000.

Ranking and Priority

The Intercreditor Agreement subordinates certain intra-Group liabilities and shareholder liabilities to the Secured Obligations. Pursuant to the terms of the Intercreditor Agreement, all the Secured Obligations secured by the Common Transaction Security shall rank in right and priority of payment, and the Common Transaction Security shall secure the Secured Obligations, *pari passu* and *pro rata* without preference between them, except for liabilities owed to the Common Security Agent and certain costs incurred by certain creditor representatives and issuer agents which have priority to enforcement proceeds relating to the Common Transaction Security.

Order of Application

Any proceeds received from an enforcement of the Common Transaction Security or otherwise received by the Common Security Agent with respect to the Secured Obligations in accordance with the Intercreditor Agreement shall be distributed as set out in the Intercreditor Agreement and the Terms and Conditions of the Notes in the following order of priority:

- (i) *first*, in or towards payment of any unpaid fees, costs, expenses, liabilities and indemnities payable by the Issuer or any other relevant Group Company to the Common Security Agent (or its delegate, as applicable) under or in relation to any Secured Debt Document;
- (ii) *secondly*, in or towards payment on a *pro rata* and *pari passu* basis of unpaid fees, costs, expenses and indemnities payable by the Issuer or any other relevant Group Company to the Agent, the Issuer Agent, each agent under the Credit Facility Documents, and each agent and issuer agent under any other Secured Notes;
- (iii) *thirdly*, in or towards payment on a *pro rata* and *pari passu* basis (with no preference among them):
 - (a) to each Noteholder in respect of the Notes (such payment to be made and applied in accordance with the payment provisions of the Terms and Conditions of the Notes) and each other noteholder in respect of the Notes Liabilities under Secured Notes other than the Notes (such payment to be made and allocated in accordance with the payment provisions of the terms and conditions of the relevant Secured Notes) and each other noteholder in respect of the Notes Liabilities under Secured Notes other than the Notes (such payment to be made and allocated in accordance with the payment provisions of the terms and conditions of the relevant Secured Notes);
 - (b) to each creditor in respect of the Credit Facility Liabilities (such payment to be made and applied in accordance with the payment provisions of the relevant credit facility documents); and
 - (c) to each creditor in respect of the Hedging Liabilities (such payment to be made and applied in accordance with the payment provisions of the relevant hedge agreements);
- (iv) *fourthly*, subject to the irrevocable discharge of all the Secured Obligations having occurred, towards payment to any person to whom the Common Security Agent is obliged to pay or distribute in priority to any debtor; and
- (v) *fifthly*, the balance, if any, in payment or distribution to the Issuer or the relevant Group Company entitled to it, as appropriate.

Agent

Under the Terms and Conditions of the Notes, the Noteholders will agree to and accept the appointment of the Agent to act as their agent and representative under the Finnish Act on Noteholders' Agent (574/2017, as amended) in all matters relating to the Notes and the Finance Documents, and authorise the Agent to act on their behalf (without first having to obtain consent, unless such consent is specifically required by the Terms and Conditions of the Notes) in all matters set out in the Finnish Act on Noteholders' Agent and particularly in any legal or arbitration proceedings relating to the Notes

held by the Noteholders and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by the Act on Noteholders' Agent, the Terms and Conditions of the Notes and the Intercreditor Agreement together with all such rights, powers, authorities and discretions as are incidental thereto.

Security Agent

Under the Terms and Conditions of the Notes, the Noteholders will agree to and accept the appointment of the Common Security Agent to act as their agent in all matters relating to the Common Transaction Security and the Common Security Documents, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Common Transaction Security and acknowledge and agree that the rights, obligations, role of and limitation of liability for the Common Security Agent is further regulated in the Intercreditor Agreement.

Under the Terms and Conditions of the Notes, the Noteholders will agree and accept that, upon the Common Transaction Security having become enforceable pursuant to the terms of the Intercreditor Agreement and/or the Common Security Documents, it will be considered to have irrevocably transferred to the Common Security Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes, to enforce any Common Transaction Security and to receive any funds in respect of the Notes or under the Common Security Documents as a result of which transfer, the Common Security Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders) subject to the provisions of the Intercreditor Agreement.

Turnover

The Intercreditor Agreement will include provisions for turnover of funds in the event any Secured Party, any subordinated creditor or any debtor receives payment in conflict with the terms and conditions of the Intercreditor Agreement. Any payment returned shall be applied in accordance with the Intercreditor Agreement.

Enforcement of Common Transaction Security

Only the Common Security Agent may exercise the rights under the Common Security Documents and only the Common Security Agent has the right to enforce the Common Transaction Security based on the instructions given to the Common Security Agent under and pursuant to the terms of the Intercreditor Agreement. The Agent shall be entitled to give instructions (on behalf of the Noteholders) relating to the Common Transaction Security in accordance with, and subject to, the Intercreditor Agreement. The Noteholders shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favour under the Common Security Documents.

Release of Common Transaction Security

The Common Security Agent shall, subject to the terms of the Intercreditor Agreement and the relevant Common Security Documents, be entitled to release all Common Transaction Security upon the full discharge of the Secured Obligations, in connection with the enforcement of the Common Transaction Security and in connection with any other similar distressed disposal event in accordance with the Intercreditor Agreement.

Further, the Common Security Agent shall further be entitled to, pursuant to the terms of the Intercreditor Agreement and subject to the terms of any Common Security Document, release any Common Transaction Security which is sold or otherwise disposed of in a way which is permitted by the Secured Debt Documents, without having to obtain instructions or separate consent from the Noteholders.

Additional debt, changes to the parties and permitted amendments

In accordance with the Intercreditor Agreement and other Secured Debt Documents, additional indebtedness may be incurred by the Issuer and shall rank *pari passu* with the Secured Obligations provided that the creditors under such indebtedness have acceded to the Intercreditor Agreement in appropriate capacity(-ies). Further, a Group Company may grant security in favour of a creditor of such additional debt provided that: (i) such additional debt shares the Common Transaction Security, and/or such security that is not Common Transaction Security is granted also to the Secured Parties, in each case to be shared between the Secured Parties as set forth in the Intercreditor Agreement, and (ii) each such additional debt creditor (or, in case of a noteholder, its creditor representative) accedes to the Intercreditor Agreement as a Secured Party (in appropriate capacity(-ies)) and the additional debt ranks as Secured Obligations in accordance with the terms of the Intercreditor Agreement.

The Intercreditor Agreement contains mechanisms for additional parties to accede thereto. By acceding to the Intercreditor Agreement in accordance with its terms, further creditors may become Secured Parties benefiting from the Common Transaction Security.

The Intercreditor Agreement contains various conditions on the requirements for effecting amendments of the terms thereof.

BUSINESS OVERVIEW

General

HKFoods is a Finnish food company with over 100 years of experience in responsible food production and use of local, high-quality raw materials. HKFoods produces, markets and sells responsibly produced and delicious food that is part of the consumers versatile food moments – both every day and on special occasions. HKFoods' core business includes meat, meat products and ready-made foods, such as meals, meal components and snacks. HKFoods' products are to a large extent made of high-quality pork, beef, poultry and other raw materials and they are sold under HKFoods' strong brands that are well-known by consumers according to the view of HKFoods' management. Through its strategic partnerships, HKFoods is also offering plant-based products to consumers³. The Issuer serves customers in the retail, food service, industrial and export sectors. HKFoods' main market is Finland. In addition to its main market, HKFoods exports to close to 30 countries around the world. Regarding exporting, the most important countries to the Issuer are, in the management's view, China, New Zealand and South Korea.⁴

For the three months ended 31 March 2024, the Issuer's net sales from continuing operations amounted to approximately EUR 228.7 million (EUR 218.0 million for the three months ended 31 March 2023 and EUR 933.0 million for the year ended 31 December 2023 for the full year 2023) and the Issuer's EBIT from continuing operations totalled EUR 1.2 million (EUR -0.4 million for the three months ended 31 March 2023 and EUR 14.3 million for the year ended 31 December 2023). The Issuer is domiciled in Turku, Finland, and its production facilities are located in Finland and Poland.

HKFoods' key long-term strategic target is to grow into a yet more versatile food company. In the current environment, HKFoods' focus has been on strengthening its financial base and improving the profitability of its core business. As a result, the Issuer has made structural reforms and determined efforts to improve the cost efficiency of its operations, such as by selling the Baltic, Swedish and Danish business operations.⁵ Moreover, in order to achieve the Issuer's targeted performance and improve profitability, HKFoods aims to continue to tightly manage its costs, improve production efficiency and optimise its product portfolio.

On 2 May 2024, HKFoods announced that it has signed an agreement to sell the shares of its Danish subsidiary HKScan Denmark A/S to Plukon Food Group B.V. from the Netherlands. The debt-free purchase price is EUR 44.6 million. The sale of the Danish business is expected to close during 2024 and it is subject to approval by the Danish competition authorities. As a result of the transaction, HKFoods' structure and key figures will change. As from the Issuer's interim report for the three months ended 31 March 2024, the Danish business will be classified as assets and liabilities held for sale and presented as discontinued operations. Consequently, the financials regarding continuing operations referred to in this Listing Prospectus include only the Finnish operations (including the Polish unit⁶).

HKFoods' most important product categories are charcuterie, sausages and bacons, beef and pork and poultry and the meals and meal components. Since 2021, the strongest growth in net sales has been achieved in meals and meal components followed by poultry and charcuterie, sausages and bacons. HKFoods' key sales channels are retail and food services. Food service sector includes hotels, restaurants and catering businesses both in private and public sectors. The

³ For more information on the strategic partnerships see "*Business overview – Selected key strengths – Strong brands*".

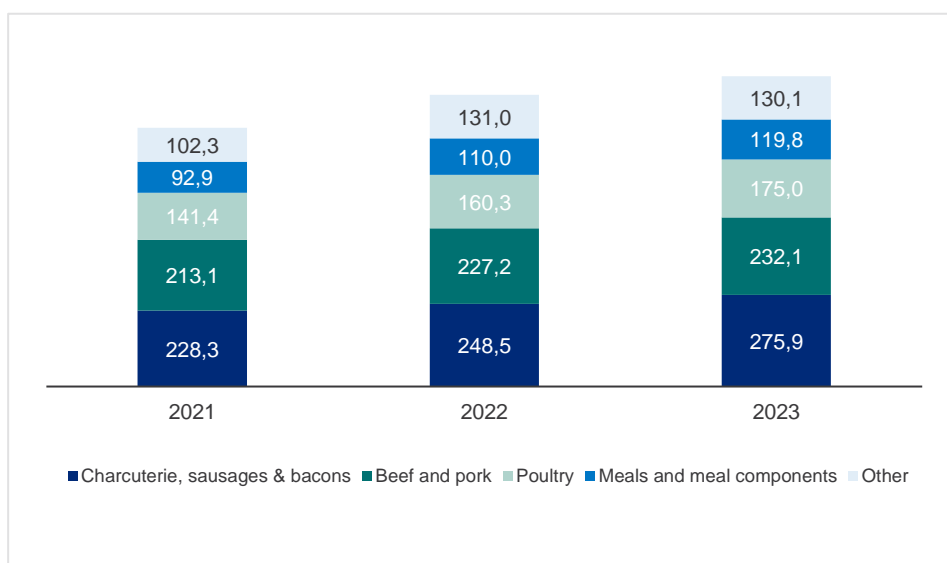
⁴ Based on sales data and internal sales reporting.

⁵ In 2022 the net sales of the Baltic operations was EUR 195.7 million, EBIT was EUR -30.2 (EBIT includes an impairment to goodwill amounting to EUR 15.6 million). In 2022, the net sales of the Swedish operations was EUR 745.1 million, EBIT was EUR 16.6 million. In 2023, the net sales of the Danish operations was EUR 230.2 million, EBIT was EUR 3.1 million.

⁶ Starting from the financial statements for the year ended 31 December 2023, the Polish unit's figures have been reported as part of the Finnish business unit.

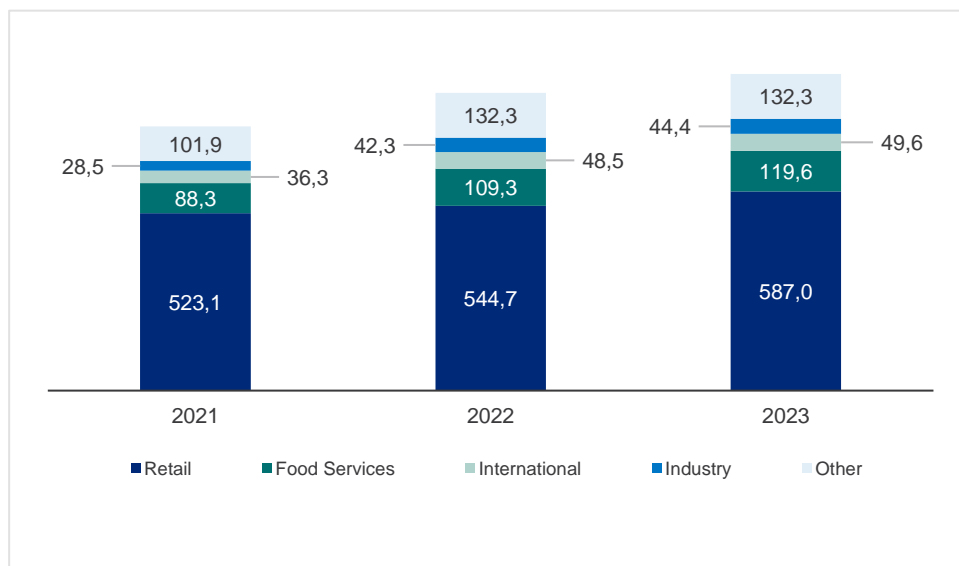
retail sales channel consists mainly of groceries and wholesalers. The graphs below illustrate HKFoods' net sales by product categories and sales channels. All figures presented in the graphs are unaudited.

Net sales per product category (continuing operations⁽¹⁾), EUR million



(1) Continuing operations, i.e., excluding Danish, Swedish and Baltic operations.

Net sales per sales channel (continuing operations⁽¹⁾), EUR million



(1) Continuing operations, i.e., excluding Danish, Swedish and Baltic operations.

The Issuer's business and principal activities

As of 31 March 2024, HKFoods' reporting segment comprises solely the Finnish operations including the Polish unit. HKFoods' export activities are reported within the Finnish operations.

HKFoods Group's business in Finland is mainly carried out by HKScan Finland Oy⁷. In addition, HKFoods' significant subsidiaries include Kivikylän kotipalvaamo Oy and Lihatukku Harri Tamminen Oy. Meat categories in Finland are pork, beef and poultry (chicken and turkey). The product categories are among others consumer-packaged meat, meat products (for example sausages and cold cuts) and meals. These are sold under a range of brands. The major product brands include HK®, Kariniemen® and Via® as well as Kivikylän®, Tamminen® and Boltsi®, which are the brands of HKFoods' Finnish subsidiaries. For further information on HKFoods' group structure, see "*Business overview – HKFoods Group legal structure and significant subsidiaries*".

The Issuer's priority throughout its product ranges is to focus on healthy, responsible, delicious and convenient products that cover a wide range of fresh and ready-to-eat meals. According to the view of the management, the demand of poultry and poultry processed products is increasing and, as a result, the Issuer aims to strengthen its poultry product offering. In addition, the Issuer aims to strengthen its market position in meals and meal components, for example, through partnerships into new categories such as Mäkitalon Farmi salads.

As regards exporting, HKFoods' objective is to develop exports of processed value added meat and reduce the role of low margin, home market balancing meat exports. Currently, processed meat products account for about one fifth of the Issuer's exports. Low margin meat exports were reduced in 2023 as planned. In November 2023, Finnish poultry meat was approved for export to China and exports are expected to commence in the first half of 2024. The Issuer already exports Finnish pork to China. During 2023, HKFoods also launched beef exports from Finland to Japan.

In January 2024, HKFoods announced that it will start exporting pork from Finland to South Africa. Exports are expected to commence in the second quarter of 2024. HKFoods is currently exporting pork to China, South Korea, Japan and the United States. HKFoods is also preparing to export grilled meats such as pork ribs to South Africa.

History

HKFoods is a modern industrial company shaped by many corporate acquisitions and mergers. The Issuer traces its roots to Lounais-Suomen Osuusteurastamo (currently LSO Osuuskunta), a slaughterhouse cooperative founded by some 20 cattle owners in 1913. The Issuer developed and grew in southwest Finland and initially engaged in wholesale operations, beginning to export meat towards the end of the 1910s.

The chart below presents the major milestones of the development of HKFoods' business:



Selected key strengths

The Issuer has identified the following selected key strengths the management believes to provide HKFoods with a competitive advantage.

Strong market position in Finland

The Issuer's main market is Finland, in addition to which HKFoods exports products to close to 30 countries. With net sales of approximately EUR 933 million from continuing operations for the year ended 31 December 2023⁸, HKFoods is one of the largest food companies within its main market.⁹ HKFoods works actively to develop its strong market position, in good collaboration with the stakeholders.

⁷ The name of HKScan Finland Oy is expected to be changed to "HKFoods Finland Oy". The estimated registration date is 2 September 2024, subject to confirmation by the Finnish Patent and Registration Office.

⁸ Continuing operations include only Finnish operations.

⁹ Source: Talouselämä's TE500 report year 2022

Strong brands

HKFoods' key product brands include HK®, Kariniemen® and Via®. The brands Kivikylän®, Tamminen® and Boltsi® are also a part of the HKFoods Group's brand portfolio. HKFoods' products are sold in the consumer market, in which the visibility and reputation of product brands substantially affect on their attractiveness to consumers. According to the view of the Issuer's management, the strong position and appreciation of HKFoods' brands among consumers offer a solid foundation for further building the market position. Within its financial resources, HKFoods' is seeking new growth and seizing business opportunities that drive HKFoods' strategy. Partnerships offer HKFoods the opportunity to move into new business areas quickly and flexibly. In Finland, HKFoods' partners include Mäkitalon Maistuvat Oy and Boltsi Oy.

Value chain from farms to consumers

HKFoods manages its long value chain, from farms to consumers, enabling locally produced, responsible food. Close collaboration with HKFoods' farming community is also a key element of the Issuer's responsibility work. One of HKFoods' operational priorities is to support the economic and production efficiency of its contract farmers and to continuously improve eco-efficiency. Additionally, HKFoods aims to improve animal welfare through diverse collaboration with its contract farmers and partners.

Skilled people

As at 31 March 2024, HKFoods employed 2,834 skilled and dedicated food industry professionals in its continuing operations on average. Having competent employees is one of HKFoods' most important strategic strengths and assets. HKFoods develops good leadership practices to have motivated, committed and result-oriented people.

At HKFoods, safety, wellbeing and motivation of the personnel are priorities of corporate responsibility. The everyday work at HKFoods is guided by HKFoods' values: Inspire, Lead, Care and Deliver. HKFoods aims to ensure quality and high professional standards in everything it does.

HKFoods leads personnel wellbeing and work safety with HKFoods Group-level Better Together and Safety First programmes. These programmes are implemented in all business units.

Local raw materials

Nearly 100 per cent of the animals sourced by HKFoods come from contract producers in Finland. Group-wide animal purchase principles are followed in animal procurements. The origin of the meat and the living conditions of the animals are very well known to HKFoods. HKFoods procures also other raw materials, products and services primarily locally from its main market.

Selected financial information

The selected financial information and key figures of HKFoods' continuing operations (unless otherwise stated) for the periods indicated are presented in the table below. The continuing operations include only the Finnish operations (including the Polish unit¹⁰), as the Danish, Swedish and Baltic operations are regarded as discontinued operations. HKFoods announced in May 2024 that it has signed an agreement to sell the shares of its Danish subsidiary HKScan Denmark A/S and the Issuer has estimated that the criteria of IFRS 5 for assets and liabilities held for sale and discontinued operations are met. In addition, the sale of Swedish business was completed on 27 March 2024 and the sale of Baltic business on 31 August 2023.

All figures presented in the tables below are unaudited and not comparable to the figures presented in the audited consolidated financial statements of the Issuer, as the audited consolidated financial statements include also discontinued operations but the figures presented in the table below refer only to continuing operations (i.e. Finnish operations), unless otherwise stated. The figures as at and for the three months ended 31 March 2024 and 31 March 2023 as well as for the financial year ended 31 December 2023 have been derived from the Issuer's unaudited interim report for the three months

¹⁰ Starting from the financial statements for the year ended 31 December 2023, the Polish unit's figures have been reported as part of the Finnish business unit.

ended 31 March 2024 unless otherwise stated. The figures for the financial years ended on 31 December 2022 and 31 December 2021 are based on unaudited management figures.

Selected financial information (continuing operations)	For the three months ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
(EUR million, unless otherwise stated)	(unaudited)		(unaudited)		
Net sales	228.7	218.0	933.0	877.2	778.0
Comparable EBITDA.....	9.1	5.5	42.9	23.4	32.9
% of net sales	4.0%	2.5%	4.6%	2.7%	4.2%
EBITDA	8.9	7.4	45.1	21.3	33.6
% of net sales	3.9%	3.4%	4.8%	2.4%	4.3%
Comparable operating profit.....	1.4	-2.3	11.6	-7.3	-2.1
% of net sales	0.6%	-1.0%	1.2%	-0.8%	-0.3%
Operating profit (EBIT)	1.2	-0.4	14.3	-7.0	1.4
% of net sales	0.5%	-0.2 %	1.5%	-0.8%	0.2%
Profit for the financial year ⁽¹⁾	-3.8	-6.5	-17.3	-20.6	-14.7

(1) The difference between Operating profit (EBIT) and Profit for the financial year figures is caused by the amount of financial expenses incurred by the Issuer, which has decreased the profit for the financial years.

Selected financial information (including discontinued operations)	For the three months ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
(EUR million, unless otherwise stated)	(unaudited)		(unaudited)		
Cash flow from operating activities.....	1.8	-5.7	50.6	18.9	54.6
Cash flow from investing activities	72.1	-7.1	22.6	-40.8	26.5
Cash flow from financing activities	-82.5	25.8	-62.0	14.4	-100.3
Net gearing, %	93.8%	139.6%	121.0%	123.7%	92.2%
Total interest-bearing debt ⁽⁴⁾	231.1	406.1	321.0	364.5	341.9
Total interest-bearing net debt ⁽⁴⁾	208.0	372.7	287.9	353.1	310.5
Net debt to EBITDA ratio (leverage) ⁽¹⁾	2.5x	6.2x ⁽⁵⁾	3.7x ⁽⁵⁾	6.2x	3.8x
Net debt to adjusted EBITDA ratio (leverage) ⁽²⁾	3.8x ⁽⁵⁾				
Liquidity covenant ⁽³⁾	29.5		35.5 ⁽⁵⁾		
Total assets.....	598.0	988.3	851.7	976.0	993.7
Total equity	221.8	266.9	238.0	285.5	336.9
Equity ratio, %.....	37.1 %	27.0 %	28.8 %	29.3 %	33.9 %

(1) The Issuer's reported net debt to EBITDA ratio includes the last twelve-month (LTM) EBITDA and share of profit from associated companies and joint ventures from continuing and discontinued operations.

(2) Net debt to adjusted EBITDA ratio includes LTM EBITDA from continuing operations and Danish operations. This is only relevant from first quarter of 2024 after divestment of Swedish business. In the incurrence test set out in the Terms and Conditions, also the net debt is adjusted for certain events that have taken place after the most recently ended reporting period (see Condition 11.4 (Incurrence Test)).

(3) Figures provided only for the three months ended 31 March 2024 and for the financial year 2023 as the liquidity covenant has been in force as of 1 July 2023.

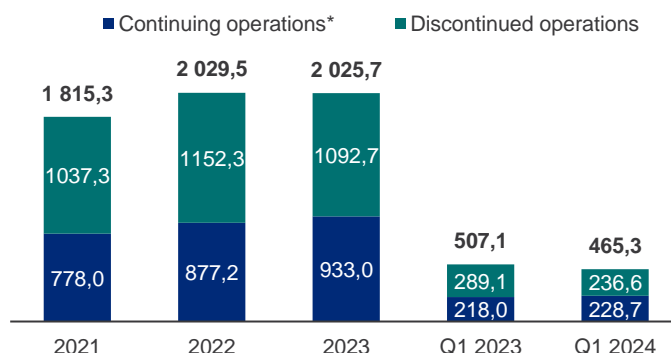
(4) The hybrid bond (amounted to EUR 25.9 million on the Issuer's balance sheet as at 31 March 2024) not included in the figures.

(5) Based on management figures.

As the Issuer's business has carried out significant restructuring efforts through the sales of Swedish, Danish and Baltic businesses in recent years, the graphs below illustrate the division of the Issuer's net sales and comparable EBIT between continuing operations and discontinued operations. The net sales of HKFoods' continuing operations rose by 20.0 percent between 2021 and 2023. Development in the first quarter of 2024 was positive in continuing operations but the discontinued operations witnessed a decline in net sales (partly as a result the sale of Swedish operations which was completed on 27 March 2024). Moreover, profitability was under pressure for both continuing and discontinued operations in 2022, which

was an exceptional year due to the effects of general cost inflation effects resulting from Russia's invasion into Ukraine. All figures provided in the graphs below are unaudited.

Net sales, EUR million



* Continuing operations i.e., excl. Danish, Swedish and Baltic operations.

Comparable EBIT, EUR million



* Continuing operations i.e., excl. Danish, Swedish and Baltic operations.

Business strategy

HKFoods' key long-term strategic target is to grow into a versatile food company. In the current environment, HKFoods' focus has been on strengthening its financial base and improving the profitability of the Issuer's core business. HKFoods' core business includes meat, meat products and ready-made foods, such as meals, meal components and snacks. Advancing the long-term strategy will require HKFoods to achieve a stronger balance sheet. Important steps in improving HKFoods' profitability and strengthening its balance sheet was the completion of the divestment process of the Baltic business in August 2023, the sale of the Swedish business in March 2024 and signing the agreement to sell the Danish business to Plukon food Group B.V. in May 2024. The aim of the business divestments is to strengthen HKFoods' balance sheet, and the proceeds are intended to be used for repayment of the Issuer's loans. At the same time, the business divestments allow HKFoods to better focus on its remaining businesses and implement its long-term strategy of growing into a yet more versatile food company.

In addition to HKFoods aim for strengthening its financial base, HKFoods has several strategic focus areas to improve its core business of responsible pork, beef and poultry and processed meat products, meals and meal components. According to the Issuer's management view, meals and meal components represent future growth markets, and HKFoods aims to expand its business significantly in these markets. Furthermore, HKFoods seeks to outpace the growth of the poultry market and the food services market, aiming to achieve leadership positions in both markets. Recognising consumer demands, HKFoods will also focus on diversification in raw materials and aims to respond to estimated future demand by offering responsible vegetables through its subsidiaries Mäkitalon Maistuvat Oy and Boltsi Oy. In addition, Kasviskonttori

Oy, a joint venture founded by HKFoods and Vihannes-Laitila Oy in April 2022, launched Via Kasvimaa products in October 2022. The ready-to-use and ready-to-cook vegetable products renew the supply of fresh vegetable products, add value to vegetables and complement HKFoods' product range.

At the same time, HKFoods has continued to make investments to improve profitability and increase added value in several of its production units in Finland. HKFoods wants to grow in its core business by increasing the added value of products and by strengthening the value creation capacity of the Issuer's own brands. HKFoods is also seeking new growth and taking up business opportunities that drive its strategy. Partnerships offer HKFoods the opportunity to move into new business areas quickly and flexibly. Moreover, the Issuer focuses on creating customer-driven value and building the best consumer experience in the industry. For example, the Issuer is aiming to strengthen its position in consumers' food moments by growing in poultry and meals, in addition to its responsibly produced beef and pork as well as expanding into new product categories and raw materials.

According to the management of HKFoods, building responsibility as a value-creating basis for business plays a key role in creating differentiating value in the market. At the heart of the Issuer's responsibility programme are target-oriented climate work, development of packaging materials, improvement of biodiversity and the wellbeing and safety of HKFoods' employees. By working within the carrying capacity of the environment and nature, HKFoods aims to enable good performance and responsible prosperity creation in the food chain of its main market. HKFoods will continue its goal-oriented climate work. HKFoods Group's revised climate target is to reach net zero for all greenhouse gas emissions by 2050 at the latest. The responsibility work of HKFoods is described in more detail under "*Responsibility at HKFoods*".

Strategic priorities

HKFoods' management has identified strategic priorities to continue strengthening HKFoods' position in its main and export markets. HKFoods' strategy is built on four key strategic priorities: creating profitable growth in consumers' food moments, driving performance excellence, leading advanced corporate responsibility work and developing competitive farming community.

Creating profitable growth in consumers' food moments

HKFoods aims to grow into a versatile food company in evolving sales channels and product categories preferred by consumers. HKFoods' inspiration derives from its continuous curiosity to learn more and to build knowledge to the level that enables HKFoods to serve the markets with new consumer and customer experiences.

HKFoods' strong poultry range as well as meals and meal components are HKFoods' growth drivers. Responsibly produced pork and beef as well as meat products are at the core of HKFoods' operations and are expected to continue to play a major role in the future. HKFoods is also looking into expanding its business into new product categories and raw materials. HKFoods will also aim to build partnerships enabling its growth in evolving sales channels and new product categories.

Driving performance excellence

Performance excellence is one of the focus areas of HKFoods' strategy. HKFoods promotes its performance excellence through effective knowledge management and by developing all of HKFoods' key business processes. For example, HKFoods is developing its commercial processes and abilities in order to create value for customers and consumers and thus, for HKFoods' own business. HKFoods aims to develop and strengthen its operational capabilities to improve productivity, cost efficiency and to create a foundation for growth.

The objective of this focus area of HKFoods' strategy is to aim to develop and strengthen HKFoods' processes and personnel competence with a view to strengthening consumer and customer experience, productivity, cost efficiency and profitability. HKFoods aims to reach good results by knowing its numbers and paying attention to the everyday performance.

For employees, performance excellence means competence development that supports the strategy. For example, expanding to new product categories and sales channels requires new competences. Development of the personnel's wellbeing and competence to meet the demands set by the strategy is at the heart of the Issuer's process development.

Leading advanced responsibility work

Sustainable way of operating is the foundation of HKFoods' business. Responsibility work covering the whole food chain, from farms to consumers, is an essential part of HKFoods' strategy and at the heart of HKFoods' daily work. HKFoods' extensive responsibility work strengthens confidence in HKFoods' products and operations and increases the transparency of the food chain. With its Corporate Responsibility Programme, HKFoods makes advanced responsibility work one of its key competitive advantages and aims to strengthen its position in the food industry, both at the group and brand level.

For HKFoods, responsibility means genuine action throughout the food chain and continuous improvement. HKFoods' responsibility programme sets group level targets and indicators for the promotion of the wellbeing of nature and people. Other key responsibility themes include priorities such as animal welfare, safe food, a competitive farmer community and good governance. HKFoods manages these in each of its business units in accordance with local legislation and requirements. The responsibility work of HKFoods is described in more detail under "*– Responsibility at HKFoods*".

Developing competitive farming community

HKFoods is committed to developing its farming community together with meat producers. This is how HKFoods can ensure high-quality, domestic and responsibly produced raw material. With its development work, HKFoods aims to promote sustainability in the entire food chain, increase transparency and improve the competitiveness of the farming community's production. HKFoods develops contract production together with farmers and takes it to the next development level so that it creates and meets also the needs of customers and consumers.

Together with HKFoods' contract farming community, HKFoods aims to develop the competitiveness of responsible, high-quality primary production and ensure the availability of important raw materials giving HKFoods a competitive edge.

Significant factors affecting HKFoods' ability to implement its business strategy

HKFoods aims to grow into a versatile food company and strengthen its market position in changing markets together with its customers. The results of operations of HKFoods Group have been, and may continue to be, influenced by numerous internal and external factors, many of which HKFoods cannot influence with its own actions. HKFoods' ability to influence external factors, in particular, is limited. Below is a presentation of the key factors that, according to HKFoods' view, have impacted or may impact the results of its operations and thus HKFoods' ability to implement its strategy.

Customer relations

HKFoods' customers operate in the retail, food service, industrial and export sectors. The most important customers are central retail organisations operating in various market areas. HKFoods' customers consist of retailers, food service sector and hotel, restaurant and catering businesses both in private and public sectors. HKFoods works in close cooperation with its customers, suppliers and other stakeholders, such as research institutes, to anticipate emerging consumer trends as well as sector trends related to the businesses of the Issuer's customers in retail, the food industry and food service. Well-functioning co-operation with major customers plays a central role in HKFoods' business. While HKFoods is not dependent on any individual customer or customer group, decreasing cooperation with one or several key customers could lead to a decline in sales and market share, as well as weaken HKFoods' results and market position. Furthermore, strong bargaining power of major customers may have an impact on the Issuer's possibilities to, for example, transfer increased costs to the prices of its products.

HKFoods' results may also be impacted by deterioration in the global economy through lower demand among consumers and customers, or through additional financial burdens on the customer. HKFoods' results are also highly dependent on the Issuer's ability to collect its receivables in full or in a timely manner. As such, weakened customer demand or the failure of customers in satisfying their payables may have an adverse impact on HKFoods' results of operations.

Consumers and customers are also at core of HKFoods' strategy. HKFoods' aim is to grow profitably into a versatile food company, have a stronger presence in consumers' food moments and strengthen its market position in evolving markets together with its customers.

Management of the long value chain and so-called meat balance, availability and prices of raw materials and commodities

HKFoods' results depend on the high quality of the products, responsible operating methods and good availability of meat raw materials, which in turn requires good cooperation with meat producers. HKFoods offers its contract producers a stable market channel that ensures the continuity of the producers' operations. A good relationship with the producers requires fair pricing and long-term business relationships based on contracts, as well as advisory and other services supporting the continuity of meat production.

HKFoods' operations are based on responsible and efficient management of the long value chain and creation of added value throughout the complete chain from farms to consumers. As such, HKFoods' profitability is impacted materially by the efficient management of the complete value chain and active control of all its parts. Management of the meat balance means active control of the supply and demand for various animal species and the various parts of the animal carcass throughout the complete value chain in order to achieve an optimal financial situation both in the short-term and in the long-term.

The availability and prices of the raw materials needed in the production of HKFoods' products, such as pork, poultry and beef, are subject to fluctuation. Global surplus production increases their availability, while underproduction results in

weaker availability and higher prices of the raw materials. Cyclical fluctuation, the EU's common agricultural policy, trade barriers and changes in subsidies impact the balance of supply and demand in the long-term. However, according to the view of HKFoods' management, following the sale of Baltic business operations, HKFoods is less prone to cyclical price fluctuation than before, as the Baltic business operations were especially prone to price fluctuation. Factors that have a fast impact on the supply, such as animal disease epidemics, may disturb the balance between supply and demand from time to time.

Management of the global and local meat balance has a material impact on HKFoods' results. While management of the global meat balance is to a large extent beyond HKFoods' control, HKFoods can impact the management of the local meat balance, among others, with efficient supply chain management, efficient utilisation of the production capacity, good planning of production and control of yields. In addition to raw materials, electricity consumption poses one of the most significant commodity risks in HKFoods Group. The subsidiaries can hedge against fluctuation in market prices for electricity and other commodities by procuring fixed-price products or through derivative contracts.

Due to the nature of HKFoods' business, energy usage, water usage, waste originated in the processing of biomass materials, waste water and emissions of the production facilities cause the most substantial environmental load in HKFoods' own industrial production. Environmental management is a key component in HKFoods' management system, and environmental concerns are catered for at every stage of operations.

Dependence on production facilities and uninterrupted operation of the delivery chain

HKFoods' production facilities in Finland are located in Forssa, Mikkeli, Outokumpu, Paimio, Rauma, Eura and Vantaa as well as in Poland in Swinoujscie (see also "*Business overview – Material investments*"). HKFoods depends on uninterrupted operation of its production facilities and delivery centres. Should some of HKFoods' major production facilities experience production disturbances, this would potentially result in delays in HKFoods' ability to produce and deliver its products as scheduled. However, HKFoods may be able to transfer its production to other units and, as such, avoid significant interruptions in its operations.

Consumer behaviour, confidence and trends

HKFoods' results of operations depend on, among other factors, the demand for food products and restaurant services among consumers. As such, HKFoods' profitability is impacted by consumers' confidence in HKFoods and its brands and products. In order to predict the customers' needs, preferences and behaviour, HKFoods continuously monitors the latest trends in food, food consumption and proactively develops its product portfolio. The present fragmentation of consumer behaviour into smaller subgroups than previously may make it more difficult to predict consumer preferences and also impact the profitability of volume production.

The origin of food and its raw materials, the sustainability of production methods and nutritional aspects impact the food choices of consumers and, as such, the demand for HKFoods' products. For example, according to the view of the Issuer's management, the consumers in Finland have recently further emphasised domestic products. This is partly due to the increased importance of supply security resulting from the ongoing war between Russia and Ukraine. Further, sustainability themes that are important to the consumers include product quality and safety, healthiness, environmental responsibility, transparency, animal welfare and social responsibility, for example the working conditions of employees.

Health, safety and product quality risks could, if they materialise, impact demand for HKFoods' products among customers and consumers, which could affect HKFoods' business and results of operations. Similarly, reasons related to animals and the environment could result in weakening demand for HKFoods' products. HKFoods is constantly striving to decrease environmental impacts throughout the food chain and to ensure that the treatment of production animals complies with both ethical and statutory requirements.

HKFoods' sales are also subject to seasonal fluctuation. For example, the success of the barbecue season during the summer months has a substantial effect particularly on HKFoods' processed meat products group. In addition to the barbecue season, Christmas and Easter are important seasons for HKFoods. Due to seasonal fluctuations, the Issuer experiences significant fluctuations in its required working capital throughout the year, with the highest demand occurring in the first and third quarters. In addition to ordinary seasonal fluctuation, external factors, such as weather conditions may have an impact on changes in demand, sales of HKFoods' products, and as such, HKFoods' results of operations.

Brands and product development

HKFoods' ability to maintain the position and value of its strong brands among consumers impacts the demand for HKFoods' products, and as such, the results of its operations. According to the view of HKFoods' management, the strong position and appreciation of HKFoods' brands among consumers offers a solid foundation for building a leading market position. According to the view of HKFoods' management and based on internal sales reporting and external market data

from retail shops, strong brands, such as HK® (sausages, snacks, ready-to-eat meals, beef and pork), Kariniemen® (poultry meat and poultry products) and Via® (ready-to-eat meals) in Finland as well as brands of the Finnish subsidiaries Kivikylän® (beef and pork, beef products, snacks) and Tamminen® (premium beef and pork) are key to enabling HKFoods to be a market leader in selected product categories. Well-known consumer brands are also important for building HKFoods' image as an employer and, thus, for the availability of competent personnel.

In addition to its strong brands, HKFoods' results are impacted by its success in product development. HKFoods needs to succeed in its product development to respond, for example, to the Nordic and national nutrition recommendations and the latest trends. Product development also impacts the profitability of production. For example, better utilisation of by-products improves profitability and also helps to decrease HKFoods' environmental impacts.

Availability of labour and relations between employer and employees

Personnel management and the development of competence within the organisation are material competitive advantages for HKFoods. HKFoods' success, results and future growth of the business depend on the competence of HKFoods' management and other personnel, as well as HKFoods' ability to ensure the commitment of the current management and other personnel. Furthermore, it is important that HKFoods is able to recruit new competent employees and commit its key employees to its operations and development. The availability of labour and correct scaling of personnel strength to HKFoods' main seasons, as well as relations between employer and employees may also, in part, have an impact on HKFoods' profitability.

Compliance and safety

The operations of HKFoods are strictly regulated. As a result, HKFoods has to comply with a wide range of laws and regulations enacted on both the European and the national level. The nature and timing of regulatory changes are beyond HKFoods' control and any new laws or regulations affecting HKFoods' operations or services, as well as any amendments to, or new interpretations of, the existing laws and regulations may affect HKFoods' competitiveness generally or increase costs.

In the normal course of its business activities, HKFoods could be involved in legal proceedings (for instance, regarding contractual responsibility, employer's liabilities, anti-trust, anti-bribery and anti-corruption cases, penal issues as well as consumer law violations which may be litigated by individual parties or by the Finnish Consumer Ombudsman on behalf of a consumer group). Contract and compliance risks may also arise from liabilities assumed in mergers and acquisitions, including exposure to environmental liability. In its operations, HKFoods is also highly dependent on the authorities in its countries of operation, and the procedures of the authorities may vary considerably in HKFoods' various sectors of operation.

As a food manufacturing company, HKFoods' production processes need to comply with strict food safety standards and its product safety standards are based on risk assessments of products and processes. The safety risks of foodstuffs are related to the purity of raw materials (residues, foreign substances), microbiological purity, the food safety approval of packaging materials and labelling. In addition to rigorous in-house quality controls and the requirements of food safety certificates, the facilities of all industry operators in the value chain are subject to strict scrutiny by the authorities. The actual or perceived safety risks of foodstuffs, potential lawsuits or claims relating to such risks, press reports about risks or litigation relating to such risks could adversely affect the volume or growth rate of HKFoods' sales and result in decreased usage of its products or increased litigation costs.

HKFoods may not have complete certainty over the risk-free management of the entire value chain. An animal disease or other detected faults or defects in products or in product descriptions discovered at a critical point in HKFoods' production chain could interrupt production in the unit concerned and disturb the entire chain's operations.

Information systems and data privacy

HKFoods' uses information technology to manage and maintain stocks efficiently, deliver products to customers in a timely manner, maintain the cost-efficiency of operations, respond to customers' sales inquiries and process sales transactions by using various information systems and other similar information and communications systems offered and supported by third parties. Besides order and distribution chain management, HKFoods uses information systems in every stage of the production chain from planning to distribution and uses the systems in question as a communication channel with employees, foreign subsidiaries, contract suppliers, customers and other stakeholders. In addition, HKFoods utilises information systems in financial administration, debt collection, customer service and forecasting results and cash flows.

HKFoods' management models for data privacy and information security are comprehensive and guided by HKFoods' policies and management models. The models define operational and monitoring practices, including roles and

responsibilities, for each function. HKFoods' also takes data privacy and information security requirements into account when using external IT services.

HKFoods' Board of Directors and Executive Team review HKFoods' data privacy and information security report once a year. HKFoods continuously trains its personnel on data privacy and information security issues. Data privacy and information training is part of the induction of all white-collar employees. HKFoods regularly organises mandatory update training for white-collar employees and thematic training for different functions. HKFoods also offers its personnel monthly training sessions on a variety of topics to raise awareness of information security issues.

HKFoods analyses data privacy and information security risks annually as part of the company's risk management process. HKFoods' key information systems are audited by external specialists as part of the annual audit. In addition, HKFoods carries its various external audits in accordance with HKFoods' risk management action plan.

Responsibility at HKFoods

A sustainable way of operating is the foundation of HKFoods' business. For HKFoods, responsibility means genuine action throughout the food chain and continuous improvement. HKFoods is working to meet the responsibility requirements of its stakeholders and society and at the same time develop its competitiveness by extending the responsibility work deeper within HKFoods' own operations and the most critical parts of HKFoods' food chain. Corporate responsibility is also a key premise in the development of new business models. The goal of new business models is to increase productivity, transparency and sustainability. HKFoods wants to meet consumer and customer needs with healthy, high-quality, responsibly produced products that taste good. It is important to HKFoods that consumers can enjoy HKFoods' products with a good conscience.

In January 2024, HKFoods updated the climate emissions calculation and climate target of its responsibility programme and its revised climate target is to achieve net zero for all greenhouse gas emissions by year 2050. The Issuer's new climate target supports its journey towards the international framework and the Paris Climate Agreement target. This journey will be verified through the Science Based Target Initiative definitions and the evaluation process of emission reduction targets set by the Issuer.

HKFoods develops corporate responsibility throughout its entire food chain. HKFoods' corporate responsibility is divided into two main themes – nature and people. The nature theme has three key priorities: new climate target, sustainable packaging and biodiversity. Similarly, the people theme has its key priorities being: safety first and better together. In addition to the main themes, HKFoods has other key responsibility themes such as animal welfare as well as healthy and safe food. HKFoods has set targets for each priority areas and the progress is monitored and reported regularly. HKFoods engages in active and transparent collaboration with its stakeholders in HKFoods' corporate responsibility work.

Nature

Climate target

At the beginning of 2024, HKFoods updated its climate emissions calculation, climate target and timeline to better align with international climate work guidelines, calculation guidance and reporting standards. HKFoods' revised climate target is to achieve net zero for all greenhouse gas emissions by year 2050. The Issuer's previous climate target was a carbon-neutral food chain from farms to consumers by 2040. HKFoods primary way to reach net zero is to significantly reduce overall greenhouse gas emissions. To achieve this goal, greenhouse gas cuts must be complemented by durable carbon removals, either through nature or technological solutions.

According to the management of the Issuer, it is essential to take into account emissions from land use and its change and from the entire food chain. HKFoods has carried out long-term and determined research on climate work throughout the food chain and is now moving towards net zero climate emissions in cooperation with its contract farmers and other partners. Together with around 50 of the Issuer's pilot farms, HKFoods is currently conducting studies on best practices to reduce the climate impact of meat production in Finland.

Under HKFoods' near-term targets, the Issuer is committed to reduce absolute scope 1 and 2 greenhouse gas emissions from industrial operations and energy by 42 per cent by 2030 from the base year 2022. Similarly, HKFoods is committed to reduce emissions in specific scope 3 categories by 42 per cent within the same timeframe. The target also includes the emissions related to bioenergy feedstocks. In addition, HKFoods aims to reduce land-based absolute scope 3 forest, land

and agriculture greenhouse gas emissions by 30.3 per cent by 2030 from the base year 2022. The Issuer is also committed to no deforestation across its primary deforestation-linked commodities.¹¹

Responsible packaging

In the development of responsible packaging, HKFoods focus is on recyclability and the use of renewable materials. In 2023, HKFoods promoted the recyclability of packaging and development work to increase renewable packaging materials. HKFoods also continued to optimise packaging material use and thinning of plastic materials. During the year 2023, all HKFoods' business units tested several new materials, such as mono-plastic materials. In addition, HKFoods built technical capability to introduce a range of new packaging solutions and materials in its production units. Moreover, HKFoods continued to work closely with the packaging industry enabling both the development of materials and their recyclability. As at 31 December 2023, with respect to the Finnish and Danish business operations, 77 per cent of the packaging was recyclable and 58 per cent of the packages were made of renewable or recycled materials. The Issuer believes that efficient technology enabling the sorting and recycling of materials is a prerequisite for the profitability of the circular economy and the reuse of recycled materials. Recycled materials are currently only suitable for food packaging to a limited extent, as the hygiene and food suitability of recycled materials cannot be guaranteed.

HKFoods' goal is that by 2030 at the latest, all packaging will be recyclable and 80 per cent of packaging materials will be renewable or recycled.

Biodiversity

HKFoods is committed to promote biodiversity on farms and in its own production as well as through responsible procurement practices. For example, in 2023, HKFoods investigated the current status of its environmental impacts by participating in a study by the Food and Drink Industries' Federation (ETL), which identified the main environmental impacts of the food industry and looked for ways to reduce them. The aim of the work was to identify the direct and indirect impacts of the food industry value chain on nature and the business risks they pose. In addition, opportunities to halt the loss of nature were identified and concrete ways forward were considered.

Moreover, in order to gain more concrete insights and to learn how to set indicators for nature impacts, HKFoods applied for the UN Global training programme. HKFoods was selected to participate in the UN Global Compact Network Finland's Science Based Targets for Nature training programme, which started in autumn 2023, where HKFoods' nature work was further developed in line with the guidelines of this international programme. During the training programme, HKFoods has conducted a case study to identify the local nature pressures caused by one of the Issuer's own factories and one of its supply chains and plan measures to reduce them. Through this concrete exercise, HKFoods has learned how to assess local nature impacts and set targets and indicators for these impacts in the context of an international framework.

In HKFoods' own production, HKFoods focuses on reducing its environmental impact. For example, effective water use and careful waste water treatment support biodiversity in the environment around HKFoods' production units. In addition, the Issuer's responsible procurement policies reduce the impact of the production of the risk raw materials we use on biodiversity loss. Soy and palm oil were identified as such risk raw materials. HKFoods uses soy in its own production, certified as well as by supporting the production of responsible soy. HKFoods verifies the responsibility of soy used in feed for poultry and pigs through certificates provided by feed manufacturers. Soy is not used in feed for cattle. HKFoods uses only small amounts of palm oil as a certified ingredient.

People

Safety at work

HKFoods' key target is to be a safe workplace for its employees and for the partners working in its units. HKFoods works in a goal-oriented way towards zero accidents at work and promote its safety culture with the Safety First principle. The Issuer believes that safety observations are important in promoting proactive safety at work. Therefore, HKFoods' target is that every employee makes two safety observations per year.

HKFoods has Blue Rules for avoiding life-threatening accidents. The Blue Rules consists of six themes with concrete guidelines. The themes are as follows: Personal Protective Equipment, Machine Safety, LockOut/TagOut (LOTO), Handling of Hazardous Substances and Materials, Working at Heights and Traffic Safety. By the end of 2023, 92 per cent of HKFoods' employees had completed the Blue Rules online training on safe working.

¹¹ With respect to continuing operations industrial scope 1 and 2 emissions have been reduced by 22 per cent and FLAG scope 3 by 0.1 percent.

In the long term, HKFoods' safety work has produced good results, which has been reflected in a reduction in lost-time accidents¹². For example, Forssa unit's maintenance reached a significant safety milestone in spring 2023 as the unit has been two years without any lost-time accidents. Over the last few years, the development of work safety culture has levelled off. HKFoods will continue its efforts to reduce accidents and improve overall safety at work.

Wellbeing at work

HKFoods believes that the strategy is implemented by people who are doing well at work. Therefore, HKFoods group-wide programme Better Together aims at employee engagement, promotion of wellbeing at work and psychological safety. In 2023, the programme themes were Nutrition and Physical Activity, Mental Health at Work, Sleep and Recovery, and Prevention of Musculoskeletal Disorders. HKFoods promoted these themes through HKFoods group-wide guidelines and materials and through local measures, such as discussion sessions, webinars and theme days.

HKFoods continuously seeks to develop the skills of its employees to meet changing business needs. HKFoods has drawn up a personal development plan for each of its employees and set targets in appraisal discussions. In addition, HKFoods makes training plans at business and production unit levels, for example on safety at work.

HKFoods has also a whistleblowing channel which is available to all employees and external parties working at HKFoods.

Healthy and safe food

Healthy and safe food is one of the focus areas of HKFoods' corporate responsibility programme. Food safety is a prerequisite for HKFoods' production, ensuring the functionality of the local food chain. Food safety policies ensure that products are safe and of high quality. The implementation of product safety and quality is guided by the Food Safety and Quality policy and all of HKFoods' production plants are certified in accordance with the Global Food Safety Initiative standards (FSSC 22000, IFS or BRC).

HKFoods' long-term work to develop the healthiness of the products is based on nutritional guidelines. According to the view of the management, meat and meat products are part of a diverse and balanced diet as meat is a natural source of good nutrients. For HKFoods, sustainable food also means that the food is safe and that all the raw materials for HKFoods' products have been produced responsibly and in an ethically sustainable way. HKFoods aims to ensure product safety through systematic work from procurement to customers with strict food safety standards. Reliable product labelling as well as traceability of the products has significant importance in serving safe products. HKFoods aims to minimise the risks related to product safety so that the quality and safety of its products is always first class and no recalls need to be made.

Animal welfare

Animal welfare is one of the focus areas of HKFoods' corporate responsibility programme. HKFoods is committed to the continuous promotion of animal welfare in co-operation with its contract farmers. In Finland, HKFoods has transferred its primary production advisory and development activities to InnoAgro Oy. Together with InnoAgro's network, HKFoods' specialists have a better chance to develop and deepen their expertise. Centralised advice, development and training services help farms to develop sustainable and responsible animal production, taking into account the latest research and the impact of legislation. In Finland, HKFoods also offers advisory and veterinary health services to its contract farmers of poultry production through InnoAgro. HKFoods' aim is to create a better and more diverse set of services to support farmers.

With a network of partners, HKFoods can carry its more systematic farm surveys and projects. HKFoods is testing and exploring future operating models and new opportunities for developing the whole production chain. In addition to animal welfare, the development work takes into account the environmental impact of production, future building design and biosecurity needs.

All the Finnish pig farms in HKFoods' contract production are part of the national pig farm health classification register Sikava and nearly all cattle farms are part of the bovine health monitoring system Naseva. Both the health organisations are ISO 9001 certified. The certificates are issued by Kiwa Inspecta. In Finland, the systems are maintained and developed by the Animal Health ETT, a nationally and internationally active association. The assessment of pig welfare in Sikava is based on the fundamental principles of the scientific Welfare Quality® system. The farms covered by the health systems work systematically and on a long-term basis to promote animal health and welfare and food safety. The systems record information such as health visits and plans made by the farms' veterinarians. Through the system, partners are able to monitor contract farm information.

¹² A lost-time accident is a work-related incident that prevents an employee from working the day following the accident.

HKFoods' production chain is focused on the management of infectious animal diseases. To maintain animal health and reduce the risk of infectious animal diseases, HKFoods has assessed the level of biosecurity at all stages of its production chain. Public health veterinarians regularly visit HKFoods' contract farms as part of the health programme and are committed to helping the farmer to develop responsible production and animal welfare.

HKFoods' contract production does not allow the preventive use of antibiotics for production animals. Any need for antibiotic treatment is considered on a case-by-case basis. In HKFoods' contract farming, animals are not treated with antibiotics critical to human medicine or with hormones to promote growth.

HKFoods Group legal structure and significant subsidiaries

HKFoods is the parent company of HKFoods Group. HKFoods has multiple operative subsidiaries, of which it is dependent on. HKFoods' most important operative subsidiaries are HKScan Finland Oy, Kivikylän kotipalvaamo Oy and Lihatukku Harri Tamminen Oy.

The following tables set forth the most significant subsidiaries and associated companies of the Issuer as at 31 March 2024:

<u>HKFoods' subsidiaries</u>	<u>Ownership, %</u>	<u>Votes, %</u>	<u>Domicile</u>
Owned by the HKFoods Group's parent company			
HKScan Finland Oy.....	100.00	100.00	Finland
HKScan Denmark A/S ⁽²⁾	100.00	100.00	Denmark
Owned by HKScan Finland Oy			
Kivikylän Kotipalvaamo Oy.....	49.00 ⁽¹⁾	49.00 ⁽¹⁾	Finland
Lihatukku Harri Tamminen Oy	49.00 ⁽¹⁾	49.00 ⁽¹⁾	Finland
Paimion Teurastamo Oy	100.00	100.00	Finland
Boltsi Oy.....	48.00 ⁽¹⁾	48.98 ⁽¹⁾	Finland
Jokisen Eväät Oy	97.00	97.00	Finland
Kasviskonttori Oy ⁽³⁾	80.00	80.00	Finland

⁽¹⁾ Control is based on a shareholders' agreement/board resolution.

⁽²⁾ HKScan Denmark A/S is a subsidiary company of HKFoods until the completion of the sale of the Danish business, which is expected to take place during 2024.

⁽³⁾ Kasviskonttori Oy will be dissolved by the end of 2024 through voluntary liquidation.

<u>Shares and holdings in associated companies and joint ventures</u>	<u>Ownership, %</u>	<u>Votes, %</u>	<u>Domicile</u>
Owned by HKScan Finland Oy			
Länsi-Kalkkuna Oy ⁽¹⁾	50.00	50.00	Finland
Pakastamo Oy	50.00	50.00	Finland
Honkajoki Oy ⁽¹⁾	50.00	50.00	Finland
Finnpig Oy.....	50.00	50.00	Finland
Oy LHP Bio-Carbon LTD.....	24.24	24.24	Finland
DanHatch Finland Oy.....	10.00	10.00	Finland
Mäkitalon Maistuvat Oy.....	24.90	24.90	Finland
Owned by HKScan Denmark A/S⁽²⁾			
Farmfood A/S.....	33.30	33.30	Denmark

⁽¹⁾ Joint venture.

⁽²⁾ HKScan Denmark A/S is a subsidiary company of HKFoods until the completion of the sale of the Danish business, which is expected to take place during 2024.

Employees

During the three months ended 31 March 2024, HKFoods' continuing operations had on average 2,834 employees. There has been no material change to the number of employees between 31 March 2024 and the date of this Listing Prospectus.

Material investments

Investments in HKFoods' continuing operations amounted to EUR 6.2 million for the three months ended 31 March 2024 (EUR 4.2 million for the three months ended 31 March 2023).

Over the past few years HKFoods has carried out significant investments and measures to improve production efficiency and profitability as well as save costs. The investments made in commercial activities during 2023 have also paid off. The Forssa unit's investment to improve the competitiveness and cost-efficiency of production progressed as planned, proceeding to the implementation phase during the first three months in 2024.

In January 2024, HKFoods announced that it was planning to optimise the efficiency of its production operations by centralising the poultry packing operations in the Eura unit to the Issuer's Rauma and Forssa production units. The related restructuring negotiations, which ended in February 2024, involved 19 people in Eura, for whom HKFoods was able to offer work within the Issuer. With this efficiency improvement, HKFoods is targeting annual cost savings of approximately EUR 1 million as of the third quarter of 2024. Following the abovementioned restructuring, in March 2024, HKFoods decided to implement a strategic investment of approximately EUR 8.0 million in its Eura unit for the production of ready-to-eat meals. With this strategic investment, HKFoods aims to improve its profitability by increasing the products' added value and by improving operational efficiency, as well as responding to the growing consumer demand for quick and effortless food preparation as anticipated by HKFoods' management based on sales data. The new products are aimed to be launched during the first quarter of 2025. HKFoods will also invest over EUR 5 million in meat packaging, reorganisation of operations, staff adjustments and renewal of operating methods.

In April 2023, HKFoods decided to implement a development investment of approximately EUR 4.6 million in the Rauma unit's poultry cutting department to improve the profitability and competitiveness of the unit. With the investment and related development measures, HKFoods aims to achieve total annual savings of around EUR 3 million in Finland, which are expected to be realised after the completion of the investment in the second half of 2024 at the latest.

The Polish production unit continued to invest in improving the capacity and efficiency of the bacon production and increasing the added value. In addition, the property development project continued. HKFoods also implemented several other investments to improve operational efficiency as part of its ongoing investment plan in Finland.

For information on the risks related to HKFoods' investments, see "*Risk factors – Risks related to HKFoods' business operations – The Issuer's business is capital intensive and requires continuous investments in its facilities*".

Between 31 March 2024 and the date of this Listing Prospectus, HKFoods has not made any material investments or made any resolutions on material investments.

Description of current financing of the HKFoods Group¹³

As at 31 March 2024, HKFoods' balance sheet total was EUR 598.0 million (EUR 988.3 million on 31 March 2023). The HKFoods Group's interest-bearing debt as at 31 March 2024 was EUR 231.1 million (EUR 406.1 million in on 31 March 2023) including IFRS 16 lease liability EUR 93.2 million (EUR 106.5 on 31 March 2023). The Issuer's net debt decreased from 31 March 2023 by EUR 164.7 and 31 December 2023 by EUR 79.9 million to EUR 208.0 million (EUR 372.7 million on 31 March 2023). The net gearing ratio was 93.8 per cent on 31 March 2024 (139.6 per cent on 31 March 2023). The impact of IFRS 16 lease liability on net gearing ratio was approximately 42.0 percentage points.

During the three months ended 31 March 2024, cash flow from operating activities was EUR 1.8 million (EUR -5.7 million in 2023). Cash flow after investments was EUR 73.9 million (EUR -12.8 million in 2023).

As at 31 March 2024, HKFoods had on its balance sheet a hybrid bond issued in 2018 amounting to EUR 25.9 million. The hybrid bond does not have a specified maturity date, and the hybrid bond is treated as equity. The coupon of the hybrid bond was 8.00 per cent per annum until the first possible redemption date. HKFoods was entitled to redeem the hybrid bond for the first time on the fifth anniversary of the issue date, and subsequently, on each annual coupon interest payment date. HKFoods did not use the first redemption option and as a result the coupon increased to 16 per cent as of 19 September 2023. As the hybrid bond is treated as equity, it is not included in the interest-bearing debt or interest-bearing net debt figures of the Issuer.

EUR 5.4 million of non-current bank loans (EUR 173.6 million in 2023) and EUR 33.2 million of current bank loans (EUR 3.6 million in 2023) of which non-current and current bank loans approximately EUR 9.0 million were export credit agency backed loans and EUR 1.1 million of current pension loans (EUR 3.2 million in 2023). In addition, HKFoods had other undrawn overdraft and other facilities of EUR 12.0 million (EUR 14.2 million in 2023). In December 2023, the Issuer agreed to extend the maturity of the EUR 75.0 million credit facility, EUR 10.0 million additional credit facility and EUR 36.0 million bank loan to January 2025. The sale of the Issuer's Danish, Swedish and Baltic businesses have contributed to the decreased level of HKFoods' interest-bearing net debt. HKFoods' interest-bearing net debt has decreased from EUR 287.9 million on 31 December 2023 to EUR 208.0 million on 31 March 2024.

¹³ The figures are based on HKFoods' unaudited interim report for the three months ended 31 March 2024 and include only the continuing operations.

HKFoods also has a EUR 200 million short-term commercial paper programme which, as at 31 March 2024, has been drawn to the amount of EUR 6.5 million (EUR 20.0 million as at 31 March 2023). Committed credit facilities at the end of March 2024 stood at EUR 55.0 (145.0 at the end of March 2023) million and had been drawn to the amount of EUR 0.0 (125 at the end of March 2023) million. In January-March, net financial expenses from continuing operations were EUR -5.0 (-6.7 in January-March 2023) million.

As at 31 March 2024, HKFoods had a total of EUR 29.6 million of debts secured by pledges or mortgages that were all loans from financial institutions, EUR 33.3 million of pledges given on own behalf and EUR 6.3 million of guarantees and other commitments given on behalf of others.

As regards the maturity profile of HKFoods' indebtedness, as at 31 March 2024, HKFoods had EUR 11.1 million of interest-bearing debt liabilities maturing in 2024, EUR 123.0 million maturing in 2025, EUR 1.8 million maturing in 2026, and EUR 1.9 million maturing in 2027 and later.

HKFoods' loan agreements and senior unsecured notes, respectively, are subject to financial covenants. HKFoods' covenants for bank loans and revolving credit facilities are the net gearing ratio, the ratio of net debt to EBITDA and the liquidity covenant. HKFoods' covenant for senior unsecured notes is the net gearing ratio. The EBITDA includes the share of profits from associates and joint ventures. According to the loan terms, the net gearing ratio limit is 125 per cent for the bank loans and 130 per cent for the senior unsecured notes maturing in March 2025. At the end of March 2024, the company's net gearing ratio was 93.8 per cent. The covenant limit for net debt to EBITDA ratio is 4.5. At the end of March 2024, the net debt to EBITDA ratio was 2.5. The minimum limit for the liquidity covenant is EUR 15.0 million. At the end of March 2024, the liquidity was EUR 29.5 million.

On 31 May 2024, the Issuer announced an invitation to the holders of its existing EUR 90.0 million 5.000 per cent fixed-rate notes due 24 March 2025 (ISIN: FI4000490990), the outstanding value of which was EUR 90.0 million (the "**Existing Notes**") to tender their Existing Notes for purchase by the Issuer for cash (the "**Tender Offer**"). The Tender Offer was made on the terms and subject to conditions contained in the Tender Offer and Consent Solicitation memorandum dated 31 May 2024. On 10 June 2024, the Issuer announced that it will complete a purchase of a total nominal value of EUR 80,440,000 of the Existing Notes validly tendered in the Tender Offer. The settlement date for the Tender Offer is 17 June 2024, after which the total outstanding nominal amount of the Existing Notes will be EUR 9,560,000. Concurrently with the Tender Offer, the Issuer has solicited consents, subject to the offer and distribution restrictions set out in the Tender Offer and Consent Solicitation Memorandum, from all noteholders of the Existing Notes to remove the negative pledge undertaking under Clause 9 (*Negative Pledge*) of the terms and conditions of the Existing Notes (the "**Consent Solicitation**") in order to enable the establishment of the contemplated security arrangements in relation to the Notes and related secured financing arrangements as set out in the notice procedure in writing and tender offer. The Issuer received a sufficient number of replies through Consent Solicitation in order to constitute a quorum, and more than 50 per cent of the votes cast voted in favour of the proposed removal of the negative pledge undertaking.

Legal and arbitration proceedings

The Danish tax authorities conducted an audit of energy taxes in HKScan Denmark A/S, which is a subsidiary of HKFoods.¹⁴ At the end of 2020, the Danish tax authorities issued their decision, according to which the company has been obliged to repay past refunds of energy taxes amounting to 24.7 million Danish krone (approximately EUR 3.3 million) in the pending matter. Further, it cannot be excluded that in addition to the currently pending matter, the company could separately be imposed penal sanctions as a result of the tax audit. HKScan Denmark A/S has submitted an appeal concerning the decision. HKFoods recorded the expense in 2020 and paid the amount to the authorities in 2021.

Other than those stated above, as at the date of this Listing Prospectus, there are no governmental, legal, arbitration or administrative proceedings against or affecting HKFoods or any of its subsidiaries (and no such proceedings are pending or threatened of which HKFoods is aware) during a period covering at least the previous 12 months which have or may have had in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of HKFoods or of HKFoods and its subsidiaries taken as a whole.

¹⁴ HKScan Denmark A/S is a subsidiary company of HKFoods until the completion of the sale of the Danish business, which is expected to take place during 2024.

TREND AND MARKET INFORMATION

General

HKFoods' main market is Finland. However, HKFoods operates on a global market and has customers around the world from the US to New Zealand. Consumers in nearly 30 countries enjoy products made from HKFoods' raw materials everywhere from homes and schools to workplace cafeterias and restaurants. Asia represents a notable growing market opportunity for HKFoods and, as at the date of this Listing Prospectus, the Issuer exports poultry meat to South Korea, pork to China and beef to Japan, in addition to which export of poultry meat to China is expected to start during the first half of 2024.

Market growth, drivers and trends

The following description on market growth, drivers and trends is based on the Issuer's internal sales data, market data as well as the view of the Issuer's management, unless otherwise stated.

HKFoods' business and operating environment are affected by global megatrends. For example, consumer trends and economic cycles have a direct and indirect impact both on HKFoods' business and that of its customers. HKFoods works in close cooperation with its customers, suppliers and other stakeholders, such as research institutes, to anticipate emerging consumer trends as well as sector trends related to the businesses of the Issuer's customers in retail, the food industry and food services.

Changes in the operating environment and high cost inflation have been reflected in people's shopping behaviour recently. Consumers increasingly value locality and domesticity. Within product groups, consumers are shifting to more affordable options, taking advantage of promotions and favouring poultry meat over pork and beef. For example, in Finland poultry consumption overtook pork consumption during 2023.¹⁵

Food has become an increasingly important part of people's daily lives and consumer identity. It is a widely discussed topic both in the media and social media. The links between good health and nutrition have recently been widely covered in the media. Consumers are also taking a growing interest in the environmental impacts of meat production. Eating habits have changed in recent years, with more and more people only having one hot meal a day. Snacking is replacing main meals and eating out has become more common. In the view of HKFoods' management, the following examples of consumer trends directly impact both HKFoods and the entire food industry:

- The changing concept of meal – snacking is on the rise
- Food is part of our identity
- The wellness tracking boom
- Corporate responsibility is the new normal
- Packaging must provide protection, communication and sustainability

In the view of HKFoods' management, environmental and health aspects are increasingly driving consumption habits and food-related choices. Rising food prices, the desire to avoid food waste and environmentally friendly packaging are increasingly influencing purchasing decisions. Therefore, food is bought with thought. In addition, consumers care not only about locality, but also about where and how food is produced, and new food concepts are launched more frequently.

In the view of HKFoods' management ready-to-eat meals and home cooking are on the rise – people appreciate easy cooking and time saving options. The search for convenience has led to an increase in food home deliveries and new, fast and flexible sales channels are part of consumer's shopping habits. In addition, the on-the-go trend is strengthening and food is enjoyed wherever people are. Strong growth of the food service market continues and casual café and bistro style concepts are challenging the classics. After the covid-19 pandemic, the increased remote work has been challenging the role of workplace restaurants.

International competition and digitalisation are posing challenges for traditional, domestic retail chains. Price competition is growing fiercer. Private-label brands have seized a growing market share and strengthened their foothold also in the fresh meat segment. While the proliferation of digital services is posing a threat to the future of traditional brick-and-mortar establishments, online platforms also present a number of exciting opportunities. Digital platforms offer retailers a new channel for reaching out, serving and interacting with consumers. They provide a real-time environment for faster, more open communication on topics such as food quality, health, origin and traceability and corporate responsibility.

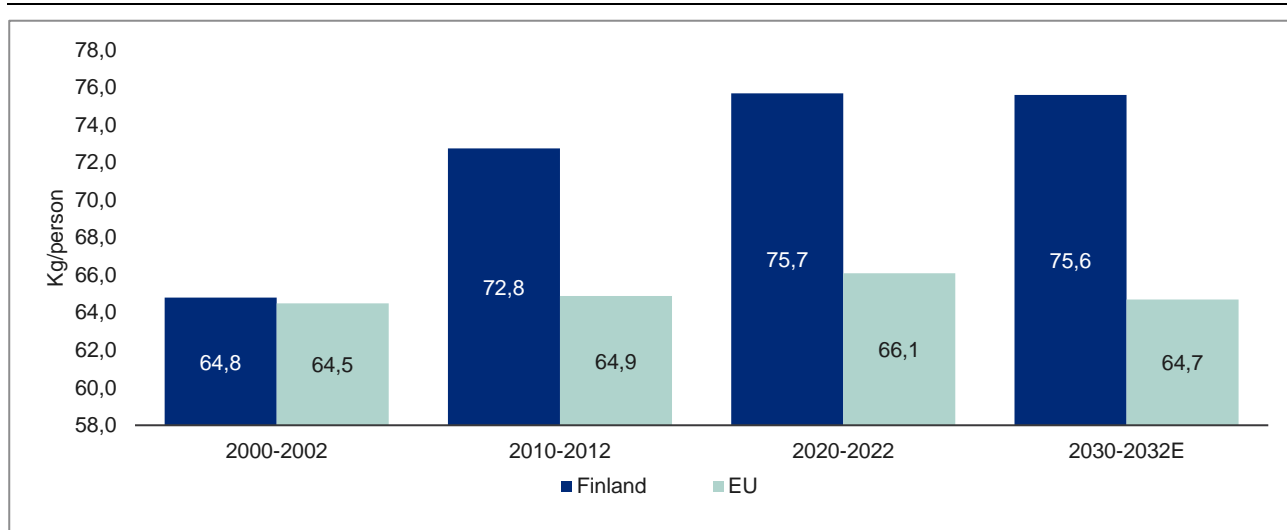
¹⁵ Source: Kantar Agri Oy

The food industry needs to find new ways of getting closer to its key customers, fostering innovation, increasing the visibility of its brands and promoting growth alongside private-label brands. One of the key assets offered by traditional retailers is the high quality and broad selection of fresh foods included in their offering.

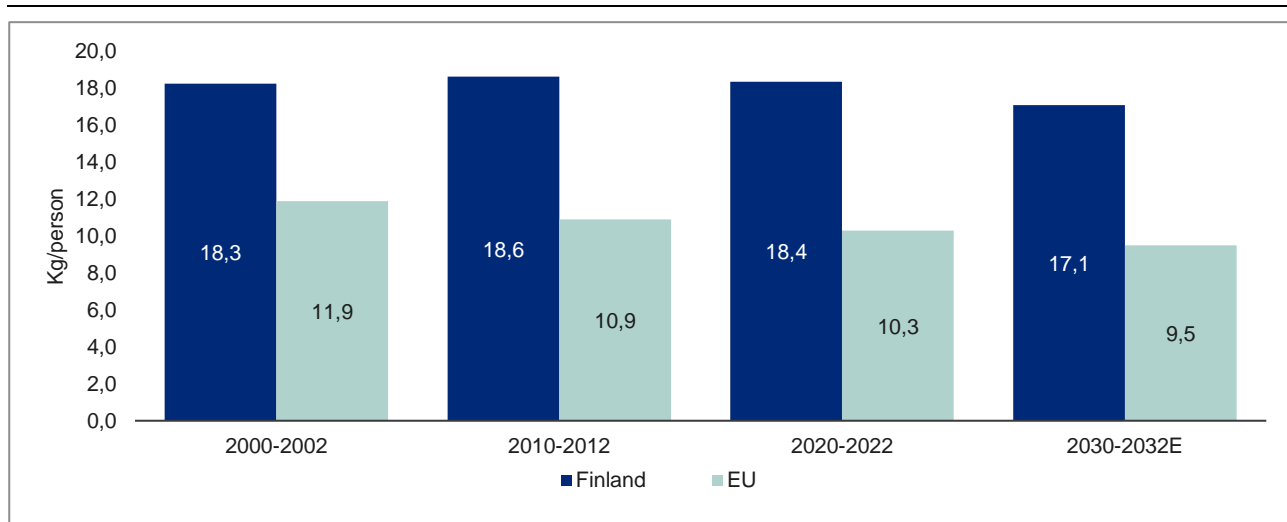
In the view of HKFoods' management, ready-to-eat meals are gaining popularity in the HoReCa segment. Sous vide and other slow-cooked products are also in high demand. Recent trends in the food services sector largely conform to those in the retail segment: on-the-go meals are on the rise and locally-grown meat that is traceable from farm to fork is likewise gaining popularity.

Meat consumption is expected to stay relatively stable. Meat consumption is continuing to rise globally, and in Europe, meat consumption is growing by a few per cent per year, owing mostly to growth in poultry consumption. Demand for poultry is expected to increase and partially offset an expected reduction in pork and beef.¹⁶ HKFoods exports to the steadily growing Chinese market, which is one of the largest in the world for pork. Meat consumption in Finland has varied but remained over EU average. The graphs below present the consumption of meat in Finland and EU in total and per meat category per person from 2000 to 2022 and forecasts from 2030 to 2032.¹⁷

Meat total, long-term consumption and forecast



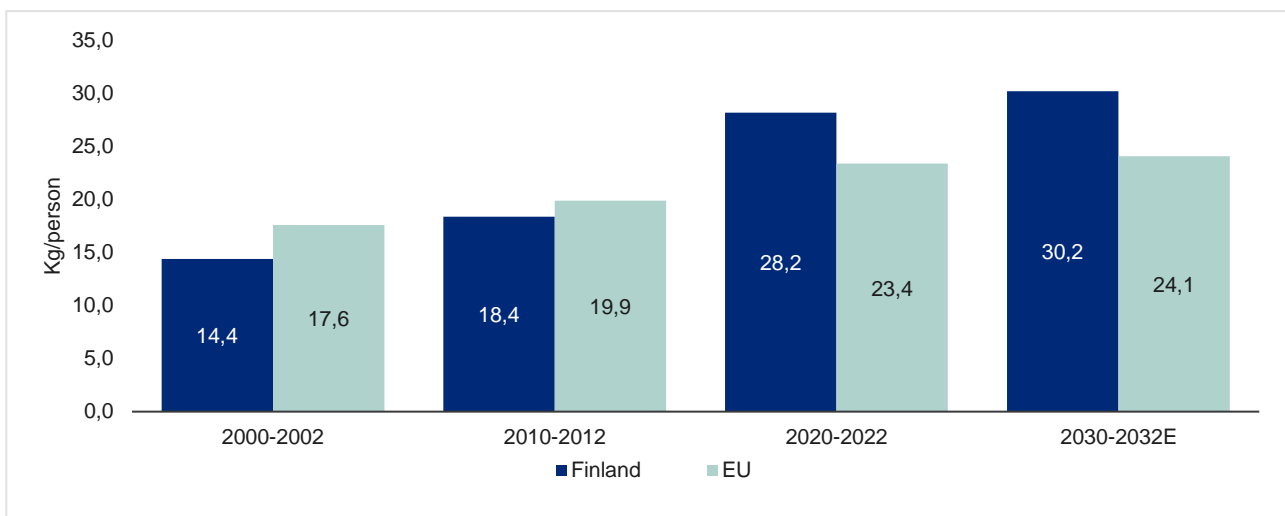
Beef, long-term consumption and forecast



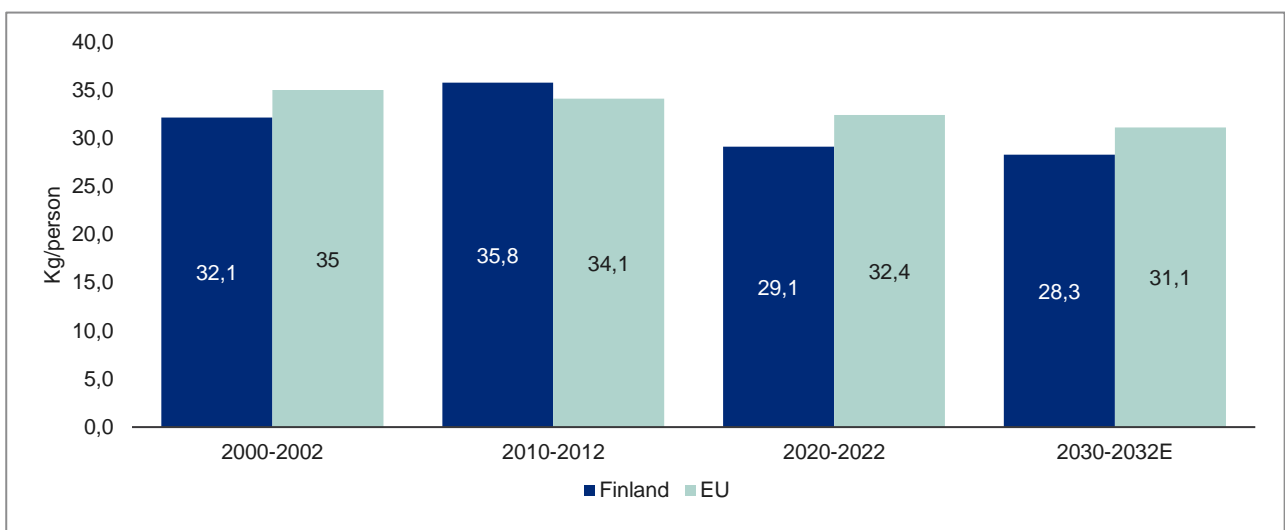
¹⁶ Source: EU Agricultural Outlook - Prospects for Agricultural markets and income in the EU 2022–2032, management estimates.

¹⁷ Source: EU Agricultural Outlook - Prospects for Agricultural markets and income in the EU 2022–2032, management estimates.

Poultry, long-term consumption and forecast



Fig, long-term consumption and forecast



Competitive landscape

According to the view of HKFoods' management, depending on the product category, HKFoods holds either a leading market position or the second largest market share in red meat, poultry, meat products and its subcategories. The Issuer's management's assessment of its market position is based on an examination of the following criteria and their overall picture: (a) the turnover of the company; (b) volumes delivered to reseller channels; (c) purchases from the primary production of the business; and (d) the market share of the company in each of its commensurate product groups.

According to the view of the management, HKFoods' key competitors are currently Atria Plc, Oy Snellman Ab, Saarioinen Oy and Scandi Standard AB (publ.).

In the view of HKFoods' management, the structure of the consumer goods retail sector is constantly changing. Globally operating retail chains are seeking new markets and competition between chains is intensifying. The entry of foreign low-price chains into the market in Finland has increased price competition and resulted in local companies establishing hard discount retail schemes. The combination of a concentrated trade environment and market consolidation has reduced the number of brands sold by retailers. The position of globally-known food brands has strengthened and the supply of private-label products, i.e. the retailers' own products, typically at lower price points, has increased.

For a food industry company, the structural changes in retail trade may mean increased buying power for retailers and lead to pressure on the production of private-label products, as well as lead to pressure on the pricing of HKFoods' own brands. In the future, the food industry in Finland as well as in HKFoods' other operating areas may need to compete for

deliveries not only with domestic operators but also increasingly with international companies and companies operating in lower-cost countries.

FINANCIAL AND OTHER INFORMATION

Historical financial information

HKFoods prepares its consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS") and the Issuer's unaudited interim financial reports have been prepared in accordance with IAS 34 - Interim Financial Reporting standard. HKFoods' audited financial statements for financial years ended 31 December 2023 and 31 December 2022 as well as HKFoods' unaudited interim report as at and for the three months ended 31 March 2024, including unaudited comparative figures as at and for the three months ended 31 March 2024, have been incorporated to this Listing Prospectus by reference.

Auditors

Under the Issuer's Articles of Association, the annual general meeting of shareholders elects the Issuer's auditor. The auditor must be an authorised public accountant or an audit firm authorised by the Finnish Patent and Registration Office with an authorised public accountant in charge. The term of the auditor expires at the closing of the annual general meeting of shareholders following the election. The annual general meeting of shareholders decides on the remuneration of the auditor.

The Issuer's financial statements for the financial years ended on 31 December 2023 and 31 December 2022 have been audited by Authorised Public Accountants Ernst & Young Oy, Authorised Public Accountant Maria Onniskä as the auditor in charge. Ernst & Young Oy and Maria Onniskä are registered in the auditor register maintained by the Finnish Patent and Registration Office in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

Alternative performance measures

This Listing Prospectus includes certain performance measures of the Issuer's historical financial performance, financial position and cash flows, which, in accordance with the "Alternative Performance Measures" guidelines issued by the European Securities and Markets Authority ("ESMA") are not accounting measures defined or specified in IFRS and are therefore considered alternative performance measures.

HKFoods presents alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. HKFoods reports alternative performance measures to show the business performance and to enhance comparability between reporting periods.

Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform manner and, therefore, the alternative performance measures presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies. Furthermore, these alternative performance measures are not meant to be predictive of potential future results. The alternative performance measures presented in this Listing Prospectus are unaudited unless otherwise stated. Accordingly, undue reliance should not be placed on the alternative performance measures presented in this Listing Prospectus.

Reconciliation of alternative key figures

The figures presented below as at and for the three months ended 31 March 2024 and 31 March 2023 as well as for the financial year ended 31 December 2023 have been derived from the Issuer's unaudited interim report for the three months ended 31 March 2024 unless otherwise stated. The figures for the financial years ended on 31 December 2022 and 31 December 2021 are based on unaudited management figures.

Reconciliation of alternative key figures (continuing operations)	For the three months ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
(EUR million, unless otherwise indicated)	(unaudited)				
EBITDA					
Operating profit (EBIT)	1.2	-0.4	14.3	-7.0	1.4
Depreciations	7.7	7.7	31.3 ⁽²⁾	30.7	32.2
EBITDA	8.9	7.4	45.1	21.3	33.6
EBITDA of net sales, %					
EBITDA	8.9	7.4	45.1	21.3	33.6
Net sales	228.7	218.0	933.0	877.2	778.0
EBITDA of net sales, %	3.9%	3.4%	4.8%	2.4%	4.3%
Comparable EBITDA					
EBITDA	8.9	7.4	45.1	21.3	33.6
Items affecting comparability ⁽¹⁾	0.2	-1.9	-2.2 ⁽²⁾	2.0	-0.7
Comparable EBITDA	9.1	5.5	42.9	23.4	32.9
Comparable EBITDA of net sales, %					
Comparable EBITDA.....	9.1	5.5	42.9	23.4	32.9
Net sales	228.7	218.0	933.0	877.2	778.0
Comparable EBITDA of net sales, %	4.0%	2.5%	4.6%	2.7%	4.2%
Operating profit (EBIT)					
Profit.....	-3.8	-6.5	-17.3	-20.6	-14.7
Financial items and taxes and share of profit/loss in associates	-4.9	-6.1	-31.6	-13.6	-31.1
Operating profit (EBIT)	1.2	-0.4	14.3	-7.0	1.4
Operating profit (EBIT) of net sales, %					
Operating profit (EBIT)	1.2	-0.4	14.3	-7.0	1.4
Net sales	228.7	218.0	933.0	877.2	778.0
Operating profit (EBIT) of net sales, %	0.5%	-0.2%	1.5%	-0.8%	-0.3%
Comparable operating profit (EBIT)					
Operating profit (EBIT)	1.2	-0.4	14.3	-7.0	1.4
Items affecting comparability ⁽¹⁾	0.2	-1.9	-2.7 ⁽²⁾	-0.3	-3.5
Comparable operating profit (EBIT)	1.4	-2.3	11.6	-7.3	-2.1
Comparable operating profit (EBIT) of net sales, %					
Comparable operating profit (EBIT)	1.4	-2.3	11.6	-7.3	-2.1
Net sales	228.7	218.0	933.0	877.2	778.0
Comparable operating profit (EBIT) of net sales, %	0.6%	-1.0%	1.2%	-0.8%	-0.3%

(1) Items affecting comparability means 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.

(2) Based on management figures.

Reconciliation of alternative key figures (including discontinued operations)	For the three months ended 31 March		For the year ended 31 December		
	2024	2023	2023	2022	2021
(EUR million, unless otherwise indicated)			(unaudited)		
Equity ratio, %					
Total equity	221.8	266.9	238.0	285.5	336.9
Balance sheet total - advances received.....	208.0	372.7	287.9	353.1	310.5
Equity ratio, %	37.1%	27.0%	28.8%	29.3%	33.9%
Net gearing, %					
Net interest-bearing liabilities including discontinued operations	208.0	372.7	287.9	353.1	310.5
Total equity	221.8	266.9	238.0	285.5	336.9
Net gearing, %	93.8%	139.6%	121.0%	123.7%	92.2%
Net debt to EBITDA ratio (leverage)					
Interest-bearing net debt including discontinued operations and including LSO Osuuskunta receivable	210.0	375.4 ⁽⁴⁾	291.9 ⁽⁴⁾	354.7	314.7
Last 12 months EBITDA including discontinued operations + share of profit/loss in associates and joint ventures including discontinued operations	81.6	59.9 ⁽⁴⁾	78.2 ⁽⁴⁾	57.1	81.0
Net debt to EBITDA ratio (leverage)	2.5x	6.2x⁽⁴⁾	3.7x⁽⁴⁾	6.2x	3.8x
Net debt to adjusted EBITDA ratio (leverage)					
Net debt for leverage.....	210.0 ⁽⁴⁾				
Last 12 months EBITDA.....	78.8 ⁽⁴⁾				
Excluding discontinued operations last 12 months EBITDA	32.2 ⁽⁴⁾				
Including Danish business last 12 months EBITDA	7.3 ⁽⁴⁾				
Adjusted EBITDA	53.9 ⁽⁴⁾				
Net debt to adjusted EBITDA ratio (leverage)⁽¹⁾	3.8x⁽⁴⁾				
Net debt for leverage calculations above					
Reported interest-bearing net debt	208.0	372.7	287.9	353.1	310.5
LSO Osuuskunta receivable	2.0	2.7	4.0	1.6	4.0
Net debt for leverage calculations above	210.0	375.4	291.9	354.7	314.5
Interest-bearing net debt					
Interest-bearing debt including discontinued operations	229.1	403.4	317.0	371.0	337.9
Cash and bank and interest-bearing receivables	21.1	30.8	29.0	17.9	27.4
Interest-bearing net debt⁽³⁾	208.0	372.7	287.9	353.1	310.5
Liquidity covenant					
Cash and cash equivalents	21.0		29.0 ⁽⁴⁾		
Undrawn revolving credit facility.....	15.0 ⁽⁴⁾		10.0 ⁽⁴⁾		
Aggregate outstanding commercial paper.....	-6.5		-3.5 ⁽⁴⁾		
Liquidity covenant⁽²⁾	29.5		35.5⁽⁴⁾		

(1) The figure is only relevant from the first quarter of 2024 after divestment of the Swedish business.

(2) Figures provided only for the three months ended 31 March 2024 and for the financial year 2023 as the liquidity covenant has been in force as of 1 July 2023.

(3) The hybrid bond (amounted to EUR 25.9 million on the Issuer's balance sheet as at 31 March 2024) not included in the figures.

(4) Based on management figures.

Definitions and calculation of key figures

Key figure	Definition or calculation
EBITDA	= Operating profit + depreciations
EBITDA of net sales, %	= $\frac{\text{EBITDA}}{\text{Net sales}} \times 100$
Comparable EBITDA	= EBITDA before items affecting comparability
Comparable EBITDA of net sales, %	= $\frac{\text{Comparable EBITDA}}{\text{Net sales}} \times 100$
Operating profit (EBIT)	= Profit before financial items and taxes
Operating profit (EBIT) of net sales, %	= $\frac{\text{Operating profit (EBIT)}}{\text{Net sales}} \times 100$
Comparable operating profit (EBIT)	= Operating profit – items affecting comparability
Comparable operating profit (EBIT) of net sales, %	= $\frac{\text{Operating profit – items affecting comparability}}{\text{Net sales}} \times 100$
Equity ratio, %	= $\frac{\text{Total equity}}{\text{Balance sheet total – advances received}} \times 100$
Net gearing, %	= $\frac{\text{Net interest-bearing liabilities including discontinued operations}}{\text{Total equity}} \times 100$
Net debt to EBITDA ratio (leverage)	= $\frac{\text{Interest-bearing net debt including discontinued operations and including LSO Osuuskunta receivable}}{\text{Last 12 months EBITDA including discontinued operations + share of profit/loss in associates and joint ventures including discontinued operations}}$
Net debt to adjusted EBITDA ratio (leverage)	= $\frac{\text{Net debt for leverage}}{\text{Adjusted EBITDA including last 12 months EBITDA + Danish business last 12 months EBITDA - discontinued operations last 12 months EBITDA}}$
Net debt for leverage calculations	= Reported interest-bearing net debt + LSO Osuuskunta receivable
Interest-bearing net debt	= Interest-bearing debt including discontinued operations – cash and bank and interest-bearing receivables including discontinued operations
Liquidity covenant	= Available cash including discontinued operations + unused stand-by loan – the face value of commercial papers issued

Purpose of use of key figures

Key figure	Purpose of use
EBITDA	A measure of HKFoods' profitability.
EBITDA of net sales, %	A measure of HKFoods' profitability.
Comparable EBITDA	A measure of HKFoods' profitability.
Comparable EBITDA of net sales, %	A measure of HKFoods' profitability.
Operating profit (EBIT)	A measure of HKFoods' financial performance.
Operating profit (EBIT) of net sales, %	A measure of HKFoods' financial performance.
Comparable operating profit (EBIT)	A measure of HKFoods' profitability.
Comparable operating profit (EBIT) of net sales, %	A measure of HKFoods' profitability.
Equity ratio, %	Indicates the amount of HKFoods' assets that have been financed with equity.
Net gearing, %	A measure to assess HKFoods' financial risk by evaluating its level of debt relative to its equity.
Net debt to EBITDA ratio (leverage)	Reflects the Issuer's ability to repay its debt with current profitability
Net debt to adjusted EBITDA ratio (leverage)	A measure used in the incurrence test set out in the Terms and Conditions (see Condition 11.4 (Incurrence Test))
Net debt for leverage calculations	Indicates the total amount of net debt of the Issuer
Interest-bearing net debt	Indicates the total amount of debt on which HKFoods' must pay interest less cash and bank and interest-bearing receivables.
Liquidity covenant	A measure used as a covenant for bank loans and revolving credit facilities indicating the Issuer's liquidity.

No significant changes or material adverse changes

Since 31 December 2023, the last day of the financial period in respect of which the most recent audited financial statements published by HKFoods on 15 March 2024 have been prepared, there has been no significant adverse change in the prospects or financial position of HKFoods. In addition, since 31 March 2024, the last day of the financial period in respect of which HKFoods' most recent interim financial information have been published, there has been no significant change in the financial performance or financial position of HKFoods, except for the signing an agreement to sell the shares of HKFoods' Danish subsidiary HKScan Denmark A/S to Plukon Food Group B.V. described in more detail in sections "*Business overview – General*" and "*Business overview – Business strategy*".

BOARD OF DIRECTORS AND GROUP EXECUTIVE TEAM

General

Pursuant to the provisions of the Companies Act, the control and management of the Issuer are divided between the general meeting and the board of directors. The ultimate decision-making authority lies with the shareholders at the annual general meeting, which appoints the members of the board of directors and the Issuer's auditor. The board of directors is responsible for the administration and the proper organisation of the operations of the Issuer. The duties and accountability of the board of directors are determined primarily under the Articles of Association and the Companies Act. The procedure and duties of the meetings of the board of directors are described in the charter adopted by the board of directors. The Chief Executive Officer (the "CEO") and a deputy CEO of the Issuer are appointed by the Issuer's board. In addition, the Group Executive Team assists the CEO in the operations of the Issuer.

Corporate governance

In addition to the applicable legislation governing the operations of public limited liability companies, the Issuer complies with the Finnish Corporate Governance Code (the "CG Code").

Furthermore, the Issuer complies with HKFoods Group's Code of Conduct as well as the Group's other policies. Furthermore, the Issuer complies with the rules and regulations of Nasdaq Helsinki.

Board of Directors

According to the Articles of Association of HKFoods, the Issuer has a board of directors comprising between five and eight (5–8) members. In addition, a maximum of three (3) deputy members may be elected to the board of directors. The board of directors elects a chair and deputy chair from among its members. Board members are elected annually by the annual general meeting based on a proposal put forward by the Shareholders' Nomination Board. The Articles of Association contain no provisions regarding any special order for board member appointments. The term of board members begins at the end of the general meeting at which they were elected and ends at the end of the general meeting first following their election.

The board members are proposed by the Shareholders' Nomination Board taking into account the diversity principles determined by the Issuer in accordance with Recommendation 9 of the CG Code. The Issuer has determined the following diversity principles:

- the board of directors should have a balanced gender composition;
- the board members should have a versatile professional and educational background that benefits the Issuer's business;
- the board members should have experience of international tasks; and
- the board members should represent a varied age range.

The board of directors conducts an annual evaluation of the independence of its members in accordance with the Recommendation 10 of the CG Code. A member of the board is required to submit to the Issuer the information necessary to conduct the evaluation of independence. A board member is also required to notify the Issuer of any changes in information relating to independence.

The table below sets out the members of the Issuer's board of directors as at the date of this Listing Prospectus.

<u>Name</u>	<u>Year born</u>	<u>Position</u>	<u>First elected to the Board of Directors</u>
Reijo Kiskola	1954	Chair	2018
Jari Mäkilä	1970	Deputy Chair	2018
Anne Koutonen	1962	Member	2019
Terhi Tuomi	1966	Member	2019
Ilkka Uusitalo	1968	Member	2024
Niclas Diesen	1980	Member	2024
Lauri Sipponen	1969	Member	2024
Sami Yski	1971	Member	2024

Reijo Kiskola has been the chair of the board of directors since 2018. In addition, Mr. Kiskola has previously served as acting CEO of HKFoods. Mr. Kiskola's most relevant simultaneous positions include serving as a member of the board of directors of HC Ässä Oy and as a member of the board of directors of Leivo's Bakery Ltd. Mr. Kiskola is a dairy engineer.

Jari Mäkilä has been a member of the board of directors since November 2018. Mr. Mäkilä's most important simultaneous positions include serving as a member of the supervisory board of LSO Osuuskunta and as a member of the Delegation

of Pellervo and as the chair of the Board of Mäkilän Tila Oy. Mr. Mäkilä has been a farmer entrepreneur (pork producer). Mr. Mäkilä is an agricultural technician.

Anne Koutonen has been a member of the board of directors since 2019. Ms. Leskelä's most important simultaneous positions include serving as a member of the board of directors and vice chair of the board of directors of Componenta Corporation, a member of the board of directors and a member of the Audit Committee of Kojamo Plc as well as chair of the Audit Committee of Kojamo Plc, a member of the board of directors and chair of the board of directors of Tammer Brands Oy and a member of the board of directors of Image Wear Oy. Ms. Leskelä holds a Master of Science degree in Business Administration.

Terhi Tuomi has been a member of the board of directors since 2019. Ms. Tuomi also serves as CFO of Boreal Plant Breeding Ltd and a member of the board of directors of LSO Osuuskunta. Ms. Tuomi holds a Master of Science degree in Economics.

Ilkka Uusitalo has been a member of the board of directors since 2024 and was a deputy member of the board of directors between 2019–2024. Mr. Uusitalo's most important simultaneous positions include serving as a member of the board of directors and chair of the board of directors of LSO Osuuskunta, a member of the Delegation, vice chair of the Delegation and chair of the Delegation of Coop Center Pellervo, a member of the Supervisory Board of Metsäliitto Cooperative, a member of the board of directors of Lounaismaan Osuuspankki (bank), Member of the City Council and vice chair of the City Council of the City of Salo as well as member of the chair of the board of City of Salo.

Niclas Diesen has been a member of the board of directors since 2024. Mr. Diesen's most important simultaneous positions include serving as the CEO and a member of the board of directors of K. Hartwall Invest Oy Ab, the chair of the board of directors of Augment Group Oy, the chair of the board of directors of MBH Breweries Oy, the chair of the board of directors of Zenito Oy, a member of the board of directors of Diamond Beverages Oy. Mr. Diesen holds a Master of Science degree in Economics.

Lauri Sipponen has been a member of the board of directors since 2024. Mr. Sipponen's most important simultaneous positions include serving as a member of the board of directors of Raisio Oyj, a member of the board of directors of Deutsch-Finnische Handelskammer, a member of the board of directors of Wulff-Yhtiöt Oyj and a member of the board of directors of CAP-Group Oy. Mr. Sipponen holds a Master of Science degree in Economics.

Sami Yski has been a member of the board of directors since 2024. Mr. Yski's most important simultaneous positions include serving as the chair of the board of directors of Sataservice Yhtymä, Satu Invest Oy, a member of the board of directors of Sata-Henkilöstö Oy and a member of the board of directors of Rakennusliike Mattila ja kumpp. Oy. Mr. Yski is a car technology engineer.

Committees of the board of directors

The board of directors may establish permanent committees to assist the board of directors in the preparation and performance of its duties and responsibilities and determine their sizes, compositions and tasks. As at the date of this Listing Prospectus, the board of directors is assisted by four committees which streamline the preparation and management of matters for the consideration of the board of directors. The board of directors selects the members and chairs of the committees from among its members.

The committees of the board of directors do not have independent decision-making authority in matters within the competence of the board of directors, but they assist the board of directors by preparing such matters. The committees of the board of directors shall regularly report on their work to the board of directors.

In addition to the committees of the board of directors, HKFoods also has a Shareholders' Nomination Board. The Nomination Board consists of at most four members, of which three represent the Issuer's largest shareholders who, on the last business day of May preceding the next annual general meeting, hold the largest number of votes calculated of all shares in the Issuer. In addition, the chair or the deputy chair of the board is a member of the Nomination Board. The Nomination Board elects a chair amongst its members.

Audit Committee

The board elects at least three members of the Audit Committee from among its members. At least one of the members must possess particular expertise in the fields of accounting, bookkeeping or auditing. The majority of the members of the Audit Committee shall be independent of the Issuer and at least one member shall be independent of significant shareholders. The CEO of the Issuer or other senior executives may not be elected to the Audit Committee. The Audit Committee assists the board by preparing matters within its remit for the consideration of the board and by submitting proposals or recommendations for board resolution.

The duties of the Audit Committee have been determined in its charter adopted by the board, in accordance with Recommendation 16 of the CG Code. The tasks of the Audit Committee of HKFoods' board of directors include, among other things, the following:

- to monitor the reporting process of financial statements;
- to oversee the financial reporting process;
- to monitor the efficiency of HKFoods' internal control, internal auditing and risk management system;
- to evaluate and review the corporate governance statement covering the internal control and risk management related to the financial reporting process;
- to monitor and evaluate how the related party agreements and other transactions fulfil the requirements of belonging in the ordinary course of business and arms-length principle;
- to monitor the statutory audit of the financial statements and consolidated financial statements;
- to evaluate the independence of auditors and the provision of related ancillary services to the Issuer in particular; and
- to prepare the proposal for decision on the election of the auditors.

The Audit Committee reports on its work to the board of directors at the board meeting first following the meeting of the Audit Committee and submits for the information of the board the minutes of the Audit Committee's meeting.

The Audit Committee's chair is Anne Koutonen and its other members are Reijo Kiskola, Terhi Tuomi and Niclas Diesen. Committee meetings are also regularly attended by the Issuer's CEO, the CFO, the internal auditor and by its external auditors.

The chair of the Audit Committee prepares the agenda for the meeting based on a proposal made by the CFO and convenes the meetings normally at least one week in advance.

Compensation Committee

The Compensation Committee consists of at least three members elected by the board of directors from among its members. The majority of the members of the Compensation Committee must be independent of the Issuer. The CEO of the Issuer or other senior executives may not be elected to the Compensation Committee.

The duties of the Compensation Committee are defined in its charter adopted by the board of directors. The Compensation Committee is tasked with preparing matters pertaining to the Issuer's compensation schemes, such as CEO compensation, other management compensation, the Issuer's incentive and benefit plans and review of other arrangements or agreements between the Issuer and the CEO or other senior executives. The Compensation Committee also prepares the Remuneration Policy and the Remuneration Report for governing bodies. The Compensation Committee convenes at least twice a year and reports on its work to the board of directors following the meeting of the Committee and submits for the information of the board the minutes of the Committee's meetings.

The Compensation Committee is chaired by Ilkka Uusitalo and its other members are Reijo Kiskola, Jari Mäkilä and Lauri Sipponen.

The Compensation Committee has used external consultants in its work.

Working Committee

Within the Working Committee the board of directors considers matters without the presence of the operative management of the Issuer.

The duties of the Working Committee are defined in its charter adopted by the board of directors. The Working Committee is tasked with promoting the efficient accomplishment of the duties of the Issuer's board of directors. The aim of the Working Committee is to advance compliance with the CG Code in HKFoods.

All members of the board of directors are members of the Working Committee. The chair of the board of directors, Reijo Kiskola, acts as the Committee's chair.

Special Committee

The board of directors elects in its annual convening meeting at least three members from among its members or deputy members (if any) to the Special Committee. The CEO of the Issuer attends the meetings and prepares the agenda and minutes.

The purpose of the Special Committee is to efficiently support the board of the Issuer in potential M&A or divestment activities of HKFoods. In addition, the Special Committee assists the board of directors and the management of the Issuer in other duties related to the Special Committee's work as specified by the board of directors.

The Committee is chaired by Reijo Kiskola and its members comprise all the other members of the board of directors.

Shareholders' Nomination Board

The Shareholders' Nomination Board is a body of HKFoods' shareholders, responsible for annual proposals to the annual general meeting for the election and remuneration of the members and deputy members (if any) of the board of directors. The main purpose of the Shareholders' Nomination Board is to ensure that the board of directors' members and deputy members (if any) represent a sufficient level of expertise, knowledge and competence for the Issuer's needs. The Shareholders' Nomination Board consists of four members, of which three represent the Issuer's largest shareholders who, on the last business day of May preceding the next annual general meeting, hold the largest number of votes calculated of all the Issuer's shares. In addition, the chair or the deputy chair of the board of directors is a member of the Shareholders' Nomination Board. The Shareholders' Nomination Board shall submit its proposals regarding the annual general meeting to the board of directors on 15 January at the latest.

The largest shareholders of HKFoods have, according to the charter of the Shareholders' Nomination Board, nominated the following persons as members of the Nomination Board: Veikko Kemppe (managing director, LSO Cooperative), Per Lindahl, (chair of the board, Lantmännen ek. för.) and Tommi Mäkelä (CIO, Pharmacy Pension Fund).

Furthermore, the board of directors of HKFoods has nominated as member of the Shareholders' Nomination Board Jari Mäkilä, deputy chair of the board of directors. The Shareholders' Nomination Board elected amongst its members Veikko Kemppe as chair.

The CEO and the Group Executive Team

The CEO is responsible for managing, supervising and controlling the business operations of the Issuer. Further, the CEO is responsible for the day-to-day executive management of the Issuer in accordance with the instructions and orders given by the board of directors. In addition, the CEO ensures that the accounting practices of the Issuer comply with Finnish law and that its financials have been organised in a reliable manner. The duties of the CEO are governed primarily by the Companies Act. The CEO must provide the board of directors and its members with the information necessary for the performance of the duties of the board of directors. The CEO is accountable to the board of directors for the implementation of the objectives, plans, procedures and goals laid down by the board of directors.

HKFoods' board of directors appoints and dismisses the CEO. The board of directors also decides on the terms and conditions of the CEO's employment, specified in a written service contract.

The Group Executive Team supports the CEO in management, preparation of business plans, strategy, policies and other important matters and in reaching strategic and operative targets. The members of the Group Executive Team are appointed by the board of directors.

The table below presents the members of the Group Executive Team as at the date of this Listing Prospectus.

Name	Position	Year born
Juha Ruohola.....	CEO	1965
Jyrki Paappa ⁽¹⁾	CFO	1965
Jari Leija.....	Executive Vice President, Business Unit Finland	1965
Jukka Nikkinen ⁽²⁾	Executive Vice President, Business Unit Denmark	1962
Markku Suvanto	Executive Vice President, Administration and Legal	1966

(1) Jyrki Paappa will act as the CFO of HKFoods until 30 June 2024. HKFoods has appointed Mika Tilli as the new CFO and a member of the Group Executive Team of HKFoods as of 1 July 2024.

(2) Jukka Nikkinen will act as the Executive Vice President, Business Unit Denmark until 30 June 2024. HKFoods has appointed Michael Juhl Jørgensen as Interim Executive Vice President, Business Unit Denmark and member of the Group Executive Team as of 1 July 2024.

Juha Ruohola has been the CEO since 2023 (interim CEO between September 2022 and March 2023) and a member of the Group Executive Team since September 2019. Mr. Ruohola's most important simultaneous positions include serving as a member of the board of directors of Finnish Food and Drink Industries' Federation. Mr. Ruohola holds a Master of Science degree in Agriculture and an eMBA.

Jyrki Paappa has been the CFO of HKFoods since April 2019. Mr. Paappa holds a Master of Science degree in Economics.

Jari Leija has been the Executive Vice President of Business Unit Finland since April 2019.

Jukka Nikkinen has been the Executive Vice President of Business Unit Denmark since 2017 and a member of the Group Executive teams since August 2012. Mr. Nikkinen holds a Master of Science degree in Economics.

Markku Suvanto has been the Executive Vice President of Administration and Legal of HKFoods since April 2019. Mr. Suvanto has also been a partner at Suomi & Suvanto Law Office Ltd since 1992. Mr. Suvanto holds an LL.M. degree, and he is trained on the bench.

Business Address

The business address of the members of the board, the CEO and the members of the Group Executive Team is Lemminkäisenkatu 48, FI-20520 Turku.

Conflicts of interest

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Companies Act. Pursuant to Chapter 6, Section 4 of the Companies Act, a member of the board of directors may not participate in the handling of a contract between himself or herself and the company. Further, pursuant to Chapter 6, Section 4 a of the Companies Act, a member of the board of directors may not participate in the handling of a contract between himself or herself or an entity that is related to himself or herself as defined in the IAS 24 standard, and the company or its subsidiary, unless the agreement is part of the company's ordinary course of business or is conducted on normal market terms. This provision also applies to any other legal act, legal proceeding or other similar matter. Further, this provision also applies to the CEO.

To the knowledge of HKFoods, notwithstanding any shares they hold directly or indirectly or, with respect to Jari Mäkilä Ilkka Uusitalo and Terhi Tuomi, due to significant supplier relationship to HKFoods, the members of the board of directors, the CEO or the members of the Group Executive Team do not have any conflicts of interests between their duties relating to HKFoods and their private interests and/or their other duties.

Based on an evaluation of independence, Reijo Kiskola, Anne Koutonen, Niclas Diesen and Lauri Sipponen are considered independent of the Issuer and its major shareholders, Terhi Tuomi is considered independent of the Issuer but not independent of a major shareholder, Sami Yski is considered not independent of the Issuer but independent of its major shareholders and Jari Mäkilä and Ilkka Uusitalo are considered not independent of the Issuer nor of the Issuer's major shareholder.

TAXATION

The following is a general description that only addresses the Finnish withholding tax treatment of income arising from the Notes. This summary is based on the laws, regulations, and tax authority guidance in force and effect in Finland as at the date of this Listing Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Notes. Prospective investors are advised to consult their own qualified advisors so as to determine, in the light of their individual circumstances, the tax consequences of the acquisition, holding, redemption, sale or other disposal of the Notes. The tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the securities.

Finnish resident individuals

Interest paid on the Notes to an individual (natural person) residing in Finland for tax purposes, or an undistributed estate of a deceased Finnish resident, is subject to an advance withholding tax in accordance with the Finnish Withholding Tax Act (*Ennakkoperintälaki* 1118/1996, as amended). The withholding obligation is with the payor of the interest which is the Issuer, or paying agent or other intermediary effecting the payment that is resident in Finland or has a permanent establishment in Finland. Interest on the Notes is treated as capital income in the final taxation in accordance with the Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended), assuming the Notes do not belong to the business activities of the individual. Interest paid on the Notes should not be subject to withholding taxation in accordance with the Finnish Act on Tax at Source on Interest Income (*Laki korkotulon lähdeverosta* 1341/1990, as amended).

The current applicable withholding tax rate is 30 per cent. The capital income tax rate is 30 per cent, however, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent on the amount that exceeds the EUR 30,000 threshold.

If the Notes are disposed of (or if the Notes are repaid or redeemed), any capital gain as well as accrued interest received (secondary market compensation) is taxed as capital income. The Issuer, or a paying agent or other intermediary resident in Finland or having a permanent establishment in Finland, must deduct an advance withholding tax from secondary market compensation paid to an individual residing in Finland or an undistributed estate of a deceased Finnish resident. Capital losses are primarily deductible from capital gains arising in the same year. Any capital losses that cannot be used to offset capital gains in the same year can be used against other capital income in the same year. Any remaining unused capital losses can be carried forward to be deducted from capital gains or other capital income in the five subsequent calendar years. If the aggregate value of all taxable disposals of the individual does not exceed EUR 1,000 during the calendar year, the capital gain is tax exempt (and the capital loss is not deductible, if also the aggregate acquisition costs do not exceed EUR 1,000).

If the Notes are acquired in the secondary market, any accrued interest paid by the buyer (secondary market compensation) is considered a deductible expense and can be deducted from capital income or, to the extent exceeding capital income, from earned income subject to the limitations in the Finnish Income Tax Act.

Finnish corporate entities

Interest paid on the Notes and income arising from the disposal, repayment or redemption of the Notes are subject to final taxation as income of the recipient corporation either in accordance with the Finnish Business Income Tax Act (*Laki elinkeinotulon verottamisesta* 360/1968, as amended) or the Finnish Income Tax Act, depending on to which source of income the Notes belong to. The current Finnish income tax rate for corporate entities is 20 per cent. Interest paid to corporate Noteholders is not subject to withholding taxation.

In a disposal, repayment or redemption of Notes belonging to the business income source, the received income is taxable and the acquisition cost is in general treated as a deductible expense. Possible losses in the business income source can be set off against income from the same income source during the same tax year and the ten subsequent tax years.

In a disposal, repayment or redemption of Notes belonging to the other income source, a capital gain is taxable income but capital losses may only be set off against capital gains from disposals of other assets in the other source of income derived during the same tax year and the five subsequent tax years.

Non-Finnish resident Noteholders

Noteholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment in Finland are not subject to Finnish taxation on interest or gains realised on the sale, repayment or redemption of the Notes.

Transfer taxation

The Notes are not subject to Finnish transfer taxation.

ARRANGEMENTS WITH THE JOINT LEAD MANAGERS

Danske and OP acted as Joint Lead Managers of the issue and Listing of the Notes. HKFoods has entered into agreements with the Joint Lead Managers with respect to certain services provided by the Joint Lead Managers in connection with the issue and Listing of the Notes. In addition, Danske and OP acted as dealer managers and OP as tender agent in the Tender Offer and Danske and OP as solicitation agents and OP as tabulation agent in the Consent Solicitation.

Each of the Joint Lead Managers and/or their respective affiliates have acted and may in future act as lenders under certain facility agreements of the Issuer, for which they have received, or will receive, customary fees, and each of the Joint Lead Managers and/or their respective affiliates, in their capacities as lenders under certain facility agreements, will be parties to the intercreditor agreement to be entered into between, among others, the Issuer and other secured parties benefiting from the common transaction security. Furthermore, each of the Joint Lead Managers and/or their respective affiliates have performed, and may in the future perform, advisory, consulting and/or banking services for HKFoods in the ordinary course of their business. The Joint Lead Managers and their respective affiliates may hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities of the Issuer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Listing Prospectus. They have been published on the Issuer's website at www.hkfoods.com/en/investors-information/ and can be accessed by clicking the below hyperlinks. The parts of the following documents that have not been incorporated by reference to this Listing Prospectus are either not relevant for potential investors or are covered elsewhere in this Listing Prospectus.

Document	Information incorporated by reference
Report of the Board of Directors and Financial Statements 2022.....	Board of directors' report, audited consolidated financial statements and auditor's report as at and for the year ended on 31 December 2022
Report of the Board of Directors and Financial Statements 2023.....	Board of directors' report, audited consolidated financial statements and auditor's report as at and for the year ended on 31 December 2023
Interim Report Q1 2024.....	Unaudited consolidated financial information as at and for the three months ended 31 March 2024 including comparative unaudited financial information as at and for the three months ended 31 March 2023

DOCUMENTS AVAILABLE

In addition to the documents incorporated to this Listing Prospectus by reference, the Issuer's Articles of Association may, for the term of validity of this Listing Prospectus, be inspected on the Issuer's website at <https://www.hkfoods.com/en/investors-information/>. The Agency Agreement (with certain commercial details redacted) to be made between the Issuer, may be inspected at the Issuer's website at <https://www.hkfoods.com/en/investors-information/>.

The Issuer publishes annual reports, including its audited consolidated financial statements, quarterly interim financial information and other information as required by applicable law and rules. All annual reports, interim reports and stock exchange releases are published in Finnish and English. These documents may be inspected on the Issuer's website at <https://www.hkfoods.com/en/investors-information/>.

OVERVIEW OF THE NOTES AND THE OFFERING

This overview is an overview of certain key features of the Notes and the offering thereof. Any decision by an investor to invest in any Notes should be based on a consideration of this Listing Prospectus as a whole, including the documents incorporated by reference therein.

Words and expressions in this section shall, unless otherwise defined herein, have the meanings defined in the Terms and Conditions.

Issuer:	HKFoods Plc
Legal entity identifier (LEI) of the Issuer:.....	7437000PN6E448NPGY86.
Risk factors:	Investing in the Notes involves risks. The principal risk factors relating to the Issuer and the Notes are discussed in the section "Risk factors" of this Listing Prospectus.
Joint Lead Managers:	OP Corporate Bank plc Danske Bank A/S
Issuer agent and paying agent:.....	OP Custody Ltd, Gebhardinaukio 1, FI-00510 Helsinki.
Agent and common security agent	Nordic Trustee Oy
Type and class of the Notes:	Senior secured floating rate notes with an aggregate principal amount of EUR 90 million.
ISIN code of the Notes:.....	FI4000571708
Currency of the Notes:	Euro.
Minimum subscription amount:	EUR 100,000.
Denomination of a book-entry unit:	EUR 1,000.
Issue Date:.....	17 June 2024.
Listing:	Application will be submitted for the Listing of the Notes, and the Listing is expected to take place on or about 17 June 2024.
Final Maturity Date:.....	17 June 2027
Redemption:	At par, bullet, on the Final Maturity Date. Earlier, upon an Event of Default at 100 per cent Notes plus accrued but unpaid interest and in case of a Demerger Event or a Change of Control Event at 101 per cent plus accrued but unpaid interest. In addition, the Issuer may at any time voluntarily redeem the Notes. In case the date of the voluntary total redemption is before the date falling thirty (30) months from the Issue, the redemption price is the sum of (i) 102 per cent of the Nominal Amount together with accrued but unpaid Interest to (but excluding) the Redemption Date and (ii) the remaining Interest payments from and including the Redemption Date to (but excluding) the First Call Date with such Interest payments being calculated based on the Interest Rate applicable on the date of the Voluntary

Prepayment Notice In case the Redemption Date is on or after the First Call Date but before the Final Maturity Date, the redemption price shall be 102 per cent of the Nominal Amount of the Nominal Amount together with accrued but unpaid Interest to (but excluding) the Redemption Date.

If at any time the outstanding aggregate Nominal Amount of the Notes is twenty-five (25) per cent or less of the initial aggregate Nominal Amount of the Notes issued (as adjusted by the aggregate Nominal Amount of any further issues of Notes under Condition 23 (Further Issues)), the Issuer may, at its option, at any time redeem all (but not only some) of the outstanding Notes at a price per Note equal to one hundred (100) per cent of the Nominal Amount together with accrued but unpaid Interest to, but excluding, the Redemption Date, subject to the Issuer having given the Noteholders not less than fifteen (15) nor more than forty-five (45) calendar days' prior notice (which notice shall be irrevocable and shall specify the Redemption Date) in accordance with Condition 25 (Notices).

Covenants and Events of Default: Negative Pledge, Net Gearing, Demerger Event, Change of Control Event, Incurrence Test, Disposals, Limitation on Financial Indebtedness, Distributions, Non-Payment, Non-compliance, Cross-default, Continuation of business, Winding-up, Insolvency, Insolvency proceedings, Illegality.

Interest:..... The Notes bear floating interest at the rate of EURIBOR 3 months¹⁸ plus a margin of 7.5 per cent per annum, payable quarterly in arrears commencing on 17 September 2024 and thereafter on 17 December, 17 March, 17 June and 17 September each year (each an "**Interest Payment Date**") until 17 June 2027. Each note carries interest at the applicable interest rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date. Interest accrues during an interest period. The first interest period is the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date. Each consecutive interest period is the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period, if relevant). Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period in respect of which payment is being made divided by 360 (actual/360-days basis).

Interest and/or other amounts payable under the Notes are calculated by reference to EURIBOR which constitutes a benchmark according to the Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"). As at the date of this Listing Prospectus, the administrator of EURIBOR, the European Money Markets Institute, appears on the register of administrators and benchmarks established and maintained by European Securities and Markets Authority (ESMA) pursuant to Article 36 of the EU Benchmarks Regulation.

¹⁸ Historical information on the EURIBOR 3 months is available at the Bank of Finland's website at https://www.suomenpankki.fi/en/Statistics/interest-rates/charts/korot_kuviot/euriborkorot_pv_chrt_en/.

Common transaction security of the Notes	<p>The Notes are secured by a common transaction security comprising initially (i) all the shares and related rights (to the extent able to be pledged under Finnish law) in HKScan Finland Oy owned by the Issuer, (ii) receivables under the intra-group loans granted by the Issuer to HKScan Finland Oy, (iii) certain receivables under the bilateral credit facility granted by the Issuer to LSO Osuuskunta, (iv) the real estate mortgage notes to be registered on the Issuer's leasehold property with registration no. 309-11-1122-1-L1 and HKScan Finland Oy's leasehold and freehold properties with registration nos. 50-407-2-40-L2, 491-35-1-1, 61-8-1291-26 and 684-26-2604-1 in the amount of EUR 300,000,000 for each property, (v) the business mortgage notes of the Issuer and HKScan Finland Oy in the amount of EUR 300,000,000 for each business mortgage note, (vi) certain trademarks of HKScan Finland Oy.</p> <p>The common transaction security also secures certain other liabilities of the Issuer, and additional liabilities may become secured by the common transaction security in the future. The amount of the initial obligations that the common transaction security secures, amounts to approximately EUR 201,600,000. All of the liabilities secured by the common transaction security shall rank <i>pari passu</i> and pro rata with no preference between them, except for certain liabilities owed and certain costs incurred by Nordic Trustee Oy in its capacity as common security agent and certain Issuer agents and creditor representatives.</p>
Ranking of the Notes:	<p>The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all direct, unconditional, unsubordinated and secured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without preference among them.</p>
Issue Price:	100 per cent.
Yield:.....	At the issue price of 100 per cent, the effective yield of the Notes is 11.243 per cent per annum for the first interest period.
Settlement:.....	The Notes are issued in dematerialised form in the central securities depository system of Euroclear Finland Oy.
Tender Offer and Consent Solicitation:.....	<p>On 31 May 2024, the Issuer announced an invitation to the holders of its existing EUR 90.0 million 5.000 per cent fixed-rate notes due 24 March 2025 (ISIN: FI4000490990), the outstanding value of which was EUR 90.0 million (the "Existing Notes") to tender their Existing Notes for purchase by the Issuer for cash (the "Tender Offer"). The Tender Offer was made on the terms and subject to conditions contained in the Tender Offer and Consent Solicitation memorandum dated 31 May 2024. On 10 June 2024, the Issuer announced that it will complete a purchase of a total nominal value of EUR 80,440,000 of the Existing Notes validly tendered in the Tender Offer. The settlement</p>

date for the Tender Offer is 17 June 2024, after which the total outstanding nominal amount of the Existing Notes will be EUR 9,560,000. Concurrently with the Tender Offer, the Issuer has solicited consents, subject to the offer and distribution restrictions set out in the Tender Offer and Consent Solicitation Memorandum, from all noteholders of the Existing Notes to remove the negative pledge undertaking under Clause 9 (*Negative Pledge*) of the terms and conditions of the Existing Notes ("the "**Consent Solicitation**") in order to enable the establishment of the contemplated security arrangements in relation to the Notes and related secured financing arrangements as set out in the notice procedure in writing and tender offer. The Issuer received a sufficient number of replies through the Consent Solicitation in order to constitute a quorum, and more than 50 per cent of the votes cast voted in favour of the proposed removal of the negative pledge undertaking.

Applicable law:	Finnish law.
Description of restrictions on free transferability of the Notes:	Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder is responsible for ensuring compliance with such restrictions at its own cost and expense.
Reason for the issue and use of net proceeds:.....	The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with issue of the Notes, for refinancing certain existing indebtedness of the Issuer (including the amounts payable for the tender offer of the Existing Notes but excluding redemption of any Capital Securities) and general corporate purposes of the HKFoods Group and, where the Issuer issues further notes having the same terms and conditions as the Notes, for general corporate purposes of the HKFoods Group.
Interests material to the issue of the Notes:	<p>In their involvement with the issue and the Listing of the Notes, the Agent and the Common Security Agent and the Joint Lead Managers have a business interest customary in the financial markets.</p> <p>The Joint Lead Managers and other entities within the same group and/or their affiliates may have performed and may in the future perform investment or other banking services for the Issuer in the ordinary course of business for which they may have received and may continue to receive customary fees and commissions.</p>
Estimated cost and net proceeds of issue and Listing:	The total estimated cost of the issue and the Listing is approximately EUR 1.6 million. The estimated net proceeds of the issue amount to approximately EUR 88.4 million.

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ANNEX A: TERMS AND CONDITIONS OF THE NOTES
HKFOODS PLC EUR 90,000,000
SENIOR SECURED FLOATING RATE NOTES DUE 2027
ISIN CODE FI4000571708

TERMS AND CONDITIONS OF THE NOTES

HKFoods Plc EUR 90,000,000

Senior Secured Floating Rate Notes due 2027

ISIN CODE FI4000571708

The Board of Directors of HKFoods Plc has in its meeting held on 7 May 2024 approved the issuance of senior secured notes referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (as defined below) and authorised the persons named therein to finally decide on the definitive terms and conditions of the Notes which are specified below (the "**Terms and Conditions**").

Danske Bank AS and OP Corporate Bank plc will act arrangers, bookrunners and joint lead managers in connection with the offer and issue of the Notes.

MiFID II Product Governance / Retail clients, professional clients and eligible counterparties target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to UK Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Important – EEA retail investors – The Notes are not PRIIPs for the purposes of Regulation ((EU) No 1286/2014) (the "**PRIIPs Regulation**") and, accordingly, no key information document pursuant to the PRIIPs Regulation has been or will be made available in respect of the Notes.

1 DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these Terms and Conditions:

"**Accounting Principles**" has the meaning set forth in Clause 11.3.

"**Act on Noteholders' Agent**" means the Finnish Act on Noteholders' Agents (in Finnish: *laki joukkolainanhaltijoiden edustajasta 574/2017*, as amended).

"**Act on Promissory Notes**" means the Finnish Act on Promissory Notes (in Finnish: *velkakirjalaki 622/1947*, as amended).

"**Adjusted EBITDA**" has the meaning set forth in Clause 11.4.

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company, a Controlling Shareholder or any Affiliate of the Issuer and/or a Controlling Shareholder, irrespective of whether such Person is directly registered as owner of such Notes.

"**Adjustment Spread**" has the meaning set forth in Clause 27.2.

"**Adjusted Total Net Debt**" has the meaning set forth in Clause 11.4.

"**Affiliate**" means, in relation to any specified Person, another Person directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person.

"**Agency Agreement**" means the agency agreement entered into on or before the Issue Date, between the Issuer, the Agent and the Common Security Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and a replacing Agent and/or a replacing Common Security Agent.

"**Agent**" means Nordic Trustee Oy, incorporated under the laws of Finland with business identity code 2488240-7, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Baltic Security**" means the Security over the Baltic SPA Receivables granted for the benefit of the Initial Credit Facility Creditors and held by the Initial Credit Facility Agent as security agent for and on behalf of the relevant secured parties pursuant to the Danish Security Documents.

"**Baltic SPA Receivables**" means the Issuer's receivables under a share sale and purchase agreement dated 13 December 2022 and entered into by and between the Issuer as seller and AS Maag Grupp as buyer concerning the disposal of the Issuer's former Baltic subsidiaries.

"**Base Rate**" means 3 months EURIBOR or any reference rate replacing 3 months EURIBOR in accordance with Clause 27 (*Replacement of Base Rate*).

"**Base Rate Administrator**" means European Money Markets Institute (EMMI) in relation to EURIBOR or any person replacing it as administrator of the Base Rate.

"**Base Rate Amendments**" has the meaning set forth in Clause 27.3.4.

"**Base Rate Event**" has the meaning set forth in Clause 27.2.1.

"**Base Rate Event Announcement**" has the meaning set forth in Clause 27.2.1.

"**Book-Entry Securities System**" means the book-entry securities system maintained by the CSD or any other replacing book-entry securities system.

"**Book-Entry System Act**" means the Finnish Act on Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*, 348/2017, as amended).

"**Business Day**" means a day on which the deposit banks are generally open for business in Helsinki, and which is also a CSD Business Day and a T2 Day.

"**Business Day Convention**" means the first following day that is a CSD Business Day.

"**Business Mortgage**" means a business mortgage (in Finnish: *yrittäjäkiinnitys*) registered on movable property in accordance with the Business Mortgage Act and recorded in the official business mortgage register maintained by the Finnish Patent and Registration Office (in Finnish: *Patentti- ja rekisterihallitus*).

"**Business Mortgage Act**" means the Finnish Act on Business Mortgages (in Finnish: *yrittäjäkiinnityslaki*, 634/1984, as amended).

"**Capital Securities**" means any outstanding hybrid debt instrument issued by the Issuer from time to time that is (i) classified as a capital security instrument under the Accounting Principles and (ii) subordinated to the Notes, including any debt instrument classified as a capital loan under Chapter 12 of the Companies Act or any debt instrument classified as a debenture under Section 34, subsection 2 of the Act on Promissory Notes.

"**Cash Proceeds**" has the meaning set forth in Clause 11.5.

"**Change of Control Event**" means the occurrence of an event or series of events whereby any Person or a group of Persons (other than the Current Majority Owner) acting in concert, directly or indirectly acquires control over the Issuer.

"**Common Security Agent**" means Nordic Trustee Oy (business identity code 2488240-7) or any successor, transferee, replacement or assignee thereof, which has become the Common Security Agent in accordance with the Intercreditor Agreement, holding the Common Transaction Security on behalf of the Secured Parties.

"**Common Security Asset Disposal**" has the meaning set forth in Clause 11.5.

"**Common Security Documents**" means:

- (a) a Finnish law governed security agreement dated on or about the Issue Date and entered into by and between the Issuer and the Finnish Subsidiary as pledgors and the Common Security Agent as security agent concerning pledge of real estate mortgages over certain leasehold and freehold properties of the Issuer and the Finnish Subsidiary, shares and related rights of a shareholder (to the extent able to be pledged under Finnish law) owned by the Issuer in the Finnish Subsidiary, intra-Group receivables owed by the Finnish Subsidiary to the Issuer and certain loan receivables of the Issuer from the Current Majority Owner, certain trademarks of the Finnish Subsidiary, and Business Mortgages over the Issuer and the Finnish Subsidiary; and
- (b) any other security document pursuant to which the Common Transaction Security is created or expressed to be created.

"**Common Transaction Security**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Controlling Shareholder**" means the Current Majority Owner and any person, from time to time, that has direct or indirect control over or owns directly or indirectly more than 50 per cent. of the issued shares and/or attaching voting rights in, the Issuer.

"**Companies Act**" means the Finnish Companies Act (in Finnish: *osakeyhtiölaki* 624/2006, as amended).

"**Compliance Certificate**" means a certificate substantially in the form attached hereto as APPENDIX 1 (*Compliance Certificate*).

"**CSD**" means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, 00100 Helsinki, Finland or any entity replacing the same as a central securities depository.

"**CSD Business Day**" means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

"**Current Majority Owner**" means LSO Osuuskunta (business identity code: 0142110-6).

"**Credit Facility Documents**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Credit Facility Liabilities**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Credit Facility Creditors**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Credit Facility Event of Default**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Danish Disposal**" means the disposal of the shares in the Danish Subsidiary by the Issuer pursuant to a share purchase agreement dated 2 May 2024 by and between the Issuer as seller and Plukon Food Group B.V. as purchaser (the "**Danish SPA**") or any other share sale and purchase agreement made by the Issuer as seller with a third-party purchaser (which is not a Group Company).

"**Danish Security**" means the Security over the Danish Security Assets granted for the benefit of the Initial Credit Facility Creditors and held by the Initial Credit Facility Agent as security agent for and on behalf of the relevant secured parties pursuant to the Danish Security Documents.

"Danish Security Assets" means shares in the Danish Subsidiary and related rights pertaining to such shares, and intra-Group loans owed by the Danish Subsidiary to the Issuer and all proceeds of the Danish Security.

"Danish Security Documents" means:

- (a) a Danish law governed security agreement dated on or about the Issue Date and entered into by and between the Issuer as pledgor and the Initial Credit Facility Agent as security agent concerning pledge of shares in the Danish Subsidiary;
- (b) a Danish law governed assignment agreement dated on or about the Issue Date and entered into by and between the Issuer as assignor and the Initial Credit Facility Agent as security agent concerning assignment of intra-Group receivables owed to the Issuer by the Danish Subsidiary; and
- (c) a Finnish law governed security agreement dated on or about the Issue Date and entered into by and between the Issuer as pledgor and the Initial Credit Facility Agent as security agent concerning pledge of intra-Group receivables owed to the Issuer by the Danish Subsidiary and the Baltic SPA Receivables,

each as amended and/or amended and restated, from time to time.

"Danish Subsidiary" means ROSE Poultry A/S (CVR no. 25177509).

"Demerger" means a demerger (in Finnish: *jakautuminen*) pursuant to Chapter 17 of the Companies Act.

"Demerger Event" means in respect of the Issuer, completion of a demerger pursuant to Chapter 17 of the Companies Act.

"Disposal Proceeds" means the consideration receivable by any Group Company for that disposal after deducting (i) any reasonable expenses which are incurred by that Group Company with respect to that disposal to persons who are not members of the Group and (ii) any tax incurred and required to be paid by the seller in connection with that disposal.

"EBITDA" has the meaning set forth in Clause 11.4.

"Equity" has the meaning set forth in Clause 11.3.

"EURIBOR" means:

- (a) the applicable percentage rate per annum for Euro and for a period comparable to the relevant Interest Period, as displayed on LSEG screen EURIBOR01 (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. (Brussels time) on the Quotation Day;
- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuer Agent by interpolation between the two closest rates displayed on LSEG screen EURIBOR01 (or any replacement thereof) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for Euro;
- (c) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuer Agent at its request quoted by the Reference Banks for the relevant period; or
- (d) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuer Agent best reflects the interest rate for deposits in Euro offered for the relevant period, and

if any such rate is below zero, EURIBOR will be deemed to be zero.

"Euro" and **"EUR"** means the single currency of the participating member states in accordance with the legislation of the European Union relating to Economic and Monetary Union.

"Event of Default" means an event or circumstance specified in Clause 12 (*Events of Default and Acceleration of the Notes*).

"Existing Notes" means any notes issued by the Issuer under the terms and conditions for HKFoods Plc EUR 90,000,000 5.000 per cent. senior unsecured fixed rate notes due 24 March 2025 with ISIN code: FI4000490990.

"Final Maturity Date" means 17 June 2027.

"Finance Documents" means these Terms and Conditions, the Common Security Documents, the Intercreditor Agreement, the Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (excluding any Capital Securities);
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a balance sheet liability;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"Finnish Subsidiary" means HKScan Finland Oy (to be renamed HKFoods Finland Oy) (business identity code: 1951458-9).

"First Call Date" has the meaning set forth in Clause 8.3.

"Group" means the Issuer and its Subsidiaries from time to time (each a **"Group Company"**).

"Hedging Liabilities" has the meaning ascribed to it in the Intercreditor Agreement.

"ICA Group Company" means a Group Company that is a party to the Intercreditor Agreement.

"Incurrence Event" means an incurrence event referred to in Clauses 11.6 to 11.8 for the purposes of the Incurrence Test set out in Clause 11.4.

"Incurrence Test" means the test set forth in Clause 11.4.

"Independent Adviser" has the meaning set forth in Clause 27.2.

"Initial Credit Facility Agent" has the meaning ascribed to it in the Intercreditor Agreement.

"Initial Credit Facility Agreement" has the meaning ascribed to it in the Intercreditor Agreement.

"Initial Credit Facility Creditors" has the meaning ascribed to it in the Intercreditor Agreement.

"Insolvent" means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (in Finnish: *konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (in Finnish: *laki yrityksen saneerauksesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the Issue Date between, among others, the Issuer as company, original debtor, and original intra-group lender, the Agent as initial noteholders' agent acting for and on behalf of the Noteholders and the Common Security Agent as common security agent acting for and on behalf of the Noteholders and other secured parties.

"Interest" means the interest on the Notes calculated in accordance with Clause 7 (*Interest*).

"Interest Payment Date" means 17 September, 17 December, 17 March and 17 June of each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 17 September 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

"Interest Period" means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period, if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

"Interest Rate" means the Base Rate plus 7.5 per cent. per annum.

"Issue Date" means 17 June 2024.

"Issuer" means HKFoods Plc, a public limited liability company incorporated under the laws of Finland with business identity code 0111425-3.

"Issuer Agent Agreement" means the agreement dated 29 May 2024 regarding services related to the Notes entered into by and between the Issuer and the Issuer Agent in connection with the issuance of the Notes (as amended and restated from time to time).

"Issuer Agent" means OP Custody Ltd as issuer agent (in Finnish: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuer Agent in accordance with the regulations of the CSD.

"Joint Lead Managers" means Danske Bank AS and OP Corporate Bank plc in their capacity as arrangers, bookrunners and joint lead managers in connection with the offer and issue of the Notes.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer's ability to perform its payment obligations under these Terms and Conditions or (c) the validity or enforceability of any of the Finance Documents.

"Material Subsidiary" means at any time, a Subsidiary of the Issuer (excluding Kivikylän kotipalvaamo Oy):

- (a) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten (10) per cent. of the consolidated net sales or the consolidated total assets of the Group (as defined above) taken as a whole, all as calculated by reference to the then most recent audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent audited consolidated financial statements of the Group; or
- (b) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

"**Measurement Period**" has the meaning set forth in Clause 11.4.

"**MiFID II**" means the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (as amended).

"**Nominal Amount**" has the meaning set forth in Clause 2.3.

"**Noteholder**" means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 4 of the Book-Entry System Act as direct registered owner (in Finnish: *omistaja*) or nominee (in Finnish: *hallintarekisteröinnin hoitaja*) with respect to a Note.

"**Noteholders' Meeting**" means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders' Meeting*).

"**Notes**" means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (in Finnish: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions.

"**Notes Event of Default**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Notes Liabilities**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Permitted Demerger**" means any demerger involving any Group Company (other than involving the Issuer, any other ICA Group Company or a Material Subsidiary), provided that:

- (a) as a result of such demerger, (i) any payments or assets distributed as a result of such demerger are distributed to another Group Company, (ii) each continuing entity is or becomes a Group Company and (iii) any assets subject to the Common Transaction Security prior to such demerger continue to be subject to the Common Transaction Security; or
- (b) that demerger:
 - (i) is or constitutes a disposal permitted under Clause 11.5 (*Disposals*);
 - (ii) such demerger does not and is not reasonably likely to have a Material Adverse Effect;
 - (iii) no Event of Default is continuing or would occur as a result of such demerger; and
 - (iv) the Incurrence Test set out in Clause 11.4 for the purposes of Clause 11.8 is met on a date when such demerger is consummated (a "**Reference Date**") immediately before and after (*pro forma*) the consummation of such demerger (an "**Incurrence Event**").

"**Permitted Merger**" means:

- (a) any merger between Group Companies provided that:
 - (i) if such merger involves an ICA Group Company, an ICA Group Company shall be always the surviving entity and if such merger involves the Issuer, the Issuer shall always be the surviving entity;
 - (ii) where the shares in one of the Group Companies involved in the merger are subject to the Common Transaction Security, only if the shares in the surviving Group Company are subject to Common Transaction Security immediately following such merger;
 - (iii) such merger does not and is not reasonably likely to have a Material Adverse Effect; and

- (iv) no Event of Default is continuing or would occur as a result of such merger;
- (b) any other merger other than described in paragraphs (a) above, provided that:
 - (i) if such merger involves an ICA Group Company, an ICA Group Company shall be always the surviving entity and if such merger involves the Issuer, the Issuer shall always be the surviving entity;
 - (ii) where the shares in one of the Group Companies involved in the merger are subject to the Common Transaction Security, only if the shares in the surviving Group Company are subject to Common Transaction Security immediately following such merger;
 - (iii) such merger does not and is not reasonably likely to have a Material Adverse Effect;
 - (iv) no Event of Default is continuing or would occur as a result of such merger; and
 - (v) the Incurrence Test set out in Clause 11.4 for the purposes of Clause 11.8 is met on a date when such merger is consummated (a "**Reference Date**") immediately before and after (*pro forma*) the consummation of such merger (an "**Incurrence Event**").

"**Permitted Reorganisation**" means a solvent liquidation or reorganisation of any Group Company which is not the Issuer, any other ICA Group Company and/or a Material Subsidiary so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other Group Companies.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

"**Quarter Date**" has the meaning set forth in Clause 11.3.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

"**Record Time**" means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of proceeds*); and
- (b) in relation to a Noteholders' Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 16.3 or Clause 17.3, as applicable; and
- (c) otherwise, the end of the fifth (5th) CSD Business Day prior to another relevant date.

"**Redemption Date**" means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and repurchase of the Notes*).

"**Reference Banks**" means leading banks in the Helsinki interbank market reasonably selected by the Issuer Agent.

"**Reference Balance Sheet**" has the meaning set forth in Clause 11.4.

"**Reference Date**" means a reference date referred to in Clauses 11.6 to 11.8 for the purposes of the Incurrence Test set out in Clause 11.4.

"**Relevant Nominating Body**" has the meaning set forth in Clause 27.2.1.

"**Repurchase Date**" has the meaning set forth in Clause 8.5.2.

"**Restricted Payment**" has the meaning set forth in Clause 11.7.1.

"**Secured Debt Documents**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Secured Notes**" means the Notes, any subsequent notes issued by the Issuer for the purposes of refinancing or replacing the Notes or other secured notes or debt securities permitted to share the Common Transaction Security pursuant to the terms of the Intercreditor Agreement.

"**Secured Obligations**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Secured Parties**" has the meaning ascribed to it in the Intercreditor Agreement.

"**Security**" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

"**Security Provider**" means any Person that has provided Common Transaction Security.

"**Subscription Period**" has the meaning set forth in Clause 2.7.

"**Subsidiary**" means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the Accounting Principles.

"**Successor Base Rate**" has the meaning set forth in Clause 27.2.1.

"**T2 Day**" means a day on which the real time gross settlement operated by the Eurosystem (T2), or any successor system, is open for settlement of payments in euro.

"**Total Net Debt**" has the meaning set forth in Clause 11.3.

"**Total Nominal Amount**" means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

"**Voluntary Prepayment Notice**" has the meaning set forth in Clause 8.3.1.

"**Written Procedure**" means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) "**assets**" includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a "**regulation**" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) "**control**" means, when used with respect to any Person (including, in case of the definition of the Change of Control Event, the Issuer), the relevant controlling Person (a) having the beneficial ownership (directly or indirectly) of more than fifty (50) per cent. of the voting share capital of such Person (or the Issuer, as applicable), or (b) the power to direct the management or policies of such Person (or the Issuer, as applicable), directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;

- (e) "acting in concert" means that a Person or a group of Persons pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer or attempting otherwise to obtain or consolidate control of the Issuer;
- (f) a provision of law is a reference to that provision as amended or re-enacted;
- (g) words denoting the singular number shall include the plural and vice versa; and
- (h) a time of day is a reference to Helsinki time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website (www.ecb.europa.eu). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

1.2.4 No delay or omission of any Agent, any Common Security Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2 ISSUANCE AND STATUS OF THE NOTES

2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.

2.2 The aggregate principal amount of the Notes is 90 million euros (EUR 90,000,000). The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below under Clause 23 (*Further Issues*).

2.3 The Notes will be offered for subscription in a minimum amount of one hundred thousand euros (EUR 100,000). The nominal amount of each book-entry unit relating to the Notes (in Finnish: *arvo-osuuden yksikkökoko*) is one thousand euros (EUR 1,000) (the "**Nominal Amount**"). The maximum number of the Notes is ninety thousand (90,000), or a higher number if the Issuer decides to increase the maximum principal amount of the Notes. The Notes are issued on the Issue Date on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.4 By subscribing for Notes, each Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents, (ii) agrees to be bound by these Terms and Conditions, the Intercreditor Agreement and the other Finance Documents and (iii) agrees that the Agent is authorised to accede to the Intercreditor Agreement for itself and on behalf of the Noteholders. These Terms and Conditions are subject to the Intercreditor Agreement. In the event of any discrepancy between these Terms and Conditions and the Intercreditor Agreement in relation to any matters relating to the Common Transaction Security or the enforcement thereof, the Intercreditor Agreement shall prevail.

2.5 The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all direct, unconditional, unsubordinated and secured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without preference among them.

2.6 The Notes constitute secured obligations of the Issuer secured by the Common Transaction Security. On the Issue Date, the Common Transaction Security is shared by the Notes as well as certain loans from credit institutions as further set out in the Intercreditor Agreement.

2.7 The Notes shall be offered for subscription to eligible counterparties, professional clients, and retail clients (each as defined in MiFID II) through a book-building procedure. The subscription period (the "**Subscription Period**") of the Notes shall commence and end on 10 June 2024. By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder agrees to be bound by these Terms and Conditions. Bids for subscription shall be submitted to Danske Bank A/S, c/o Danske Bank A/S, Finland Branch, Kasarmikatu 21 B, FI-00100 Helsinki tel. +358 10 546 2070 or OP Corporate Bank plc,

Gebhardinaukio 1, FI-00510 Helsinki, Finland, tel. +358 10 252 7970 during the Subscription Period and within regular business hours.

- 2.8 Subscriptions made are irrevocable. All subscriptions remain subject to final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer, each investor that has submitted a subscription shall be notified by the Joint Lead Managers whether and, where applicable, to what extent such subscription is accepted.
- 2.9 Subscriptions shall be paid for as instructed by the Joint Lead Managers in connection with the subscription.
- 2.10 Notes subscribed and paid for shall be entered by the Issuer Agent to the respective book-entry accounts of the subscribers on a date advised by the Joint Lead Managers in connection with the issuance of the Notes in accordance with the relevant provisions of Finnish legislation governing the book-entry system and book-entry accounts as well as rules and decisions of the CSD.
- 2.11 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

3 USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with issue of the Notes, for refinancing certain existing indebtedness of the Issuer (including the amounts payable for the tender offer of the Existing Notes but excluding redemption of any Capital Securities) and general corporate purposes of the Group and, where the Issuer issues further notes having the same terms and conditions as the Notes, for general corporate purposes of the Group.

4 CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuer Agent shall pay the net proceeds from the issuance of the Notes to the Issuer on the later of (i) the Issue Date and (ii) the date on which the Agent notifies the Issuer Agent that it has received the following documents and evidence, in form and substance satisfactory to the Agent (acting reasonably):
- (a) an extract of a resolution from the board of directors of the Issuer approving the issue of the Notes and resolving to enter into documents necessary in connection therewith;
 - (b) a copy of the duly executed Intercreditor Agreement;
 - (c) a copy of the duly executed Agency Agreement;
 - (d) copies of the duly executed Common Security Documents (including evidence that the security interests created or purported to be created thereunder have been duly perfected, if required to be perfected under the relevant Common Security Document); and
 - (e) a Finnish law legal opinion issued by Hannes Snellman Attorneys Ltd addressed to the Agent, the Common Security Agent and the Joint Lead Managers as to the legally binding, valid and enforceable nature of the Notes, the Intercreditor Agreement and certain other Finance Documents, and the capacity and authority of the Issuer and any Security Provider incorporated in Finland.
- 4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete, and the Agent does not have to verify the contents of any such documentation nor review the documentation from a legal or commercial perspective of the Noteholders.
- 4.3 The Agent shall confirm to the Issuer Agent when the conditions in Clause 4.1, as the case may be, have been received by the Agent.

5 NOTES IN BOOK-ENTRY FORM

- 5.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD, and no physical notes will be issued.
- 5.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 4 of the Book-Entry System Act kept by the CSD in respect of the Notes, and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuer Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuer Agent, as applicable.
- 5.3 The Agent and the Issuer Agent shall have the right to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuer Agent is at any time on its behalf entitled to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 5.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.5 The Issuer, the Agent and the Issuer Agent may use the information referred to in Clause 5.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the beforementioned purposes.

6 PAYMENTS IN RESPECT OF THE NOTES

- 6.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.
- 6.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.
- 6.3 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar, except as provided under Clause 21 (*Taxation*).
- 6.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

7 INTEREST

- 7.1 Each Note carries Interest at the applicable Interest Rate from (and including) the Issue Date up to (but excluding) the relevant Redemption Date.
- 7.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 7.3 Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant Interest Period in respect of which payment is being made divided by 360 (actual / 360).
- 7.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two (2) percentage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuer Agent or the CSD, in which case the Interest Rate shall apply instead.

8 PURCHASES, REDEMPTION AND REPURCHASE OF THE NOTES

8.1 Purchases

Subject to the provisions of this Clause 8 on redemption and repurchase of the Notes, the Issuer may at any time purchase Notes in any manner and at any price it deems appropriate. If the purchases are made by a tender offer, the tender offer must be available to all Noteholders alike. The Issuer shall in its sole discretion be entitled to dispose of or hold the Notes so purchased.

8.2 Redemption at maturity

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention, unless the Issuer has prepaid, redeemed or repurchased the Notes in accordance with these Terms and Conditions.

8.3 Voluntary total redemption (call option)

8.3.1 The Issuer may, at any time having given, not less than thirty (30) nor more than sixty (60) calendar days' prior notice (the "**Voluntary Prepayment Notice**") to the Agent and to the Noteholders in accordance with Clause 25 (*Notices*), redeem all, but not only part, of the outstanding Notes on the Redemption Date specified for redemption in the Voluntary Prepayment Notice at a redemption price per Note equal to:

- (a) in the case of a Redemption Date occurring before the date falling thirty (30) months from the Issue Date (the "**First Call Date**"), the sum of (i) 102 per cent. of the Nominal Amount together with accrued but unpaid Interest to (but excluding) the Redemption Date and (ii) the remaining Interest payments from and including the Redemption Date to (but excluding) the First Call Date with such Interest payments being calculated based on the Interest Rate applicable on the date of the Voluntary Prepayment Notice; or
- (b) in the case of a Redemption Date occurring on or after the First Call Date but before the Final Maturity Date, the redemption price of 102 per cent. of the Nominal Amount together with accrued but unpaid Interest to (but excluding) the Redemption Date.

8.3.2 Any Voluntary Prepayment Notice is irrevocable, but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and fulfilment of the conditions precedent (if any), the Issuer shall redeem the Notes in full at the applicable amounts. The applicable amounts shall be rounded down to the nearest Euro (1.00).

8.4 Clean-up call option

If at any time the outstanding aggregate Nominal Amount of the Notes is twenty-five (25) per cent. or less of the initial aggregate Nominal Amount of the Notes issued (as adjusted by the aggregate Nominal Amount of any further issues of Notes under Clause 23 (*Further Issues*)), the Issuer may, at its option, at any time redeem all (but not only some) of the outstanding Notes at a price per Note equal to one hundred (100) per cent. of the Nominal Amount together with accrued but unpaid Interest to, but excluding, the Redemption Date, subject to the Issuer having given the Noteholders not less than fifteen (15) nor more than forty-five (45) calendar days' prior notice (which notice shall be irrevocable and shall specify the Redemption Date) in accordance with Clause 25 (*Notices*).

8.5 Mandatory repurchase due to Demerger Event or Change of Control Event (put option)

8.5.1 Upon the occurrence of a Change of Control Event or a Demerger Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of such Demerger Event or Change of Control Event (after which time period such right shall lapse) in accordance with Clause 10 (*Information to Noteholders*). However, such period may not start earlier than upon the occurrence of the Demerger Event or the Change of Control Event.

- 8.5.2 The notice from the Issuer shall specify the repurchase date that is a CSD Business Day (a "**Repurchase Date**") and include instructions about the actions that a Noteholder needs to take if it wants the Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Repurchase Date specified in the notice given by the Issuer pursuant to this Clause 8.5. The Repurchase Date must fall no later than forty (40) Business Days after the end of the twenty (20) Business Days' period referred to in the preceding paragraph. Any Notes so repurchased may at the Issuer's discretion be retained, sold or cancelled.
- 8.5.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.5 by virtue of the conflict.
- 8.5.4 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.5, if a third party in connection with the occurrence of a Change of Control Event or a Demerger Event offers to purchase the Notes in the manner and on the terms set out in this Clause 8.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 8.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit. The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.5.4 if it has exercised its right to redeem all of the Notes in accordance with Clause 8.3 (*Voluntary total redemption (call option)*) prior to the occurrence of the Demerger Event or the Change of Control Event.
- 8.5.5 Each Noteholder, whether or not it elects to exercise its right to require the repurchase of its Notes in accordance with this Clause 8.5 in the case of a Demerger Event, is deemed to have waived its rights as set out in Clause 11.8.4. The Noteholders have by these Terms and Conditions irrevocably authorised the Issuer to represent them with respect to the Finnish Trade Register in order to withdraw any notices opposing such Demerger.

9 COMMON TRANSACTION SECURITY

9.1 Common Transaction Security

- 9.1.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and each other Group Company that is a party to any Common Security Document (directly or by way of an accession agreement) has agreed to grant the Common Transaction Security for the benefit of the Secured Parties represented by the Common Security Agent as security agent on the terms of the relevant Common Security Documents.
- 9.1.2 For the avoidance of doubt, neither the Baltic Security nor the Danish Security constitutes or forms part of Common Transaction Security.
- 9.1.3 The Common Security Agent shall hold the Common Transaction Security on behalf of the Secured Parties in accordance with the terms of the Intercreditor Agreement and the relevant Common Security Documents. The Common Security Documents evidencing such Common Transaction Security have been and will in the future be executed, by the Common Security Agent for and on behalf of all the Secured Parties in accordance with the Intercreditor Agreement to which the Agent is a party as an agent and representative of the Noteholders.
- 9.1.4 Subject to the provisions of the Intercreditor Agreement, the Common Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Common Transaction Security in safe custody.
- 9.1.5 The Common Transaction Security is and is to be granted only for the benefit of the Secured Parties. The Common Security Documents provide and will provide that only the Common Security Agent may exercise the rights under the Common Security Documents and only the Common Security Agent, subject to the Intercreditor Agreement and the Noteholders' decisions pursuant to Clause 15 (*Decisions by Noteholders*), has the right to enforce the Common Security Documents. Consequently, the other Secured Parties shall not be

entitled, individually or collectively, to take any direct action to enforce any rights in their favour under the Common Security Documents.

- 9.1.6 The Common Security Agent shall (in its sole discretion and without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Common Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Common Transaction Security, creating further security for the benefit of the Secured Parties or for any other purposes in accordance with the terms of the Intercreditor Agreement and the relevant Common Security Documents.
- 9.1.7 The Agent shall be entitled to give instructions (on behalf of the Noteholders) relating to the Common Transaction Security to the Common Security Agent in accordance with the Intercreditor Agreement.
- 9.1.8 The Common Transaction Security is shared among the Secured Parties. All the Secured Obligations secured by the Common Transaction Security shall rank in right and priority of payment, and the Common Transaction Security shall secure the Secured Obligations, *pari passu* and *pro rata* without preference between them, except for liabilities owed to the Common Security Agent and certain costs incurred by certain creditor representatives (including the Agent) which have priority to enforcement proceeds relating to the Common Transaction Security in accordance with Clause 13 (*Distribution of proceeds*).

9.2 Enforcement and Release of Common Transaction Security

- 9.2.1 Only the Common Security Agent may exercise the rights under the Common Security Documents and only the Common Security Agent has the right to enforce the Common Transaction Security based on the instructions given to the Common Security Agent under and pursuant to the terms of the Intercreditor Agreement. The Agent shall be entitled to give instructions (on behalf of the Noteholders) relating to the Common Transaction Security in accordance with, and subject to, the Intercreditor Agreement.
- 9.2.2 The Noteholders shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favour under the Common Security Documents.
- 9.2.3 The Common Security Agent shall enforce the Common Transaction Security in accordance with, and subject to, the terms of the Common Security Documents and the Intercreditor Agreement.
- 9.2.4 The Common Transaction Security is shared among the Secured Parties. Any enforcement proceeds relating to the Common Transaction Security shall be distributed among the Secured Parties in accordance with Clause 12 (*Events of Default and Acceleration of the Notes*) and the Intercreditor Agreement.
- 9.2.5 The Common Security Agent shall, subject to the terms of the Intercreditor Agreement and the relevant Common Security Documents, be entitled to release all Common Transaction Security upon the full discharge of the Secured Obligations, in connection with the enforcement of the Common Transaction Security and in connection with any other similar distressed disposal event in accordance with the Intercreditor Agreement.
- 9.2.6 The Common Security Agent shall further be entitled to, pursuant to the terms of the Intercreditor Agreement and subject to the terms of any Common Security Document, release any Common Transaction Security which is sold or otherwise disposed of in a way which is permitted by the Secured Debt Documents, without having to obtain instructions or separate consent from the Noteholders. Any such release of Common Transaction Security made in accordance with the Intercreditor Agreement and the Common Security Documents shall be binding on all Noteholders.

10 INFORMATION TO NOTEHOLDERS

10.1 Information from the Issuer

- 10.1.1 The Issuer will make the following information available to the Noteholders and the Agent by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within ninety (90) days after the end of each financial year, its audited consolidated financial statements for that financial year and annual review;

- (b) as soon as the same become available, but in any event within sixty (60) days after the end of each quarter of its financial year, its unaudited consolidated financial statements release (in Finnish: *tilinpäätöstiedote*) and interim financial statements (as applicable) for such period;
 - (c) any other information required to be disclosed under the Finnish Securities Markets Act (in Finnish: *arvopaperimarkkinalaki, 746/2012, as amended*) and the rules and regulations of Helsinki Stock Exchange.
- 10.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Demerger Event. Such notice may be given in advance of the occurrence of a Change of Control Event or a Demerger Event and, be conditional upon the occurrence of any such event if a definitive agreement is in place providing for a Change of Control Event or a Demerger Event.
- 10.1.3 The Issuer shall, to the extent such information is not published by the Issuer by way of a stock exchange release or a press release:
- (a) notify the Noteholders and the Agent, immediately after the completion of the Danish Disposal, that the Danish Disposal has been completed and provide the Agent with any additional details on the Danish Disposal and/or related application of proceeds as may be reasonably required by the Agent; and
 - (b) in the event the Danish SPA is terminated or otherwise withdrawn by any party thereto without the closing of the Danish Disposal occurring thereunder, notify the Noteholders and the Agent of the same immediately after such termination or other withdrawal event.
- 10.1.4 The Issuer shall:
- (a) within five (5) Business Days from the publication of the financial statements pursuant to paragraphs (a) and (b) of subclause 10.1.1 submit to the Agent a Compliance Certificate (i) setting out calculations and figures as to compliance with Clause 11.3 (*Net Gearing*) and (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it); and
 - (b) upon the incurrence of Financial Indebtedness, the making of a Restricted Payment or the consummation of a Permitted Demerger or a Permitted Merger which, in each case, constitutes an Incurrence Event subject to the Incurrence Test, submit to the Agent a Compliance Certificate (i) setting out calculations and figures as to compliance with Clause 11.4 (*Incurrence Test*), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it).
- 10.1.5 The Issuer shall promptly notify the Agent (with full particulars) and the Common Security Agent upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default (or any Credit Facility Event of Default or another Notes Event of Default), or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default (or any Credit Facility Event of Default or another Notes Event of Default), and shall provide the Agent and the Common Security Agent with such further information as it may reasonably request in writing following receipt of such notice, in each case, subject to the Agent and the Common Security Agent complying with applicable confidentiality or regulatory restrictions under applicable securities markets laws and regulations. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

10.2 Information from the Agent

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes subject to applicable laws. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

10.3 Publication of the Finance Documents

The latest versions of these Terms and Conditions (and any document amending these Terms and Conditions) shall be available to the Noteholders and Persons considering an investment in the Notes at the office of the Agent during normal business hours and on the website of the Issuer. The latest versions of the other Finance Documents shall be available for review to the Noteholders and prospective Noteholders at the office of the Issuer and the Agent during normal business hours.

11 GENERAL UNDERTAKINGS

11.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 11 for as long as any Notes remain outstanding.

11.2 Negative Pledge

11.2.1 Except as provided under Clause 11.2.2 below, for so long as any of the Notes remain outstanding, the Issuer shall not (and the Issuer shall ensure that no other Group Company will) create or permit to exist any Security over any of its assets.

11.2.2 Clause 11.2.1 above does not apply to:

- (a) any Security created under the Common Security Documents;
- (b) any Security created under the Danish Security Documents (including the Baltic Security);
- (c) any Security arising under any escrow or other security arrangements in connection with and for the purposes of refinancing of the Notes;
- (d) any Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (e) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (f) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by any Group Company for the purpose of: (i) hedging any risk to which any Group Company is exposed in its ordinary course of trading, or (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only, excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction;
- (g) any Security over or affecting any asset acquired by any Group Company after the Issue Date if: (i) the Security was not created in contemplation of the acquisition of that asset by a Group Company, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a Group Company and (iii) the Security is removed or discharged within three (3) months of the date of acquisition of such asset;
- (h) any Security over or affecting any asset of any company which becomes a Group Company after the Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, if: (i) the Security was not created in contemplation of the acquisition of that company, (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company, and (iii) the Security is removed or discharged within three (3) months of that company becoming a Group Company;
- (i) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods (and only over such goods) supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company; or

- (j) any Security not permitted by paragraphs (a) to (i) above securing indebtedness the outstanding principal amount of which does not exceed, when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any Group Company (other than any permitted under paragraphs (a) to (i) above), EUR 10,000,000 at any time (or its equivalent in another currency or currencies).

11.3 Net Gearing

The Issuer undertakes to ensure that the ratio of Total Net Debt to Equity shall not, on any Quarter Date, equal or exceed one hundred twenty (120) per cent.

The ratio of Total Net Debt to Equity shall be calculated in accordance with the Accounting Principles and otherwise by reference to the latest annual audited consolidated financial statements or interim financial statements (as applicable) published by the Issuer and using end of the period values for balance sheet items.

The Issuer shall report in its consolidated financial statements and interim financial statements (as applicable) the ratio of Total Net Debt to Equity calculated in accordance with the Accounting Principles.

In these Terms and Conditions:

"Accounting Principles" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards in force on the date of, and applied in, the Issuer's consolidated financial statements for the year 2023.

"Equity" means the consolidated book value of the Group's aggregate shareholders' equity plus minority interests as calculated in accordance with the Accounting Principles.

"Total Net Debt" means the interest-bearing net liabilities (including, for the avoidance of doubt, any leases treated as finance/capital leases in accordance with IFRS 16) of the Group as calculated in accordance with the Accounting Principles.

"Quarter Date" means 31 March, 30 June, 30 September and 31 December in each calendar year.

11.4 Incurrence Test

- (a) For the purposes of Clause 11.6 (*Limitation on Financial Indebtedness*), Clause 11.7 (*Distributions*) and Clause 11.8 (*Mergers and demergers*), the incurrence test (the **"Incurrence Test"**) is met if the ratio of Adjusted Total Net Debt to Adjusted EBITDA is less than or equal to 3.5x until (and including) 30 June 2025 and, thereafter, 3.0x.
- (b) Irrespective of paragraph (a), above:
 - (i) payment of interest on the Issuer's outstanding Capital Securities issued on 17 September 2018 on the interest payment date falling 17 September 2024 shall not be subject to the Incurrence Test; and
 - (ii) with respect to the repurchase or redemption of the Issuer's outstanding Capital Securities issued on 17 September 2018 (including payment of accrued and unpaid interest in connection therewith), the Incurrence Test is met if the ratio of Adjusted Total Net Debt to Adjusted EBITDA is less than or equal to 3.5x until (and including) 31 December 2025 and, thereafter, 3.0x.
- (c) For the purposes of the calculation of the Incurrence Test in respect of an Incurrence Event and a Reference Date, the following terms shall have the following meanings:

"Adjusted EBITDA" means, in relation to a relevant Measurement Period, EBITDA for that Measurement Period adjusted by (without double counting):

 - (i) **including** the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) of (A) a Group Company (or attributable to a business or assets) acquired during the Measurement Period for that part of the

Measurement Period prior to its becoming a Group Company or (as the case may be) prior to the acquisition of the business or assets and (B) the Danish Subsidiary until closing of the Danish Disposal; and

- (ii) **excluding** the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) attributable to any Group Company (or to any business or assets) disposed of during the Measurement Period for that part of the Measurement Period (other than the Danish Subsidiary which shall be included until closing of the Danish Disposal in accordance with item (i)).

"Adjusted Total Net Debt" means the Total Net Debt as per the latest financial statements prepared for the financial reporting period most recently ended prior to the relevant Reference Date (the **"Reference Balance Sheet"**) adjusted by:

- (i) **adding** any new Financial Indebtedness calculated in accordance with the Accounting Principles incurred after the date of the Reference Balance Sheet;
- (ii) **deducting** any Financial Indebtedness repaid or refinanced with the incurrence of new Financial Indebtedness after the date of the Reference Balance Sheet; and
- (iii) **taking into account** any amount of new equity raised or to be raised (provided that such equity is fully committed by the investors) by the Issuer after the date of Reference Balance Sheet which is used or will be used towards repayment of any Financial Indebtedness,

provided that, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Total Net Debt.

- (d) In these Terms and Conditions:

"EBITDA" means the consolidated operating profit of the Group from continuing operations before interest, taxation, depreciation and amortisation for the relevant period, as calculated in accordance with the Accounting Principles and reported by the Issuer in its financial statements.

"Measurement Period" means each period of twelve (12) Months ending on (and including) a Reference Date.

11.5 Disposals

- (a) For so long as any of the Notes remain outstanding, the Issuer shall not (and the Issuer shall ensure that no other Group Company will) sell, transfer or otherwise dispose shares or any other securities in any Group Company or its (or those of that Group Company) assets or operations to any party other than the Issuer or another Group Company, unless such sale, transfer or disposal:
 - (i) is lawful payment of dividends or other distribution of funds in compliance with applicable law and the Finance Documents;
 - (ii) is made in the ordinary course of trading of goods produced for sale of the disposing entity, including, for the sake of clarity, sales of any trade receivables relating to such sales of goods;
 - (iii) of assets in exchange for other assets comparable or superior as to type, value and quality (other than an exchange of a non-cash asset for cash);
 - (iv) is carried out at fair market value and on terms and conditions customary for such transactions;
 - (v) is required (either mandatorily or as an alternative to other remedies) to be made by any competition authority in connection with an acquisition by any Group Company; or

- (vi) is the Danish Disposal (subject to the application of any related disposal proceeds in compliance with the terms of the Intercreditor Agreement and the Danish Security Documents),

in each case, other than any assets subject to the Common Transaction Security (other than a Business Mortgage in case of disposals of movable assets covered by such Business Mortgage which are required by regular exchange of goods, necessary renewal of property or other regular business operations as permitted under the Business Mortgage Act) unless such Common Security Asset Disposal is permitted under and carried out in compliance with paragraph (c) below.

- (b) Subject to the terms of Intercreditor Agreement, if any cash proceeds actually received from a sale, transfer or other disposal (whether by a single transaction or a series of transactions, whether related or not) referred to in sub-paragraphs (iv)–(v) of paragraph (a) above exceed EUR 5,000,000 (or its equivalent in other currencies) in aggregate (the "**Cash Proceeds**") during any period of six (6) consecutive months, with any such period starting at the earliest on the Issue Date, the Issuer:

- (i) may within six (6) months after the receipt thereof apply (or cause the relevant Group Company to apply) such Cash Proceeds (at its sole discretion) to investments in assets (including, for the sake of clarity, any real properties provided that any such real property will upon acquisition become subject to the Common Transaction Security) that will be used in the business of the Group (whether through direct investments in such assets or through investments in shares or other securities) or repayment and cancellation or discharge of any Financial Indebtedness (excluding any Restricted Payment), in so far as such repayment and cancellation or discharge can be made in accordance with the terms of such Financial Indebtedness (excluding any Restricted Payment), incurred by the Group Companies; and
- (ii) shall, to the extent the Cash Proceeds are not applied in accordance with sub-paragraph (i) above, apply (or cause the relevant Group Company to apply) the remaining Cash Proceeds towards repayment or discharge of any Financial Indebtedness (excluding any Restricted Payment), in so far as such repayment or discharge can be made in accordance with the terms of such Financial Indebtedness, incurred by the Group Companies without delay after the expiry of the six (6) month period referred to in sub-paragraph (i) above,

or, as an alternative way to fulfil the requirements under sub-paragraphs (i) and (ii) above, the Issuer may offer to use the Cash Proceeds to repurchase the Notes at the relevant redemption price set out in Clause 8.3.1, in which case the requirement under sub-paragraphs (i) and (ii) above shall be deemed fulfilled irrespective of whether such offer is accepted by any Noteholders.

- (c) Subject to the terms of the Intercreditor Agreement and the Common Security Documents, in case of a disposal of any assets subject to the Common Transaction Security (other than a Business Mortgage in case of disposals of movable assets covered by such Business Mortgage which are required by regular exchange of goods, necessary renewal of property or other regular business operations as permitted under the Business Mortgage Act) (the "**Common Security Asset Disposal**"):

- (i) any such disposal shall be subject to prior written consent of the Common Security Agent; and
- (ii) may not be made unless (A) such disposal is expressly permitted by the Secured Debt Documents and (B) upon completion of such disposal, any Disposal Proceeds shall be applied in accordance with paragraphs (b)(i) and (b)(ii) above.

- (d) The requirement to apply Cash Proceeds within the six (6) month period as referred to in paragraph (b) above shall be deemed to be met where in the Issuer and/or the relevant Group Company has/have entered into an agreement or otherwise committed to make an investment in assets referred to in paragraph (b) above before the expiry of the six (6) month period although the Cash Proceeds would be finally applied only after such deadline.

- (e) For the avoidance of doubt, the obligation to apply Cash Proceeds in accordance with paragraph (b) above (other than by virtue of paragraph (c) above), shall apply only to the amount exceeding EUR 5,000,000.

11.6 Limitation on Financial Indebtedness

11.6.1 Except as provided under Clause 11.6.2 below, for as long as any Note remains outstanding, the Issuer shall not (and shall ensure that no other Group Company will) incur, directly or indirectly, any Financial Indebtedness unless the Incurrence Test set out in Clause 11.4 for the purposes of this Clause 11.6 is met at the time of incurrence of such Financial Indebtedness (a "**Reference Date**") immediately before and after (*pro forma*) the incurrence of relevant Financial Indebtedness (an "**Incurrence Event**").

11.6.2 Clause 11.6.1 above does not apply to:

- (a) any Financial Indebtedness under the Notes;
- (b) any Financial Indebtedness under the Initial Credit Facility Agreement;
- (c) any Financial Indebtedness (other than Financial Indebtedness referred to in paragraph (b) above) provided by a Credit Facility Creditor to the Issuer in form of overdraft facilities or any other facilities up to aggregate amount of EUR 5,000,000;
- (d) any Financial Indebtedness arising under export credit agency (ECA) backed loans up to the aggregate amount of EUR 26,000,000;
- (e) any Financial Indebtedness arising under any intra-Group loans;
- (f) any Financial Indebtedness arising under any pension loans (in Finnish: *TyEL-lainat*) in the maximum aggregate amount of EUR 50,000,000 and related financial guarantees;
- (g) any Financial Indebtedness provided by Finnvera up to the aggregate amount of EUR 35,000,000;
- (h) any Financial Indebtedness under the existing bilateral credit limit arrangement between the Issuer and the Current Majority Owner up to the aggregate outstanding principal amount of EUR 5,000,000;
- (i) any Financial Indebtedness of the Group in form of lease or hire purchase contract to be treated in accordance with IFRS 16 as finance or capital lease in the aggregate maximum amount of EUR 130,000,000;
- (j) any Financial Indebtedness of any company which becomes a Group Company after Issue Date, if such Financial Indebtedness: (i) is outstanding when that company became a Group Company, (ii) was not incurred in connection with or in contemplation of that company becoming a Group Company, (iii) has not been increased in contemplation of or since the acquisition of that company, and (iv) is discharged within three (3) months of that company becoming a Group Company;
- (k) any Financial Indebtedness arising under commercial papers within the Issuer's commercial paper programme(s) existing on the Issue Date;
- (l) any Financial Indebtedness arising under a guarantee, counter-indemnity or other indemnity or surety up to the aggregate amount or EUR 10,000,000;
- (m) any Financial Indebtedness arising under any letters of credit in the maximum aggregate amount which does not exceed EUR 10,000,000 at any time;
- (n) any Financial Indebtedness arising under any non-speculative derivative transaction entered in connection with the Issuer's ordinary course of business;
- (o) any other Financial Indebtedness existing as at the Issue Date and any Financial Indebtedness incurred for the purposes refinancing thereof provided that the principal amount of such refinancing does not exceed the principal amount of the existing Financial Indebtedness being refinanced and the proceeds received from the incurrence of such Financial Indebtedness for refinancing purposes

is used no later than three (3) months after its incurrence for the purposes of repaying the existing debt being refinanced; or

- (p) any other Financial Indebtedness in the maximum aggregate amount of EUR 10,000,000 outstanding at any time.

11.7 Distributions

11.7.1 The Issuer shall not (and shall procure that no other Group Company will):

- (a) declare or pay any dividend in respect of its shares or declare or make any group contributions (in Finnish: *konserniavustus*) (in the case of the Issuer, other than the minority dividend in accordance with the Companies Act, and in the case of Group Company, other than the Issuer, to the direct shareholder(s) of such Group Company on a *pro rata* basis based on the share ownership in such Group Company);
- (b) repurchase or redeem its own shares;
- (c) redeem or reduce its share capital or other restricted equity;
- (d) make any similar distributions or transfers of value (including but not limited to any distribution from the fund of invested unrestricted equity (in Finnish: *sijoitetun vapaan oman pääoman rahasto*)) to the direct or indirect shareholders of the Issuer;
- (e) repurchase or redeem any Capital Securities (unless repurchased or redeemed with funds raised through issuance of new Capital Securities);
- (f) make any payments under the Capital Securities (other than mandatory interest payments pursuant to the terms and conditions of the Capital Securities); or
- (g) repay any principal or pay accrued interest of any Financial Indebtedness repayable to any Controlling Shareholder (other than under the credit arrangement referred to in paragraph (h) of Clause 11.6.2),

each item (a)-(g) above referred to as a "**Restricted Payment**".

11.7.2 Notwithstanding Clause 11.7.1 above, a Restricted Payment can be made if:

- (a) no Event of Default is continuing or would occur as a result of such Restricted Payment; and
- (b) the Incurrence Test set out in Clause 11.4 for the purposes of this Clause 11.7 is met on a date when the relevant Restricted Payment is made (a "**Reference Date**") immediately before and after (*pro forma*) making of the relevant Restricted Payment (an "**Incurrence Event**").

11.8 Mergers and demergers

11.8.1 The Issuer shall not (and shall procure that no other Group Company will) enter into any amalgamation, demerger, merger or other corporate reconstruction.

11.8.2 Clause 11.8.1 above does not apply to a Permitted Reorganisation, a Permitted Merger or a Permitted Demerger.

11.8.3 Subject to Clause 11.8.1, each Noteholder agrees that in any such corporate reorganisation the Noteholders authorise the Agent to instruct the Common Security Agent to agree on the priority of the pledges over the Business Mortgages in the surviving entity to provide for the Common Transaction Security (or release thereof).

11.8.4 Each Noteholder shall be deemed to have irrevocably waived, and irrevocably undertakes not to use, any right of a creditor to oppose, or to require the repayment of or granting of security for any debt, in connection with, a merger, demerger or transfer of domicile of or involving the Issuer, under the Finnish Companies Act (624/2006, as amended) or any other legislation, rules, regulations or guidelines of general application concerning the right of creditors in connection with a merger, demerger or transfer of domicile.

11.9 Undertakings relating to the Agency Agreement

11.9.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

11.9.2 The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

11.10 Authorisations

The Issuer shall (and shall procure that all other Group Companies will) obtain, comply with, renew and do all that is necessary to maintain in full force and effect, any licenses, authorisation or any other consents required to enable it to carry on its business where failure to do so would have a Material Adverse Effect.

11.11 Insurance

The Issuer shall (and shall procure that all other Group Companies will) carry or be covered by insurance in such amounts and covering such risks that are adequate in the reasonable judgment of the Issuer for the conduct of their businesses, if failure to so comply would have a Material Adverse Effect.

11.12 Compliance with laws

The Issuer shall (and shall procure that each other Group Company will) comply with all laws and regulations to which it may be subject from time to time, if failure to so comply would have a Material Adverse Effect.

11.13 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders (including, for the sake of clarity, the Current Majority Owner) at arm's length terms.

12 EVENTS OF DEFAULT AND ACCELERATION OF THE NOTES

12.1 Subject to the provisions of the Intercreditor Agreement, if an Event of Default (as defined below) occurs, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing over fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 12.5, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

12.2 Each of the following events shall constitute an "**Event of Default**":

- (a) **Non-Payment:** the Issuer does not pay on the relevant due date any amount payable by it under the relevant Finance Documents, unless the non-payment (i) is caused by technical or administrative error; and (i) is remedied within five (5) Business Days from the due date;
- (b) **Non-compliance:** the Issuer, any other Security Provider, or any other Group Company does not comply with its obligations under the Finance Documents, unless the failure to comply is capable of

remedy and is remedied within fifteen (15) Business Days of the earlier of (i) any Noteholder giving notice to the Issuer and (ii) the Issuer becoming aware of the failure to comply;

- (c) **Cross-default:** Any outstanding Financial Indebtedness of the Issuer, any other Security Provider or any Material Subsidiary or any compulsory payment under the Capital Securities (i) is not paid when due nor within any originally applicable deferral or grace period, (ii) is accelerated or otherwise becomes due and payable prematurely because of an event of default (howsoever described) or (iii) if any Security given by the Issuer, any other Security Provider or any Material Subsidiary for any such Financial Indebtedness becomes enforceable by reason of an event of default (howsoever described). No Event of Default will occur under this paragraph (c) if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant Group Company (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 12.7) or (ii) the aggregate amount of Financial Indebtedness referred to herein is less than EUR 10,000,000 (or its equivalent in other currencies);
- (d) **Continuation of business:** the Issuer or any of its Material Subsidiaries ceases to carry on its business provided that, in the case of a Material Subsidiary, such discontinuation is likely to have a Material Adverse Effect (save for cessation due to any disposals permitted under the Secured Debt Documents).
- (e) **Winding-up:** An order is made or an effective resolution is passed for the winding-up (in Finnish: *selvitystila*), liquidation or dissolution of the Issuer, any other Security Provider, any of the Material Subsidiaries except for (i) actions which are frivolous (in Finnish: *perusteeton*) or vexatious (in Finnish: *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary (other than any Security Provider), on a voluntary solvent basis;
- (f) **Insolvency:** the Issuer, any other Security Provider, or any Material Subsidiary is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (g) **Insolvency proceedings:** the Issuer, any other Security Provider, or any of the Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors (excluding any Noteholder in its capacity as such), or an application is filed for the Issuer or any of its Material Subsidiaries being subject to bankruptcy (in Finnish: *konkurssi*) or re-organisation proceedings (in Finnish: *yrittysaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's, any other Security Provider's or any Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within sixty (60) Business Days; and
- (h) **Illegality:** it becomes unlawful for the Issuer, any other Security Provider or any Material Subsidiary that is a party to any Finance Document to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable, and the effect of such obligations has a detrimental effect on the interests of the Noteholders.

12.3 The Agent may not accelerate the Notes in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing.

12.4 The Agent shall notify the Noteholders and the Issuer (if the Issuer is not aware) of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days), decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.

- 12.5 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, subject to the terms of the Intercreditor Agreement, unless the relevant Event of Default has been remedied or waived.
- 12.6 Notwithstanding anything to the contrary herein, if the Common Security Agent has enforced the Common Transaction Security in accordance with the Intercreditor Agreement, the Agent shall (without having to obtain instructions from the Noteholders) immediately declare all, but not only some, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents.
- 12.7 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.8 In the event of an acceleration of the Notes in accordance with this Clause 12, the Issuer shall redeem all Notes at an amount per Note equal to, as applicable considering when acceleration occurs, the redemption amount set out in Clause 8.3 (*Voluntary total redemption (call option)*).

13 DISTRIBUTION OF PROCEEDS

- 13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 12 (*Events of Default and Acceleration of the Notes*) or any other Secured Obligations in accordance with their terms and any proceeds received from an enforcement of the Common Transaction Security or otherwise received by the Common Security Agent with respect to the Secured Obligations in accordance with the Intercreditor Agreement shall be distributed as set out in the Intercreditor Agreement in the following order of priority towards satisfaction of the Secured Obligations:
- (a) *first*, in or towards payment of any unpaid fees, costs, expenses, liabilities and indemnities payable by the Issuer or any other relevant Group Company to the Common Security Agent (or its delegate, as applicable) under or in relation to any Secured Debt Document;
 - (b) *secondly*, in or towards payment on a *pro rata* and *pari passu* basis of unpaid fees, costs, expenses and indemnities payable by the Issuer or any other relevant Group Company to the Agent, the Issuer Agent, each agent under the Credit Facility Documents, and each agent and issuer agent under any other Secured Notes;
 - (c) *thirdly*, in or towards payment on a *pro rata* and *pari passu* basis (with no preference among them):
 - (i) to each Noteholder in respect of the Notes (such payment to be made and applied in accordance with the payment provisions of these Terms and Conditions) and each other noteholder in respect of the Notes Liabilities under Secured Notes other than the Notes (such payment to be made and allocated in accordance with the payment provisions of the terms and conditions of the relevant Secured Notes);
 - (ii) to each creditor in respect of the Credit Facility Liabilities (such payment to be made and applied in accordance with the payment provisions of the relevant credit facility documents); and
 - (iii) to each creditor in respect of the Hedging Liabilities (such payment to be made and applied in accordance with the payment provisions of the relevant hedge agreements);
 - (d) *fourthly*, subject to the irrevocable discharge of all the Secured Obligations having occurred, towards payment to any person to whom the Common Security Agent is obliged to pay or distribute in priority to any debtor; and

- (e) *fifthly*, the balance, if any, in payment or distribution to the Issuer or the relevant Group Company entitled to it, as appropriate.
- 13.2 Any amount which in compliance with the Intercreditor Agreement (as applicable) is payable in respect of the Notes shall be applied in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuer Agent in accordance with the Issuer Agent Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, exercising rights for the enforcement of Common Transaction Security or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.8, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.2;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 7.4;
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes;
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents; and
- (e) *fifthly*, the balance, if any, in payment or distribution to the Issuer or the relevant Group Company entitled to it, as appropriate.
- 13.3 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in paragraph (a) of Clause 13.2, such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with paragraph (a) of Clause 13.2.
- 13.4 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of Common Transaction Security contrary to the provisions of the Intercreditor Agreement constitute escrow funds and must be promptly turned over to the Common Security Agent to be applied in accordance with the Intercreditor Agreement.
- 13.5 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid.

14 RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 14.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- 14.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 14.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 14.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

15 DECISIONS BY NOTEHOLDERS

15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.

15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

15.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 14 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:

- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 16.3, in respect of a Noteholders' Meeting; or
- (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.

15.5 The following matters shall require the consent of Noteholders representing at least seventy-five (75) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) a change to the terms of any Clause 2.1, Clause 2.4 to Clause 2.6 or Clause 2.11;
- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 8 (*Purchases, redemption and repurchase of the Notes*) or change in any term triggering the right of such redemption or repurchase;
- (c) a change to the Interest Rate (other than as a result of the application of Clause 27 (*Replacement of Base Rate*)) or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or Interest on the Notes;
- (g) a release of the Common Transaction Security, except as permitted under the Intercreditor Agreement and these Terms and Conditions;
- (h) any amendments to the terms of the Intercreditor Agreement (through amendment, replacement or otherwise) whereby the ranking of debt of the Group and the priority of payments among such debt or provisions on the enforcement of the Common Transaction Security become less beneficial to the

Noteholders compared to the applicable provisions of the Intercreditor Agreement prior to such amendment;

- (i) a mandatory exchange of the Notes for other securities; and
 - (j) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Event of Default and Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)) or an acceleration of the Notes or the exercise of the rights of the Noteholders to enforce any Common Transaction Security.
- 15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 15.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.13 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) its Affiliates, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate of the Issuer.
- 15.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent in accordance

with Clause 25 (*Notices*), provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

16 NOTEHOLDERS' MEETING

16.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1.

16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

16.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice. The Noteholders' Meeting shall be held in Helsinki, Finland. However, at the Issuer's discretion, a Noteholders' Meeting may also be held (or participation to a physical meeting enabled) by telecommunications or other electronic or technical means.

16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

17 WRITTEN PROCEDURE

17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.

17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.

17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

17.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.5 or 15.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6 as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18 AMENDMENTS AND WAIVERS

18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document (subject to the provisions of the Intercreditor Agreement), provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
 - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*);
 - (d) is made pursuant to Clause 27 (*Replacement of Base Rate*);
 - (e) any such amendment of the Intercreditor Agreement does not result in or constitute an amendment referred to in paragraph (h) of Clause 15.5; or
 - (f) such amendment is entered into to enable any refinancing or replacement of any Secured Obligations *pari passu* with such Secured Obligations that are being refinanced or replaced and which does not benefit from any guarantees or security beyond those benefiting the other Secured Parties.
- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1 setting out the date from which the amendment or waiver will be effective and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 15.14. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19 APPOINTMENT AND REPLACEMENT OF THE AGENT

19.1 Appointment of Agent

- 19.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:
- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative under the Act on Noteholders' Agent in all matters relating to the Notes and the Finance Documents (including, for the avoidance of doubt, the Intercreditor Agreement), and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in all matters set out in the Act on Noteholders' Agent and particularly in any legal or arbitration proceedings relating to the Notes held by such Noteholder and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by the Act on Noteholders' Agent, these Terms and Conditions and the Intercreditor Agreement together with all such rights, powers, authorities and discretions as are incidental thereto;
 - (b) confirms the appointment under the Intercreditor Agreement of the Common Security Agent to act as its agent in all matters relating to the Common Transaction Security and the Common Security Documents, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Common Transaction Security and acknowledges and agrees that the rights, obligations, role of and limitation of liability for the Common Security Agent is further regulated in the Intercreditor Agreement;
 - (c) agrees and accepts that, upon the Common Transaction Security having become enforceable pursuant to the terms of the Intercreditor Agreement and/or the Common Security Documents, it will be considered to have irrevocably transferred to the Common Security Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes, to enforce any Common Transaction Security and to receive any funds in respect of the Notes or under the Common Security Documents as a result of which transfer, the Common Security Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of

each Noteholder (at the expense of the Noteholders) subject to the provisions of the Intercreditor Agreement; and

- (d) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 12.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes and to receive any funds in respect of the Notes and as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders) subject to the provisions of the Intercreditor Agreement.

- 19.1.2 Each Noteholder shall immediately upon request provide the Agent and the Common Security Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent or the Common Security Agent, as applicable, deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent or the Common Security Agent is under any obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent or the Common Security Agent is unable to represent such Noteholder.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Common Security Agent and the Agent (as applicable) shall represent the Noteholders (and the other Secured Parties in accordance with the Intercreditor Agreement), by holding the Common Transaction Security pursuant to the Common Security Documents on behalf of the Noteholders and, where relevant, enforcing the Common Transaction Security on behalf of the Noteholders. The Agent is not responsible for the execution or enforceability of the Finance Documents, the perfection of the Common Transaction Security, or the validity, enforceability or the due execution of any of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and where relevant, upon instructions from the Noteholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person and no opinion or advice by the Agent will be binding on the Noteholders.
- 19.2.4 The Agent shall monitor the compliance by the Issuer with its obligations under these Terms and Conditions on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- 19.2.5 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to the Finance Documents.
- 19.2.6 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.

- 19.2.7 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 19.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Common Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).
- 19.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.11 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.10.

19.3 Limited liability for the Agent

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with the Finance Documents, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 12.1.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.

- 19.4.2 Subject to Clause 19.4.7, if the Agent is (i) Insolvent, (ii) has been removed from the register of noteholders' agents maintained by the Finnish Financial Supervisory Authority and as referred to in Section 15 of the Act on Noteholders' Agent, (iii) is no longer independent in respect of the Issuer as referred to in Section 9 of the Act on Noteholders' Agent, or (iv) otherwise unable to continue to act as an Agent for the Noteholders according to the applicable law, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.
- 19.4.3 Any successor Agent appointed pursuant to this Clause 19.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances and which has the authority to do so pursuant to the Act on Noteholders' Agent.
- 19.4.4 A Noteholder or Noteholders representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent, which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of the Finance Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.9 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20 NO DIRECT ACTIONS BY NOTEHOLDERS

- 20.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Common Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (in Finnish: *yrittysaneeraus*) or bankruptcy (in Finnish: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer or any other Group Company in relation to any of the obligations and liabilities of the Issuer or such other Group Company under the Finance Documents. Such steps may only be taken by the Agent or the Common Security Agent (as applicable in accordance with the provisions of the Intercreditor Agreement).
- 20.2 Subject to the provisions of the Intercreditor Agreement, Clause 20.1 shall not apply if:
- (a) the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 20.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause

19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.11 before a Noteholder may take any action referred to in Clause 20.1; and

- (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 20.1; or
- (c) the Common Security Agent has been instructed in accordance with the Intercreditor Agreement to take any of the actions referred to in Clause 19.1 in accordance with the Intercreditor Agreement to enforce the Common Transaction Security but is legally unable to take such enforcement actions.

20.3 Subject to the provisions of the Intercreditor Agreement, the provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 8.5 (*Mandatory repurchase due to a Change of Control Event or Demerger Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

21 TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to the Noteholders in respect of such withholding or deduction.

22 PRESCRIPTION

The right to receive payment of the principal of or Interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due. If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (in Finnish: *laki velan vanhentumisesta 728/2003*, as amended), a new limitation period of at least three (3) years will commence.

23 FURTHER ISSUES

The Issuer may from time to time, without the consent of and notice to the Noteholders, create and issue further Notes having the same Terms and Conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Clause 23 shall not limit the Issuer's right to issue any other notes.

24 LISTING

An application will be made to Nasdaq Helsinki Ltd with the aim of having the Notes listed on a regulated market maintained by Nasdaq Helsinki Ltd.

25 NOTICES

25.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the following address: Nordic Trustee Oy, Aleksanterinkatu 44, 00100 Helsinki, Finland and by e-mail to finland@nordictrustee.com;
- (b) if to the Common Security Agent, shall be given at the following address: Nordic Trustee Oy, Aleksanterinkatu 44, 00100 Helsinki, Finland and by e-mail to finland@nordictrustee.com;

- (c) if to the Issuer Agent, shall be given at the following address: Gebhardinaukio 1, Helsinki, PL 308, 00013 OP and by e-mail to yhtiotapahtumat@op.fi;
- (d) if to the Issuer, shall be given at the following address: HKFoods Plc, P.O. Box 50, FI-20521 Turku; and
- (e) if to the Noteholders, shall be given by way of a stock exchange release or a press release of the Issuer, as appropriate under applicable law. A notice to the Noteholders shall also be published on the website of the Issuer, and if so deemed necessary or desirable by the Issuer, to the addresses of the Noteholders as registered with the CSD.

25.2 Any notice delivered by a stock exchange release or a press release shall be deemed to have been received by the Noteholders when so published by the Issuer.

25.3 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, e-mail, personal delivery or letter or as stipulated in Clause 25.2 and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 25.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1 or, in the case of e-mail, when actually received in a readable form.

25.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

26 **FORCE MAJEURE**

The Issuer, the Joint Lead Managers or the Issuer Agent shall not be responsible for any losses of the Noteholders resulting from:

- (a) action of the authorities, war or threat of war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Joint Lead Managers or the Issuer Agent and that materially affect operations of any of them;
- (c) any interruption of or delay in any functions or measures of the Issuer, the Joint Lead Managers or the Issuer Agent as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Joint Lead Managers or the Issuer Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or
- (e) any other similar force majeure or hindrance which makes it unduly difficult to carry on the activities of the Issuer, the Joint Lead Managers or the Issuer Agent.

27 **REPLACEMENT OF BASE RATE**

27.1 **General**

27.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Noteholders in accordance with the provisions of this Clause 27 shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

27.1.2 If a Base Rate Event has occurred, this Clause 27 shall take precedent over the fallbacks set out in paragraphs (b) to (d) of the definition of EURIBOR.

27.2 **Definitions**

27.2.1 In this Clause 27:

"Adjustment Spread" means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

"Base Rate Amendments" has the meaning set forth in Clause 27.3.4.

"Base Rate Event" means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuer Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework, or in respect of EURIBOR, from the equivalent entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

"Base Rate Event Announcement" means a public statement or published information as set out in paragraphs (b) to (e) of the definition of the **"Base Rate Event"** that any event or circumstance specified therein will occur.

"Independent Adviser" means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

"Relevant Nominating Body" means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Board or any part thereof.

"Successor Base Rate" means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Notes, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or

- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply mutatis mutandis to such new Successor Base Rate.

27.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- 27.3.1 Without prejudice to Clause 27.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to paragraph 27.3.2 below.
- 27.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.
- 27.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 27.3.2, the Noteholders shall, if so decided at a Noteholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 27.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clauses 27.3 to 27.6, the Agent (acting on the instructions of the Noteholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- 27.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 27.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

27.4 Interim measures

- 27.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the definition of the "**Base Rate Event**" has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
 - (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 27.4.2 For the avoidance of doubt, Clause 27.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 27. This will however not limit the application of Clause 27.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 27 have been taken, but without success.

27.5 Notices etc.

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuer Agent and the Noteholders in accordance with Clause 25 (*Notices*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Notes are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

27.6 Variation upon replacement of Base Rate

27.6.1 No later than giving the Agent notice pursuant to Clause 27.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and a duly authorised signatory of the Issuer (subject to Clause 27.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 27. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuer Agent and the Noteholders.

27.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 27.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Noteholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 27.

27.6.3 The Agent and the Issuer Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 27. Neither the Agent nor the Issuer Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuer Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuer Agent in the Finance Documents.

27.7 Limitation of liability for the Independent Adviser

Any Independent Adviser appointed pursuant to Clause 27.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

28 APPLICABLE LAW AND JURISDICTION

28.1 The Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.

28.2 Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (in Finnish: *Helsingin käräjäoikeus*).

28.3 Clause 28.1 and 28.2 above shall not limit the right of the Agent (or the Noteholders, as applicable) to take proceedings against the Issuer or any Security Provider in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

APPENDIX 1

(Form of Compliance Certificate)

COMPLIANCE CERTIFICATE

To: [●] as Agent

From: HKFoods Plc as Issuer

Date: [●]

Dear Madams/Sirs,

We refer to the senior secured floating rate notes issued by us on 17 June 2024 with an aggregate nominal amount of EUR 90,000,000 (the "Notes").

1. We refer to the Terms and Conditions of the Notes. This is a Compliance Certificate. Terms defined in the Terms and Conditions of the Notes have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

[2. We confirm that no Event of Default is continuing.]*

[3. With reference to *[description of the relevant event in respect of which Incurrence Test is calculated]*, we confirm that the ratio of Adjusted Total Net Debt to Adjusted EBITDA is [●] with respect to the Reference Date falling [●].]

[4. We confirm that as at the [relevant Quarter Date], the ratio of Total Net Debt to Equity is [●].]

5. This Compliance Certificate is governed by Finnish law.

HKFoods Plc

as Issuer

Name:

* If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

The Issuer

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Joint Lead Managers

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