FIFAX

Listing on the First North Growth Market Finland marketplace

Offering of approximately EUR 15 million

Subscription Price of EUR 2.55 per Offer Share

This offering circular (the "**Offering Circular**") has been prepared in connection with the initial public offering of FIFAX Plc ("**Fifax**" or the "**Company**"), a public limited liability company incorporated in Finland. The Company aims to collect gross proceeds of approximately EUR 15 million by offering preliminarily a maximum of 5,900,000 new shares of the Company (the "**New Shares**") for subscription (the "**Offering**"). The Company's Board of Directors has, depending on the demand, a right to increase the number of New Shares by a maximum of 4,000,000 new Shares (the "**Upsize Option**"). Unless the context indicates otherwise, the New Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**". The subscription price per Offer Share in the Offering is EUR 2.55 (the "**Subscription Price**"). The New Shares offered in the Personnel Offering are offered at a discounted subscription price of EUR 2.30 per New Share. The Offering consists of (i) a public offering to private individuals and entities in Finland, Sweden and Norway (the "**Public Offering**"), (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally outside the United States (the "**Institutional Offering**") and (iii) a personnel offering to the Company's and its subsidiaries' all full-time or part-time employees in a permanent employment relationship as well as to the fixed-term employees at the start of the subscription period, 29 September 2021, as well as to the members of the Board of Directors, the management team and the CEO (the "**Personnel Offering**"). The subscription period for the Institutional and the Personnel Offerings as well as the Public Offering in Finland will commence on 29 September 2021 at 10:00 a.m. (Finnish time) and the Public Offering in Sweden and Norway will commence on 30 September 2021 at 10:00 a.m. (local time) and end on 13 October 2021 at 4:00 p.m. (Finnish time), unless the subscription period is discontinued or extended. For instructions for subscription and full terms and conditions of the Offering, see section "*Terms and Conditions of the Offering*".

Aurator Asset Management Ltd, FV Group AB, Holdix Oy Ab, Oy Etrisk Ab, Finnish Industry Investment Ltd, Special Investment Fund Säästöpankki Ympäristö (Säästöpankki Ympäristö -erikoissijoitusrahasto), Turret Oy Ab and Ålands Ömsesidiga Försäkringsbolag (together the "**Cornerstone Investors**") have each individually, in September 2021, given subscription commitments in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain customary conditions being fulfilled, for an aggregate of EUR 6.0 million, which represents 21.6 percent of the Offer Shares, assuming that the Upsize Option is exercised in full and that the Additional Shares (as defined below) are subscribed in full. The subscription commitments of the Cornerstone Investors are conditional upon the Company raising gross proceeds of at least EUR 15 million from the Offering. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer Shares covered in the subscription undertaking, as described in the section "*Plan of Distribution – Commitments by Cornerstone Investors*".

Alexander Corporate Finance Oy acts as the global coordinator and bookrunner (the "**Global Coordinator**") for the Offering as well as the Company's certified adviser referred to in the Nasdaq First North Growth Market Rulebook (the "**First North Rulebook**"). In addition, Fearnley Securities AS ("**Fearnley**") has been appointed as joint bookrunner for the Offering (Fearnley together with the Global Coordinator the "**Managers**"). The Global Coordinator, Fearnley and Nordnet Bank AB ("**Nordnet**") act as subscription places in the Offering. The Managers act as subscription places in the Institutional Offering (except for Nordnet's own Finnish customers) and the Global Coordinator acts as the subscription place in the Personnel Offering. In addition to the New Shares and the Upsize Option, the Company may, in connection with the Offering, issue, by a directed share issue, at the Subscription Price, up to 885,000 new shares of the Company (the "**Additional Shares**") solely to stabilize and cover potential over-allotments. The Company is expected to commit to repurchase Shares from Lago Kapital Ltd which acts as a stabilizing manager (the "**Stabilizing Manager**"), up to an amount corresponding to the amount of Additional Shares, which the Stabilizing Manager may sell at the Subscription Price (as defined below) (the "**Put Option**") to the Company within 30 days from the commencement of the trading of the Company's Shares on First North, i.e. on or about the time period from 25 October 2021 to 24 November 2021 (the "**Stabilization Period**").

The Shares have not been subject to trading on any regulated market or multilateral trading facility prior to the Offering. The Company seeks an admission of its shares to trading on First North under the trading code "FIFAX". Trading of the Shares on First North is expected to commence on or about 25 October 2021 (the "**FN Listing**").

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

The Shares (including the Offer Shares) have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state of the United States and accordingly, may not be offered or sold, directly or indirectly, in or into the United States except in transactions exempt from registration under the US Securities Act. The Shares are being offered and sold outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**"). The Offering Circular may not be published or distributed in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to make an offer of the Shares. The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any such countries.

For certain risk factors involved in investing in the Shares, see section "Risk Factors" below beginning on page 52.

Global Coordinator

ALEXANDER
CORPORATE FINANCE

IMPORTANT INFORMATION

In connection with the Offering, the Company has prepared a Finnish language EU Growth prospectus (the "**Finnish Prospectus**") in accordance with the Finnish Securities Market Act (746/2012, as amended) (the "**Finnish Securities Market Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended (the "**Commission Delegated Regulation (EU) 2019/980**") (Annexes 23, 24 and 26), Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary on a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus and a notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014, and Commission Delegated Regulation (EU) 2016/301, as amended, as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**").

The Finnish Prospectus has been drawn up as an EU Growth prospectus in accordance with Article 15 of the Prospectus Regulation and the Commission Delegated Regulation (EU) 2019/980. This Offering Circular also contains the summary in the format required by Article 7 of the Prospectus Regulation and Annex 23 of the Commission Delegated Regulation (EU) 2019/980. The FIN-FSA, as the competent authority under the Prospectus Regulation, has approved the Finnish Prospectus. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The journal number of the FIN-FSA's decision of approval is FIVA 58/02.05.04/2021. This Offering Circular is an English language translation of the Finnish Prospectus, and it contains the same information as the Finnish Prospectus. The English language Offering Circular has not been approved by the FIN-FSA. Fifax is responsible for the Offering Circular and for the Swedish and Norwegian translations of the summary, which will be notified to the financial supervisory authorities in Sweden and Norway respectively, in accordance with the Prospectus Regulation.

In this Offering Circular, any reference to the "**Company**", "**Fifax**" or "**Group**" means FIFAX Plc and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means FIFAX Plc or a particular subsidiary or business unit only. References relating to the Shares and share capital of the Company or matters of corporate governance shall refer to the Shares, share capital and corporate governance of FIFAX Plc.

Shareholders and prospective investors should not rely on any other information than the information contained in the Offering Circular as well as on the company releases published by Fifax. Fifax or the Managers have not authorised anyone to provide any information or give any statements other than those provided in the Offering Circular. Delivery of the Offering Circular shall not, under any circumstances, indicate that the information presented in the Offering Circular is correct on any day other than the date of the Offering Circular, or that there would not be any changes in the business of Fifax after the date of the Offering Circular. However, if a fault or omission is discovered in this Offering Circular after the FIN-FSA has approved the Finnish Prospectus but before the end of the subscription period of the Offering and such fault or omission may be of material importance to investors, the Offering Circular shall be supplemented in accordance with the Prospectus Regulation.

The Company has prepared and published this Offering Circular for the purpose of offering Offer Shares to the public. The validity of this Offering Circular ends, when the offering of Offer Shares to the public ends. Responsibility to supplement the Offering Circular in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Offering Circular is no longer valid.

In a number of countries, in particular in the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore and South Africa, the distribution of the Offering Circular and the offer of the Shares are subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). The offer to subscribe for the Shares does not include persons in any jurisdiction where such an offer would be illegal. No action has been or will be taken by the Company or the Managers to permit the possession or distribution of the Offering Circular (or any other offering or publicity materials or application form(s) relating to the Offering) in any jurisdiction where such distribution may otherwise lead to a breach of any law or regulatory requirement.

The Shares may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any documents relating to the Shares nor any advertisements may be distributed or published in any jurisdiction in which this would violate any laws or regulations. No action has been or will be taken by the Company or the Managers to permit public offering of Shares outside Finland. The Company and the Managers require that any person who receives this Offering Circular into their possession acquire adequate information of these restrictions and comply with them. Nevertheless, the Shares may be offered to qualified investors in a member state of the European Economic Area ("**EEA**"), if any of the exceptions in the Prospectus Regulation is applicable.

The Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Shares may not, with certain exceptions, be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into the United States. In addition to the United States, the legislation of certain other countries may restrict the distribution of this Offering Circular. This Offering Circular must not be considered an offer of securities in such a country, where offering of the Shares would be forbidden. The Shares may not be offered, sold, exercised, pledged, transferred or delivered, directly or indirectly, in or into such country. Neither the Company nor the Managers accept any legal responsibility for persons who have obtained the Offering Circular in violation of these restrictions, irrespective of whether these persons are prospective subscribers or purchasers of the Shares. The Company reserves the right, in its sole and absolute discretion, to reject any subscription of the Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

Investors must not construe the contents of this Offering Circular as legal, investment or tax advice. Each investor should consult such investor's own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Offering, if they deem it necessary.

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INFORMATION INCORPORATED BY REFERENCE

The Company's financial statements for the financial years ended 31 December 2020 and 31 December 2019, prepared in accordance with FAS, as well as the Company's unaudited interim financial information for the six months ended 30 June 2021 including the comparative financial information for the six months ended 30 June 2020 are incorporated into the Offering Circular by reference. The referenced documents are available on the Company's website at www.fifax.ax/en/ipo.

Document	Link to the document
Set of financial statements which includes financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019 (FAS), and the relevant auditor's report	www.fifax.ax/en/ipo
Interim Financial Information 1 January – 30 June 2021 (FAS)	www.fifax.ax/en/ipo

SUMMARY

Introduction and Warnings

This summary should be read as an introduction to the Offering Circular. Any decision to invest in the securities should be based on consideration of the Offering Circular as a whole by the investor. An investor investing in the Offer Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Offering Circular before legal proceedings are initiated. The Company assumes civil liability in respect of this summary, including any potential translation thereof, only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or if it does not provide, when read together with the other parts of the Offering Circular, key information in order to aid investors when considering whether to invest in the Offer Shares.

The name and contact details of the issuer are as follows:

Name of the issuer:	FIFAX Plc
Address:	Industrivägen 115, 22270 Eckerö
Business identity code:	2453290-9
Legal entity identifier (LEI):	7437009ZZFE4R6ACKF36
ISIN Code of the Shares:	FI4000496328

This is an English language translation of the original Finnish language EU Growth prospectus (the "**Finnish Prospectus**") The Finnish 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 28 September 2021. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The decision number of the approval of the Finnish Prospectus is FIVA 58/02.05.04/2021.

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
Email: registry@fiva.fi.

Key Information on the Issuer

Who Is the Issuer of the Securities?

General

The issuer's registered company name is FIFAX Plc ("**Fifax**" or the "**Company**"). The Company is a public limited liability company incorporated in Finland and subject to the laws of the Republic of Finland. Fifax's field of operations is fish farming and fish processing. Fifax is a land-based fish farming company. The Company currently has a single production facility located in Eckerö, Åland, with capabilities to sustainably produce rainbow trout at an annual rate of approximately 3,200 tonnes (gross weight before slaughter) once it has received its full capacity production. Fifax's vision is to be a forerunner in large-scale sustainable fish farming with a minimal impact on the environment.

Shareholders exercising control over the Issuer

All of the current shareholders of Fifax are parties to a shareholders' agreement concerning the Company, dated 23 January 2014 (the "**Shareholders' Agreement**"). According to Shareholders' Agreement, the Company's shareholder Helmet Capital Ltd ("**Helmet Capital**") is entitled to appoint at least half of the members of the Board of Directors, including the Chairman of the Board. Consequently, Helmet Capital has control over the Company as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act.

Chief Executive Officer

Samppa Ruohtula has acted as the Company's Chief Executive Officer since 31 October 2019 .

What Is the Key Financial Information Regarding the Issuer?

The selected historical key financial information presented below has been derived from Fifax's unaudited interim financial information as at and for the six months ended 30 June 2021 including unaudited comparative financial information as at and for the six months ended 30 June 2020 as well as audited financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019, prepared in accordance with Finnish Accounting Standards ("**FAS**"). The selected financial information presented below does not include all information presented in the Company's financial statements.

	For the six months ended 30 June		**For the year ended 31 December**	
(EUR thousand, unless otherwise indicated)	**2021** (unaudited)	**2020** (unaudited)	**2020** (audited, unless otherwise indicated)	**2019** (audited, unless otherwise indicated) (adjusted)
Financial key figures				
Net sales	635	976	1,242	701
Operating profit	-5,185	-3,523	-7,290	-6,409
Profit (loss) for the period	-6,970	-3,819	-8,395	-7,159
Earnings per share, basic and diluted[2] (EUR) [3]	-0.59	-0.32	-0.71[1]	-1.21[1]
Capital expenditure	-388	-605	-557[1]	-2,758[1]
Equity ratio	6 %	N/A	18 %[1]	52 %[1]
Personnel expenses	-882	-752	1,381	1,013
Total assets	26,367	N/A	27,202	23,522
Total equity	1,379	N/A	4,850	12,274
Net indebtedness	16,377	N/A	N/A	N/A
Operating cash flow	-4,593	295	-6,904	-6,103
Cash flow from investments	-388	-605	-557	-2,758
Cash flow from financing activities	4,678	336	12,107	9,055

[1]Unaudited.
[2]The Company's potentially diluting instruments are the loans convertible in accordance with the terms of the capital loan. As the Company has incurred losses, these instruments would not have had a diluting effect, for which reason they have not been taken into account as having a diluting effect when calculating the adjusted earnings per share. For this reason, there is no difference between the undiluted earnings per share and the earnings per share adjusted by the effects of dilution.
[3]Adjusted by the effects of the redemption without consideration and cancellation of 47,406,260 shares, as decided by Fifax's annual general meeting held on 10 May 2021 and registered on 11 May 2021.

Fifax's auditor has in its audit statement drawn attention to the section "Going concern and financing" in the accounting principles of the financial statements for the financial years 2019 and 2020, that describe the assumption of the company's ability to continue its operations as a going concern and where it is stated that the company's current liquid funds will not be sufficient to finance the planned measures and to repay the outstanding loans to financial institutions. The Company plans to obtain equity financing during the year 2021 and to refinance its loans to financial institutions. As the revenue has not yet reached a commercially sustainable level and there are no binding commitments for further financing at the date of approval of the Set of financial statements, these circumstances represent a material uncertainty that may cast significant doubt on the company's ability to continue as going concern for both of the financial statements included in the Set of financial statements. The auditor's statement has not been restated in this respect.

What Are the Key Risks That Are Specific to the Issuer?

- Fifax is dependent on the favorable development of consumer preferences in its core Finnish and Swedish markets, which may be subject to fluctuating trends.
- Any concerns relating to food safety or diseases, whether justified or unfounded, may have a material adverse effect on the demand for products, customer trust and the availability of products.
- Fifax may not be able to successfully implement its strategy or its strategy may prove to be misaligned in relation to prevailing market conditions or changes in the industry.
- Any significant growth investments, such as the expansion of the current production facility or the construction of new facilities, may tie up capital for longer than expected without producing offsetting cash flows and revenues to fund other investments or current operations.
- Fifax has a single site of operation, and any malfunction or disruption affecting its production systems, which could adversely impact production and financial performance.
- Fifax is a growth company and it may fail to manage its growth effectively or to grow at all in the future.
- If Fifax is unable to protect its trade secrets, its competitive advantage could be eroded.
- Fifax's future success depends on the continuing efforts of its key employees and the Company's ability to attract and retain highly skilled personnel and senior management.
- Fifax's failure to comply with laws and regulations could negatively affect its business.
- Fifax's working capital is not sufficient to meet its requirements and thus the continuity of Fifax's operations may be compromised.
- Fifax needs additional capital in the future in order to fund the growth of its business, and there can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable Fifax to continue to implement its business strategy
- Fifax has incurred operating losses in the past and may not achieve or maintain profitability in the future.

Key Information on the Securities

What Are the Main Features of the Securities?

The Company's shares (the "**Shares**") are registered in the Finnish book entry system maintained by Euroclear Finland. The Company has one class of shares and their ISIN code is FI4000496328. The trading code of the Shares will be "FIFAX". The Shares have no nominal value and they are denominated in euro. The Offer Shares (as defined below) will carry equal rights along with all existing Shares of the Company. After they are registered in the Finnish Trade Register and recorded in the investor's book-entry account, the Offer Shares will entitle their holders to dividends and other distributions of funds (including distribution of assets of the Company in the event of liquidation) by the Company as well as other shareholder rights. The rights attached to the Shares shall include, among others, pre-emptive rights to subscribe for new shares in the Company, right to participate and exercise voting power at the General Meeting of Shareholders, right to dividend and distribution of other unrestricted equity, and right to demand redemption at a fair price from a shareholder that holds shares representing more than 90 percent of all the Shares and votes in the Company, as well as other rights generally available under the Finnish Limited Liability Companies Act (624/2006, as amended) (the "**Finnish Companies Act**"). As at the date of this Offering Circular, the Company's Articles of Association contain a redemption clause. The Company's Extraordinary General Meeting has resolved to remove the redemption clause from the Articles of Association. However, the removal will only be notified to the trade register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") in connection with notifying the registration of shares to be issued on the basis of an authorization of the Company's Board by the Extraordinary General Meeting or immediately prior to such notification. After the removal of the redemption clause, the Shares of the Company shall be freely transferrable. According to its dividend policy, Fifax will focus on financing its growth and developing its business according to its strategy. The Company does not expect to distribute dividends in the short or medium term.

Where Will the Securities Be Traded?

The Company will submit an application to Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") to list the Shares on the multilateral Nasdaq First North Growth Market Finland marketplace ("**First North**") (the "**FN Listing**"). Trading in the Shares is expected to commence on First North on or about 25 October 2021 or as soon as possible thereafter.

Is There a Guarantee Attached to the Securities?

There are no guarantees attached to the Shares.

What Are the Key Risks That Are Specific to the Securities?

- The market price and liquidity of Fifax's shares may fluctuate significantly.
- There are no assurances of distribution of dividends or capital repayment to the shareholders in the future.
- The interests of Fifax's major shareholders may not be aligned with the interests of other shareholders, and a significant shareholder may sell a significant part of its shareholding, which may have a negative impact on Fifax's share price.

Key Information on the Offer of Securities to the Public

Under Which Conditions and Timetable Can I Invest in This Security?

General

The Company aims to raise gross proceeds of EUR 15 million by offering preliminarily a maximum of 5,900,000 new shares in the Company (the "**New Shares**") for subscription (the "**Offering**"). Unless the context indicates otherwise, the New Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**". The Offering consists of (i) a public offering to private individuals and entities in Finland, Sweden and Norway (the "**Public Offering**"), (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally outside the United States (the "**Institutional Offering**") and (iii) a personnel offering to the Company's Personnel (as defined below) (the "**Personnel Offering**"). The Offer Shares may represent up to approximately 22.9 percent of the Company's shares ("**Shares**") and votes after the Offering, assuming that Upsize Option is not exercised and that the Additional Shares (as defined below) are not subscribed (approximately 35.2 percent of the Shares and votes assuming that the Upsize Option is exercised in full and that the Additional Shares (as defined below) are subscribed in full) and assuming that all New Shares are subscribed in full and that the conversion into Shares of loans that include a share conversion clause ("**Share Conversion**") is realized in full. As a result of the Offering, the number of Shares may increase to up 30,641,168 Shares (assuming that the Upsize Option is exercised in full, that the Additional Shares are subscribed in full and that the Share Conversion is realized in full). Preliminarily a maximum of 1,600,000 Offer Shares are offered in the Public Offering to private individuals and entities in Finland, Sweden and Norway. Preliminarily a maximum of 4,240,000 Offer Shares are being offered in the Institutional Offering to institutional investors in Finland and, in accordance with the applicable laws, internationally outside the United States. However, the minimum number of Offer Shares to be offered in the Public Offering will be 1,200,000 Offer Shares or, if the aggregate number of Offer Shares covered by the commitments to subscribe for Offer Shares ("**Commitments**") submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments. A maximum of 60,000 New Shares ("**Personnel Share**") are being offered for subscription in the Personnel Offering to the employees who are in a full- or part-time permanent employment relationship with the Company or its subsidiaries as well as employees with a fixed-term employment relationship with the Company or its subsidiaries at the start of the subscription period on 29 September 2021, as well as to the members of Board of Directors, the management team and the CEO of the Company (the "**Personnel**"). The Company's Board of Directors, in consultation with the Global Coordinator, will decide on the completion of the Offering, the final number of Offer Shares and the allocation of Offer Shares (the "**Completion Decision**") on or about 15 October 2021. Commitments may be approved or rejected in whole or in part. In the event of an oversubscription, the Company aims to approve subscribers' Commitments in whole for up to 200 Offer Shares and, for Commitments exceeding this amount, the Company allocates Offer Shares in proportion to the amount of Commitments unmet. Aurator Asset Management Ltd, FV Group AB, Holdix Oy Ab, Oy Etrisk Ab, Finnish Industry Investment Ltd, Special Investment Fund Säästöpankki Ympäristö (Säästöpankki Ympäristö -erikoissijoitusrahasto), Turret Oy Ab and Ålands Ömsesidiga Försäkringsbolag (together the "**Cornerstone Investors**") have each individually in September 2021 given subscription undertakings in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain customary conditions being fulfilled, for an aggregate of EUR 6.0 million, which represents 21.6 percent of the Offer Shares, assuming that the Upsize Option is exercised in full and that the Additional Shares (as defined below) are subscribed in full. The subscription commitments of the Cornerstone Investors are conditional upon that the Company raises gross proceeds of at least EUR 15 million from the Offering. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer Shares covered in the subscription undertaking.

Upsize Option and Put Option

The Company's Board of Directors has, depending on the demand, a right to increase the number of New Shares by a maximum of 4,000,000 new Shares (the "**Upsize Option**"). In addition to the New Shares and the Upsize Option, the Company may, in connection with the Offering, issue, by a directed share issue, at the Subscription Price, up to 885,000 Company's new shares (the "**Additional Shares**") solely to stabilize and cover potential over-allotments. The Company is expected to commit to repurchase Shares from Lago Kapital Ltd which acts as a stabilizing manager (the "**Stabilizing Manager**"), up to an amount corresponding to the amount of Additional Shares, which the Stabilizing Manager may sell at the Subscription Price (as defined below) (the "**Put Option**") to the Company within 30 days from the commencement of the trading of the Company's Shares on First North, i.e. on or about the time period from 25 October 2021 to 24 November 2021 (the "**Stabilization Period**"). The Company would acquire Shares only if the Additional Shares have been issued and the Stabilizing Manager has carried out stabilization measures, and only to the extent that the Stabilizing Manager holds Shares due to the aforementioned actions. The Company may cancel, hold in treasury or transfer any Shares so acquired. The Additional Shares correspond to approximately 2.9 percent of the Shares and votes after the Offering, assuming that the Company issues 10,785,000 Offer Shares and that the Share Conversion is realized in full. However, the Additional Shares shall not exceed 15 percent of the total number of the New Shares excluding the Upsize Option.

Subscription Price and Subscription Period

The subscription price for the Offer Shares in the Public Offering and in the Institutional Offering is EUR 2.55 per Offer Share (the "**Subscription Price**"). If the Subscription Price is changed, the Finnish language EU growth prospectus published by the Company in connection with the Offering ("the **Finnish Prospectus**") would be supplemented and the supplement and its English language translation would be published through a company release. If the Finnish Prospectus is supplemented, investors who have given their Commitments (as defined below) before the supplement or correction of the Finnish Prospectus have the right to cancel their Commitments. The subscription period for the Institutional and the Personnel Offerings as well as the Public Offering in Finland will commence on 29 September 2021 at 10:00 a.m. (Finnish time) and the Public Offering in Sweden and Norway will commence on 30 September 2021 at 10:00 a.m. (local time) and end on 13 October 2021 at 4:00 p.m. (Finnish time). The Company's Board of Directors has, in the event of an oversubscription, the right to discontinue the Institutional Offering and the Public Offering by its decision at the earliest on 6 October 2021 at 4:00 p.m. (Finnish time). In addition, the Company's Board of Directors may discontinue the Personnel Offering at its sole discretion no earlier than 6 October 2021 at 4:00 p.m. (Finnish time). The Institutional, the Public and the Personnel Offerings may be discontinued or not discontinued and extended or not extended independently of one another. A company release regarding any discontinuation will be published without delay. A possible extension of the subscription period will be communicated through a company release, which will indicate the new end date of the subscription period. The subscription periods of the Institutional, the Public and the Personnel Offerings will in any case end on 20 October 2021 at 4:00 p.m. (Finnish time) at the latest.

Cancellation in accordance with the Prospectus Regulation

Where the Finnish Prospectus is supplemented pursuant to the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares ("**Grounds for Supplement**"), investors who have subscribed for Offer Shares before the supplement is published shall, in accordance with the Prospectus Regulation, have the right to withdraw their Commitments within three (3) business days after the supplement of the Finnish Prospectus has been published. The cancellation right is further conditional on that the Grounds for Supplement have become known prior to the end of the subscription period. The Company will announce cancellation instructions through a company release. The company release shall also announce investors' right to cancel subscriptions, the period within which subscriptions may be cancelled and more detailed instructions on cancellation. After the end of the cancellation period, the right of cancellation will lapse.

Fees and Expenses

The Company expects that the fees and expenses payable by it in connection with the Offering will amount to approximately EUR 1.8 million. If the Upsize Option is exercised in full and Additional Shares are subscribed in full, Fifax estimates that the fees and expenses payable by it in connection with the Offering will amount to approximately EUR 2.3 million.

Applicable Laws and Dispute Resolution

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the issuance shall be settled by the court of competent jurisdiction in Finland.

Dilution of Ownership

The maximum number of Offer Shares offered in the Offering represents 35.2 percent of all Shares and votes after the completion of the Offering, assuming that the Upsize Option is exercised in full, that the Additional Shares are subscribed in full and that the Share Conversion is realized in full, and 22.9 percent of all Shares and votes after the completion of the Offering, assuming that the Upsize Option is not exercised, that the Additional Shares are not subscribed and that the Share Conversion is realized in full. In the event that existing shareholders of the Company do not subscribe for the Offer Shares in the Offering, their total holding of Shares and votes would be diluted by 61.3 percent, assuming that the Upsize Option is exercised in full, that the Additional Shares are subscribed in full and that the Share Conversion is realized in full, and 54.0 percent of all Shares and votes after the completion of the Offering, assuming that the Upsize Option is not exercised, that the Additional Shares are not subscribed and that the Share Conversion is realized in full. The Company's equity per Share stood at EUR 0.12 on 30 June 2021.

Why Is This Offering Circular Being Produced?

The Company has prepared and published this Offering Circular in order to offer the Offer Shares to the public.

Reasons for the Offering

The objective of the Offering and the FN Listing is to enable further investments supporting Fifax's growth strategy together with additional capital in the form of equity and/or debt capital, as well as potential investment grants, acquired after the Offering. The FN Listing would also increase Fifax's brand visibility and support, for example, the execution of Fifax's growth strategy, brand building and recruiting. In addition, the FN Listing would support the perception of Fifax as a high-quality company and a trustworthy partner in the fish market. The FN Listing would also serve to increase general interest towards Fifax from investors, business partners and customers, as well as allow Fifax to obtain access to capital markets in order to acquire additional financing and broaden its ownership base both with domestic and foreign investors, which would increase the liquidity of the Shares. The FN Listing and the increased liquidity would also make it possible to use the Shares more effectively in incentive programs for personnel and management.

Use and Estimated Amount of Proceeds

Fifax estimates that it will receive net proceeds amounting to approximately EUR 13.2 million from the Offering if the Upsize Option is not exercised and the Additional Shares are not subscribed, and approximately EUR 25.2 million of net proceeds if the Upsize Option is exercised and the Additional Shares are subscribed in full. The proceeds from the Offering are primarily intended to be used for repaying Fifax's debts by approximately EUR 4.7 million. The remaining proceeds from the Offering are intended to be used, in order of importance, for working capital needs which ensure the undisturbed continuity of Fifax's operations (the covering of which in turn enables focusing on further investments and growth) and to support Fifax's growth strategy, which includes further optimization of its production. If the Upsize Option is exercised in full and the Additional Shares are subscribed for in full, the additional net proceeds received are in addition to the above-mentioned purposes planned to be used for, in order of importance, to support Fifax's growth strategy, including commencing the first phase of Fifax's expansion of production, to evaluate commercialization opportunities for Fifax's accumulated know-how, as well as for Fifax's general business activities at the discretion of Fifax's Board of Directors and other unforeseen costs that may arise in the course of continuing operations.

Conflicts of Interest

The fees to be paid to Alexander Corporate Finance Oy ("**Alexander Corporate Finance**" or the "**Global Coordinator**") and Fearnley Securities AS ("**Fearnley**", and together with the Global Coordinator the "**Managers**") are, in part, linked to the gross proceeds from the Offering. The Managers or some of their respective related entities may have from time to time provided and may in the future provide financial advisory services as well as financing for Fifax as a part of their day-to-day business, which is why they might have charged or could

in the future charge customary fees and commissions. The Global Coordinator also acts as Fifax's Certified Adviser (the "**Certified Adviser**") referred to in the Nasdaq First North Growth Market Rulebook. As a part of its ordinary course of business as a Certified Adviser, the Global Coordinator may offer advisory and other services to the Company, for which it may receive fees and cost compensations in the future. In connection with the Offering, the legal advisor receives a fee for work done and the Stabilizing Manager for arranging the stabilization. In addition, Helmet Capital has entered into a representation agreement with shareholders representing approximately 86.17 percent of all shares in Fifax. According to the Representation Agreement and the Shareholders' Agreement, the Company's shareholder Helmet Capital is in the event of a successful FN Listing entitled to charge certain fees from shareholders as well as holders of the Company's loans that include a share conversion clause, which are determined based on the Subscription price, and they shall be paid in Fifax Shares or in cash. Ålandsbanken (EUR 1 million) as well as certain shareholders of the Company (EUR 1 million) have granted the Company short-term loans for working capital needs, which shall be repaid immediately upon the execution of Fifax's FN Listing.

IMPORTANT DATES

29 September 2021 at 10:00 a.m. (Finnish time)	The subscription periods for the Public Offering (Finland) , the Personnel Offering (Finland) and the Institutional Offering commence
30 September 2021 at 10:00 a.m. (local time)	The subscription period for the Public Offering in Sweden and Norway commences
6 October 2021 at 4:00 p.m. (Finnish time)	The Public Offering, the Personnel Offering and the Institutional Offering may be discontinued at the earliest
13 October 2021 at 4:00 p.m. (Finnish time)	The subscription period for the Public Offering, the Institutional Offering and the Personnel Offering ends
15 October 2021 (estimate)	The results of the Offering will be published as a company release
20 October 2021 (estimate)	Registration of Offer Shares into the Finnish Trade Register
22 October 2021 (estimate)	The Offer Shares will be recorded in the book-entry accounts of investors
25 October 2021 (estimate)	Trading in the Shares is expected to commence on the First North marketplace maintained by Nasdaq Helsinki

PARTIES RESPONSIBLE FOR THE OFFERING CIRCULAR

The Company
FIFAX Plc
Business identity code: 2453290-9
Domicile: Eckerö, Finland
Address: Industrivägen 115, Eckerö, Finland

STATEMENT REGARDING THE OFFERING CIRCULAR

FIFAX Plc, which is domiciled in Eckerö, is responsible for the information contained in the Offering Circular. To the best knowledge of the Company, the information contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect its import.

APPROVAL OF THE FINNISH PROSPECTUS

The Finnish Prospectus has been drawn up as an EU Growth prospectus in accordance with Article 15 of the Prospectus Regulation and the Commission Delegated Regulation (EU) 2019/980. This Offering Circular also contains the summary in the format required by Article 7 of the Prospectus Regulation and Annex 23 of the Commission Delegated Regulation (EU) 2019/980. Except for certain additional information included for the benefit of non-Finnish shareholders and prospective investors, this is an English language translation of the Finnish Prospectus. The FIN-FSA, as the competent authority under the Prospectus Regulation, has approved the Finnish Prospectus. The FIN-FSA has only approved the Finnish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. The journal number of the FIN-FSA's decision of approval is FIVA 58/02.05.04/2021. This Offering Circular is an English language translation of the Finnish Prospectus, and it contains the same information as the Finnish Prospectus. The Offering Circular has not been approved by the FIN-FSA. Fifax is responsible for the Offering Circular and for the Swedish and Norwegian translations of the summary, which will be notified to the financial supervisory authorities in Sweden and Norway respectively, in accordance with the Prospectus Regulation.

INFORMATION DERIVED FROM THIRD-PARTY SOURCES

Where certain information contained in this Offering Circular has been derived from third party sources, such sources have been identified herein. The Company confirms that such third-party information has been accurately reproduced herein and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

AVAILABILITY OF THE FINNISH PROSPECTUS AND THE OFFERING CIRCULAR

The Finnish Prospectus and the documents incorporated therein by reference will be available on or about 29 September 2021 on the Company's website at www.fifax.ax/fi/listautuminen and at the registered office of the Company at Industrivägen 115, 22270 Eckerö. In addition, the Finnish Prospectus will be available on or about 29 September 2021 on the website of the Global Coordinator at www.alexander.fi/fifax as well as on the website of Nordnet at www.nordnet.fi/fi/fifax.

The Offering Circular and the documents incorporated therein by reference, as well as the Swedish and Norwegian translations of the summary, will be available on or about 29 September 2021 and at latest before the subscription period for the Public Offering in Sweden and Norway commences on 30 September 2021, on the Company's websites at www.fifax.ax/en/ipo and www.fifax.ax/noteringen, on the website of the Global Coordinator at www.alexander.fi/fifax, as well as on the website of Nordnet at www.nordnet.se/se/fifax and www.nordnet.no/no/fifax.

INFORMATION AVAILABLE IN THE FUTURE

The Company plans to publish the Board of Directors' report, audited financial statements and a financial statements release for the financial year ending 31 December 2021 onwards, as well as a half-year report, which

includes unaudited financial information for the six months ending 30 June 2022 onwards. The Company plans to annually publish a half-year report which includes unaudited financial information for the first half of each year and a financial statements release, which includes information of the whole financial year and the second half of the year. The financial statements release for the financial year ending 31 December 2021 is planned to be published on 24 February 2022, the financial statements from the financial year ending 31 December 2021 on 24 March 2022 and the half-year report for the six months ending 30 June 2022 on 25 August 2022. All reports of the Board of Directors, financial statements, half-year reports, and company releases are published in Swedish, which is the Company's official language, and also in Finnish and English.

FORWARD-LOOKING STATEMENTS

Certain statements in the Offering Circular, such as certain statements set forth under "*Summary*", "*Risk Factors*", "*Background of the Offering and Use of Proceeds*" and "*Business of the Company – Outlook*" are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management, and such statements may constitute forward-looking statements. The words "believe", "expect", "anticipate", "intend" or "plan" and similar expressions identify certain of such forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors, and as a result, events described in the forward-looking statements may not occur or may fail to materialize. The section "*Risk Factors*" of this Offering Circular presents examples of these and other risks, uncertainties and other factors. Should one or more of these and other risks or uncertainties materialize or the underlying assumptions prove wrong, Fifax's actual results of operations or financial position could differ significantly from what is described in this Offering Circular as expected, believed, estimated or anticipated.

FINANCIAL STATEMENTS RELATED AND CERTAIN OTHER INFORMATION

Financial Statements and Interim Financial Information

Certain information included in this Offering Circular are derived from the Company's unaudited interim financial information for the six months ended on 30 June 2021, including unaudited comparative financial information for the six months ended 30 June 2020 and the Company's audited financial statements from the financial years ended 31 December 2020 and 31 December 2019. These unaudited interim financial information and audited financial statements are incorporated by reference to this Offering Circular.

The audited financial statements included in this Offering Circular have been prepared in accordance with the Finnish Accounting Act ((1336/1997, as amended), the Finnish Accounting Ordinance (1339/1997, as amended) and the instructions and statements of the Finnish Accounting Board operating under the auspices of the Ministry of Economic Affairs and Employment (together, the Finnish Accounting Standards, "**FAS**").

The unaudited interim financial information for the six months ended 30 June 2021 including the comparative financial information for the six months ended 30 June 2020 included to this Offering Circular have been prepared in accordance with the Finnish Accounting Standards and presented to the extent required by Section 4.4 (e) (i)-(iv) of the First North Rulebook.

Certain historical financial information presented in this Offering Circular for the financial years ended 31 December 2020 and 31 December 2019 differ from the historical financial information of the statutory audited financial statements approved by the Company's Annual General Meeting due to the supplementing of certain note information for each year as well as the adjustments made for the financial year 2019 in connection with the preparation of the financial statements for the financial year ended 31 December 2020 relating to the change in the accounting principles for inventories and changes in the presentation of the balance sheet, as well as changes in presentation of the income statements for the financial years 2020 and 2019, that have been made while preparing the financial statements included in this Offering Circular. The statutory audited financial statements for the financial year ended 31 December 2019 has not included a cash flow statement, for which reason the cash flow statement information for the financial year ended 31 December 2019 has been prepared for the purposes of this Offering Circular.

The financial statements included in this Offering Circular for the financial year ended 31 December 2020 has been adjusted as follows:

- The change in presentation of the income statement relates to the costs of sludge waste handling services. In the approved financial statements for 2020, these expenses are presented as a part of other operating expenses. As the amount of sludge depends on the fish stock and is part of the direct production costs of the fish, the presentation of the expenses as part of income statement line materials and services is considered to better reflect the nature of the expenses. The change in presentation decreases other operating expenses for the period from 1 January to 31 December 2020 by EUR 310,215.00 and increases materials and services accordingly.

The financial statements included in this Offering Circular for the financial year ended 31 December 2019 has been adjusted as follows:

- The accounting principle for calculating the acquisition cost for other inventories, which consists of the fish stock has been changed from the accounting principle applied in the previous years. Under the new accounting principle, the capitalized acquisition cost for inventory is based on the feed consumption over the life of the fish, price of the feed and other direct production costs. The new accounting principle is considered to better reflect the lifecycle of the fish and to take into account the actual costs better than the previous calculation, which was based on an estimated production cost calculation. As a result of the change in the accounting principle, the opening book value of inventories as at 1 January 2019 has been adjusted by EUR 91,748.00. The adjustment decreases retained earnings (loss) and increases the book value of inventories in the balance sheet. The change in inventories decreases the result for the financial year 1 January to 31 December 2019 by EUR 120,736.00. The book value of inventories in the balance sheet on 31 December 2019 has decreased by a net of EUR 28,988.00, which is due to an increase of EUR 91,748.00 in the opening balance sheet value and a decrease of EUR 120,736.00 during the period. Therefore, the book value of inventories in the balance sheet as at 31 December 2019 has changed from EUR 1,608,075.20 to EUR 1,579,087.20.
- The change in presentation of the income statement relates to the costs of sludge waste handling services. In the approved financial statements for 2019, these expenses are presented as a part of other operating expenses. As the amount of sludge depends on the fish stock and is part of the direct production costs of the fish, the presentation of the expenses as part of income statement line materials and services is considered to better reflect the nature of the expenses. The change in presentation decreases other operating expenses for the period from 1 January to 31 December 2019 by EUR 379,773.06 and increases materials and services accordingly.
- The change in the presentation of the balance sheet relates to the rent guarantee of EUR 100,000.00 paid by the Company. In the approved financial statements for the year 2019, the rent guarantee was presented as a current receivable. As the rental agreement is for a 10-year period, the rent guarantee is presented as a long-term receivable in the financial statements for the year 2020. The balance sheet presentation for the year 2019 has been adjusted accordingly. Deferred rental payments of EUR 379,273.75 based on an agreement with the landlord was presented as a long-term liability in the approved financial statements for the year 2019, has been moved to the current liabilities because the rents fell due during the year 2020.

Additional information about adjustments made has been presented in the Company's financial statements for the financial years ended 31 December 2020 and 31 December 2019, incorporated by reference into this Offering Circular, under "*Accounting principles – Changes to previously adopted financial statements*".

Other Information

The financial and other information presented in the tables in this Offering Circular are rounded. Accordingly, in certain cases the sum of numbers presented in a column or row does not always correspond to the presented total sum of a column or a row. In addition, certain percentages are calculated with accurate numbers before rounding, so they do not necessarily correspond to the results that would have been reached if rounded figures had been used.

In this Offering Circular, "euro" or "EUR" are references to the currency used by member states of the Economic and Monetary Union of the European Union.

BACKGROUND OF THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

The objective of the Offering and the FN Listing is to enable further investments supporting Fifax's growth strategy together with additional capital in the form of equity and/or debt capital, as well as potential investment grants, to be acquired after the Offering. The FN Listing would also increase Fifax's brand visibility and support, for example, the execution of Fifax's growth strategy, brand building and recruiting. In addition, the FN Listing would support the perception of Fifax as a high-quality company and a trustworthy partner in the fish market. The FN Listing would also serve to increase general interest towards Fifax from investors, business partners and customers, as well as allow Fifax to obtain access to capital markets in order to acquire additional financing and broaden its ownership base both with domestic and foreign investors, which would increase the liquidity of the Shares. The FN Listing and the increased liquidity would also make it possible to use the Shares more effectively in incentive programs for personnel and management.

Use of proceeds

In the Offering, Fifax aims to collect gross proceeds of approximately EUR 15 million. Fifax estimates that the fees and expenses payable by it in connection with the Offering will amount to approximately EUR 1.8 million (assuming that the Upsize Option is not exercised and that the Additional Shares are not subscribed at all), and as such, the net proceeds that Fifax will receive from the Offering are estimated to be approximately EUR 13.2 million. If the Upsize Option is exercised in full and the Additional Shares are subscribed for in full, Fifax estimates it would collect gross proceeds of approximately EUR 27.5 million, in which case Fifax estimates that that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 2.3 million, and the net proceeds that Fifax would receive from the offering are estimated to be approximately EUR 25.2 million. Fifax will pay the Managers the combined selling and arrangement fees according to the Placing Agreement.

The proceeds from the Offering are primarily intended to be used for repaying Fifax's debts maturing during the 12 months following the date of this Offering Circular of approximately EUR 4.7 million. EUR 2 million of said sum consists of loan repayments prompted by the FN Listing and the remainder consists of regular ordinary course amortizations and interest payments under the financing agreements.[1]

If the Upsize Option is not exercised and the Additional Shares are not subscribed for, the proceeds remaining from the estimated net proceeds of approximately EUR 13.2 million after the repayment of the debts are intended to be used in the following order of importance:

- for working capital needs which ensure the undisturbed continuity of Fifax's operations (the covering of which in turn enables focusing on further investments and growth); and
- to support Fifax's growth strategy, which includes the further optimization of its production, including also investments in filleting and processing capacity as well as sales, branding and marketing development.

If the Upsize Option is exercised in full and the Additional Shares are subscribed for in full, the proceeds remaining from the estimated net proceeds of approximately EUR 25.2 million are, in addition to the above-mentioned purposes, intended to be used in the following order of importance:

- to support Fifax's growth strategy, including commencing the first phase of Fifax's expansion of production;
- to evaluate commercialization opportunities for Fifax's accumulated know-how; and
- for Fifax's general business activities at the discretion of Fifax's Board of Directors and other unforeseen costs that may arise in the course of continuing operations.

[1] The total amount consists of short-term liabilities of approximately EUR 2 million to Fifax's financing bank (EUR 1 million) and certain shareholders who have granted shareholder loans (EUR 1 million), as well as amortizations and interest payments of the facility agreement with Ålandsbanken Abp and the term loan agreement with Eksfin falling due during the 12 months following the date of this Offering Circular, for a total of EUR 2.7 million.

The effects of the Offering on the Company's capitalization and indebtedness has been presented below in the section "*Capitalization and Indebtedness – Working Capital Statement*" of this Offering Circular.

Fifax estimates that the proceeds raised through the Offering will provide increased financial flexibility and promote its pursuit for growth in accordance with its strategy. The proceeds raised from the Offering will however not, according to estimates by Fifax's management, be sufficient to fully cover the investment needs for the first expansion phase of the Company's production facility in Eckerö. Thus, the execution of the first expansion phase requires both the completion of the Offering as well as additional financing in the form of debt capital and possible investment grants.

The Share Conversion (as defined below) that is to be completed in connection with the Offering would raise the equity ratio significantly above the level required by the covenant term of the Company's loan agreements. In addition, completing the Offering would further decrease the portion of debt in Fifax's financing structure, improving the equity ratio. The Company is constantly monitoring its financing structure, and will after the Offering, considering the improved equity ratio, also re-evaluate the appropriateness of its financing structure to cover working capital needs which ensure the undisturbed continuity of the operations and the implementation of the Company's future growth strategy. Fifax is evaluating possibilities to restructure its loans.

The need for additional financing is according to the estimate of the Company's management dependent on the completion of the Offering and the proceeds raised from the Offering. Depending on whether the Upsize Option is exercised and whether Additional Shares are subscribed for, Fifax estimates that it would collect at least EUR 13.2 million and at most EUR 25.2 million in net proceeds. In addition, the additional need for financing depends on the execution of the Company's planned restructuring of its loans (EUR 6.7 million as at 30 June 2021), that have their final instalment fall due in September 2022 together with current and/or potential new financing providers (to the extent current financing is not repaid with the proceeds from the Offering), and the Company's ability to achieve its operative goals.

In addition, the execution of the second expansion phase requires, in addition to the financing for the first expansion phase, that additional financing in the form of equity and/or debt capital, as well as possible investment grants, is obtained, amounting to an aggregate of approximately EUR 25 million. See "*Business of Fifax – Strategy – Expansion through replication*"**.**

Advisers

Alexander Corporate Finance is the Global Coordinator (the "**Global Coordinator**") for the Offering. In addition, Fearnley Securities AS ("**Fearnley**") has been appointed as joint bookrunner for the Offering (Fernley together with the Global Coordinator the "**Managers**"). Certain legal matters in connection with the Offering have been passed upon for Fifax by Roschier, Attorneys Ltd. Certain legal matters in connection with the Offering have been passed upon the Global Coordinator by Borenius Attorneys Ltd.

Independent auditors

Fifax's financial statements for the financial years ended 31 December 2020 and 31 December 2019 included in the Offering Circular have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Merja Lindh, Authorised Public Accountant, as the auditor with principal responsibility.

Fifax's Annual General Meeting, which was held on 10 May 2021 resolved to elect PricewaterhouseCoopers Oy, Authorised Public Accountants the auditor for the year ending 31 December 2021 with Merja Lindh, Authorised Public Accountant, as the auditor with principal responsibility.

Agreement on Serving as a Certified Adviser

On 22 September 2021, Fifax has entered into an agreement with Alexander Corporate Finance on acting as the certified adviser referred to in the Nasdaq First North Growth Market Rulebook (the "**Certified Adviser**"). According to the agreement, Alexander Corporate Finance acts as Fifax's certified adviser with customary terms and conditions under the Nasdaq First North Growth Market Rulebook. The agreement defines the services offered by the certified adviser and the allocation of rights, duties and liabilities of the parties.

Interests relating to the Offering

The fees to be paid to the Managers are, in part, linked to the gross proceeds from the Offering. The Managers or some of their respective related entities may have from time to time provided and may in the future provide financial advisory services as well as financing for Fifax as a part of their day-to-day business, which is why they might have charged or could in the future charge customary fees and commissions.

The Global Coordinator also acts as Fifax's Certified Adviser. As a part of its ordinary course of business as a Certified Adviser, the Global Coordinator may offer advisory and other services to the Company, for which it may receive fees and cost compensations. In connection with the Offering, the legal advisor receives a fee for work done and the Stabilizing Manager for arranging the stabilization.

The Company's shareholder Helmet Capital Oy Ab ("**Helmet Capital**") has entered into a representation agreement (the "**Representation Agreement**") with shareholders representing approximately 86.17 percent of all Shares in Fifax. Under the Representation Agreement, Helmet Capital is upon a successful FN Listing entitled to a success fee from shareholders which are a party to the Representation Agreement, which is partly determined based on the Subscription Price (as defined below). The success fee shall be paid in Fifax's Shares or cash.

In addition, Helmet Capital is based on a shareholders' agreement dated 23 January 2014 (the "**Shareholders' Agreement**") entitled to an exit fee from the parties to the Shareholders' Agreement in the event of a successful FN Listing from the parties to the Shareholders' Agreement (including Fifax's shareholders and holders of the Company's loans that contain a conversion clause), which is based on the Subscription Price (as defined below). The exit fee shall be paid in Fifax's Shares or cash.

Ålandsbanken (EUR 1 million) as well as certain shareholders of the Company (EUR 1 million) have granted the Company a total of EUR 2 million in short-term loans for working capital needs. Both loans shall be repaid immediately upon the execution of Fifax's FN Listing. See "*Business of Fifax – Financing of Fifax's activities*" and "*Legal and administrative matters of Fifax – Material Contracts – Short-term working capital loans*"

MARKET AND INDUSTRY REVIEW

The following section describes the factors, which affect the company's markets of operations, in particular the rainbow trout market as well as the Finnish and Swedish fish markets, as these are the markets the Company is currently targeting.

Sustainable fish production is driven by strong food megatrends

Fifax management expects that the following global megatrends support sustainable fish production.

1) Healthy foods and diet with less red meat

European healthy foods market has been growing in recent years as people have started to reduce red meat as a core animal protein source. Fish is a food of excellent nutritional value, providing high quality protein and a wide variety of vitamins and minerals, including vitamins A and D, phosphorus, magnesium, selenium and iodine.[2]

Some 40 percent of EU consumers say they have either stopped or reduced their red meat consumption.[3], If this trend continues, Fifax management expects that consumer are likely to increasingly demand fish as a healthier animal protein source to ensure sufficient supply of proteins and minerals.

2) Food free of antibiotics, chemicals and pesticides

Consumers increasingly pay attention to the use of antibiotics, chemicals and pesticides in the food production. On a scale of 1-7 measuring how important it is for the food to be free from antibiotics, Finnish consumers rated the characteristic at 5.5 – second in importance only to Finnish origin, out of the food production related aspects studied.[4]

The water sanitation process applied by Fifax offers barriers against contaminants and pathogens. As a result, Fifax seeks to use antibiotics only occasionally in a targeted and limited manner to counteract rare cases where diseases or parasites are detected in individual fish or batches, and as a general principle does not use hormones or pesticides. Fifax uses no synthetic pigments in its feed.

3) Sustainability aspects and corporate responsibility

Consumers are increasingly aware of the overall sustainability megatrend. More specifically, Fifax believes that consumers are becoming aware of the sustainability aspects related to animal protein production and sea cage fish farming as well as the impacts of those on the environment.

Fish is the one of the most sustainable and production-efficient source of animal protein compared to other traditional animal-based sources such as beef, poultry and pork. When compared to poultry, pork and beef, conventionally farmed salmon consumes the least amount of water, produces the most kilograms of edible meat per 100 kg feed and has the lowest (i.e. the most efficient) feed conversion ratio. It also has the second smallest carbon footprint, protein retention percentage and calorie retention percentage after poultry, and shares a second place with regard to edible yield with pork, second only to poultry.[5]

Further, with its production method based on use of a Recirculating Aquaculture System ("**RAS**"), the Company strives to produce rainbow trout so that the production has a smaller carbon footprint than fish grown using traditional methods. By moving rainbow trout production on land, away from sea cages, and to closer proximity with end-consumers, the carbon footprint from fish and rainbow trout farming could be further lowered. Additionally, a shift towards land-based fish farming could lead to less local pollution, reduced risk of sea lice and fish escapes, and better utilization opportunities of the sludge produced in the production.

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[2] Food and Agriculture Organization of the United Nations.

[3] The European Consumer Organisation (BEUC). Based on a BEUC survey in 11 EU countries.

[4] Kantar TNS Agri (2019). n=1014.

[5] Sources: Feed conversion efficiency in aquaculture: do we measure it correctly?, SINTEF (2020) Greenhouse gas emissions of Norwegian seafood products in 2017, Mekonnen, M.M. and Hoekstra, A.Y. (2010) The green, blue and grey water footprint of farm animals and animal products, SARF (2014) Scottish Aquaculture's Utilisation of Environmental Resources) and estimates of Fifax's management.

4) Preference for locally produced food

According to the estimate of Fifax's management, consumers tend to perceive local food as fresh and healthy, and are increasingly supporting locally produced food due to, for example, sustainability and food safety aspects. A closer review on the Company's local markets is provided under "- Fifax target markets" below.

5) An increased interest in food innovations

According to the estimate of Fifax's management, consumers are increasingly interested in food innovations and new ways of producing familiar food products, in a more sustainable or a more efficient manner. For example, the increasing popularity of oat-based milk products and plant-based alternatives to meat products evidence this change in consumer behavior.

Fish is one of the most sustainable sources of traditional animal-based protein[6]

By 2050, the UN expects the global population to grow to 9.8 billion people. During the same time period, global meat production is expected to double. To address this challenge and its impact on the environment, Fifax management expects that there will be an increased pressure for more sustainable protein sources.

Fish is one of the most sustainable sources of animal-based protein compared to other traditional animal-based sources. Conventional salmon farming causes approximately 20 percent of the carbon footprint and consumes less than one seventh of the water compared to the production of red meat. Utilization of land-based fish production also enables promotion of several of the UN's sustainability goals, including i) Good health and well-being, ii) Responsible consumption & production, iii) Climate action and iv) Life below water.

The following table presents a comparison between the target levels of Fifax's production methods, traditional fish farming method and production of other animal protein:

	Fifax RAS target[1]	Conventional farming			
Carbon footprint, kg CO2/kg edible meat	6.1kg	7.9kg	6.2kg	12.2kg	39.0kg
Water consumption, l/kg edible meat	50	2,000[2]	4,300	6,000	15,400
Protein retention[3]	28%	28%	37%	21%	13%
Calorie retention[4]	25%	25%	27%	16%	7%
Edible yield of total weight	73%	73%	74%	73%	57%
Edible meat per 100kg feed	73kg	56kg	39kg	19kg	7kg
Feed conversion ratio (FCR)[5]	1.0	1.3	1.9	3.9	8.0

[1]Fifax's own data and analysis.
[2]Total water footprint for farmed salmonid fillets in Scotland, in relation to weight and calorie, protein and fat content.
[3]Conversion of the amount of protein in feed to a corresponding amount of protein in animals.
[4]Conversion of the amount of calories in feed to a corresponding amount of calories in animals.
[5]Feed conversion ratio = Total weight of feed in kilograms / net production of fish meat (final weight less initial weight).

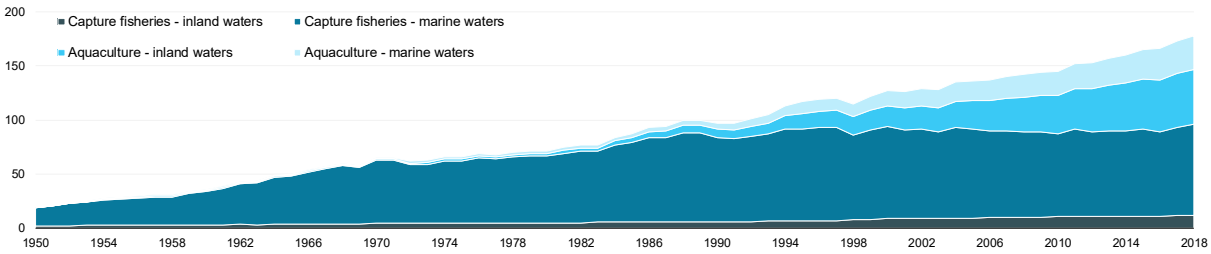
[6] Sources: Feed conversion efficiency in aquaculture: do we measure it correctly?, SINTEF (2020) Greenhouse gas emissions of Norwegian seafood products in 2017, Mekonnen, M.M. and Hoekstra, A.Y. (2010) The green, blue and grey water footprint of farm animals and animal products, SARF (2014) Scottish Aquaculture's Utilisation of Environmental Resources) and estimates of Fifax's management.

Global fish consumption is growing

Global fish consumption has shown a growing trend for several decades. In recent decades, the trend has driven aquaculture fish production whereas catch of wild fish has stagnated. Excessive and, in some situations even illegal, fishing has been a major problem and severely damaged the natural ecosystems in the world's oceans and other water areas.

The following table presents the development of global fish production between 1950 - 2018[7]:

Global fish production 1950-2018 (million tonnes)



The traditional fish farming industry is facing various sustainability challenges. In addition to the waste and emissions, other negative impacts on the environment related to the conventional fish farming may arise from, for example, the use of chemicals, the fish farming's impact on wild salmon species as well as diseases for example caused by the increased amount of sea lice. Due to these issues, aquaculture with conventional sea cages may not be the optimal production alternative to meet the growing demand when compared to land-based fish farming.

The use of Recirculating Aquaculture Systems provides an environmentally friendly alternative to traditional fish farming

RAS-based fish farming is growing in popularity among fish producers around the world, and RAS facilities are being ramped up and deployed for instance in North America, Africa, Asia, the Middle East and several locations throughout Europe. While RAS projects have attracted significant interest lately, a large part of projects are still in planning phase or under construction. The growing popularity of RAS technologies can be attributed to, among others, their low environmental impact and the optimal growing conditions provided by the technology, which in turn enables better biosafety and ensuring the health of the fish.

In land-based RAS facilities, the fish are also better protected from weather conditions, which in traditional fish farming in waterways has a material effect on e.g. seasonal changes. Rainbow trout grows best in a stable temperature of approximately 15 degrees Celsius, where the feed conversion ratio is also at its most efficient. However, frost seasons lead to longer periods during which the fish do not eat, and therefore do not grow. In addition, winds, storms, ice situations and other comparable weather conditions may make it more difficult or even impossible to access the sea cages. E.g. maintenance work, deliveries of feed and harvesting the fish for slaughtering may during certain periods be challenging or even impossible.

RAS uses maximal optimization and minimum possible use of feed and oxygen. Sludge consisting of fish feces and feed residue, fish waste and other by-products are collected and used as for example animal feed and fertilizer. Due to optimal conditions, the production method enables growth of high-quality fish on a constant basis. The system can be monitored in a controlled and automatized manner and adjusted as need be. The production continues stably and consistently year-round, regardless of weather conditions.

The following table presents the comparison between different fish farming methods:[8]

[7] Source: Food and Agriculture Organization of the United Nations, The State of World Fisheries and Aquaculture 2020.

[8] Estimates of Fifax's management.

	Feed factor[2]	Water exchange rate, intensity l/kg feed	Pollution Phosphorus/1,000 ton fish	Pollution Nitrogen/1,000 ton fish
Fifax – Ultra-intensive RAS[1]	1	0.05-0.3%, 30-200l/kg	70kg	500kg
Typical RAS	1	1.3%-4%, 500-2,000l/kg	~3,000kg	~40,000kg
Flow through	1.2	30%-100%, 20,000- 50,000l/kg	~5,000kg	~50,000kg
Sea cage	1.25-1.5	∞	~7,500kg	~60,000kg

[1]Estimates of Fifax's management based on planned full production.
[2]Feed factor = Kilograms of feed used per kilograms of fish stock.

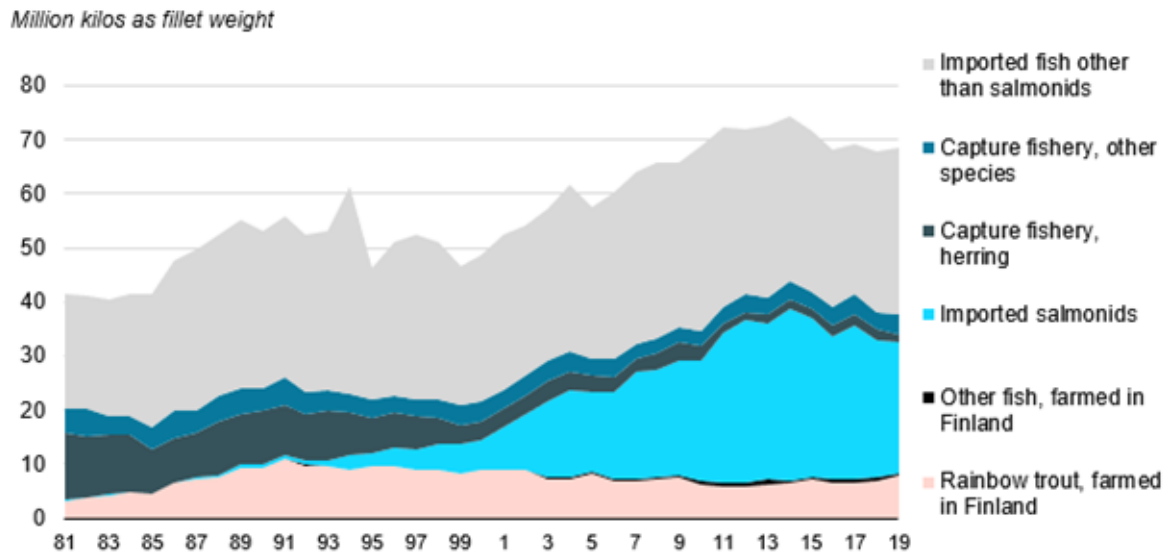
Fifax's target markets

The fish markets of Finland and Sweden are growing[9]

Fifax targets the entire fish market in both Finland and Sweden. The demand of fish has nearly doubled in Finland since the beginning of the 1980s. The market supply has been predominantly driven by imported fish as approximately 81 percent of the total fish consumed in Finland was imported in 2018. Out of the total fish market in Finland, the share of fish farmed in Finland is relatively small – approximately 11 percent of the total market. Marine farmed rainbow trout possesses a market share of a little less than 10 percent of the Finnish fish market. The share of captured fish is small, corresponding to approximately 8 percent of the entire market.

The following table presents the development of the Finnish fish market between 1981 – 2019:

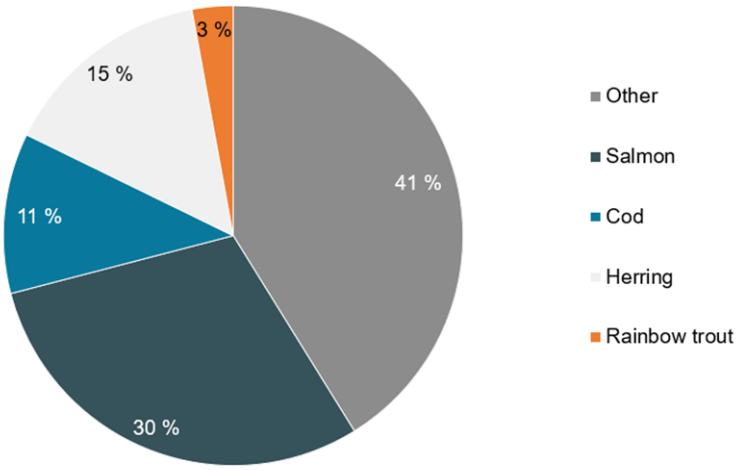
Finnish fish market 1981-2019 (fillet weight, million kg)



[9] Source: Natural Resources Institute of Finland (Luke) – Statistics by Luke on professional fishing in sea and inland waters, aquaculture, fish processing and foreign trade. Figures for 2019 are estimates.

The Swedish market is characterized by diverse offering of seafood. Like in Finland, the market supply has been predominantly driven by imported fish which represents approximately 72 percent of the total fish consumed in Sweden.[10] Salmon and rainbow trout are very similar in terms of taste and appearance, for which reason they are also from consumers' point of view considered to be substitutive products in relation to each other. Out of the total market the share of rainbow trout is only approximately 3 percent, with salmon being the most consumed single fish – 30 percent of the fillet weight fish sold was salmon in Sweden in 2017. Other traditionally popular fish species sold are herring, with approximately 15 percent and cod, with approximately 11 percent share of the total market, with the rest of the fish market being more diversely fragmented between the various fish species.

The following table presents the Swedish fish consumption by million kilograms (fillet weight) in 2017:[11]



Nordic consumers favor locally-produced, sustainable food, but the current supply is insufficient

In a survey conducted on Finnish consumers, the single most important aspect regarding food's production was Finnish origin.[12] Fifax management estimates that this preference for local origin has only further strengthened during the COVID-19 pandemic.

While the demand for fish has almost doubled in Finland between 1981 – 2019 from 40 million kilograms as fillet weight to almost 70 million kilograms[13], the market supply has been driven by imported fish, with the market share of fish farmed in Finland being relatively small. Approximately 81 percent and 72 percent of the fish consumed in Finland and in Sweden, respectively, is imported. A vast majority of the salmonids consumed in Finland and Sweden are imported from Norway.

However, survey data suggests that Finnish and Swedish consumers generally favor locally produced, sustainable food, making the current small domestic supply in both countries insufficient to meet current and potential future demand. According to a survey, 86 percent of Finnish consumers would like to buy more domestic fish, and 79 percent support the increase of domestic aquaculture.[14] Further, Finnish consumers mention local origin as the most important sustainability factor of food.[15] In Sweden, 70 percent of respondents want to increase their seafood consumption,[16] 72 percent at least usually choose domestically produced food over imported products while

[10] Research Institute of Sweden, figure from 2017 (latest available).

[11] Source: Food and Agriculture Organization of the United Nations, Research Institute of Sweden.

[12] Kantar TNS Agri (2019). n=1014.

[13] Source: Natural Resources Institute of Finland (Luke) – Statistics by Luke on professional fishing in sea and inland waters, aquaculture, fish processing and foreign trade.

[14] Press conference of the Aalloilta ateriaksi project 26 May 2020, including a presentation of a consumer survey carried out by Innolinks in 2020.

[15] Kantar TNS Agri, 2019.

[16] Norwegian Seafood Council (Norges sjømatråd) 2020.

grocery shopping,[17] and 89 percent could pay more for Swedish-produced food.[18] The major retailers in Finland and in Sweden are also very supportive for increasing the consumption of local and sustainable fish.

Rainbow trout's pricing has historically had some similarities with salmon's pricing

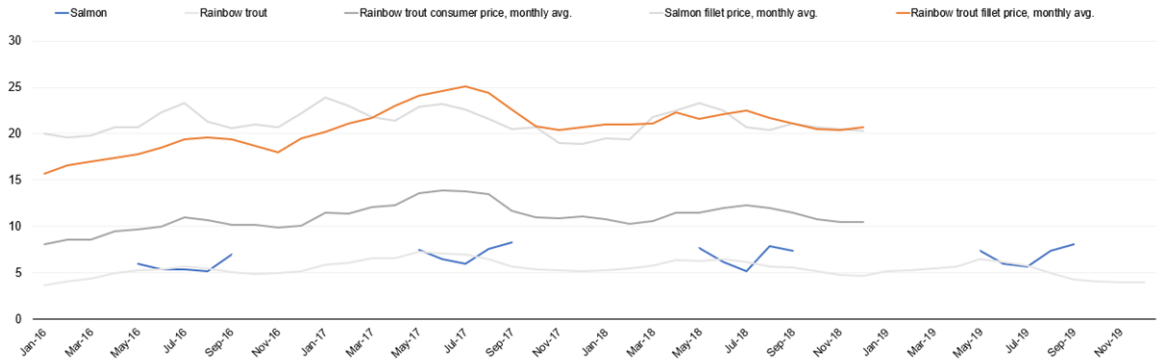
The supply of rainbow trout in Finland and Sweden is almost exclusively from conventional sea cage farming and as a result the supply is impacted by seasons and resulting growth cycles of rainbow trout. The sea cages are typically harvested in the final quarter of the year, resulting in a larger supply in this period. Consequently, the available supply is very inelastic over the short term, while demand can be very elastic due to price, season, or market size.

As salmon and rainbow trout are very similar in terms of taste and appearance, salmon pricing offers a practical reference also for the pricing of rainbow trout. Key factors affecting the market price for salmon are, among others, supply, demand, globalization of the market, arbitrage, the presence of sales contracts reducing the quantity available for the spot market, flexibility of market channels, quality, disease outbreaks and consumer sentiment. The daily spot (farm-gate or wholesale market) price for salmonids are very volatile due to the species' relatively long production cycle, which normally ranges between 2–3 years, and its short shelf life of the fresh product, which usually ranges between 2–3 weeks.

The seasonality of the supply from conventional sea cage farming impacts the price level of rainbow trout during the year, with lower prices in the first and fourth quarter. The price level of rainbow trout is typically higher during the second and third quarters of the year when supply of local fresh rainbow trout is limited due to the seasonal growth cycles in conventional sea cage farming. The land-based fish farming facility of Fifax can produce fresh rainbow trout throughout the year. Fifax generally targets a more premium price range with its sustainably farmed, fresh and locally-produced fish. In certain cases, Fifax has managed to sell fish meat at higher premiums also in Sweden. At the date of this Offering Circular, the sale volumes in Sweden are however significantly lower than in Finland.

The below graph illustrates the development of producer and consumer prices for rainbow trout and salmon in the period 2016-2019:[19]

Producer prices 2016–2019 (gutted, €/kg) and consumer prices 2016–2018 (€/kg)



During 2016-2019, the producer price of domestic rainbow trout (HOG, sea cage farmed), has varied between EUR 3.6–7.3 per kilogram. The average price during the period has been EUR 5.5, with the highest price of EUR 7.3 per kilogram and the lowest price of EUR 3.6 per kilogram. Management believes that Fifax may achieve a premium based on sustainable farming of fresh and local fish consistently throughout the year.

The consumer price for rainbow trout (HOG, conventionally farmed), has varied between EUR 8.1–13.9 per kilogram in Finland in 2016-2018 with an average price of EUR 11.0 per kilogram. The consumer price for rainbow trout fillet, conventionally farmed, has varied between EUR 15.7–25.1 per kilogram in Finland in 2016-

[17] Survey ordered by ICA Group and Lantbrukarnas riksförbund (LRF) and conducted by Kantar Sifo in 2019.

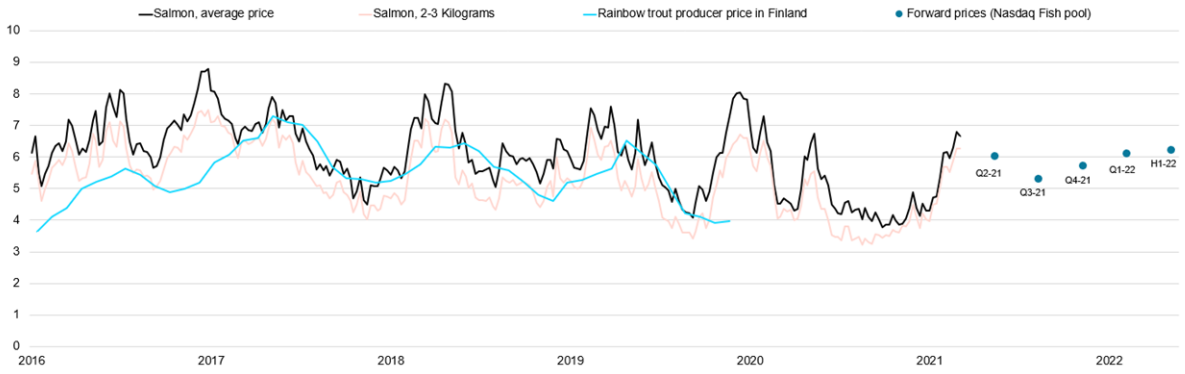
[18] Landshypotek Bank 2018.

[19] Source: National Resources Institute of Finland – statistics database, Statistics Finland – average prices of consumer goods, 2002 – 2018, Swedish Board of Agriculture (Jordbruksverket).

2018 with an average price of EUR 20.6 per kilogram. Fifax intends to extend its product offering from the current sale of HOG to include processed rainbow trout, including fillets.

The below graph illustrates the development of producer prices for rainbow trout and salmon as well as the forward prices for salmon in 2016-2021, as well as forward prices for 2022.

Salmon prices, weekly average price & 2–3 Kilograms price (€/kg) & Rainbow trout producer price in Finland, monthly average price (€/kg) & Salmon forward prices (€/kg)[20]



The development of the rainbow trout producer price in Finland has historically showed a similar pattern as the producer price of salmon, as measured in the Nasdaq Salmon Index. The price level in 2020 and the beginning of 2021 has been lower than historically due to the disturbance in the demand, supply and transportation caused by the COVID-19 pandemic and related restrictions. The emergency slaughterings that followed the confirmation of IHN infections at three fish farming facilities on the Åland Islands in the early summer of 2021 resulted in approximately 500 tonnes of surplus fish entering the market during the course of the summer, which can be estimated to have put pressure on the price level. The average price level for salmon was 19 percent lower in 2020 compared to the average price level in 2016-2019. The current forward prices for salmon indicate a price level for the second half of 2021 and the first half of 2022 that is approximately 14 percent above the average price level for salmon in 2020.

Competition

In its core markets, Fifax primarily competes with producers of rainbow trout that utilize traditional fish farming methods such as sea cages including in Finland, among others, Nordic Trout, Heimon Kala, Brändö Lax, Salmon Farm, as well as other land-based fish farming companies such as Finnforel Oy. However, as Fifax aims to encourage consumers to increase the share of domestically- and locally-produced fish as opposed to imported fish in their food consumption, it also to a certain extent competes for market share with importers of salmon, primarily from Norway.

According to estimates by the Company's management, its market share measured by produced fish has been relatively small based on 2020 volumes. However, the Company's management estimates that its markets share could grow significantly at the stage where the Company achieves its production levels that correspond to its full capacity. As Fifax strives to gain market share and competes for consumers' attention and preferences as well as influence over shaping the market for fish with large, even global fish farming companies, the entire addressable market (including also other fish than rainbow trout and salmon in Finland and to a certain extent Sweden) constitutes a competitive landscape that Fifax takes into account in its strategic planning. Fifax strives to leverage favorable megatrends in order to obtain a premium price for its sustainably farmed, fresh and local fish, and its land-based RAS production method provides solutions many problems associated with conventional fish farming. As a result, Fifax's management considers that the Company is in an attractive competitive position in relation to other producers of animal protein as well as fish farmers utilizing more traditional production methods.

[20] Source: NASDAQ Salmon Index (a weighted average for the weekly cash price for HOG fish), forward interest curve of the Oslo Børs VPS Fish pool, National Resources Institute of Finland – statistics database.

BUSINESS OF FIFAX

General

The Company's registered company name is Fifax Abp and it is domiciled in Eckerö. The Company's Finnish language parallel company name is FIFAX Oyj and English language parallel company name FIFAX Plc. The Company is a public limited liability company, which has been incorporated in accordance with the laws of the Republic of Finland on 15 December 2012 in Finland and operates under the laws of the Republic of Finland. The Company is entered in the Finnish Trade Register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") with the business ID 2453290-9. Fifax's registered office is in Eckerö, Åland, Finland. The address of the Company's registered office, as registered with the Trade Register, is Industrivägen 115, FI-22270 Eckerö and the Company's phone number is +358 20 7306970. The Company's international legal entity identifier code ("**LEI**") is 7437009ZZFE4R6ACKF36. According to Section 2 of Fifax's Articles of Association, the Company's field of operations is fish farming and fish processing. The Company may also control and own securities and real estates and trade in them. The Company's financial year is one calendar year.

The Company's website is www.fifax.ax/en. The Finnish Prospectus and the Offering Circular will be published on the Company's website. Information presented on the website of the Company or any other website is however not part of this Offering Circular, and prospective investors should not rely on such information in making their decision to invest in the securities. However, in exception to the above, the information incorporated by reference in the Offering Circular (see "*Information Incorporated by Reference*" above), which is available on the Company's website, as well as any potential supplements to the Offering Circular made available on the website, are part of the Offering Circular.

Fifax is a land-based fish farming company. Fifax currently has a single production facility located in Eckerö, Åland (the "**Eckerö Production Facility**"), with capabilities to produce rainbow trout for the Finnish and Swedish markets at an annual rate of approximately 3,200 tonnes (gross weight before slaughter) once it has received its full production capacity. As at 30 June 2021, 25 persons worked in the production and it is currently one of the largest operational land-based fish farming facilities in Northern Europe measured by production capacity. The facility utilizing Fifax's implementation of ultra-intensive RAS technology contains all functions required for the rainbow trout's full growth cycle, whereby the entire growth cycle from hatching to cultivating and slaughtering is taking place in the same location, and there is no need to transport the rainbow trout from one place to another during the production cycle.

Fifax utilizes filtered water pumped from the Baltic Sea in its production, which is continuously purified and circulated in the RAS system. This method aims to keep the growth environment of the fish clean and minimize the environmental impact of the production, which can pose challenges when using more traditional fish farming methods. Fifax's RAS technology is based on an almost completely closed water circulation within the facility, where fish live indoors in large onshore pools. This provides more safeguards against external factors compared to traditional fish farming in water bodies, and due to its methods Fifax is able to provide the fish with a strictly controlled habitat in clean water all year round. Therefore, Fifax is also able to provide an antibiotic-free end product to its customers. Fifax does not use antibiotics in its production other than in limited exceptional situations.

Fifax's vision is to be a forerunner in large-scale sustainable fish farming with a minimal impact on the environment, so that locally and sustainably produced fish can be enjoyed by customers all year round. To achieve this goal, Fifax continuously strives to be at the forefront of its industry, employing the latest technology.

History

Fifax was established in January 2012, and the construction of the Eckerö Production Facility was started in 2014. In its first years of operations, the Company focused on planning of the production facility, and securing sufficient financing necessary to fund the construction of the facility. During its operations Fifax has made continuous improvements to its production technology and has strived for process optimization. Consequently, it has been able to solve several construction- and operations-related challenges. In late 2015, Fifax received buy-in smolts to its first production phase, and, in 2016, Fifax made its first customer deliveries. During 2017, improvements were made on different parts of the production facility and the external water treatment plant (X-loop) entered the test phase. During 2018 a new purging solution to remove off-flavors in the meat was introduced, while the in-house slaughter facility was being constructed. The in-house slaughterhouse was taken into use in 2019. The construction of the facility was finished and its technical capacity reached during the first quarter of 2020.

During 2020, Fifax continued with improving its processes to achieve stronger growth in the fish stock, to reduce fish mortality, and to reach optimal diversity in the size of the fish that is ready for slaughter. In the beginning of the financial year 2020, the production volumes increased substantially compared to the production volumes of the financial year 2019. Fifax concluded its first significant cooperation relationships with current key customers during early 2020. Fifax's own production of fry as well as egg hatching also developed during 2020. Due to the fish mortalities resulting from the oxygen-feeding accident described below in the section "*–Business operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*", the Company's fish deliveries had to be interrupted, but deliveries have been resumed again in September 2021.

The COVID-19 pandemic has had a significant impact on Fifax's operations. Fifax's markets are currently experiencing a more positive market sentiment despite uncertainties related to the development of the pandemic and related restrictions. Price levels have been affected by an oversupply in the Nordic markets resulting from disruptions of traditional trading channels and delivery patterns. As Asian markets introduced increasingly strict restrictions on the import of goods and as traditional transportation routes were disrupted in spring 2020, particularly producers and distributors of Norwegian salmon were forced to look for alternative customers. The closing-down of Asian markets was followed by increasingly strict restrictions on the movement of people and goods in Europe, which resulted in reduced consumer spending. Restrictions impacting restaurants further reduced demand, and sales through other retail channels such as grocery stores could not fully compensate for the shortfall. With reduced demand both in Asia and Europe, producers and distributors were forced to sell their product in their home Nordic markets. This resulted in an oversupply of Norwegian salmon in particular, which pushed down prices in the spring to such lower levels that are more common at the end of the calendar year.

From November 2020 to January 2021 Fifax made significantly less deliveries due to market disruptions caused by COVID-19. The price level was also impacted by the slaughter season of traditional fish farmers during the fourth quarter of 2020. As Fifax wanted to avoid selling fish at prices below production costs, the Company purposefully reduced its sales until the turn of the year 2021.

Even though COVID-19 has affected the price levels, Fifax's customers are supplying fish for customer-oriented retailers, in which the demand for fish has remained relatively stable regardless of the circumstances. This has in turn contributed to limiting the negative impacts. The Company's deliveries as well as the price level were growing slightly as of February 2021, until an accident occurred in May 2021, which had a negative impact of Fifax's delivery capacity (see "*– Business Operations – The ultra-intensive Recirculating Aquaculture Systems technology*" below). Deliveries were however continued until the end of June 2021, for as long as Fifax had delivery ready fish of deliverable size. Subsequently, Fifax had to interrupt deliveries until the beginning of September 2021, when deliveries were resumed again. However, IHN virus infections encountered in Danish smolt farms during the summer of 2021 have negatively affected price levels. In the early summer of 2021, three fish farms in Åland were confirmed to have IHN infections, as a result of which certain fish farmers were required to emergency slaughter the fish which had been exposed to the virus. Consequently, around 500 tonnes of surplus fish entered the market during the course of the summer, of which, according to the estimates of Fifax's management, a substantial proportion was not necessarily yet full-grown. The increased supply of rainbow trout and sales campaigns of the emergency slaughtered fish can be estimated to have caused pressure on the price levels during the course of the summer. On the other hand, it is possible that the price levels could increase later in the fall, if the fish farmers that were carrying out emergency slaughters would not have planned levels of full-grown fish available. IHN infections have not been encountered in Fifax's production facility, and according to the view of the Company's management, the risk of infection in a closed facility such as the Eckerö Production Facility is relatively limited.

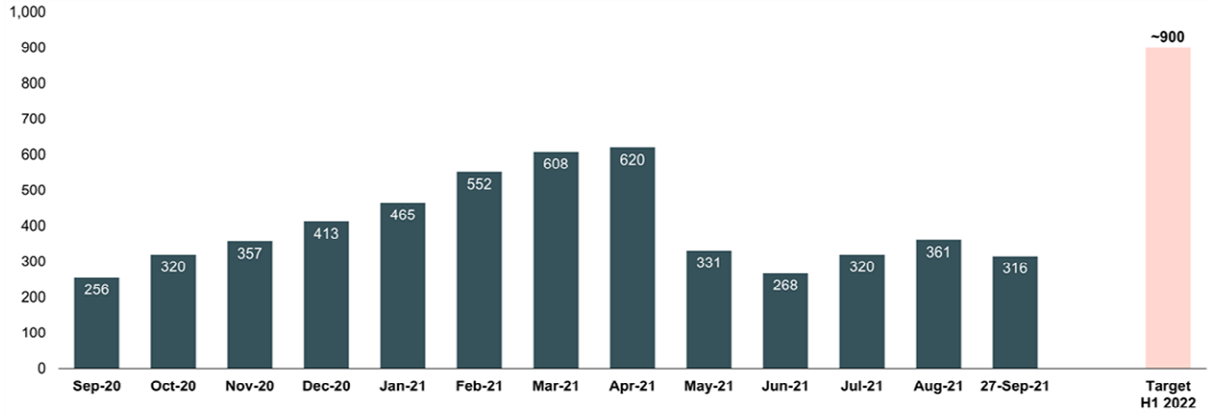
Key strengths

Proven ability to operate a high-technology fish farming facility

Fifax's operations cover the full production chain for farmed rainbow trout. Fish are hatched, cultivated, purged and slaughtered under the same roof at the Eckerö Production Facility. This covers the full life and production cycle of rainbow trout, from the hatching of eggs, through the fry and fingerling phase to the production and processing, culminating in the final product of fish which is ready to be delivered to clients. The full production chain is achieved in an almost closed-loop plant, with limited effect from external factors such as the weather, climate, environmental factors and water disturbances. The production facility is one of the few already operational facilities with a larger scale in Northern Europe that produces full size table fish. Fifax has accumulated considerable know-how about the construction, maintenance and operation of a land-based RAS facility of a larger scale, which is not widely available.

The following table presents the development of Fifax's fish stock, i.e. the combined weight of the fish in the tanks, from September 2020 to July 2021:

Development of fish stock towards the full capacity



Normally there are continuously approximately 9 batches of fish at different growth stages in production. The split between different growth stages varies continuously, but on average the most mature batch that is ready to be slaughtered (approximately 2,400 g each) represents approximately one third of the entire capacity of the production facility. This is also the optimal level which is continuously strived for.

The size of Fifax's fish stock is inventoried in terms of the amount and weight of the fish in connection with their grading and moving between the tanks as well as slaughtering. In addition, the Company makes test weightings of small samples in each tank at an approximately weekly basis. The Company updates potential inventory differences in its production system, which produces the monthly values. The growth of the fish stock has been accelerated by purchasing smolt in late 2020 and during 2021. Due to the fish mortalities resulting from the oxygen-feeding accident described below in the section "*–Business Operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*", the smolt purchase program has been continued until January 2022 to support delivery capabilities.

The fish stock grew steadily from September 2020 until May 2021. In May 2021 the fish stock was expected to grow further, until the accident, caused by issues with the feed of oxygen, led to loss of fish in the amount of 260 tonnes. The accident impacted fourteen (14) grow-out tanks. Fish was however still farmed in in twenty-two (22) tanks and delivery sized fish were still slaughtered and sold at the end of June 2021. However, in order to stabilize the situation after the accident, Fifax deliberately reduced the feeding of the fish. The slaughtering and delivery of fish, as well as a somewhat decreased growth in fish due to the deliberately decreased feeding, led to a decrease in the fish stock in June 2021.

At the date of this Offering Circular, the fish stock of the Eckerö Production Facility is approximately 316 tonnes. Fifax's target is to raise the level of the fish stock to a degree, where it would be possible to continuously maintain a fish stock of approximately 900 tonnes, consisting of fish in different growth phases in the tanks of the Eckerö Production Facility. New full-grown fish grows continuously from previous growth stages to replace slaughtered fish.

The Company expects to achieve its targeted fish stock level of 900 tonnes by the first half of 2022. As a result of achieving a continuous and stable fish stock of 900 tonnes, Fifax would be able to reach the full production capacity of the Eckerö Production Facility during the first half of 2022. By achieving the full production capacity, it would be possible for Fifax to produce approximately 3,200 tonnes of whole fish to be slaughtered on an annual basis (400 tonnes in 2020). This corresponds to approximately 2,700 tonnes of head-on gutted ("**HOG**") fish (300 tonnes in 2020) with gutting resulting in a reduction of approximately 15–20 percent of the total weight of the fish. In the first half of 2021, the Company slaughtered 277 tonnes and delivered 175 tonnes of HOG rainbow trout to its customers in Finland and Sweden. Due to the accident that occurred at the Eckerö Production Facility in May 2021 (see "*– Business operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*" below), Fifax had to interrupt its fish deliveries at the end of June 2021, as the Company had sold all delivery sized fish. Deliveries have resumed again at the beginning of September 2021.

Production-related and commercial benefits of RAS farming of rainbow trout

Land-based RAS farming of the kind conducted by Fifax has certain production efficiency related advantages. As a land-based facility offers more possibilities to optimize the growth environment of the fish through a fine-tuned, largely automated system-operated process, Fifax has the ability to manage the consistent high quality of its product. In addition, the fish grow in a relatively steady and stable manner, and year-round production is more predictable compared to more traditional fish farming methods.

The rainbow trout produced by Fifax is well-suited for land-based farming, and has certain key advantages compared to salmon. Rainbow trout is somewhat less sensitive to changing temperatures and other external conditions, which contributes to a lower mortality rate. Rainbow trout also grows to harvest size at a faster rate, and is likely to have a somewhat better feed conversion ratio. In other words, rainbow trout more efficiently converts feed into the final output of fish meat and at a faster rate, which in turn enables a more efficient production process. In addition, the somewhat higher flexibility with respect to harvest size offers commercial benefits as Fifax is able to utilize market gaps for smaller fish by slaughtering fish in different growth phases in accordance with the wishes and needs of customers. This enables adjusting production to correspond with prevailing demand, to some extent. Besides benefits attributable to the production process, the final product generally has some less fat and more protein than salmon, which is however essentially dependent on the feed provided.

Supportive megatrends

The growth in sustainable fish production is supported by strong food megatrends (see "*Market and Industry Review - Sustainable fish production is driven by strong food megatrends*"). Key drivers shaping the overall food market include:

- increased awareness of the benefits associated with a healthier diet with less meat;
- increased awareness of sustainability aspects and consumer demand for corporate responsibility;
- a preference for locally-produced, domestic ingredients and authentic flavors;
- demand for food free from antibiotics, chemicals and pesticides; and
- an increased interest in food innovations.

Population growth and the expected increase in global meat production as a result causes challenges to securing sufficient production of animal protein. At the same time, the carbon footprint and environmental impact of production should be reduced.

Fish is the one of the most sustainable and production-efficient source of animal protein compared to other traditional animal-based sources such as beef, poultry and pork.[21]. Even conventional salmon farming utilizing sea cage-based methods causes only approximately 20 percent of the carbon footprint and consumes less than one seventh of the water compared to the production of red meat. Land-based fish farming using RAS technology provides several further benefits. Fish grown in land-based facilities produce less pollution of waters in the form of phosphorus and nitrogen. Their waste and other by-products can also be collected, processed and utilized e.g. as fertilizer, decreasing the encumbrance on the ocean.

In addition to the fact that fish farming in land-based facilities generally causes less environmental harm than conventional fish farming methods, it also usually enables contributing to a healthier fish population. In land-based facilities the fish are to a lesser extent vulnerable to diseases and parasites than in farming in natural bodies of water, resulting in a lesser need for any medication. Land-based fish farming also prevents adverse effects to the wild fish population, which in traditional farming methods can occur in the form of diseases and parasites in waterways, as well as escaped farmed fish affecting the gene pool of the wild salmon population.

According to the view of Fifax's management, the Company's operations also enable supporting several of the UN's sustainable development goals by promoting healthy living and well-being as part of a healthy diet. Fifax's

[21] Sources: Feed conversion efficiency in aquaculture: do we measure it correctly?, SINTEF (2020) Greenhouse gas emissions of Norwegian seafood products in 2017, Mekonnen, M.M. and Hoekstra, A.Y. (2010) The green, blue and grey water footprint of farm animals and animal products, Scottish Aquaculture Research Forum SARF (2014) Scottish Aquaculture's Utilisation of Environmental Resources) and estimates of Fifax's management.

emphasizes sustainable production methods, which address the need to reduce the carbon footprint and climate impact of animal protein production, and promotes conservation of the seas and the sustainable use of marine resources.

The consumption of fish has grown constantly during the past decades while consumers are expected to reduce the consumption of red meat, and Fifax expects this trend to continue. This provides a further opportunity for a growing demand for fish meat as a key source of protein. Growth of the supply of fish has lately been driven by aquaculture, as the amount of wild fish caught in inland as well as marine waters has stagnated in recent decades. Excessive and illegal fishing have been major problems which have destroyed the natural ecosystems in the world's oceans. Aquaculture with conventional sea cages will not be an option to meet the growing demand due to its environmental issues.

Fifax's target is to leverage these trends to obtain premium pricing with sustainably farmed, fresh and local fish, and its land-based RAS production method provides solutions to many of the environmental issues associated with conventional fish farming. This puts Fifax in an attractive competitive position compared to producers of other sources of animal protein and fish farmers using more traditional methods.

Favorable location in relation to consumer demand as well as preconditions for responsible and stable production

The demand for fish has increased significantly during the last thirty years. Although the supply has increased mainly due to imported fish, surveys indicate that the Finnish and Swedish consumers strive to favor locally-produced sustainable food, in particular fish (see "*Market and Industry Review*" above).

Fifax is attractively located to serve the most densely populated areas of both Finland and Sweden. The location of Fifax's production facility in the Åland Islands provides close proximity to its current key target markets in Finland and Sweden. Local ports are also nearby, providing access to domestic and necessary input factors. The location also contributes to Fifax's ability to conduct its activities in a sustainable and reliable manner. As its key target markets are in close proximity, the short transportation routes result in relatively low transportation emissions and costs. Fifax also has access to reliable supplies of water and energy. Water used in the fish tanks is pumped from the Baltic Sea, which is efficiently filtered and continuously purified to enable repeated usage with a reduced risk of any pollutants or contaminants being let back into the environment. Fifax also has access to reliable sources of electricity, which secure the year-round operations and limit the risks of production shutdowns.

Providing a more sustainable alternative to conventional fish farming methods

The fish industry faces environmental challenges associated with conventional fish farming including, among others, diseases and parasites, use of toxins, chemicals and antibiotics, pollution and eutrophication of coastal waters and damage to marine ecosystems. The direct interaction with the sea water in sea cage farming increases the risk of transmitting diseases, which also leads to an increased need to use drugs and chemicals to counteract contamination through bacteria, viruses and parasites. Direct contact with the sea water may also cause health problems, mortality and suffering in the fish and a low-quality final product. These consequences can result from for example ingestion of microplastics particles originating from e.g. the sea cage materials, attacks by predators as well as an increase in the amount of salmon lice in the sea, which in the Northern Atlantic area also affects the wild salmon population. Untreated fish waste and feed remains resulting from conventional fish farming methods might also contribute to solid matter loading on the seabed and contaminating the seawater especially in shallow areas. In addition, fish may escape from sea cages due to malfunctions of infrastructure, which may cause major financial losses and hazards to surrounding ecosystems.

Fifax's land-based RAS method offers an alternative production method, through which these problems can be mitigated or even eliminated. The sanitation process applied by Fifax offers barriers against contaminants and pathogens. As a result, Fifax uses antibiotics only occasionally in a targeted and limited manner to counteract rare cases where diseases are detected in individual fish or batches. Depending on their nature, diseases and parasites are detected either in a few hours or a few days. This takes place both based on visual observations as well as the regular taking of samples, as required by food safety, environmental and production-related regulation. The Company's general principle is to not use hormones or pesticides. The feed Fifax uses does not contain synthetic pigments.

Fifax pumps the rearing water it uses from the sea into a land-based facility and only releases water back into the sea after it has been treated and purified. The water in which the fish are grown is continuously reused and passed through water treatment processes during production to remove waste and other contaminants. The fact that the production is land-based also means that the fish that Fifax grows do not affect the wild fish population, and there are no financial losses or negative biodiversity effects resulting from escapes, or any risks of predators attacking the fish. In addition, any waste or by-products from the fish is collected and, to the extent possible, re-used as e.g. fertilizer.

Strategy

A forerunner in large-scale sustainable fish-farming

Fifax's vision is to be a forerunner in large-scale fish farming with minimal impact on the environment. Considering that consumers are increasingly aware of the environmental impact of food production, which results in higher demand for sustainably produced sources of protein. Therefore, Fifax is well-positioned to provide an alternative to an increasing amount of consumers looking to minimize any harmful effects of their diets on the environment. This is particularly emphasized in Fifax's key markets, which are situated around the Baltic Sea.

The Baltic Sea is an enclosed sea area with limited water exchange with the adjacent Atlantic Ocean, through the Danish Straits. Due to its relative shallowness, the sea is susceptible to nutrient overload from human activities and eutrophication is a problem in large areas, especially in the archipelago and shallow coastal waters. Also, the bioaccumulation of contaminants in the marine food chain has for long been a problem in the Baltic Sea.

The coastal states of the Baltic sea have signed the Baltic Sea Action Plan (BSAP) for the years 2021–2030 in order to protect its ecosystem. There is a special need for protection of the coastal waters of the Baltic Sea, which is the area where farming of rainbow trout usually has taken place. Fifax's RAS production method has a minimal pollution rate compared to conventional fish farming in a region with an emphasized need for low-polluting production methods. Fifax also strives to minimize its manufacturing footprint by optimizing and intensifying the consumption of key cost impacting resources such as feed and oxygen, so that same results could be reached with less resources. Fifax has e.g. during its time in operation achieved to intensify its oxygenation process so that same oxygen levels may be reached with smaller amounts of oxygen fed into the water.

The electricity required by Fifax's production is as at the date of this Offering Circular powered by renewable wind energy. The Company also plans to make additional investments to optimize its energy costs. Currently, the Company's management evaluates possible energy production solutions which would combine Fifax own production of wind and solar power. A preliminary analysis indicates that such energy-related investment could have an attractive financial impact. The attractiveness of self-produced energy would increase together with the growth of the scale and volume of the business operations, as planned by the Company (see "*– Expansion through replication*" *below).*

Side streams, produced in Fifax's production, (such as sludge, gutting offals and fish that have died spontaneously before slaughter) are currently used, where possible, e.g. as fertilizer or feed. Due to the expansion and increase in production planned by Fifax, such side streams, as well as nitrogen, phosphorus and carbon dioxide, that are formed in the production process, are expected to a grow in terms of total volume. Therefore, recycling solutions utilizing such side streams would be even more attractive investment objects. Fifax considers among others investments into the development of fertilizer products, produced from sludge and gutting offals, to create added value, particularly since the interest towards different fertilizing options, and the increased biological fertilization and farming that they allow, has increased.

In addition, Fifax explores possibilities to construct biogas plants and biofuel plants, where biodiesel would be produced from slaughter waste and dead fish, allowing the Company to reduce its reliance on purchased energy. Fifax is also interested in solutions enabling the capture of carbon dioxide that is emitted in the bioprocess of the production, as they would enable further reduction of Fifax's carbon footprint. One possible alternative would be the construction of a greenhouse in conjunction with Fifax's production facility, which would consume the carbon dioxide produced in the Company's operations.

Expansion through replication

The background to the planned Expansion and expected benefits

Fifax has a demonstrated track record with constructing, operating and maintaining a land-based, ultra-intensive RAS facility, and has accumulated considerable related know-how. This makes Fifax well-positioned to promote its expansion plan of replicating its already-proven concept, building on extensive experience from the Eckerö Production Facility. Know-how in all aspects of the process, from construction to operating an environmentally friendly and efficient land-based fish farm, allows for increased efficiency and efficient replication of production facilities. Fifax's long-term goal is to continue its expansion by building new high-class sites on optimal locations. Fifax evaluates continuously different opportunities for expansion to prepare for continued capacity expansion in the future.

At the date of this Offering Circular, Fifax is planning to commence its next strategic step through a facility expansion. Production at full capacity is expected to be achieved at the Eckerö Production Facility in the first half of 2022. In addition, fish farming on dry land is a growing market, and the number of early-stage construction projects is growing around the world. However, Fifax is, according to its management, further in the development of its operations compared to several corresponding projects. The view of the Company's management is that the development phase of the Company's operations and the market is thus favorable for taking advantage of market developments and to increase market share through the expansion of production.

The objective is to execute the expansion by building additional structures on the current site ("**Expansion**"). This would enable Fifax to leverage the optimal location between its main markets in Finland and Sweden. The Company also expects to achieve cost savings through e.g. certain shared facilities or functions between the Eckerö Production Facility and the Expansion that is to be constructed in conjugation with the Eckerö Production Facility. To achieve personnel synergies, Fifax intends to manage its staff in a flexible manner across functions and shifts for an optimal competence distribution and operating expenses per produced kg of fish.

The expansion would also enable certain other scale benefits, such as enabling efficiencies in procurement and managing operating costs. Moreover, logistics could benefit from larger transports from the same area. In terms of production, the process could be made more efficient as the production pipelines at the hatchery and fry and fingerling area could be optimized between the Eckerö Production Facility and the Expansion. In addition, the greater purge capacity, enabled by the larger facility, as well as better filleting and processing capabilities, could enable market deliveries that are faster, more flexible and better reflect customer needs at each time. Fifax could for example offer a wider product portfolio by slaughtering fish in different growth phases according to customers' wishes and needs, which could increase the value-add of Fifax products for its customers and enable increased pricing.

Fifax also estimates to receive moderate cost benefits through replication of construction and technology and cost benefits from ramp-up and time to production. Ramp-up of the Expansion would also potentially be faster than that of the Eckerö Production Facility, as the Eckerö Production Facility's existing hatchery and fry and fingerling area could be utilized to ramp-up the fish stock in the Expansion and it could support the Expansion also with other process elements.

Prerequisites for the planning and execution of the Expansion

Fifax plans its overall process in such a manner, that its activities are conducted so as to remain below the pollution thresholds set by the local legislation of Åland (200 kg phosphorus and 1,500 kg nitrogen annually). As such, the planned Expansion is not expected to require an environmental permit, but would only be subject to an inspection duty. This could lead to reduced execution risk and a faster time to market, and provide an advantage when compared to carrying out the expansions in mainland Finland.

Since the Company owns a total of 34 hectares of land, the land area required for the expansion is already available for Fifax. The current zoning situation also enables the Expansion, and based on experience gained in connection with the construction of the Eckerö Production Facility, Fifax does not foresee any material difficulties in the negotiations it will conduct with neighboring landowners concerning the construction work. The site located in Eckerö also fulfills the key technical requirements for the planned Expansion. The ground is solid enough, there is a road with sufficient load capacity leading to the site and a good-quality water body provided by the shore close by. In addition to a sufficient water supply allowed by the sea water used in the farming, and the water supplied

by the municipal water pipes used in the slaughtering, Fifax already has available key infrastructure required for the Expansion, such as sufficient and reliable electricity sources as well as access to municipal wastewater systems. As the capacity offered by the infrastructure could potentially be expanded while carrying out the Expansion, Fifax has already commenced a dialogue and planning with the Eckerö municipality to align the capacity of the municipal water and waste water handling and the requirements of the Company.

The phased execution of the Expansion

The groundwork for expanding the production has been made during the first quarter of 2021, which includes estimations of land, zoning and central infrastructure, preparations for the process with the Åland Environmental and Health Protection Agency (Ålands Miljö- och hälsoskyddsmyndighet, "**ÅMHM**"), as well as planning the preliminary budget and financing. Based on conducted groundwork, Fifax's management has prepared a preliminary plan as well as an indicative timetable for the execution of the Expansion. The timetable is however conditional upon, among others, the completion of the Offering and the subsequent acquisition of additional financing in the form of equity and/or debt capital as well as potential investment grants.

The expansion would be implemented in phases. This brings flexibility to the implementation and enables adjusting and changing plans in accordance with potential changes to circumstances. The Expansion would be implemented in in full in two phases. Below, reference is made to the first phase with the term "**Expansion Phase 1**" and the second phase with the term "**Expansion Phase 2**". Implementation of Expansion Phase 1 alone would increase Fifax production capacity with approximately 1,000 tonnes, increase the Company's processing capacity and enable that certain effectivity and synergy benefits could be achieved.

As a part of the Expansion, the expansion of the production capacity would in turn be implemented through three expansion units, each of which would increase Fifax's production capacity by an annual level of approximately 1,000 tonnes. All three units together would produce a production capacity increase of an aggregate of approximately 3,200 tonnes annually. Through the Expansion, Fifax therefore aims to double its production capacity to approximately 6,400 tonnes annually. The Expansion would also increase Fifax's fish processing operations, enabling it to address broader market segments with an expanded product selection. The development of the processing operations would be implemented in two phases, the first of which in parallel with unit 1 of the expansion of production capacity, and the second phase in parallel unit 2 and 3 of the expansion of production capacity.

Expansion Phase 1 would thus include following measures:

- overall planning of the Expansion;
- excavation work, other general work as well as shared technics for the whole Expansion;
- construction of unit 1 of the expansion of production capacity as well as ground work for its units 2 and 3;
- the first phase of the expansion of fish processing operations (filleting, cutting and packaging) with the aim to optimize production flows; and
- improvements of the Eckerö Production Facility that are aimed at increasing its production and efficiency, encompassing further development of water treatment, additional improvements to the purging process and capacity, as well as additional improvements in risk management (e.g. security systems and energy management).

Expansion Phase 2 would include following measures:

- units 2 and 3 of the expansion of production capacity;
- increasing the capacity of fish processing operations in order to enable and develop an expanded product portfolio (in parallel with unit 2 of the expansion of production capacity); and
- finalization of the Expansion for the increased full capacity production (in parallel with unit 2 of the expansion of production capacity).

Implementation schedule of the Expansion

If the Offering is completed, the Expansion is planned to move to a so-called "pre-study phase" in the last quarter of 2021. This includes pre-design, preliminary budgeting as well as defining the design and project objectives. After this the project is expected to move to the concrete planning phase, which includes following measures:

- project preparations;
- basic design;
- acquiring required permits;
- establishing the project timeline; and
- drawing up a more elaborated budget and implementation plan.

In addition, Fifax would begin the first phase in expanding its fish processing operations, which would be estimated to be completed around mid-2022.

Fifax is planning to hire an external project manager during the second half of 2021, who will be reporting directly to the CEO. The project organization would consist of the Company's CEO, the CTO and the to-be-assigned project manager as well as other resourcing, if necessary. In addition, Fifax plans to hire a top-tier project management consultancy for the expansion, to secure high-quality resourcing and to carry out the planning, construction, assembly and commissioning.

Discussions regarding project management are ongoing. The preparations for the tender process regarding the construction are being initiated together with the project management consultancy. In the construction work, Fifax intends to leverage the experience it has accumulated from the building phase of the Eckerö Production Facility and based on the know-how it has gathered during its operating history it aims to implement certain improvements based on the Eckerö Production Facility. Fifax would act as the main technology and solution integrator. The objective is to maximize the achievable leverage from its earlier experience and to consolidate the accumulated experience in the course of the expansion project to enable the productization of know-how for the next expansion phases. Simultaneously, Fifax will evaluate offers from top-tier suppliers. With regard to material and technology suppliers, Fifax has established strong relationships with a roster of proven suppliers based on the construction of Eckerö Production Facility.

Fifax plans on making a final decision about commencing construction work for unit 1 of the expansion of production capacity during the last quarter of 2021, provided that the Offering is completed as planned and that Fifax is able to acquire the required amount of additional financing either in the form of debt capital or investment grants. A joint decision about commencing the construction of units 2 and 3 as well as commencing the second phase of expanding the fish processing operations, is expected to be made around mid-2022, provided that Fifax would be able to raise sufficient financing in the form of equity and/or debt capital as well as possible investment grants for their execution.

After making the construction decisions, the second phase of expanding the fish processing operations is estimated to begin in early 2023 and is estimated to be completed in mid-2024. Each of the three phases of expanding production would, in turn, be divided into a separate implementation phase, a commissioning phase and a ramp-up phase before reaching full production.

Construction in the implementation phase will proceed in parallel and gradually together with the technology installations. It would include the construction of the facility and buildings, installations of technology and equipment as well as first tests. For the first phase, this phase is expected to begin in early 2022, for the second phase in the second half of 2022 and the third phase in the last quarter of 2022. For the first phase the implementation phase is expected to last approximately 18 months. As groundwork for the second and third phase is also conducted in the first phase, Fifax's management estimates that the duration of the implementation phase for the second and third phases could be somewhat shorter than for the first phase.

The commissioning phase (estimated to last approximately 6 months) for unit 1 of the expansion of production capacity is expected to begin in the second half of 2023 and the commissioning phase for unit 2 is expected to begin subsequently at the beginning of 2024. For unit 3, the commissioning phase is expected to begin around halfway through 2024. The commissioning phase includes testing and commissioning and the start of the ramp-up

of the fish stock. The ramp-up phase (estimated to take approximately 12 months) includes ramping up production to full capacity. First customer deliveries may be done from the new units gradually already during the ramp-up phase. Unit 1 of the expansion of production capacity is expected to be fully operational and operating at full production capacity from 2025 onwards. Full operational capability and production capacity of units 2 and 3 would follow during the course of 2025. The Expansion is expected to be fully operational by the end of 2026.

Investments, financing and schedule required by the Expansion

The total budget estimate for the Expansion is EUR 40–50 million, of which the share of Expansion phase 1 would be approximately EUR 20 million and Expansion Phase 2 approximately EUR 25 million. As the proceeds raised from the Offering will, according to estimates by Fifax's management, not be sufficient to fully cover the investment needs of Expansion Phase 1, the execution of Expansion Phase 1 requires both the completion of the Offering and the acquisition of additional financing in the form of debt capital as well as possible investment grants. The planning process for financing is ongoing. Based to preliminary discussions with current owners and potential new financing providers Fifax and its operations enjoys extensive interest, according to the view of the Company's management. Therefore, Fifax's management believes that the Company has adequate prerequisites for securing the necessary financing required for Expansion Phase 1, after the Offering. According to the estimate of the Company's management, the need for additional financing is dependent on the completion of the Offering and the proceeds raised from the Offering. Depending on whether the Upsize Option is exercised and whether the Additional Shares are subscribed, Fifax estimates that it would collect at least approximately EUR 13.2 million and at most EUR approximately 25.2 million in net proceeds. In addition, the additional need for financing depends on the execution of the Company's planned potential restructuring of its loans (EUR 6.7 million as at 30 June 2021) that have their final instalment fall due in September 2022 together with current and/or potential new financing providers (to the extent current financing is not repaid with the proceeds from the Offering, , see "*Background of the Offering and Use of Proceeds – Use of Proceeds*"), and the Company's ability to achieve its operative goals.

In addition, the completion of Expansion Phase 2 will, in addition to the financing required for the first phase, also require the acquisition of additional equity and/or debt financing, as well as possible investment grants that may be available, see "*– Financing of Fifax's activities – The Planned financing of Fifax*" below. Fifax has initiated discussions with provincial administration, which manages EU, national and local funds for aquaculture in Åland, to map the current grant landscape and to clarify, whether it would be possible to receive additional investment grants for the Expansion from the EU, national or provincial level. The application period for grants to be potentially applied are estimated to begin in September 2021.

The largest investments regarding the Expansion have been planned to take place during 2022-2023. The investments planned for the second half of 2021 will mainly be targeted at project planning and preparations, recruitment of the project manager, appointment of the lead consultant, the tender process, preparations for required permits and the financing structure (including debt financing and possible investment grants). In 2022, the investments are mainly aimed at starting the construction work of the buildings, detailed design work and planning, starting the installation of the RAS system and other technology and preliminary resourcing (concerning the staff managed across the whole Eckerö site). In 2023, investments will be made for finalizing, commissioning and delivering construction and installation work, starting the ramp-up of the fish stock (using the combined pipeline with Eckerö Production Facility), recruitment of the staff to match the expanded capacity at the Eckerö site (as the staff is managed across the whole site) and the ramp-up of the processing unit, which also handles the output from the Eckerö Production Facility.

Exploring potential new revenue streams from capitalizing on commercial opportunities arising from accumulated know-how

Fifax has accumulated comprehensive knowledge about the building, commissioning, ramp-up and output of a large-scale RAS-facility, which has enabled it to achieve globally rare experience and general knowledge regarding such facilities. Fifax has also a proven output of full-size fish from a large-scale RAS facility and, especially during the ramp-up, has accumulated a deep experience of aquatic biology and fish well-being. Moreover, the implementation of Fifax's ultra-intensive RAS process has required significant optimization and development and, as a result, Fifax has acquired significant know-how regarding water flow management and treatment, automation and control systems, aquaculture equipment as well as operating physical production facilities. Fifax has also accumulated valuable experience and know-how about several aspects of the fish farming business. Fifax established its first customer relationships at an early stage of its activities, and has steadily developed the scope and processes of marketing, sales and deliveries in cooperation throughout its activities.

Land-based fish farming is a growing market, which has attracted significant amounts of growth funding in recent years, and a growing number of investment plans and early-stage construction projects are active globally. However, the required know-how to successfully take a project from construction to production is scarce. In-depth knowledge about the fish farming market also constitutes globally sought-after information, with a potential to be quite valuable in any active or potential construction or ramp-up processes. Consequently, Fifax has an attractive opportunity to productize the accumulated process know-how and leverage the industry forerunner position in a growing market by commercializing its accumulated know-how, e.g. by establishing a project and technology consultancy business in the land-based fish farming field, which could offer consulting services other companies planning similar production facilities.

Fifax's plan is to evaluate the landscape in reference to the pool of ongoing and starting projects globally to find potential business opportunities, and to select the most promising and lucrative alternatives. The commercial opportunities arising from capitalizing on Fifax's accumulated know-how have the possibility to create further revenue streams more independent from its own production process, enabling a broader and more robust revenue-base. Fifax's mid-term target by 2026 is to establish business operations that commercially capitalize on the know-how, which could offer consultation concerning RAS technology and projects. The long-term target is that by the end of 2030, the business operations capitalizing on the know-how would generate significant revenues.

Additional investments to boost efficiency and profitability

As part of its strategy, Fifax intends to make additional investments to boost the efficiency and profitability of its operations. Fifax aims to maximize the value of the side streams generated in its operations and is currently evaluation opportunities to improve its sludge and waste handling technology in order to transfer the currently cost-incurring waste streams to breakeven or potentially even profit, either independently or by utilizing partners.

Fifax also plans additional investments to maximize the production efficiency of Eckerö Production Facility. By leveraging tactical market opportunities, the facility's gross output could be increased from the current maximum capacity of 3,200 tonnes. Such market opportunities could be leveraged by slaughtering fish at different stages of growth according to demand, as well as by optimizing production flow according to customers' wishes and needs. This could also enable the potential increase of the total output of the Eckerö Production Facility above the current maximum capacity of 3,200 tonnes. The nominal capacity of the facility is calculated for full-size fish, but Fifax also has the opportunity harvest smaller-sized fish earlier in the process depending on the prevailing demand.

Building a sustainable premium brand

Fifax's customer and sales channel strategy targets a balance between stable, recurring volume-based revenue and brand-driven revenue. The same rainbow trout, produced by the Company, is going to be used in all Fifax's products, although processed in different ways and directed at different channels and market segments. High-end revenue is derived from restaurants and high-end food stores that offer a premium pricing level. As at the date of this Offering Circular, high-end revenue represents a smaller share of Fifax's total revenue, but is nonetheless important especially for Fifax's visibility and brand image. Brand-driven revenue is expected to be derived when clearly-positioned and branded products are sold via retail to sustainability and brand-conscious consumers. These consumers are usually prepared to pay a premium price for the products due to a strong brand or sustainability aspects. Fifax strives to increase the proportion of brand-driven revenue from the Company's total revenue. This emphasizes the importance of Fifax's brand-building as well as the Company's ability to focus on addressing an optimal selection of segments and product slots across target markets. The revenue foundation is in turn built on a stable and recurring high-volume delivery chain in cooperation with Fifax's wholesaler customers. The potential premium pricing among this customer group would mainly be driven by sustainability and stable supply.

Fifax's ambition is to build and develop its own marketing and sales capabilities in order to build its brand and promote the consumption of sustainably and locally-produced fish that is healthy and almost completely free of antibiotics and chemicals. In particular, as fish grown using land-based RAS methods may be unfamiliar to consumers and may not always have an established good reputation, Fifax strives to increase consumer awareness and knowledge of sustainably farmed fish, the environmental benefits of ultra-intensive RAS-based production in land-based facilities, as well as Fifax's role in promoting the increased adoption of such sustainable technologies and production methods. Fifax expects its product to attract customers conscious about matters related to climate and environmental impact as well as other factors related to corporate social responsibility, as Fifax's product is farmed with a resource-efficient ultra-intensive RAS technology. Fifax expects this to provide a competitive advantage and opportunities for premium pricing. In order to achieve these goals, Fifax intends to actively promote

consumer and distributer awareness of Fifax's products and sustainable aquaculture through co-operation with both retail chains and wholesalers, as well as promotion through media.

In July 2019, Fifax initiated the Aquaculture Stewardship Council ("**ASC**") certification process. ASC is an independent, international non-profit organization, co-founded by the World Wildlife fund ("**WWF**") and The Sustainable Trade Initiative ("**IDH**"), which manages the leading certification and labelling programme for responsible aquaculture. The ASC standards set strict requirements for responsible farming, which encourage seafood producers to minimize the key environmental and social impacts of aquaculture. The ASC Certificate is the industry-leading certificate for environmentally and socially responsible farming, and is a strong component for premium pricing. The pre-audit of Fifax regarding the ASC certificate has been carried out in August 2019 without any findings that would prevent Fifax from receiving the certificate. However, the initial audit and process for issuing the certificate have been delayed due to COVID-19-related travel restrictions. According to information received by Fifax, an auditor of the ASC organization would have the opportunity to conduct an audit in October 2021, provided that possible restrictions e.g. due to the COVID-19 virus and its variants do not prevent or hamper travelling. A potential certificate could be received approximately 3 months after the audit.

Financial targets

The Board of Directors of Fifax have set following targets in connection with the FN Listing. Financial targets are forward-looking statements and do not guarantee future financial performance. Fifax's actually achieved financial results may materially differ from what has been presented in or what can be concluded from the forward-looking statements as a result of many factors, some of which are described in the sections "*Forward-looking Statements*", "*Risk Factors*" and "*Key Factors Affecting the Business and Results of Operations*", among others. All financial targets presented in this Offering Circular are merely targets and are not predictions or estimates of Fifax's future financial results, and should not be considered as such.

Fifax has the following mid-term and long-term financial targets:

- Mid-term target of EUR 50 million in revenues and an EBITDA of 25 percent in relation to revenues by the end of 2026; and
- Long-term target of above EUR 100 million in revenues and an EBITDA of 25 percent in relation to revenues by the end of 2030.

Business operations

The Ultra-intensive Recirculating Aquaculture Systems Technology

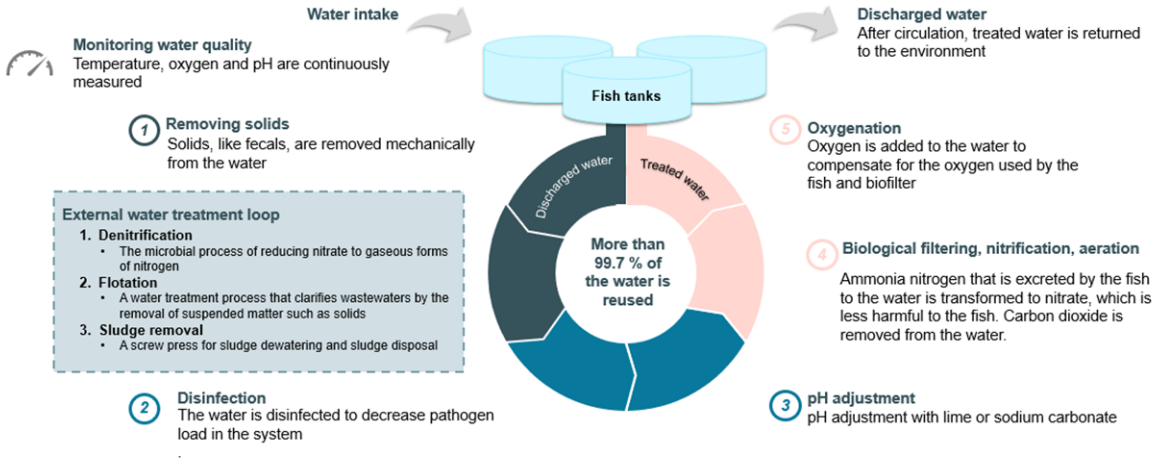
Currently, nearly all the fish farmed in Finland and Sweden are produced in conventional sea cage systems. Sea cage systems are vulnerable to disease introduction and transmission, primarily from the marine environment or adjacent culture systems. Sea cage systems may also result in locally significant amounts of minerals and nutrients in local waters. Therefore, and due to environmental concerns (such as spreading infections, antibiotics and pollution) Fifax expects that sea-based fish farming is going to decrease as a result of the expected diminishing of customer demand for fish grown with traditional methods. Moreover, fewer new permits may be issued and/or the permits may be issued for smaller units. There have been recent cases in Norway, Sweden and Finland where established producers' applications for renewal of fish farming licenses have not been granted, and authorities have also rejected permit applications for new units or have restricted their sizes.

Land-based RAS production is, based on the view of the Company's management, currently considered to be both a sustainable and environmentally conscious form of aquaculture production. Throughout the entire process, factors affecting the quality of the water in the fish tanks, such as temperature, oxygen and pH values, are continuously monitored and measured. The large masses of water in the grow-out tanks are constantly circulated and purified in the water treatment units, where carbon dioxide and solids such as feces are filtered out of the water, and ammonium converted to nitrate in biofilters.

The Eckerö Production Facility has 36 main grow-out tanks in which the fish are grown. In addition, the production facility has 10 grow-out tanks in the fry and fingerling section, 6 purging tanks and 3 water treatment units. Water is circulated continuously in an almost completely closed loop, in which the entire grow-out water mass circulates through the water purification units once every hour. In addition, a small part of this flow is directed to the external

treatment loop in Fifax's facility. A fraction of this flow is released after purification back to the sea, with a corresponding amount of new clean water being pumped from the sea into the facility to replace it.

The following table sets forth the main phases of water circulation in RAS process:



As oxygen is critical to ensure the growth of the fish and to prevent mortality, Fifax has several back-up systems in place to ensure continuity of the process in the event of disruptions or malfunctions. If the primary system based on liquid oxygen would not function properly, oxygen generators can generate oxygen out of air. Should this back-up system fail, Fifax has a storage of oxygen bottles which it can use to feed oxygen directly into the grow-out tanks. The continuous surveillance system for oxygen levels, which also automatically generates orders based on consumption, is administered by a partner of the Company.

In the early morning of 27 May 2021, Fifax encountered difficulties with delivery logistics, as a result of which the liquid oxygen container of the Eckerö Production Facility's main oxygenation system was depleted. The depletion of oxygen led to issues with the feed of oxygen, as a result of which approximately 260 tonnes of fish were lost, with the fish stock being at 593 tonnes before the accident. As such, Fifax lost approximately 40 percent of its fish stock. Although this led to delivery issues, due to which Fifax was unable to deliver agreed amounts of fish to full extent, the delivery issues did not have a material impact on Fifax's customer relationships.

The accident was caused by a significant delay in the delivery of replenishing oxygen for the oxygenation system, which is the responsibility of one of Fifax partners that is responsible for oxygen deliveries, as a consequence of which the oxygenation tank was depleted. As regards the delivery in question, the system's estimate of consumption for the days leading up the incident was too low, in addition to which the sea transportation of the delivery was subjected to an unexpected delay. Fifax did not receive advance information from the partner's system about the delay, nor any alarm about the low oxygen levels. The accident also demonstrated that the continuous monitoring and estimation of oxygen levels had not been sufficiently arranged by the Company either.

After an alarm was triggered in the Fifax's own oxygenation system, back-up systems in accordance with set procedures were engaged by the Company's personnel, as a result of which they managed to save around 60 percent of the fish stock. The loss of the fish stock will however affect the Company's delivery capability in the following months. The direct costs caused to the Company as a result of the loss amount to approximately EUR 893 thousand in the aggregate. The Company has received approximately EUR 460 thousand of insurance compensation related to the accident from its insurance company, which has been recorded as other operating income. However, the accident does not affect Fifax's long-term plans or targets. The effects are centered on the year 2021, for which a substantial portion of the production was lost due to the accident.

Fifax has subsequently conducted investigations into the reasons for the accident and has taken corrective measures with respect to both its own monitoring processes and, together with its partners, to procurement processes of materials and services, in order to avoid a similar risk. During the interruption in deliveries following the oxygenation disruption, the Company has performed maintenance measures and continuous technical improvements. After the oxygenation interruption, the Company has also reviewed critical processes to ensure and, as necessary, further improve operational reliability.

The Company has, while investigating the causes for the accident, identified several practices to better ensure the reliability of deliveries and the constant feed of oxygen. Based on its analysis the Company has prepared an action plan, based on which it has carried out and will carry out several measures in its main system (the liquid oxygen system), its secondary system (the oxygen production system), its back-up system relying on direct oxygenation (manually-operated oxygen bottles), as well as its working processes. According to the view of Fifax management, the basic operations of Fifax, namely the fish farming process, is advanced on a global level and was not the cause of the accident.

With respect to the liquid oxygen system, Fifax's oxygen supplier has implemented improvements in its delivery logistics by making deliveries more frequent as well as adding pre-reserved slots on ships for deliveries. The Company has also increased its readiness level at the Eckerö Production Facility, including increased monitoring of the oxygen system. Fifax has gained direct access to the oxygen supplier's information system. In addition, processes have been commenced for the oxygen supplier to share any alarm data concerning the oxygen supply levels. Immediately after the accident, it was decided to deliver a temporary solution of a movable additional container of 20 tonnes to the Eckerö Production Facility, which was installed at the end of June 2021. The supplier has also undertaken a project to double Fifax's permanent liquid oxygen container capacity through an additional container with a capacity of 60 tonnes. The groundwork for the container has been carried out and the estimated time of delivery of the actual equipment is in September 2021. A larger container capacity enables more efficient delivery logistics, as well as continuously maintaining stored minimum amounts of oxygen at substantially higher levels, in case of unexpected delays in transportation.

Fifax has increased its readiness levels for its oxygen production system and has implemented a lower alarm level for the preliminary starting of the back-up system for oxygen production to remove delays in raising pressure. As for its oxygen containers, Fifax is has increased both the number of containers stored at the Eckerö Production Facility as well as the number of containers pre-connected to the oxygenation system. Fifax has also developed continuous, round-the-clock work processes as well as monitoring and controlling routines at the Eckerö Production Facility.

Effective biosecurity measures in RAS facilities prevent diseases by reducing or eliminating the introduction of pathogens. Due to the closed and contained nature of the production system, the rainbow trout are less susceptible, though not immune, to the disease-related pressures experienced in sea cage systems. RAS facilities employ sophisticated water treatment technologies (such as ozone, salt treatment and ultraviolet light) to eliminate potential bacterial, fungal, or viral pathogens which might enter the system. Fifax uses antibiotics only when necessary, very rarely and in a targeted manner, and as a general principle uses no pesticides or hormones in its fish farming. Smolt purchased from suppliers such as FREA Aquaculture Solutions ApS ("**FREA**"), are always vaccinated before entering to the facility, which contributes to preventing diseases. Although infections of the IHN virus encountered in Denmark in the summer of 2021 have also spread to Åland through smolt deliveries, infections have not been encountered in Fifax's production facility. The Company strives to guarantee as reliable traceability of purchased smolt and fish eggs as possible. They are purchased only from certified suppliers, which have carefully defined and reliable processes for ensuring the health and wellbeing of the smolt and fish eggs that are to be delivered. According to the view of the Company's management, the risk of infection in a closed farming facility is relatively limited.

Fifax continuously applies water treatment procedures to the water in the grow-out tanks in order to maintain the health of the fish. RAS production allows the fish to grow in optimized conditions with total control of the water coming in and going out of the system, while recirculating nearly all of the water used. Parameters for temperatures and oxygen levels can be adjusted at all times to improve the growth and well-being of the fish. The grow-out tanks are constantly monitored for algae and other similar impurities. Any solid matter in the tanks is regularly collected and removed during the process. Production personnel also monitors the undisrupted function of the feeding system by removing any potential blockages, adjusting feed levels and refilling feed silos.

The production facility is generally not subject to maintenance stoppages concerning the whole facility, which would substantially affect the growth of the fish and the production. However, Fifax continuously services individual parts of the process, that may be out of service during the maintenance work. Such maintenance work includes changing of possibly malfunctioning pumps or other parts and pre-emptive renewing of machinery. The duration of the maintenance work depends on the procedure.

Fifax also monitors the growth and density of the fish in the grow-out tanks and conducts grading by fish size in optimized time intervals by moving the fish between the tanks. The purpose of grading is to maintain an optimum density of fish in a given water mass to ensure a stable growth process. The grading also ensures that fish of

roughly the same size are in the same tanks, and prevents larger fish from eating smaller ones and blocking their access to feed. In addition, large differences in the fish may result in size-based hierarchies becoming more salient to the fish, which can result in stress that affects their growth. Consequently, grading the fish by size in the grow-put tanks also results in an optimally stable growth. While Fifax has the capacity to conduct grading frequently as needed, it strives to minimize moving fish from tank to another, as it may also cause them stress that adversely affects their health and growth.

Fifax also conducts purging of the fish, prior to slaughter. The purging process removes off-flavor compounds such as geosmin and 2-methylisoborneol (MIB) from the fish, which can bioaccumulate in the flesh of the fish as a result of natural biological processes, before slaughter. In purging, the fish are relocated to a clean, disinfected system separated from the grow-out system, where the off-flavor compounds gradually diffuse out of the flesh of the fish. During purging, the quality of the fish meat is monitored with taste samples, which are done with raw and heated fish. The purging lasts from 8–10 days and results in an end product fulfilling quality expectations. Fifax has during the time it has been operating been able to intensify the purging process and shorten the time it requires and therefore been able to increase its purging capacity. The Company has, *inter alia*, during the summer of 2021 taken several measures that are expected to increase the efficiency and capacity of the purging, which e.g. enable the purging tanks to be emptied and refilled during the same day. Fifax continues its efforts to further increase the efficiency of the process and to further increase the purging capacity.

Production cycle

Fifax's production cycle starts with the introduction of rainbow trout eggs into the egg hatchery. As eggs hatch and develop, the fish are moved to the first feed tanks. Most of the smolts used in the production are grown from eggs in the Eckerö Production Facility. Fifax has also an option to purchase smolts from suppliers that engage in growing them, if there is a deficit in the fish stock. When the fish have reached the size of 2-5 grams they are moved to the fry and fingerling area. In the fry and fingerling area, smolt typically mature to approximately 50 grams before they are moved to saltwater grow-out tanks where the adult trout are fed and raised to the average target harvest size of 2.4 kilograms. One of the main tasks is to guarantee that the fish have constantly stable and optimal living conditions, which is monitored by the personnel around the clock. Before going to the slaughter, the full-sized fish are placed into purge tanks to get rid of components which may cause some off-flavors in the fish meat. Once harvested, the rainbow trout are stunned with electricity, slaughtered manually and washed mechanically. After the slaughter, the gutted whole fish are weighed, sorted, packaged into fish containers filled with ice and put into a cold room to await delivery. The fish meat is then loaded onto trucks for transportation to wholesale customers and processors. The wholesalers and processors deliver the fish to retailers that sell fish e.g. as vacuum-packed fillets, fresh fillets at the fish counter or gutted whole fish at the fish counter. The delivery times of the Company depend on the order book at the given time, but Fifax is normally usually able to deliver fish the day following the order or even on the same day, depending on the amount of adult fish ready for slaughter is available in the tanks at the given time.

Any offal from the slaughtering as well as occasional fish that may have died before reaching their full size are collected, minced, stored in formic acid and used as a raw material for e.g. mink feed, that Fifax also sells. The complete production cycle takes approximately 16 months. After the fish have been slaughtered, the grow-out tanks are, at least a with a few months' intervals, emptied and carefully cleaned before introducing a new batch of fish and raising the water in the tanks back to production levels.

Distribution and logistics

Fifax operates the full production chain of rainbow trout meat from hatching the eggs to the final product of HOG fish meat. Currently Fifax delivers whole gutted fish to wholesalers, processors and other retail dealers, which act as the Company's distribution channels. For the distribution and delivery to customers, Fifax currently relies on third-party logistics partners and distributors. Once the adult fish have been slaughtered, they are put into ice boxes to keep the meat fresh during transportation. The ice boxes are then picked up by Fifax's logistics partners, who then deliver the fish meat in trucks to either local Åland-based customers or to fish processors and wholesalers in mainland Finland or Sweden by transporting the trucks on board passenger cruise ships or cargo ships to the mainland, and then delivering the fish meat to customers. Once delivered to Fifax's customers, these can further process the fish to produce products fit for their own customers. The fish meat produced by Fifax is sold as whole fish, fillets, processed products and in ready meals for consumers, in the retail and hotel, restaurant and catering ("**HoReCa**") industry.

Sales and marketing

Fifax's branding is done both at Fifax's end towards wholesale operators and jointly with wholesale partners towards consumers. When the Company has reached full production capacity, it is able to produce fish in a steady flow and meet customer demand throughout the year, as new adult fish is constantly growing from previous growth phases to replace slaughtered fish.

Fifax's target is to position itself as a sustainable and high-quality fish supplier, that has the ability to deliver fresh fish in accordance with customer demand throughout the year and is a preferred supplier to customers in Finland and Sweden. Towards wholesale customers, Fifax aspires to create a brand around reliable year-round deliveries, the freshness and quality of the product as well as sustainable production. While there may be variations as to the exact timings and amounts of slaughtered and delivered fish due to variations in demand, Fifax's strength is to be able to make stable deliveries around the year. A stable supply enables longer agreements with customers, and consequently more stable revenue streams. Towards consumers, Fifax's target is to position itself as a producer of sustainable, locally-produced fish, whose local, fresh and high-quality product is healthy to consume and does not contain antibiotics or chemicals. This is verified through regular sampling, that is also required by food safety, environmental and production-related regulation.

Currently, Fifax does not have its own marketing or sales department. Sales and marketing efforts mainly conducted through third-party channel partners are directed towards Finland and Sweden. Fifax's target is to build brand recognition through existing third-party products and brands, where it is highlighted that they contain Fifax's sustainably produced fish, and in the next phase to utilize a dual go-to-market strategy with also own branded products. At the date of this Offering Circular, Fifax's main customers are wholesalers, processors and distributors of fish in Finland and Sweden, which sell fish on a daily basis year-round. Each larger campaign or contract from a single wholesale operator can take a large share of Fifax's current capacity. Fifax's customers also contribute to the sales and marketing of Fifax's product, and they utilize restaurants or retailers such as grocery stores as channels to deliver the final packaged and processed products to end consumers. Fifax's close collaboration with wholesale partners that act as distribution channels also contributes to building the premium Fifax brand, as they have important knowledge of the preferences, distribution channels and demand of their end customers.

Fifax has a clear strategy to develop its product portfolio and distribution, which it intends to utilize in order to increase value, diversify and develop its distribution channels, markets and production slots and reduce pricing volatility. The strategy is divided into three main steps, which are also overlapping and parallel. In the first step, Fifax aims to build the base of its product and distribution strategy with its proven operations in order to provide volume, quality and stable supply. Fifax's main product is HOG fish which is supplied to wholesalers and processors. Fifax's basic level branding would be based on proof of origin or package labels, where Fifax's fish would be recognized to be used in products sold under other brands. Price premium is expected to be achieved via sustainability and continuous fresh supply, combined with the ASC certificate the Company has applied for.

In the second step, Fifax intends to build its brand and expand its product portfolio. Investments would be made into basic processing capabilities such as filleting, cutting and vacuum packing. Fish would be supplied both to wholesalers and processors and directly to retail and HoReCa clients. Branding would happen by utilizing the above-mentioned indications of origin in packages, as well as Fifax's own brand. In the third step, Fifax intends to expand its processing capability and develop new products, which could be e.g. filleted and vacuum-packed fish. In addition, Fifax could potentially further process the fish it has produced to be used, for instance, in ready meals or frozen food. Fifax will focus on building and managing its product portfolio as well as strive to maximize the yield from the fish harvested, and to utilize and develop a multichannel distribution approach across markets and product categories. Both Fifax's and its products' brand will be central to this step.

In addition to the above mentioned three steps, Fifax's strategical goal in future is to invest in R&D operations and food innovation and collaborate with the frontline of the food technology. For example, Fifax could utilize new production technologies, explore new protein sources and introduce new product categories. The step of the strategy in question would be highly brand-driven.

Fifax aims to proactively support consumer and distributer awareness through collaboration with retailers and wholesalers as well as through the media. On one hand, retail chains have a strong focus on the increasing consumption of sustainable and locally produced fish. To support its positioning and overall sustainability awareness, Fifax wants to proactively offer information on sustainability challenges related to fish production and how Fifax aims to solve them as well as on the benefits of RAS systems and Fifax's production via trainings and

marketing materials. Fifax aims to emphasize collaborate media visibility and planning of deliveries as well as co-branding cooperation with retail chains and wholesalers. On the other hand, Fifax tries to increase awareness of the Company and the benefits of land-based aquaculture using promotion through media, and thereby promote its products as a domestic, locally produced option. Fifax's ambition is also to build its own product brand, and its long-term objective is to position and promote itself as a forerunner and leader in sustainable food production and to continue innovation on how to steadily improve the technology, products and total sustainability of the value chain.

During the ramp-up phase, Fifax's sales have mainly been based on medium-term contracts of 4–6 months and one-time deliveries. When the full and stable output is achieved, however, it creates attractive opportunities to optimize Fifax's sales channel strategy. The Company estimates, that stable output is achieved simultaneously with full production capacity, which is expected to be achieved around the first half of 2022. According to the view of Fifax's management, a reliable and constant supply year-round is an important competitive aspect in the market where Fifax operates. Fifax aims to increase the share of the long-term contracts in order to increase predictability and visibility, and it targets brand-driven revenue in the high-end markets, such as restaurants and high-end food stores, that enable significant premium pricing.

Organizational structure

Personnel

In the six months ended 30 June 2021, Fifax had on average 27 employees, converted into full-time employees. The general daily running of the Eckerö Production Facility in full capacity requires approximately 25 employees. During nights and weekends, only 1-2 employees are required to perform the required supervision and basic maintenance tasks during the ramp-up period, while the number will be gradually increase as production ramp-up proceeds. Slaughtering and larger procedures such as moving the fish between the tanks are slightly more labor-intensive. Fifax's employees are generally covered by the Food Industry's collective bargaining agreement.

Corporate structure

In the summer of 2021, Fifax has established a subsidiary by the name of Fifax Fastighets Ab, to which Fifax plans to transfer the ownership and management of the Company's real estate properties. The transfer of the real property to the subsidiary will be executed provided that the subsidiary will be granted a right to own and hold real property in Åland.

Real Property

Fifax owns the property on which its production facility is located, while the industrial building which houses Fifax's production facility is owned by F-Fast Ab ("**F-Fast**"). F-Fast is owned by Ålands Fastighets Ab, a company jointly owned by the provincial government of Åland (40 percent) and local private investors (60 percent). Fifax leases the property to F-Fast since December 2014, for a lease period of 50 years, and F-Fast has already paid Fifax for the whole lease term. F-Fast in turn leases the industrial building to Fifax. The lease for the industrial building has a fixed term of 10 years, which commenced on 1 August 2016, upon Fifax gaining access to the entire complete and authority-approved industrial building.

After the initial 10 year-period, the lease is extended automatically 1 year at a time unless either party has given a notice of termination in writing 6 months in advance of each expiring lease period. However, F-Fast does not have the right to terminate the lease agreement before 25 years have elapsed from the commencement of the lease period. Fifax has an option to purchase the industrial building from F-Fast after the expiration of the initial 10-year lease period by giving notice of exercising the option 3 months before the end of the lease period.

Fifax has in June 2021 purchased a 12 hectare property which it previously leased, and which is adjacent to the above-mentioned property, from the Eckerö municipality. In addition to its owned properties, the Company has leased an area adjacent to its property from the Storby village community. Under the lease agreement, Fifax has been allowed to draw water pipes to the sea from the production facility to pump the necessary sea water to the facility and to return the purified rearing water to the sea. The lease agreement also covers use of a sea water area.

Environment

In general, the environmental impact of RAS-based fish farming remains low as the intensive recirculation of water allows for minimal water usage. Moreover, incoming water for Fifax's production facility is filtered and treated prior to entering the system, and water quality is regularly monitored as part of the standard procedures. Discharges to the sea are almost completely free from waste and harmful components.

While Fifax's activities are not subject to an environmental permit, its activities are not completely free from environmental risks. In the early stages of its activities, Fifax utilized a runoff water pool for water purification as a temporary solution. Wastewater temporarily stored in the pool accidentally ended up in the terrain around the pool due to heavy rains raising the water levels over the edges of the pool. While no toxic materials were released into the environment, this resulted in levels salt, nitrogen and phosphorus exceeding regulations being released into the environment, which resulted in a criminal conviction and a fine for the Company for a breach of environmental regulations in December 2020 (see further "*Legal and Administrative Matters of Fifax – Legal Proceedings and Disputes*" below).

In addition, the production process requires the use of certain substances which can be potentially hazardous to humans, animals and the environment and require careful storage and supervised use. As part of the water treatment process sodium hydroxide is used to regulate pH levels, carbon sources are used as nutrition for bacteria, and aluminium chloride and polymers are used to remove solids and phosphorus. Hydrochloric acid and hydrogen peroxide are used to clean the grow-out tanks after the fish batches have been removed, and formic acid is used as a preservative and antibacterial agent for fish guts and offal left over from slaughtering, which can then be processed and used as animal feed.

Regulatory environment and governmental permits

Business license and the right to own real property in Åland

Due to Åland's autonomous status, provincial powers normally exercised by representatives of the central Finnish Government are in Åland largely exercised the Government of Åland, the authority of which is determined by the Finnish Act on the Autonomy of Åland (1991/1144, as amended). The Act enables the Government of Åland to limit the right to exercise a trade or profession in Åland or to acquire, own or possess real property for persons without a right of domicile in Åland.[22]

Companies need a business license from the Government of Åland in order to engage in business, as well as a license to possess real property. Fifax is entitled to conduct fish farming and processing in Åland and may also own, possess and trade in real property and securities. The Company is required to have its domicile in Åland, its activities shall be conducted in Swedish and should utilize local resources and employees, to the extent possible.

The Government of Åland usually requires that at least two-thirds (2/3) of directors or partners of a company must have a right of domicile in Åland or must have been habitually resident in Åland without interruption for at least five years. The Government of Åland on resolved on 18 February 2021 to amend the general principles for granting business licences. The amended principles enable the Government of Åland to grant relief from the above-mentioned domicile requirements so that only one member of the Board of Directors is required to have a right of domicile in Åland or have been habitually resident in Åland without interruption for at least five years. Fifax's current business license has been granted by the Government of Åland on 18 February 2021, in accordance with the above-mentioned amended principles. According to the granted business license, Fifax is required to have only one member of the Board of Directors, and his/her replacement as the case may be, who fulfils the right of domicile or residence requirement. Other Board members can be appointed without any such requirements.

Food safety, environmental and production-related regulations

Fifax is required to comply with regulatory requirements of EU, Finnish national and Åland provincial regulations concerning the health, treatment, handling, transportation and slaughtering of fish produced for human consumption. The Finnish Food Safety Authority (*Ruokavirasto*) is the primary designated national supervisor of compliance with food safety regulations, in cooperation with Regional State Administrative Agencies and

[22] Right of domicile in Åland is acquired at birth if it is possessed by either parent. A Finnish citizen who has lived in Åland for five years and has an adequate knowledge of Swedish may be granted the status, upon application. The Åland Government can, occasionally, grant exemptions from the requirement of right of domicile for those wishing to acquire real property or to conduct a business in Åland.

municipal food authorities. The ÅMHM acts as the permit authority and the local supervisor of environmental regulations, as well as hygiene and food safety requirements in accordance with Åland provincial legislation. ÅMHM also performs regular analyses and measurements related to compliance with environmental regulations, the quality of the water in the fish tanks and the health of the fish.

Fifax is required to ensure that all stages of production, processing, storage and distribution of food satisfy the relevant hygiene requirements, including compliance with temperature control and cold chain requirements, sampling and analysis as well as identification, prevention, reduction and elimination of food safety-related hazards. Specific health-related standards which must be met by fishery products placed on the market for human consumption. relate to, among others freshness and parasite examinations, limits on certain substances such as histamine or volatile nitrogen and prohibitions of toxins harmful to human health. Fifax is also obliged to provide its customers with information concerning its product including, among others, weights and amounts, delivery and packaging dates, the date the fish have been lifted from the tanks and expiration dates.

Fifax's slaughterhouse has been approved by ÅMHM as a foodstuffs facility. Fifax is also registered as a producer of feed on Åland, enabling it to sell feed for animal consumption, which it produces e.g. from offal left from slaughtering. The feed produced by Fifax is currently used as feed for minks. Fifax also considers alternative sales channels and it is possible that the feed produced by Fifax could be used e.g. as feed for fish or other production animals.

According to locally applicable regulations in Åland, activities such as fish farming do not require environmental permits as long as predetermined annual levels of nitrogen and phosphorus emissions are not exceeded. Due to the relatively low emission levels of Fifax's ultra-intensive RAS solution, its current business operations do not require environmental permits, but is subject to regular inspections by ÅMHM to measure the water quality.

The storage and handling of certain chemicals used by Fifax in its production process (see "*–Environment*" above) is regulated by specific legislation, including the Finnish Act on the Safety Handling of Hazardous Chemicals and Explosives (390/2005, as amended) and related Government Decrees concerning the storage and supervision of dangerous chemicals. In addition, the Finnish Safety and Chemicals Agency ("**Tukes**") provides additional guidance, and supervises compliance with regulations.

Intellectual property rights

The original facility design of Eckerö Production Facility was done by AKVA Group Denmark A/S ("**AKVA Group**"), and the design has been supplemented by Fifax's own designs, supplements and adjustments during the construction process. During the construction and ramp-up of the Eckerö facility, Fifax has gathered proprietary know-how in all aspects of the process from construction to operating an environmentally friendly and efficient land-based fish farm. Fifax has valuable know-how, classified as trade secrets, particularly concerning different aspects of the RAS method, in particular about the ramp-up of the Eckerö Production Facility and know-how accumulated from the operation of the facility and optimizing its operational parameters. The accumulated know-how enables replication with limited risk through investments into additional RAS facilities.

For the technology, software and components utilized in its production facility, Fifax integrates a combination of AKVA Group's planning and deliveries, direct purchases and software licenses from AKVA Group and other external suppliers, as well as Fifax's self-developed proprietary solutions and software. Local engineering firms are used e.g. for planning changes to the technology during the ramp up.

Insurance

Fifax has several insurance policies, including general commercial liability insurance as well as a comprehensive insurance including property insurance and business insurance. Fifax also maintains a separate policy for fish stock insurance. The scarcity of insurers in Fifax's industry may adversely impact deductibles in connection with its fish stock insurance. Fifax currently believes that, due to the foregoing, it incurs high deductibles for these insurance policies.

Fifax considers its assets and its business to be adequately insured regarding the nature of its business activities and the related risks in the context of available insurance offerings and premiums. Fifax regularly reviews the adequacy of Fifax's insurance coverage and updates its insurance coverage as needed.

Investments

Fifax has in both 2019 and 2020 made expansion investments to the Eckerö Production Facility. The 2019 investments consisted of investments into tangible and intangible assets. Fifax did not receive any investment grants in 2019. The 2019 investments included the construction project of phase 3 of the production facility, which lasted from the second quarter of 2019 until the first quarter of 2020, as well as the finalization of the slaughtering and purging area. Investments in 2019 amounted to EUR 2.8 million and consisted of investments into tangible and intangible assets. Investments in 2020 consisted of EUR 726 thousand of investments to tangible and intangible assets, and investment grants received by Fifax amounting to EUR 168 thousand. Investments in 2020 included investments to finish construction of Eckerö Production Facility. Fifax currently expects maintenance and constant development of the Eckerö Production Facility, operating at full capacity, to require approximately EUR 150 thousand in investments per quarter going forward.

As at the date of this Offering Circular, measures to further increase efficiency of the production process are ongoing, consisting of purchases and installations of machinery to improve the efficiency of water quality and purging. The investments amount to approximately EUR 50 thousand per month as part of ongoing maintenance investments.

The Expansion proceeding to the concrete planning phase is conditional upon the successful completion of the Offering. As the proceeds raised from the Offering will, according to estimates by Fifax's management, not be sufficient to fully cover the investments required for Expansion Phase 1, and will not cover the investments required by Expansion Phase 2, the planned execution and completion of the Expansion will require additional financing to be acquired after the Offering.

Key Factors Affecting the Business and Results of Operations

Optimal farming conditions

The growth of the fish stock and consequently Fifax's production capacity are dependent on achieving and maintaining optimal farming conditions, including water temperature, levels of oxygen and other gasses as well as optimized feeding. When these factors are optimized, the fish stay healthy and grow in line with expectations. This has an effect on Fifax's production volumes and ability to ensure a sufficient supply of fish meat to cater to the demand by customers year-round and consequently, Fifax's revenues and profits.

Limited production seasonality

Sea-based production is usually batch-based, where the entire batch in a sea cage is lifted out and slaughtered once they reach their full size. This means that the production is characterized by alternating phases of high volumes during slaughtering season, and lower production volumes during grow-out phases. Sea-based production is also more vulnerable to external factors affecting production volumes such as weather, climate, parasites, diseases and predators. In comparison, land-based fish farming provides advantages in terms of forecastable and stable production volumes.

Fifax does not currently produce its own eggs. Eggs are purchased from AquaSearch, a Denmark-based, worldwide producer and seller of rainbow trout eggs, and Fifax is also exploring co-operation with other suppliers of fish eggs in order to broaden and diversify its supplier base. A continuous intake of large egg batches enables maintaining steady fish stock and stable production pipeline. AquaSearch produces eggs both in the Northern and Southern hemisphere, and it is able to alternate its deliveries between these. Fifax is able to utilize the cyclical breeding patterns of both Northern and Southern rainbow trout. As Fifax grows the fish in a controlled environment, the Company is able to constantly monitor and adjust growth conditions to ensure a more stable and predictable growth of the fish. Fifax can consequently provide additional security to customers that deliveries will be made on time and that the final product will meet the required standards for quality as well as quantity, and the added certainty, in turn, provides opportunities to apply premium pricing. As a result, there is very limited cyclicality in terms of production, and the business cycles affecting Fifax's business are more related to seasonal variations in demand, such as generally lower prices at the end of the calendar year.

The eggs delivered by the suppliers are hatched in Fifax's own hatchery at the Eckerö Production Facility. While Fifax generally strives to grow smolts from eggs hatched in its own facility, it also proactively monitors the development of the fish stock in order to identify potential gaps in production. If a production gap would be

identified, Fifax can purchase suitable-sized smolts from external suppliers to compensate for the predicted shortfall. However, smolts are only acquired, when needed. Such purchases can be utilized as a complementary sourcing channel to provide flexibility and stability, and to replace potential temporary deficits in the fish stock. The smolts are vaccinated in connection with the delivery, to prevent possible diseases.

Revenue components

As Fifax's main source of revenue is the rainbow trout it produces, the Company's revenue is mainly affected by its production capacity and the average producer price for farmed rainbow trout. Fifax estimates to reach its full fish stock in the second half of 2021, which enables reaching the full production output level expectedly from the second half of 2022 onwards. During 2016-2020, the average producer price of farmed rainbow trout in Finland was EUR 5.3 per kg[23], which was paid for HOG fish. In the future, however, Fifax aims to obtain premium pricing compared to the average producer price with sustainably farmed, fresh and locally produced fish.

The increase in Fifax's revenue in the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 reflected the early ramp up stage. During the first half of 2021, Fifax delivered 175 tonnes of rainbow trout, with EUR 635 thousand in revenues. The nature of the sales was typical to the maturity stage of the Company's operations, consisting mainly of test batches and sales campaigns.

Cost structure

Fifax's costs mainly consist of purchases of materials, supplies and goods, as well as personnel costs. Purchases also include direct production costs such as feed, smolts, eggs, oxygen, chemicals and electricity. Feed for the fish is Fifax's main variable cost that will continue to grow with the growth of the fish stock towards maximum capacity. The average feed cost during 2021 has been approximately EUR 1.4 per kg (including transportation and costs), and it has stayed relatively stable during the past years. Once the maximum fish stock of 900 tonnes would be reached, the daily feed consumption is estimated to be approximately 1 percent of the fish stock mass. In the ramp-up stage, smolts have been purchased to kick-off the production, while at steady state of the production smolts can be used tactically to complement fish stock when required to even out potential variations in the output.

At the end of 2020 and the first quarter of 2021, the Company completed a significant purchase program of smolts (approximately 190 tonnes), the purpose of which was to supplement the growing fish stock and support the delivery capacity corresponding to the capacity for the fall of 2021. Due to the fish mortalities resulting from the oxygen feeding accident described above in the section "*–Business Operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*", the smolt purchase program has been continued until January 2022 to support delivery capabilities. At the date of this Offering Circular, the new purchase program comprises a total of approximately 255 tonnes of smolts with an estimated cost effect of approximately EUR 1.35 million (including transportation and vaccinations). The acquisition decisions of smolts have however been divided into seven batches, enabling Fifax to decide with respect to each individual planned batch, if the respective batch reserved for the Company is purchased or not. This brings flexibility by enabling supplementation of the fish stock as needed, without inflexible and long-lasting financial commitments to acquisitions.

Production, machines and inventory and services costs are expected to increase slightly from 2020 levels due to the ramp up to full capacity. Production costs include materials required for production, such as oxygen and chemicals, which are partly variable costs, that somewhat follow the growth of the fish stock, but not as directly as feed.

The increase in Fifax's personnel expenses in the financial year ended 31 December 2020 as compared to the financial year ended 31 December 2019 resulted from new recruitments done during 2020. The Company plans on continuing making new recruitments to the production, expansion project and commercial team, to the extent required by the execution of the Company's strategy. In addition, as Fifax has previously had an interim CFO operating on an external service contract, the cost related to this position have been transferred to personnel costs once the new permanent CFO started in the position on 17 May 2021.

The rest of Fifax's costs are mainly fixed, and they are not expected to change largely from the 2020 levels. Fifax's other operating expenses include costs from premises, tools and machines, administrative costs and costs for waste management. The financial year 2020 does not yet reflect the full depreciations as the facility construction was

[23] Source: Natural Resources Institute of Finland (Luke) – calculation based on average monthly producer prices.

finished during that year, but the steady-state depreciation level for Eckerö Production Facility is expected to be in full approximately EUR 1.8 –2 million per year.

Once the maximum capacity of 3,200 thousand kg is achieved, the total EBITDA cost is estimated to be approximately EUR 10 million (EUR 3.1 per kg for whole fish and EUR 3.7 per kg for HOG fish). When excluding the lease costs, the EBITDA cost per kg is expected to be EUR 2.8 per kg for whole fish and EUR 3.3 per kg for HOG fish.

Balance sheet

Fifax's fixed assets consist of the production equipment used within the leased facility. Fifax's materials and supplies include the inventory for materials used in the production, such as feed, chemicals, oxygen and other substances, whereas other current assets includes the fish stock, i.e. the fish growing in the tanks. As at the end of the six-month period ended 30 June 2021, Fifax's short-term liabilities amounted to EUR 11,474 thousand and short-term receivables, including cash and cash equivalents, amounted to EUR 6,528 thousand. Current liabilities to credit institutions were EUR 7,742 thousand. Of the current liabilities to credit institutions EUR 1,890 thousand matures by the end of 2021 and the remainder matures by 30 September 2022. The current liabilities to credit institutions also include debts of the Company that matures after more than a year, since the Company has fallen short of the covenant level for minimum equity ratio, as agreed in the terms of the loan. The Company has however on 17 September 2021 received a waiver from the covenant level for minimum equity ratio until 31 December 2021. The Company is also exploring possibilities to refinance the later instalments of the loans As at 30 June 2021, Fifax's long-term liabilities include the EUR 12 million convertible loan (a loan, which according to its terms and conditions of the loan agreement include a right of the creditors to convert the loan to Shares) issued in November 2020 and the EUR 224 thousand capitalized interest expenses for the loan, as well as a EUR 200 thousand capital loan, which includes a share conversion clause. Additionally, other long-term loans include EUR 1,100 thousand of other loans.

Net working capital

The level of net working capital mainly depends on the level of fish stock, and thus it does not fluctuate significantly with the revenue. Fifax's net working capital consists of its inventory, short-term receivables, accounts payable as well as other short-term payables. Fifax's inventory consists mainly of the fish growing in the tanks, as well as materials used in production, such as feed, chemicals and oxygen. Short-term receivables consist of accounts receivable, accrued income and other short-term receivables, and their relatively small amounts reflect the early stage of the Company's commercial operations and sales, since full production and therefore also full sales capacity has not been fully achieved. The Company estimates that the sales receivables will increase together with the expected increase in sales volumes. Fifax's operating costs are currently proportionally larger relative to sales as the growing fish stock ties costs, although the sales have not yet reached commercial level. Short-term accounts payable have resulted from operating costs as well as from costs and investments relating to finalizing the construction of the Eckerö Production Facility. The accounts payable include EUR 606 thousand of disputed accounts payable from 2020, which relate to the Company's dispute with AKVA Group (see "– *Legal and Administrative Matters of Fifax – Legal Proceedings and Disputes – Dispute with AKVA Group*" below). Other short-term payables consist of accrued liabilities and other short-term liabilities.

Operating cash flow

The operating cash flow is impacted by Fifax's profitability and changes in its net working capital. As at the date of this Offering Circular, Fifax's operating cash flow is negative. Sales development was still modest during 2020 due to the ramp up state of the facility and commercial operations. As the fish stock and facility operations were ramped towards the maximum capacity, the operating costs were relatively higher relative to sales, as many of the cost items already reflected the commercial levels. Operating cash flow was also affected by Fifax's interest payments, which includes the interest expenses for the Company's interest expenses for loans to financial institutions. During the financial year 2022, the relation between revenue and costs is expected to balance out as the Fifax commercial operations are ramped up, which is expected to positively affect the operational cash flow. For the six-month period ended 30 June 2021, the operating cash flow was negative in the amount of EUR 4,593 thousand.

Recent Developments of Fifax's Business

During the beginning of 2021, Fifax has further developed the production process and its efficiency, as well as made additional investments through acquisitions of smolts to balance the fish stock that grows to be ready for slaughter from the production. The cash flows used for investments for the six months ended 30 June 2021 was EUR 388 thousand. In addition, Fifax is increasing its sales to key wholesalers, fish processors and retail chains. However, partly due to the accident that occurred at the Eckerö Production Facility in May 2021 (see "*– Business operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*" above), Fifax made a loss for the six month ended 30 June 2021 amounting to EUR 6,970 thousand, and its equity amounted to EUR 1,379 thousand. The Company has during the six months ended 30 June 2021 acquired a total of EUR 5,500 thousand new financing, including EUR 3,500 thousand capital loan and EUR 2,000 thousand in debt capital. In addition, the Company has in August 2021 agreed on an additional capital loan of about EUR 229 thousand, which has been drawn down in September.

The Company's target is to primarily reach sales levels corresponding to capacity and to ensure sufficient financing in the form of equity or debt capital, as well as to restructure the loans from financial institutions that fall due in the fall of 2022 with current and/or potential new financing providers. The Company continues to survey alternative financing alternatives.

The fish stock of the Eckerö Production Facility as at the date of this Offering Circular is approximately 316 tonnes. The facility is expected to reach the full amount of fish stock corresponding to approximately 900 tonnes by the first half of 2022. The ramp-up of the fish stock to the full amount is currently ongoing, and has been accelerated with purchases of smolts during the final quarter of 2020 and during 2021. The continuous intake of large egg batches enables maintaining a steady fish stock and stable production pipeline. The reduction of fish stock when comparing 2020 (413 tonnes) with 2019 (488 tonnes) was mainly due to the correction of the earlier calculation model combined with a significant increase of deliveries from the first quarter of 2020 onwards.

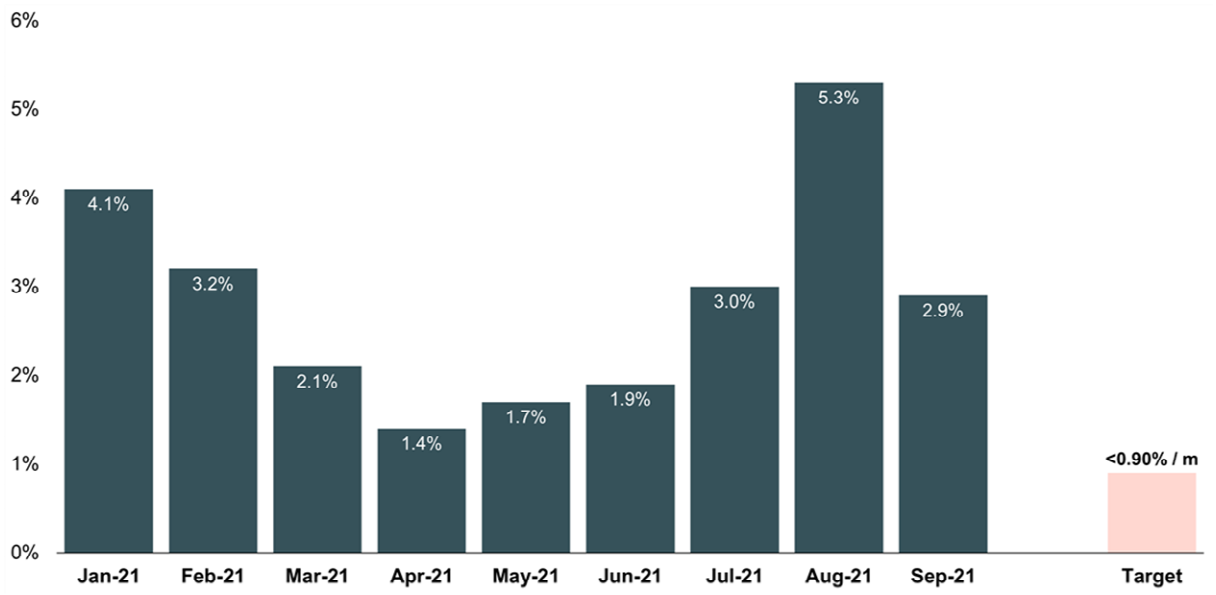
Fifax monitors fish mortality on a monthly basis, primarily measured by the number of fish. Monitoring mortality is meant to measure fish mortality in normal production circumstances in a continuous and comparable manner. For this reason, isolated incidents, resulting from e.g. equipment malfunctions, which have led to one-off larger mortalities, are not included in the mortality figures. Such incidents have occurred in Fifax's operations in 2016 (fish loss amounting to a total of 90 tonnes, estimated to have constituted over half of the fish stock at the time), 2017 (fish loss amounting to total of 50 tonnes, fish stock at the end of the year 195 tonnes) and 2020 (fish loss amounting to a total of 10 tonnes, fish stock after the incident 332 tonnes). In addition, Fifax encountered difficulties arising from oxygen delivery logistics in May 2021, as a result of which the liquid oxygen container of the main oxygenation system at the Eckerö Production Facility was depleted. The incident resulted in the loss of fish in the amount of approximately 260 tonnes (amounting to about 40 percent of the fish stock at the time).

Fifax's target is to decrease the mortality rate below 0.9 percent. The mortality rate during the ramp-up deviates from the target level. Fifax has identified the root causes to this and is actively working towards improving the mortality rate when moving towards full production. The following chart presents the development of the fish mortality percentage rate, measured based on the number of fish between January 2021 and September 2021 (September figure as at 27 September 2021):[24]

[24] Calculation formula: (total number of mortalities in the last 12 months – total number of fish culled due to illness or similar reasons and not included in harvest figures) / (number of fish at the end of the period + total number of mortalities in the last 12 months + total number of harvested fish in the last 12 months + total number of culled fish)*100.

Fifax also monitors mortality measured in kilograms, on a monthly basis, which was 2.5 percent in April 2021, 3.3 percent in March 2021, 5.5 percent in February 2021, 4.6 percent in January 2021, 5.1 percent in 2020 and 3.6 percent in 2019. Fifax determines the mortality measured in kilograms through the following formula: (total weight of the fish that die in the grow-out phase / total fish stock in the grow-out phase at the end of that month)*100. By calculating mortality in kilograms, it is possible to account for the differences in the growth cycle characteristics between the farming methods. In conventional fish farming, batches of fish are typically grown in separate batches, while in land-based fish farming, the fish are grown continuously from egg to slaughter. Consequently, the fish stock continuously consists of fish in different stages of the growth cycle.

Mortality % / month (based on the number of fish)



The increased mortality rate in July – August was affected by mandatory maintenance measures, the delayed repair work of one of the tank's sludge screws caused by component availability as well as high temperatures of the sea water. In September the mortality rate has returned closer to the Company's target levels.

The mortality rate is calculated in the same manner each month as a percentage ratio without isolated, one-time and larger fish mortalities. The accident in May 2021 (see "*–Business operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*" below) caused an irregularity-phase in the tank-specific time series for fish stock data, whereby the figures are not completely comparable after the accident. The accident is estimated to raise mortality rates for some time due to cleaning the tanks, additional transferring the fish from tank to tank and other measures taken as a result of the accident.

The mortality varies significantly across fish sizes: the tanks with fish of size 50 – 1,700 g have achieved a good to mediocre mortality rate, whereas tanks with 1,700 – 2,500 g sized fish have encountered higher mortality. Fifax has identified several means to improve the mortality rate, including increased focus on the quality and purity of water and fish health via, inter alia, further optimizing water flow and feed, as well as increasing solutions to control bacteria levels in different phases the process and developing fish handling methods to minimize the stress levels during moving fish between tanks and grading.

The average monthly growth rate of the fish has been approximately 21 percent in September 2021, 23 percent in August 2021 and 24 percent in July 2021.[25] Fifax's target is to increase the growth to over 35 percent per month. The growth rate of the fish varies based on the age of the fish. Fish grow at a faster rate when they are young, and the growth slows down as they age. Therefore, the size split of the fish stock has significant effect on the growth rate.

The feed conversion ratio has been approximately 1.4 in September 2021, above Fifax's target level of 1.0. The feed conversion ratio was 1.2 in August 2021, 1.3 in July 2021,[26] 1.2 in May 2021, 1.4 in April 2021 and the first quarter of 2021, and 2.0 during both 2020 and 2019. The feed conversion is best for young fish and weakens as they grow, and thus the size split of the fish stock impacts also to this ratio. Since October 2020, Fifax has had a relatively large share of large fish weighing more than 2,500g in the tanks, which are fed only to maintain their weight. Once these are sold, they free room for growing fish and the ratio is balanced out. The feed amount affects the growth rate of the fish. A high feed amount in one month is usually followed by high growth in the subsequent month. Monthly fluctuation is typical for feed conversion ratio and therefore it is the average ratio over several

[25] Due to the oxygen-feeding accident described below in the section *"–Business Operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*", the Company does not have reliable figures available for June 2021.

[26] Due to the oxygen-feeding accident described below in the section *"–Business Operations – The Ultra-intensive Recirculating Aquaculture Systems Technology*", the Company does not have reliable figures available for June 2021

months that should be close to the target level. Other factors impacting the feed conversion ratio are, for example, overall healthy conditions for the fish to grow and undisturbed feeding.

Outlook

This section, "Outlook", contains forward-looking statements. Forward-looking statements do not guarantee future development, and the actual market development of Fifax, the financial performance of Fifax or the financial results actually achieved may materially differ from what has been presented in or what can be concluded from the forward-looking statements as a result of many factors, some of which are described in the sections "Forward-looking Statements" and "Risk Factors". Fifax advises to take a cautious view on these forward-looking statements, which are valid only as at the date of this Offering Circular.

The Eckerö Production Facility is expected to reach its full fish stock of 900 tonnes and full production output level equivalent to an annual production of approximately 3,200 tonnes in the first half of 2022. According to the view of Fifax's management, the market views sustainably produced fish positively, and the Company's management estimates the share of fish in protein consumption to grow in the longer term. Once the Company achieves a steady year-round production, the stability of delivery capacity would enable responding to market demand which traditional fish farming of a more seasonal nature cannot satisfy. The Company's management estimates that raising awareness among customers about the benefits associated with the fish produced Fifax would enable achieving price premiums.

Financing of Fifax's activities

Loans from financial institutions

Fifax has concluded a facility agreement with Ålandsbanken Abp ("**Ålandsbanken**") and a term loan agreement with Eksportkreditt Norge AS ("**Eksportkreditt Norge and the Norwegian Export Guarantee Agency, GIEK-Garantiinstituttet for eksportkreditt**"), have merged in the Summer of 2021, and the name of the new entity is Eksportfinansiering Norge (Eksfin)) ("**Eksfin**"). Both loans were entered into in connection with one another for the purpose of financing the acquisition of the RAS facility equipment supplied by AKVA Group, and both lenders have entered into an intercreditor agreement, stating the pari passu ranking applied between the lenders. Under the financing agreements, entered into in 2015, the term loan from Ålandsbanken originally amounted to approximately EUR 2.7 million. The term loan is guaranteed by Finnvera Oyj for up to 50 percent of the loan amount. In turn, the Government of Åland has granted a guarantee for Finnvera Oyj for up to 50 percent of the amount of the guarantee. The term loan agreement with Eksfin originally amounted to approximately EUR 6.7 million, and is guaranteed by the Norwegian Export Credit Guarantee Agency (GIEK – Garantiinstituttet for eksportkreditt) for up to 100 percent of the loan amount. The terms and conditions of both financing agreements include certain limitations on Fifax's ability to pay dividends or make other distributions of assets, as well as to obtain additional debt financing or to become bound by other liabilities, during the terms of the loans without the written consent of lenders and guarantors.

At the date of this Offering Circular the outstanding loan from Eksfin amounts to approximately EUR 4.2 million and the outstanding loan from Ålandsbanken amounts to approximately EUR 2.2 million. The loans in question have in whole been presented on the balance sheet as current financial liabilities at 30 June 2021, because the Company has fallen short of the covenant level for minimum equity ratio, as agreed in the terms of the loan. Fifax has in May 2021 agreed to postpone the maturity date of both loans by one year, whereby the final maturity date is 30 September 2022. After the date of this Offering Circular, the outstanding loan from Eksfin will be amortized in three-month intervals with instalments of approximately EUR 385 thousand. The final instalment, before the final maturity date of the loan, is paid on 1 July 2022. On the final maturity date on 30 September 2022, the amount left to pay after the amortizations falls due, amounting to approximately EUR 2.7 million. The loan from Ålandsbanken will be amortized in three-month intervals with instalments of approximately EUR 123 thousand, starting with an installment of approximately EUR 123 thousand on 1 October 2021. The last instalment before the final maturity date is paid on 1 July 2022. The funds raised from the Offering are intended to be used for amortizations of and interest payments on said loans from Eksfin and Ålandsbanken. On the final maturity date, the amount left to pay after the amortizations fall due, amounting to approximately EUR 1.7 million. Fifax is exploring possibilities to refinance the loans with current and/or potential new financing providers.

The loan terms of both loans originally included covenants for both the equity ratio and EBITDA-based debt coverage service ratio. Resulting from the change in payment schedules, the covenants were reduced, after which

the only covenant in force is a minimum equity ratio of 15 percent, which however has been waived for the benefit of the Company on 17 September 2021 until 31 December 2021. The share conversion that is to be completed in connection with the Offering would raise the equity ratio significantly above the level required by the covenant terms. In addition, completing the Offering would further decrease the portion of debt in Fifax's financing structure, improving the equity ratio.

Fifax has in May 2021 agreed with Ålandsbanken on a short-term loan of EUR 1 million, to cover the working capital needs of the Company during the First North listing process. The loan is secured by a secondary pledge of Fifax's business mortgage and real estate, as well as a guarantee by the European Investment Fund, which covers 50 percent of the outstanding loan. The loan has been drawn down on 21 May 2021. The loan falls due no later than on 30 September 2022. However, Ålandsbanken has the right to demand the loan to be repaid on 31 December 2021, if the FN Listing has not been completed by then.

The proceeds from the Offering are intended to be used for repaying Fifax's debts of approximately EUR 4.7 million. The total amount consists of repayment of the above detailed short-term loan of EUR 1 million to Ålandsbanken as well as the repayment of a loan of EUR 1 million to certain shareholders who have granted shareholder loans. Moreover, the proceeds from the Offering are intended to be used to for amortizations and interest payments of the facility agreement with Ålandsbanken Abp and the term loan agreement with Eksfin for a total of EUR 2.7 million.

Investment grants

Fifax has received investment grants from the Government of Åland, jointly financed by the European Maritime and Fisheries Fund. The Company was granted two instalments of grants in 2015 for the construction of the Eckerö Production Facility amounting to a total of EUR 3.45 million. If Fifax's business operations would significantly change or cease within five years from the last payment date of the grant, Fifax may pursuant to the conditions of the investment grants be liable to repay grants. Repayment liability has ceased for approximately EUR 1.05 million during 2021, and will cease for approximately EUR 2.4 million during 2025.

Financing by shareholders and investors

Fifax has completed a number of equity financing rounds through share issues, where both previous shareholders and new investors have subscribed for shares. Fifax's last share issue consisted of a share issue of approximately EUR 4 million, which was resolved on in 2019 and completed during the first quarter of 2020. A total amount of EUR 4 million was recorded in Fifax's fund for unrestricted invested equity, of which 971 thousand was recorded for the financial year 2020. During 2020, shareholders also contributed with equity in the amount of EUR 3.7 million.

During the last quarter of 2020, Fifax entered into an agreement regarding a new convertible loan in the aggregate of EUR 12 million with both existing shareholders and new investors. According to the terms of the loan agreement, the creditors have the right to convert the loan to Shares upon completion of the Offering and the FN Listing. The loan considerably strengthened Fifax's financial position and enabled the development of the organization through recruitments (Production Manager recruited in February 2021, a new Chief Financial Officer with permanent employment in May 2021), the acquisition of smolts and further optimization of the Eckerö Production Facility during the first half of 2021. Under the loan agreement, the aggregate loan amount of EUR 12 million consists of above-mentioned shareholder loans transferred to the loan agreement, with accrued interest amounting to approximately EUR 3.8 million, as well as the acquired additional funding of EUR 8.1 million. Shareholder loans were converted into long-term liabilities as part of the EUR 12 million loan. The annual fixed interest rate on the loan is 10 percent. The accrued interest on the loan is capitalized annually and becomes due in accordance with the convertible loan agreement on 4 November 2022. The capital of the loan, including capitalized interest, was EUR 12,214 thousand as at 30 June 2021. In addition, the loan has during 2021 up to the date of this Offering Circular accrued interest in the amount of approximately EUR 913 thousand.

Fifax also has a shareholder loan in form of a capital loan based on promissory note entered into in 2014, the balance sheet value of which on 30 June 2021 was EUR 200 thousand, and which, according to its terms and conditions, is converted into Shares upon the completion of the Offering and the FN Listing. The shareholder loan has an annual interest rate of 8 percent.

In May 2021, Fifax has obtained a loan amounting to EUR 1 million, granted by its shareholders Ålands Ömsesidiga Försäkringsbolag (EUR 300 thousand), FV Group AB (EUR 250 thousand), Holdix Oy Ab (EUR 200 thousand), Oy Etrisk Ab (EUR 200 thousand) and Helmet Capital (EUR 50 thousand), to cover running working capital costs. EUR 500 thousand of the loan has been obtained from related parties. The loan is not secured, the annual interest is 6 percent, and it falls due on 31 December 2022, at the latest. The loan shall be repaid upon completion of the FN Listing.

Between June and September 2021, Fifax has drawn down approximately EUR 3,729 thousand capital loan on equity terms in the form to supplement the Company's equity. Under the terms of the loan agreement, the creditors of the loan are obliged, upon the request of the Company based on a decision of Fifax's Board of Directors, to convert the loan into Shares of the Company. EUR 1.5 million of the loan has been received from related parties. The loan has no maturity date and its creditors have no right to demand repayment of the loan or conversion into Shares. Under the terms of the loan, Fifax has undertaken not to propose or decide on distribution of assets and not to execute a distribution of assets without the consent of the creditors. No interest is paid on the principal of the loan. The loan will be converted to Shares upon the completion of the Offering and the FN Listing.

Planned financing of Fifax

During the following 12 months from the date of the Offering Circular, Fifax's business and operations are intended to be financed using the proceeds received from the Offering, which shall also partly be used to repay Fifax's loans (see "*Background of the offering and use of proceeds – Use of proceeds*"). As the proceeds raised from the Offering will, according to estimates by Fifax's management, not be sufficient to fully cover the investment needs of Expansion Phase 1, the execution of Expansion Phase 1 requires both the completion of the Offering as well as additional financing in the form of debt capital and possible investment grants. The planning process for financing is ongoing and Fifax's management believes it will be able to secure the required financing. In addition, Fifax plans to acquire additional equity and/or debt capital in the future to execute Expansion Phase 2. Additional financing may be obtained by arranging further share issues, by acquiring debt financing from commercial banks or through issuances of bonds. Fifax is also exploring options to obtain additional investment grants for the Expansion on an EU, national or provincial level.

The Company is constantly monitoring its financing structure, and will after the Offering also re-evaluate the appropriateness of its financing structure to cover working capital needs to ensure the undisturbed continuity of the operations and the implementation of the Company's future growth strategy. In case the Offering does not materialize, the Company may postpone the Expansion or parts of it according to the financing available due to the flexibility of its expansion plans. In addition, Fifax would strive to ensure the continuity of the operations with alternative financing, in the form of equity or debt capital, for instance with a combination of additional debt financing and private placement arrangements and/or through restructuring of existing financing. Because Fifax and its operations enjoy extensive interest, according to discussions with current and potential new financing providers, the management of Fifax believes that the Company has adequate prerequisites to ensure the financing solutions required by the continued business.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth Fifax's capitalization and indebtedness as at 30 June 2021 (i) based Fifax's unaudited consolidated interim financial information for the six months ended 30 June 2021 and (ii) as adjusted by the gross proceeds of EUR 15 million from the Offering, the unbooked expenses relating to the Offering of EUR 1 million, the conversion of a convertible loan in the amount of EUR 12 million and a capital loan in the amount of EUR 200 thousand, and the repayment of current and non-current loans in the total amount of EUR 2 million and the raising (EUR 229 thousand) and conversion (3,729 thousand) of capital loans with equity terms. The table shall be read with notice of the fact that there is uncertainty as to the materialization of the Offering.

This table should be read together with the following sections of this Offering Circular: "*Selected Financial Information*" and "*Business of Fifax*", including "*Business of Fifax – Financing of Fifax's activities*" as well as the Fifax's audited financial statements for the financial year ended 31 December 2020 and the unaudited consolidated interim financial information for the six months ended 30 June 2021, incorporated by reference to this Offering Circular.

(EUR thousand)	**As at 30 June 2021 Actual (unaudited)**	**As at 30 June 2021 Adjusted (unaudited)**
Current financial liabilities		
Guaranteed/Secured[1]	7,742	6,742[3]
Unguaranteed/Unsecured	-	-
Total	**7,742**	**6,742**
Non-current financial liabilities		
Guaranteed/Secured[1]	-	-
Unguaranteed/Unsecured	13,514	100[3,4]
Total	**13,514**	**100**
Total financial liabilities	**21,256**	**6,842**
Equity		
Share capital	80	80
Reserve for invested unrestricted equity	34,680	66,811[3,4,5]
Retained earnings (loss)	-29,911	-29,911
Result for the financial period	-6,970	-8,268[3,4]
Capital loan with equity terms	3,500	-[5]
Total equity	**1,379**	**28,712**
Total equity and financial liabilities	**22,635**	**35,554**
Net indebtedness		
Liquidity (A)		
Cash at bank and in hand	4,879	16,595[3,5]
Total	**4,879**	**16,595**
Current financial liabilities (B)		
Current portion of non-current loans from financial institutions	6,742	6,742
Other current financial liabilities	1,000	-[3]
Total	**7,742**	**6,742**
Current net indebtedness (C = B–A)	**2,863**	**-9,853**

(EUR thousand)	As at 30 June 2021 Actual (unaudited)	As at 30 June 2021 Adjusted (unaudited)
Non-current financial liabilities (D)		
Capital loans	200	-[4]
Convertible loan	12,214	-[4]
Other loans	1,100	100[3]
Total	**13,514**	**100**
Net indebtedness (C + D)	**16,377**	**-9,753**

[1]Includes a loan from Ålandsbanken which is guaranteed by Finnvera Oyj for up to 50% of the loan amount which Ålands provincial government has guaranteed to Finnvera for up to 50% of the guarantee amount. Also includes a loan from Eksfin which has a guarantee from the Norwegian Export Credit Guarantee Agency (GIEK – Garantiinstituttet for eksportkreditt) for up to 100% of the loan amount. In addition, business mortgage and real estate mortgages have been used to as pledge for the loans from financial institutions. Includes also approximately EUR 1 million short term loan agreed with Ålandsbanken in May 2021 to cover Fifax's working capital needs during the First North listing process. Loan has secondary mortgage to Fifax's business mortgage and real estate as well as guarantee from European investment fund, which covers 50% of outstanding loan amount.

[2]Includes the capital loan, the convertible loan and shareholders loans included in other non-current loans.

[3]The Company aims to raise approximately EUR 15 million gross proceeds by offering New Shares for subscription. Gross proceeds improve the company's capital structure by increasing the reserve of invested unrestricted equity by approximately EUR 15 million and increasing cash at bank and in hand by an equivalent amount. The funds raised from the Offering are intended to be used for the repayment of the current and non-current loans of EUR 2 million, of Fifax's financing bank (EUR 1 million) and of shareholder loans provided by shareholders (EUR 1 million) at which point current and non-current financial liabilities and cash at bank and in hand have been subtracted by an equivalent amount. The expenses arising from the Offering and FN-listing are approximately EUR 1.8 million, of which EUR 0.8 million have been incurred and expensed in the six-month period ended 30 June 2021. The retained earnings (loss) has been adjusted by EUR 1.0 million in estimated expenses which have incurred and will be expensed following the six-month period ended 30 June 2021 and the EUR 1.5 million amount of unpaid expenses has been subtracted from cash at bank and in hand. Additional Shares subscribed for in connection with a possible Upsize Option have not been considered when calculating the gross proceeds from the Offering. If the Upsize Option and the Additional Shares are issued, the gross proceeds of the Offering would be approximately EUR 27.5 million. In this case, the gross proceeds would improve the Company's capital structure by increasing the reserve for invested unrestricted equity by approximately EUR 27.5 million and cash at bank and in hand with a corresponding amount. The estimated costs of the Offering and the FN Listing would amount to EUR 2.3 million, of which EUR 0.8 million have been incurred and expensed in the six-month period ended 30 June 2021.

[4]According to the terms of the company's convertible loan and capital loan, the amount withdrawn with the convertible loan and capital loan and any unpaid interest may be converted into Fifax shares in conjunction with its FN-listing. Assuming that the convertible loan and the capital loan convert wholly into Fifax shares, the reserve of invested unrestricted equity will increase EUR 13.4 million and the loss for the financial period will increase by EUR 0.3 million as a result of interest accrued after 30 June 2021. More information available in the section "-*Shares and share Capital – Convertible loans*").

[5]After 30 June 2021 the Company has raised a total of EUR 0,2 million in capital loans with equity terms in same terms as the EUR 3,5 million raised in the six-month period ended 30 June 2021. These loans are intended to be wholly converted into Fifax shares, when the Company's reserve for invested unrestricted equity will increase by EUR 3,7 million and capital loans with equity terms will be subtracted by an equivalent amount. More information available in the section "-*Shares and share Capital – Convertible loans*").
Fifax also has unconverted accrued interests of approximately EUR 0.5 million arising from capital loan agreements that were signed in 2014 and 2016. As per the terms of the agreement, the loan or its interest may be converted into shares by decision of a general meeting. The accrued interests are included in the accruals and deferred income in Fifax's 30 June 2021 balance sheet.
With regard to the adjustments 3 and 5 above for the cash at bank and in hand, it should be noted that the amount of adjusted cash at bank and in hand does not reflect the actual cash at bank and in hand balance of the Company.

Apart from what has been presented above, there have not been any material changes in the Company's capitalization and indebtedness since 30 June 2021.

Information on Fifax's certain off-balance sheet liabilities have been presented in the notes to the audited financial statements for the financial years ended 31 December 2020 and 2019 incorporated in this Offering Circular by reference under "*Collaterals and Commitments*" and in the notes to the unaudited financial information for the three months ended 30 June 2021 under "*Collaterals and Commitments*".

Working Capital Statement

The Company's working capital is not sufficient for its current needs for the following 12 months as of the date of this Offering Circular.

This is mainly due to the Company's future investments in the growth of its business operations taking place during the following 12 months. Based on a careful revenue forecast and cost estimates, the Company believes that a total amount of EUR 14 – 18 million will be sufficient to cover the deficiency in the working capital for the said 12-month period. The Company's current working capital will suffice until the end of October 2021. The Company

will execute the Offering in order to secure sufficient working capital, among other reasons. The Company estimates that the executed Offering will provide sufficient working capital (together with the cash and cash equivalents at the Company's disposal) to cover its current needs and working capital needs for the following 12 months as of the date of this Offering Circular. After the completion of the Offering, the Company also intends to restructure the loans (EUR 6.7 million as at 30 June 2021), that have their final instalment fall due in September 2022, including the potential postponing of their maturity date, together with current and/or potential new financing providers. The potential restructuring has however not been taken into consideration in calculating the sufficiency of the working capital or the need for additional capital.

If the Offering is not executed as planned, the Company must acquire additional financing of the required amount using other equity and debt financing and, if necessary, significantly adjust its operations by lowering costs and not implementing planned growth investments. If the Company is not able to acquire additional financing, it may face financial distress.]

RISK FACTORS

An investment in Fifax involves risks, which may be significant. The following describes the risks relating to the Offering, as well as the risks relating to Fifax and its business and Shares. Many of the risks related to Fifax and its business operations are inherent to its business and are typical in its industry. Potential investors should carefully review the information contained in this Offering Circular and, in particular, the risk factors described below.

Each of the risks presented may have a material impact on Fifax's business, results of operations and financial position, and they may together or individually result in Fifax failing to achieve its financial targets. Should these risks lead to a decline in the market price of the Shares, investors who have invested in them could lose part or all of their investment. The description of risk factors below is based on information available and estimates made on the date of this Offering Circular and, therefore, is not necessarily exhaustive. As a part of the assessment of the materiality of the risk factors, Fifax has considered the probability of the realization of the possible risks. Potential events that may or may not materialize are presented in the risk factors. Due to the uncertainty characteristic for these potential courses of events, Fifax is unable to present an exact estimate for all the risks on the probability of such events materializing or failing to materialize.

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

- *A. Risks Relating to Macroeconomic Developments and Developments in Consumer Trends;*
- *B. Risks Relating to the Fish Farming Industry;*
- *C. Risks Relating to Fifax's Operations and Business Activities;*
- *D. Risks Relating to IT Systems and Intellectual Property;*
- *E. Risks Relating to the Management and Employees;*
- *F. Legal, Regulatory and Compliance Risks;*
- *G. Financial and Tax-related Risks;*
- *H. Risks relating to Fifax's Shares;*
- *I. Risks relating to the FN Listing and the Offering.*

Within each category, the risk estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization in relation to each other. The order of presentation of the categories does not represent any evaluation of the materiality of the risks within that category, when compared to risks in another category.

In addition to the risks and uncertainties described herein, risks and uncertainties that are currently unknown or considered immaterial may have a material adverse effect on Fifax's business or on the market price of the Shares.

A. Risks Relating to Macroeconomic Developments and Developments in Consumer Trends

1. Fifax is dependent on the favorable development of consumer preferences in its core Finnish and Swedish markets, which may be subject to fluctuating trends.

The development of wholesale, food service and retail consumer preference for Fifax's land-based farmed rainbow trout over other farmed salmon, wild-caught salmon or other seafood is critical to Fifax's growth and expanding demand for its products. In addition to other producers of seafood, Fifax effectively also competes for customers with producers of other protein sources, such as pork, beef and poultry. As Fifax's product is relatively new to the market, consumers of farm-raised salmon may be hesitant to change their established diets and eating habits by switching to Fifax's products. A failure to obtain and increase wholesale, commercial and retail consumer acceptance of Fifax's product could have a material adverse effect on Fifax's growth, as well as its financial position, liquidity, results of operations and cash flows.

In addition, Fifax depends on consumers' willingness to pay a premium price for healthier, more sustainably farmed rainbow trout. Fifax's products compete in the Finnish and Swedish fish market with both rainbow trout and other fish farmed domestically with traditional methods as well as imported fish, particularly salmon from Norway. Fifax's ability to successfully obtain market share depends at least in part on its success in the marketing of its products and its ability to convince the customers to opt for the rainbow trout grown in a RAS system. Fish grown in RAS systems may be perceived as an unfamiliar product, and they may not have an established good reputation among consumers. There can be no assurance that consumers will be willing to pay premium prices or that demand for farm-raised salmon will not decrease in the future, particularly if adverse macroeconomic events reduce the amount of disposable income of consumers or the willingness of retailers, seafood wholesalers and restaurants to pay for a more sustainable product.

Fifax's success depends in part on its ability to identify and respond to evolving customer preference trends, and on ability to translate customer preferences into an appropriate, sellable product, as well as manage its production volumes and inventory levels. Fifax has identified several food megatrends that support the increased demand of sustainably produced fish. These include, among others, higher emphasis on health, concerns about sustainability and the use of antibiotics, chemicals and pesticides, a preference for locally produced food with authentic flavors as well as an increased interest in food innovation, see "*Market and Industry Overview*".

Failure to identify or effectively respond to changing customer tastes, preferences and spending patterns, as well as changing food trends and customer preferences (such as increased adoption of vegan diets and increasingly plant-based diets without any animal-based protein) could lead to a decrease in Fifax's sales and profits. Fifax may have to lower the prices of its product in order to promote sales, which could have a further adverse effect on Fifax's profits. The materialization of any of these factors could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

2. Fifax's sales are dependent on consumer demand and spending power in Finland and Sweden, which may be affected by negative macroeconomic developments.

Fifax's net sales, profits and future development depend on consumer demand and spending power. These are impacted by general economic conditions, which are, in turn, influenced by many factors beyond Fifax's control. As Fifax's net sales and operating profits are generated in Finland and Sweden, the Company is vulnerable to negative economic developments, including recession and depression, in these core markets. Adverse developments in the macroeconomic conditions of Finland and Sweden, such as a prolonged economic recession or depression, deterioration in business or consumer confidence, fluctuations in currency rates, changing customer preferences or employment levels, lower availability of credit, rising interest rates or inflation or changes in taxation may have an adverse impact on private consumption, and consequently the demand for the sustainably farmed rainbow trout produced by Fifax, particularly as Fifax strives to execute its strategy by relying on premium pricing enabled by its high-quality product according to its strategy The price elasticity of demand is greater in premium priced products, where in cases of decreased consumer income and spending, customers may choose to shift their demand toward more low-cost competitors producing farmed salmon or to other animal protein products such as beef, poultry or pork. This could result in a reduction in demand and lower prices for Fifax's product, which would in turn have a material adverse impact on Fifax's net sales as well as its operating profits.

The ongoing COVID-19 pandemic also causes uncertainties with respect to the stability and future development of consumer income and spending power in Finland and Sweden. While the pandemic has as at the date of this Offering Circular had only a limited effect on Fifax's clients, particularly in the consumer retail sector where demand has been stable or even higher than usual, there can be no assurance that the willingness or ability of retail, whole sale or restaurant clients or end consumers would not decrease in the future, particularly if the pandemic and its impact would be prolonged due to new mutations of the virus or delays in vaccinations for the general public. In addition to potential further lock-downs which would impact the general economy as well as employment and spending power of Finnish and Swedish clients, it is possible that national, regional or local authorities would impose limits on the movement of people and goods which, in addition to a potential adverse effect on consumer spending, could cause disruptions in Fifax's logistics chain and result in additional costs.

Any decrease in sales or profit margins due to increased costs or lower demand could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

3. ***Global economic and financial market conditions and particularly the market price for farmed rainbow trout and salmon, are subject to significant fluctuations and could have an adverse effect on Fifax's business and operating results.***

Fifax's financial position and future development depend to a considerable extent on the price of farmed salmon, which has historically been subject to substantial fluctuations. Farmed salmon is a commodity, and it is therefore reasonable to assume that the market price will continue to follow a cyclical pattern. The demand for and pricing of Fifax's products are therefore substantially dependent on global and regional salmon prices, which are subject to large short-and long-term fluctuations due to variations in supply and demand. Such variations may be caused by factors such as, but not limited to, smolt stocking, biological factors, quality, shifts in consumption, license changes, changes in customer preferences, changes in public attitude towards farmed salmon, relative pricing of substitute products, such as poultry, pork and beef, and general economic conditions, such as levels of employment, inflation, growth in gross domestic product, disposable income and consumer confidence. The volatility of prices for salmon may also result in low visibility concerning future demand for and pricing of Fifax's product, which has an impact on the Company's financial forecasting and planning.

In addition to the negative effects on consumer confidence and spending, the COVID-19 pandemic has also impacted the global salmon market. In particular, restrictions placed by authorities in various jurisdictions on the transportation of goods, in particular food, have disrupted logistics chains and forced producers and customers to divert deliveries away from restricted markets. This has resulted in changes to previously established market patterns and cycles. For example, the closing-down of markets in Asia and Central Europe resulted in an oversupply of both salmon and rainbow trout in all of the Nordic countries. As a result of this, prediction of the market prices has been challenging and there has been quite high volatility in 2020. This also forced Fifax to apply price reductions in the second quarter of 2020, even though the prices have risen during 2021. However, a pandemic or other disruption in logistics chains or market structure may have long-term impacts on the fish market and may change the established market patterns and cycles, either temporarily or permanently. There is a significant risk is that market prices will remain below normal for a longer period of time. Such effects may be due, inter alia, to restrictions imposed by the authorities which affect the movement of people or goods within the country or across borders. In addition, the increased number and increased spread of the different mutations of the virus cause general uncertainty, and related news coverage may also impact market prices.

Global or regional fluctuations in supply and demand may also affect production costs. In particular, feed costs account for a significant proportion of total production costs within the salmon farming sector, and it is the largest individual variable cost item in Fifax's operations. While prices have recently been stable, feed costs increase in line with the increase in the fish stock as Fifax ramps up its production. Feed prices are affected both by the global market for fishmeal and marine/vegetable oils, and the feed industry is dominated by a small number of large, global producers. Prices for fishmeal and fish oil may rise as a result of stronger global demand for fishmeal and fish oil as a main ingredient in the production of fish feed, mainly driven by increased health consciousness of consumers, which have led to increased demand for seafood products. While feed producers have been able to replace some of the marine-based input factors with vegetable raw materials, there can be no assurance that vegetable-based feed would be able to cover a shortfall in marine-based feed, which could be caused by demand exceeding the natural limitations in the marine resource base. This could lead to global or regional shortages of fish meal and oil for fish feed production. This could in turn increase feed-based costs for Fifax or result in significant difficulties in securing adequate amounts of feed to sustain consistently high production volumes. The ability of Fifax to pass on increased feed costs in the future will be significantly impacted by market conditions and competitive factors. In certain circumstances, Fifax may not be able to pass on increased costs to customers, which could result in lower sales margins or lower demand for Fifax's product, which could have a material adverse effect on Fifax's net sales and profitability.

The factors described above may in turn negatively affect Fifax's net sales, operating costs, liquidity and investment opportunities. Any of these factors may due to their separate or simultaneous effect, have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

B. Risks Relating to the Fish Farming Industry

1. Any concerns relating to food safety or health, whether justified or unfounded, may have a material adverse effect on the demand for products, customer confidence and the availability of products.

The food industry in general experiences increasing levels of customer awareness with respect to food safety, product quality, information and traceability. The farmed salmon industry in particular has been, and may continue to be, subject to negative publicity, which may also have knock-on effects on the public perception of Fifax's production of rainbow trout. Any negative publicity or criticism of the fish farming industry or Fifax's operations or sanctions or penalties from public authorities may negatively affect the reputation of the industry in general or the reputation of Fifax in particular. The effects of negative publicity may be exacerbated by the increased focus on and demand by stakeholders for animal welfare, transparency and sustainable development. Negative publicity may result in irreparable long-term damage to the reputation of the industry and farmed fish products, which may result in subdued demand for a protracted period of time.

Contamination of the products may be environmental, e.g. from fish feed raw materials (such as fishmeal, fish oil, mineral mixes and raw materials from crops) or polluted waters (e.g. from oil or petroleum products), or due to failure in surveillance and control systems, improper handling, poor processing hygiene or cross-contamination, the ultimate consumer or any intermediary, such as a supplier of smolts or fish eggs. For instance, in the early summer of 2021, three fish farming facilities in Åland were found to have infections of the IHN virus that originated from smolts exposed to the virus, which had been delivered by Danish suppliers. As a result, the farms in question were required to emergency slaughter a significant amount of fish, of which, according to the estimates of Fifax's management, a substantial proportion was not necessarily yet full-grown. Although infections of the IHN virus have not been encountered in Fifax's production facility and the IHN virus does not prevent the sale of exposed and emergency slaughtered fish, news coverage about the virus and its spread may negatively affect consumer sentiments and, consequently, their inclination to purchase rainbow trout in particular or fish in general.

An inadvertent shipment of contaminated products may be a violation of law and may lead to product liability claims, product recalls (which may not entirely mitigate the risk of product liability claims), increased scrutiny and penalties, including injunctive relief and plant closings, by regulatory agencies, and adverse publicity. In addition to actual incidents of e.g. food-borne pathogens or contamination of the fish by pollutants, even perceived health concerns or food safety issues may have a negative impact on the reputation of farmed rainbow trout, even if there is no direct risk to human health. In the past various perceived health concerns, e.g. the levels of Polychlorinated Biphenyls ("**PCB**") in farmed salmon, have attracted negative attention in the media. Although such concerns have decreased, new perceived health concerns or food safety issues relating to farmed salmon, may arise in the future, which could affect Fifax's ability to market and distribute its products.

Increased quality demands from customers and legislators as a result of food safety scandals or a general demand for stricter measures to prevent future incidents in the future may also result more stringent guidelines and legislation with tougher requirements. In order to meet such requirements, Fifax may be required to make further investments in the monitoring and surveillance of its production process, the control of quality of the final product and sufficient control of the logistics chain.

Actual or perceived issues with food safety within the general food industry or negative publicity concerning the fish farming industry may result in direct or indirect damage to Fifax's brand and reputation, as well as decrease demand for Fifax's products. This could result in lower net sales and reduced profitability as well as the loss of growth opportunities and delayed expansion plans. The materialization of any of these factors could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

2. Fish produced in land-based facilities can accumulate off-flavors that Fifax may be unable to completely remove, which could affect the quality of its product and consequently production volumes and pricing as well as the demand for Fifax's products and the reputation of the Company.

Fish cultured within land-based fish farming systems can bioaccumulate the off-flavor compounds geosmin and 2-methylisoborneol (MIB) in their flesh. These off-flavor compounds are produced by actinomycete bacteria associated with biosolids and biofilms that form on tank walls and the submerged surfaces of unit processes. If present at high enough concentrations, such off-flavors can result in fish meat of sub-par quality that may have to

be sold at a discount or may even be unacceptable to the customers, resulting in Fifax having to bear the costs of production without any offsetting revenue from selling the final product.

While there are individual variations among people as to whether they are able to taste some off-flavors and not all consumers may react to them, the mere fact that certain individuals can taste the off-flavors results in a risk of negative effects on the demand for Fifax's products and the reputation of the Company, if such consumers spread information about off-flavor fish through traditional or social media or otherwise. Even if such off-flavors would not be present in Fifax's products, consumers may associate off-flavors with fish farmed in land-based facilities in general if they have had unpleasant experiences when trying the products of other producers.

Off-flavor from fish prior to slaughter can be removed through a process known as depuration or purging. While fish are held in depuration systems, they are kept off feed for a period depending upon a variety of factors, such as fish species and size, temperature and water quality of the purge system and supply water, and intensity of the off-flavor in the fish flesh. There can however not be any assurance that the purging process would in all cases be fully successful. A constant water intake and a functioning recirculation system are decisive for a successful purging process. The water intake is in turn dependent on the uninterrupted functioning of the pump house machinery at the seashore that pumps water from the sea into the facility. In the event of a power outage, the pumping of water would be interrupted, as the pump house has no reserve power arrangements due to being connected to an electricity network feed that is separate from the production facility. Water intake could also be interrupted due to blockages from large objects. Disruptions to the periodic intake of water could, in addition to require Fifax to use more electricity for cooling purposes, result in disrupting the purging process and consequentially unsuccessful removal of off-tastes from the fish meat. Even if partial or full success is achieved, the fact that fish may be kept off feed may result in a reduction in the fish stock and therefore lower volumes of final-product fish meat. Although Fifax has throughout its operating history been able to intensify the purging process and still continues to increase its purging capacity, the purging capacity at the Eckerö Production Facility as at the date of this Offering Circular is limited. The Company's six purging tanks are not alone sufficient to cover delivery volumes at full capacity. To increase the purging capacity, the Company has used one of the grow-out tanks as a purging tank as well as undertaken several other efficiency-improving measures, which double the Company's purging capacity and allows for functioning at full purging capacity. If Fifax is, despite the efficiency-improving measures, unable to further increase its purging capacity as planned, this may affect Fifax's capacity to reach full production capacity and hence also full delivery capacity, which may have an adverse effect on the Company's net sales.

The materialization of any of these factors may result in adverse effects product quality, give rise to claims for compensation or damages from customers and have an adverse effect on the reputation of fish grown in land-based facilities in general, or Fifax's reputation or brand in particular. These factors may, in turn, have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

3. Fish farming is subject to disease outbreaks, which can increase the cost of production and/or reduce production harvests.

In line with other animal production, the fish farming has historically experienced several periods of extensive disease problems. Fish farming systems, particularly conventional sea cage systems, are vulnerable to disease introduction and transmission, primarily from the marine environment or adjacent culture systems. The ultimate economic impact of disease to these production systems can be significant, as farmers must incur the cost of preventative measures, such as vaccines and antibiotics, and then, if the fish become infected, the cost of lost or reduced harvests. Fifax produces rainbow trout in a land-based, closed containment facility which are less vulnerable to diseases caused by factors in the production environment, and it has implemented biosecurity measures in its production facility to prevent and mitigate disease impact. There have been small and limited occurrences of diseases in Fifax's operations. Therefore, there can be no assurance that these measures would be 100% effective and hence, the possibility of outbreaks cannot be completely excluded. For example, increased water temperatures due to insufficient cooling systems or a failure to maintain an optimal balance in the mix of bacteria which are naturally present in the water may increase vulnerability to diseases, and latent bacteria and viruses may initially go unnoticed and lead to outbreaks which can affect more vulnerable fish or the entire fish stock.

Viruses, bacteria and parasites may have adverse effects on fish survival, health, growth and welfare, and result in reduced harvest weight and volume or increased mortality. A significant outbreak of disease represents a cost, such as direct loss of fish, lost growth of the fish stock, accelerated harvesting and prevention and treatment costs, and may also be followed by a subsequent period of reduced production and loss of income. The economic

importance of disease is measured in the form of waste percentages (mortality), reduced growth or reduced quality for the end product. In addition, disease represents suffering for the fish. In the worst case, Fifax may be required to slaughter all of its fish without being able to sell the fish meat, as well as to sanitize and potentially restructure its facilities. In such cases Fifax would not necessary be able to deliver fish to its customers in sufficient quantities or according to agreed schedules.

Fifax is committed to limiting the use of any antibiotics to targeted use in the rare cases of diseases, with the target being to keep their use to zero. However, the rainbow trout Fifax produces are not completely immune from diseases, and outbreaks of bacterial diseases may require the use of antibiotics. Diseases may result in decreased growth or higher mortality, and consequently lower production volumes or suboptimal quality. Even if Fifax would be able to combat any disease outbreaks through the targeted use of antibiotics, their use may require a withdrawal period of approximately 30 days, during which time the fish cannot be slaughtered. In addition, Fifax's operations may be impacted by actions of other fish producers. An excessive use of antibiotics by the fish farming industry could result in bacterial species developing antibiotic resistance and reviving diseases, which could result in increased costs for treatment. The most severe diseases may require the culling and disposal of the entire stock, disinfection of the farm and a long subsequent fallow period for preventative measures to stop the disease from spreading. In addition to the potential direct economic impact, Fifax may also experience higher proportionate damage to its brand in the event of disease outbreaks or increased use of antibiotics compared to its competitors, as Fifax's brand is to a substantial degree built on an offering of healthier, more environmentally friendly and more sustainably produced fish than many competitors. Even if Fifax would itself not be directly affected, negative publicity concerning individual producers or the fish farming industry in general may result in reduced demand if Fifax is unable to sufficiently distinguish itself from other producers and promote awareness of its more sustainable and environmentally-friendly production methods.

The materialization of any of these factors could result in a reduction of Fifax's net sales and profitability as a result of damage to its brand and reputation and consequently, may result in a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

4. Biological factors related to fish farming may result in production-related disorders and a lower-quality product.

Fifax's farming operations are subject to a number of biological risks which may be caused by human errors and/or structural defects at production facilities. As the aquaculture industry has intensified production, the biological limits for how fast fish can grow have also been challenged. As with all other forms of intensive food production, a number of production-related disorders may arise. As a rule, such disorders appear infrequently, are multifactorial, and with variable severity. Physical deformities in individual fish or entire production batches may lead to financial loss in the form of reduced growth, inferior health and reduced quality on harvesting. The proportion of deformed fish in the Company's individual fish or batches varies, but the long-term average of deformed fish is approximately 10 percent of the Company's slaughtered fish. Although deformities normally do not have an impact on the quality of the fish meat and many of the deformities may to some extent be addressed in the slaughtering and processing phases, visually confirmed deformities, such as spine problems and deviations in color can have an impact on the customers willingness to purchase the product. Therefore, deformed fish are usually sold at lower than normal prices. Production-related disturbances or errors may also create negative publicity and damage the industry's reputation, regardless of the faultless activities of Fifax or other individual producers.

Deformities may be caused by factors such as:

- excessively high temperatures during the fish's early life;
- too little phosphorous in the diet;
- lighting management to speed up the rate of growth, particularly in combination with too little phosphorous in the diet; or
- acidic water, as well as too much carbon dioxide, hydrogen sulphide or metals in the water.

The materialization of any of these factors may result in adverse effects on growth, harvest weight, harvest volume, mortality and product quality, or give rise to claims for compensation or damages from customers. These factors may, in turn, have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

C. Risks Relating to Fifax's Operations and Business Activities

1. Fifax may not be able to successfully implement its strategy or its strategy may prove to be misaligned in relation to prevailing market conditions or changes in the industry.

Fifax manages its business operations in line with its strategy, as discussed under section "*Business of Fifax – Strategy*". In accordance with its strategy, Fifax aims to implement its vision of being a forerunner in large-scale fish farming with a minimal impact on the environment, and to continue acquiring new customers from restaurants, wholesalers and consumer retailers in Finland and Sweden. As part of its strategy, Fifax is exploring possibilities to expand its activities by constructing new production facilities in order to increase its production and gain further market share, as well as cater to a potential increase in demand by customers valuing premium, sustainably farmed fish. Fifax's strategy is underpinned by food megatrends supporting increased growth of fish consumption and driving demand towards sustainable fish production opened markets for Fifax, but also creates an interest for competitors to capitalize on these trends. However, a number of factors, including the other risk factors described in this Offering Circular, could prevent Fifax's strategy from being met in full or in a prompt manner and could prevent or restrict Fifax from pursuing new business opportunities, achieving its key strategic initiatives or meeting the demand for its products and services from its existing or future customers. There can be no assurance that the business strategy chosen by Fifax will be competitive in short or long term or that Fifax will be able to execute its strategy successfully.

In developing strategic operating plans, Fifax makes certain assumptions concerning various factors, many of which are fully or partially beyond Fifax's control. Such factors include, among others, customer demand, competition, market consolidation as well as the availability and price of fish feed, smolt and salmon. If actual results vary significantly from Fifax's assumptions, this could have a material adverse effect on the successful implementation of Fifax's strategy. In particular, the current uncertainty related to the development of e.g. the COVID-19 pandemic and measures undertaken by authorities to curb the spread of the virus may disrupt the implementation of Fifax's strategic plans by affecting customer demand, resulting in fluctuations of market prices or by disrupting logistics chains.

There can be no assurance that Fifax will be able to succeed in the implementation of its strategy or that its strategy would in all situations prove to be appropriately directed due to e.g. misalignment with prevailing trends or reversals of current trends. Fifax may fail to recognize new market developments, or may not be able to ensure sufficient reactive measures to such developments, once recognized. Even if the strategy would be competitive, the strategy may not be implemented according to plan due to misalignment between the measures required to achieve strategic targets and the measures undertaken by Fifax's management and employees at the operating level. Fifax's operating management may not be able to implement the strategy due to e.g. insufficient resources, changes in market or consumer trends, or insufficient ability to communicate strategic objectives to employees and translate these into concrete operational actions. Any of these factors may require Fifax to change its strategy on short notice, which could result in management attention being diverted from more operational matters, resulting in significant costs and lead to a loss of confidence in Fifax among investors or adverse developments in the relationship between the management and employees.

Fifax's potential for growth and profitability is based on its ability to meet potential increases in customer demand, the high-quality requirements set for its products, as well as on the Company achieving a sufficient level of gross margin to achieve and maintain profitability. Fifax is also exploring possibilities for constructing new production facilities, building on extensive experience from the Eckerö Production Facility. According to the estimate of Fifax's management, the proceeds from the Offering are not going to be sufficient to completely fund Expansion Phase 1 of the Eckerö Production Facility planned by Fifax. Consequently, the execution of Expansion Phase 1 requires both the completion of the Offering as well as additional financing in the form of debt capital and possible investment grants. The execution of Expansion Phase 2 requires, in addition to the financing obtained for the first phase, that additional financing, in the form of equity or debt capital, is obtained. Fifax is also exploring options to obtain investment grants on an EU, national or provincial level. Although Fifax's management believes it will be able to secure sufficient financing, there can be no assurance that Fifax will continue to have access to sufficient financing in order to finance these investments as planned (see "*G. Financial and Tax-related Risks. – 2. Fifax needs additional capital in the future in order to fund the growth of its business, and there can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable Fifax to continue to implement its business strategy.*" below) and that, when made, these investments would allow Fifax to grow as planned. If it is not possible to obtain such additional financing on terms that are commercially viable, the Company will not be able to carry out the planned Expansion of the Eckerö Production Facility at the planned scope, or at all. Given that Fifax's sales originate from Finland and

Sweden, any failure in implementing its growth strategy or a decrease in Fifax's market share in the Nordics may result in Fifax not being able to reach its projected financial targets, which are set based on the assumption that Fifax will be able to successfully implement its strategy.

The materialization of any of these factors could result in misallocation of resources to pursue objectives misaligned with prevailing or changing market developments, or a loss of market share to competitors and consequently lower revenues and profits. The materialization of any of these factors may have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

2. ***A continuous supply of oxygen is critical for the growth and wellbeing of fish, and any disruption or interruption of the feed of oxygen can very quickly result in a sudden increase in mortality.***

The successful management of water quality, in particular sufficient levels of oxygen for the fish is critical to ensure a stable growth and prevent mortality of the fish. Should the feed of oxygen to the grow-out tanks be disrupted or interrupted due to e.g. mechanical malfunctions, power outages or blockages, this can in a very short period of time result in increased mortality, and in the worst case the death of all fish in one or several grow-out tanks. Fish which have died otherwise than by being slaughtered in a slaughterhouse cannot be used for human consumption, and their use as animal feed is also limited. Consequently, an increase in mortality due to insufficient oxygen levels can result in a loss of sellable product, and in the realization of production costs without offsetting revenue.

In May 2021 Fifax encountered difficulties with delivery logistics, as a result of which the liquid oxygen container of the Eckerö Production Facility's main oxygenation system was depleted. The oxygen supply system is primarily administered and monitored by Fifax's oxygen supplier, who also administers the delivery process for new oxygen. On 24 May 2021, the supplier had notified Fifax of an incoming oxygen delivery, which was meant to be delivered on 27 May 2021. At this stage there were no indications about a risk relating to low oxygen levels. However, Fifax's own systems subsequently started raising alarms due to the low oxygen levels in the oxygen feeding system. Following the examination of the oxygen feeding system conducted as part of established alarm arrangements, back-up systems were turned on in order to start the gradual stabilization of the system. However, while the pressure in the back-up systems was still building up, the oxygen levels dropped to insufficient levels in fourteen (14) main grow-out tanks (out of a total of 36), which resulted in some of the fish in said tanks being lost. In addition to the main grow-out tanks, the Company has 10 grow-out tanks in the fry and fingerling area and 6 purging tanks, which remained unaffected by the accident.

After receiving the scheduled oxygen delivery later that same morning, the main system running on liquid oxygen was returned to its full normal functions. After the incident, the personnel of the Eckerö Production Facility began procedures to appropriately process the lost fish in order to estimate losses and begin immediate improvement procedures. Due to the large quantities of fish, the removal of lost fish from the tanks and the appropriate subsequent processing lasted for several days.

The accident resulted in a loss of approximately 260 tonnes of fish. The incident is expected to have a material adverse effect on the value of Fifax's remaining inventory, its cash flow, as well as production and delivery capacity during 2021. Although the Company has adopted and is adopting additional preventative measures by e.g. increasing its oxygen capacity and by keeping a larger amount of reserve oxygen available to guarantee a continued feed of oxygen, there can be no full certainty that even the improved monitoring and back-up systems would work without fault in any situation or that other difficulties arising from the production process would not materialize during or after the ramp-up phase.

The materialization of any similar disruption or interruption of the feed of oxygen may have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

3. ***Any significant growth investments, such as the expansion of the current production facility or the construction of new facilities, may tie up capital for longer than expected without producing offsetting cash flows and revenues to fund other investments or current operations.***

According to the estimate of Fifax's management, the proceeds from the Offering are not going to be sufficient to completely fund Expansion Phase 1 of the Eckerö Production Facility planned by Fifax. Consequently, the execution of Expansion Phase 1 requires both the completion of the Offering as well as additional financing in the form of debt capital and possible investment grants. The execution of Expansion Phase 2 requires, in addition to

the financing obtained for the first phase, that additional financing, in the form of equity or debt capital, is obtained. Fifax is also exploring options to obtain investment grants for the Expansion on an EU, national or provincial level. Although Fifax's management believes it will be able to secure sufficient financing, there can be no assurance that such financing would be available to Fifax on favorable terms, or at all (see "*G. Financial and Tax-related Risks. – 2. Fifax needs additional capital in the future in order to fund the growth of its business, and there can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable Fifax to continue to implement its business strategy.*" below). While Fifax is exploring the matter further, it must be considered that growth investments such as the Expansion of the Eckerö Production Facility or the construction of new facilities may also on a more general level require large amounts of investments that tie up capital before any offsetting cash flows are generated from the new facility, meaning that Fifax's cash flows may be negative for several years. The tied-up of capital and the concurrent decrease in free cash flow may prevent Fifax from pursuing investment opportunities in other operations supporting the current business. If any new facilities would not create sufficient offsetting cash flows or if such cash flows would be achieved at a later stage than predicted, this may have an adverse effect on Fifax's profits and liquidity as well as its ability to fund other investments to improve and develop its operations, and may result in Fifax not being able to scale its operations in accordance with its business plan.

Along with capital for investments, Fifax also needs cash funds to attend to its current and future lease liabilities, to acquire inventory and to pay salaries. If Fifax's business operations tie up capital without producing sufficient cash flow, Fifax may need to turn to new equity or debt financing, which might not be available on favorable terms, or at all. Insufficient cash flows or the weakening of the availability of financing to compensate for any shortfalls, or the increase of cost of capital, may result in a weakening of Fifax's financial position, which could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

4. Fifax has a single site of operation, and any malfunction or disruption affecting its production systems, which could adversely impact production and financial performance.

Fifax's business operations are highly dependent on the functionality and maintenance of the Eckerö Production Facility, which is currently the Company's only site of production. The operation of the Eckerö Production Facility is vulnerable to a number of external risks, such as power or equipment failures, fires and extreme weather events or other natural disasters. In addition, the operations of the production facility may be disrupted through deliberate actions, human errors or misconduct by Fifax's employees or third-party suppliers, or technological errors resulting from maintenance and upgrading activities. In addition, while the land-based RAS method enables Fifax to provide a more sustainable alternative compared to most animal-based protein sources, activists opposing even more sustainable methods of producing animal-based protein may aim to adversely affect Fifax's reputation or operations of the Eckerö Production Facility via media or other actions. This could result in significant damage to Fifax's brand and reputation, or even result in operational disruptions or production stoppages.

The uninterrupted operation of the Eckerö Production Facility is also dependent on the constant control and stability of the systems used to develop and grow rainbow trout. The technology and production process used in land-based fish farming involves also other inherent risks, including, but not limited to:

- mechanical risks such as the interruption of power supply and single points of mechanical failure (e.g., with respect to the injection wells and dependency on a central energy system);
- careless handling of chemicals used in the production process (such as sodium hydroxide, aluminum chloride, polymers, formic acid and carbon sources) resulting in leaks that could damage equipment, affect the environment or cause personal injuries; and
- disruptions of oxygen delivery and oxygen feeding systems; and
- malfunctions of the feed system or blockages from lumps formed from feed dust hampering or disrupting the distribution of feed into the water tanks, which can adversely affect the growth of the fish.

Any change or interruption in the operation and management of mechanical systems, water and feed pumps, measuring equipment, operating systems or software used to manage such systems could result in reduced growth or increased mortality of some or all of the fish, thereby adversely impacting production. Malfunctions or careless handling of chemicals may also damage systems or result in injuries to employees.

Fifax has not during the years 2012–2015 and 2018–2019 had any incidents resulting in fish mortality at the Eckerö Production Facility, but such incidents have however occurred during the Company's operating history. In June 2016, Fifax lost 40 tonnes of fish as a result of a malfunction of the cooling and electrical systems. The malfunction also resulted in some fish contracting diseases, resulting in a further loss of 50 tonnes of fish in August 2016. In 2017, Fifax lost a total of 50 tonnes of fish as a result of three separate events. 10 tonnes of fish was lost in July 2017 as a result of an electrical system failure, 10 tonnes was lost in August 2017 as a result of a defective oxygen sensor and 30 tonnes was lost in September 2017 as a result of an issue with the programmable logic controller used in the production system. In June 2020, a transformer malfunction led to loss of 10 tonnes of fish. In addition, difficulties arising from oxygen delivery logistics led to a loss of approximately 260 tonnes of fish in May 2021, (see, "*–2. A continuous supply of oxygen is critical for the growth and wellbeing of fish, and any disruption or interruption of the feed of oxygen can very quickly result in a sudden increase in mortality.*" above).

Re-enabling the utilization of the facility in the event of a disruption may involve very expensive and time-consuming manual work. Production-related disruptions may also result in failures to meet contractual obligations, including the delivery of the volumes and level of quality agreed with customers. Any of the above risks, if materialized, could lead to claims for liability for damages, contractual penalties, fines, or loss of customers. Financial losses to Fifax resulting from any of these risks would likely be only partly covered by insurance policies. Materialization of any of these events or other events hampering or preventing the use of the Eckerö Production Facility to its full capacity or at all could have a material adverse effect on the business, financial position, results of operations, future prospects, or Share price of Fifax.

5. Fifax is a growth company and it may fail to manage its growth effectively or to grow at all in the future.

Fifax is an early-stage growth company that has developed its own implementation of a RAS technology based solution for fish farming and production. Executing Fifax's business plan and achieving its targets is therefore associated with greater risks and uncertainties than the operations of more established companies with a longer operating history. Because Fifax has a limited history operating its business at its current scale, it may also be difficult for the Company to evaluate the future development of the business and future prospects, as well as to plan for and model future growth. The Company's production forecasts and their accuracy have also varied during the course of the Company's operating history. Growing fish is a biological process, which is more difficult to forecast with great accuracy compared to more conventional industrial production processes. In addition, the production and monitoring processes that affect growth and mortality rates have been continuously developed during the Company's operating history. Consequently, Fifax may also experience difficulties in appropriately forecasting and managing its growth in the future, which could impede its ability to meet its near- and long-term business targets, with regards to estimated production volumes and profitability. Such difficulties may be associated with, among others:

- increasing production at the Eckerö Production Facility;
- operational disruptions resulting from technical issues;
- failure to effectively manage and meet increased demand for Fifax's products;
- delays, disruptions or cost overruns in potentially expanding current facilities or constructing new facilities;
- prolonged processes in acquiring required permits from authorities for new facilities; or
- difficulties with securing adequate financing for investments.

The execution of Fifax's business plan and its future success will depend, in part, on the ability to manage current and planned expansion and on Fifax's ability to continue to improve its operational management. Fifax has expanded its operations rapidly and has limited operating experience at its current size. As Fifax grows, its business becomes increasingly complex. Continued growth could strain existing resources, and Fifax could experience ongoing operating difficulties in managing its business. Even if successful, the execution of Fifax's business strategy is likely to place a significant strain on Fifax's existing financial and human resources as Fifax continues to invest in research and development, hires additional employees, increases marketing efforts either by developing its own marketing capabilities or cooperation with current or new third-party marketing partners, and explores possibilities for potentially expanding its activities through establishing new production facilities utilizing its RAS technology.

The implementation of Fifax's growth strategy may require significant expenditures before any associated increased revenue is generated and there can be no assurance that these increased investments will result in corresponding and offsetting revenue growth. Fifax must implement and improve its operational, financial, management, sales, marketing and human resources infrastructure while simultaneously continuing to focus on the development and further commercialization of the RAS technology, including potentially by way of licensing accumulated know-how concerning the construction, operation and management of a RAS facility to third parties.

The development of land-based fish farming is subject to uncertainties, particularly with respect to whether consumers are willing to purchase fish grown in land-based facilities. It is possible that consumers are suspicious of the taste or quality of fish grown on land, or that they do not consider fish production in indoor facilities to be an environmentally friendly alternative for production of animal protein compared to traditional fish farming methods and production of other animal protein. If the use of RAS technology and projects utilizing RAS technology does not grow as Fifax expects, such developments may adversely affect the Company's ability to commercialize its accumulated know-how. Limited operating experience at a larger scale, combined with the substantial uncertainty concerning how the land-based fish farming industry may develop, and other economic factors beyond Fifax's control, may also reduce its ability to accurately forecast half-year or annual revenue. While the growth trends that may imply a future increase in demand for sustainably farmed rainbow trout would generally be expected to have a positive impact on Fifax, the Company could also face a period of rapid demand growth following commercial availability of its products, which may place significant pressure on Fifax's management, sales, operational, and financial resources. If Fifax is not able to meet the increased demand, competitors may step into fill the gap, which may lead to the loss of current or potential customer relationships and consequently to competitors gaining market share at Fifax's expense.

Any failures to adequately manage growth and meet customer expectations for the volume and quality of fish meat may result in a failure to achieve projected targets for production, sales and profitability, loss of current market share or failure maintain the current market share as well as loss of customer loyalty. The materialization of any of these factors could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

6. If Fifax is not able to successfully scale up its operations in accordance with it plans through increasing the capacity of its existing production facility or the potential construction of new facilities, this may result in higher unit costs than predicted, which may, in turn, have an adverse effect on the development Company's projected operating results and cash flows

Fifax's growth strategy requires expansion of its operations by scaling up its production capacity as well as sales and marketing efforts to increase awareness of Fifax's product. Expanding production capacity requires investments in both existing as well as potentially new production facilities According to the estimate of Fifax's management, the proceeds from the Offering are not going to be sufficient to completely fund Expansion Phase 1 of the Eckerö Production Facility planned by Fifax. Consequently, the execution of Expansion Phase 1 requires both the completion of the Offering as well as additional financing in the form of debt capital and possible investment grants. The planning process for financing is ongoing, and Fifax's management believes it will be able to secure the required financing. The execution of Expansion Phase 2 requires, in addition to the financing obtained for the first phase, that additional financing, in the form of equity or debt capital, is obtained. Fifax is also exploring options to obtain investment grants on an EU, national or provincial level. Increasing capacity also increases operating costs in line with the increasing total fish stock. Although an increased capacity would allow for increased sales, the revenues will in any case be at a lower level than costs until the volume of delivered fish reaches a sufficiently high level. Fifax has previously experienced delays and cost overruns in the construction of its Eckerö Production Facility, which have also resulted in disputes with contractors and suppliers. Consequently, there is a risk that scaling up production through the Expansion of the Eckerö Production Facility or through constructing new facilities will not proceed as anticipated due to, for example, construction faults, delays or cost overruns. Cost overruns may require Fifax to acquire further equity and/or debt capital in addition to the proceeds raised from the Offering and the additional financing required for the Expansion, which may however not be available on commercially viable terms, or at all. Challenges with securing appropriate financing may delay the commencement or completion of the construction work of the Expansion or possible new production facilities, or prevent commencement of construction work or completion of already initiated construction work altogether. Delays may also be caused by protracted processing of permit applications required from authorities, or appeals and complaints which may result in lengthy administrative appeal proceedings. Even if permissions are granted and any appeals or complaints would be settled or resolved, there can be no full certainty as to when any potential construction project will be completed, whether operations achieve anticipated production volumes or whether costs will be in line with expectations.

If construction deadlines of potential new facilities would not be met, Fifax may not be able to achieve the scale of operations in accordance with its business plan. In this case, the expected cost benefits of the planned larger economies of scale could not be fully or partially achieved, leading to higher costs in relation to turnover and adversely affecting profitability. Even if any construction work would be completed on time, Fifax may have difficulties ensuring a consistently high-quality level of its product if production expands rapidly. Expansion of production capacity as well as the sales and marketing activities to ensure sufficient demand to meet the increased supply will also require additional personnel, the recruitment of which will incur additional costs. There can also be no assurance that Fifax would be able to recruit personnel with the required competences or experience. It is also possible that the increased production of rainbow trout by Fifax as well as other fish farming and fish production companies may result in a rapidly increasing demand due to increased awareness of and willingness to increase the proportion of fish as a protein source, and sustainably farmed fish in particular. This could result in Fifax experiencing difficulties to reach sufficient production levels to increase or even maintain its market share, which may provide an opportunity for competitors to consolidate their foothold in the market at Fifax's expense by providing more dependable deliveries on time and at a reasonable cost.

If Fifax would be unable to scale up its activity in accordance with plan or to meet the expectations of its customers, the result could be increased costs in relation to revenues and leading to a decrease in the Company's estimated future revenues and cash flows, which could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

7. The wellbeing of the rainbow trout and consequently the volume and quality of Fifax's product is dependent on the maintenance of water quality, and failure to maintain optimal levels of certain substances may result in reduced growth or higher mortality.

Fifax uses ozone and ultraviolet light to purify the water taken into the facility from the sea before it enters circulation in the RAS system. Should the ozone generator or ultraviolet light source experience any malfunctions, this would result in the intake of water being interrupted, as only purified water is taken into the facility. While the production process may function without water intake in short periods, insufficient purification would in time have a deteriorating effect on water quality, which could result in higher amounts of bacteria and viruses and, consequently, a higher vulnerability of the fish to outbreaks of disease.

Water quality is also subject to several other inherent risks, such as:

- too high gas levels resulting in oversaturation;
- too high levels of nitrogen, carbon dioxide and hydrogen sulphide levels in the various tanks;
- metals from e.g. micronutrients naturally present in feed being collected into higher concentrations in the water and the fish; and
- unsuccessful removal of polymers used as in the solids removal process from the water, resulting in polymers getting caught in the gills of the fish.

Unsuccessful management of water quality could result in lower than predicted growth or an increased mortality of the fish. Both of these factors could contribute to lower production volumes or a sub-par quality of the product, which could adversely affect Fifax's revenues, cash flow and profits. Materialization of any of these events could have a material adverse effect on the business, financial position, results of operations, future prospects, or Share price of Fifax.

8. If Fifax is unable to effectively compete with its land-based RAS system against existing or new methodologies, Fifax's business and financial prospects would be adversely impacted.

Fifax uses a RAS system to farm rainbow trout in its land-based production facility Eckerö Production Facility, providing an alternative to sea-based net pen fish farming. The production costs and required investments of the RAS method are however, for the time being, slightly higher that in traditional fish farming methods, whereby Fifax faces significant competition from existing, well-established and lower-cost alternatives within sea-based net pen fish farming. If Fifax is unable to effectively compete with existing farming methods and/or other land-based farming companies and methods for land-based farming such as flow-through technology increase the competitive pressure, Fifax may not be able to compete successfully against its current and future competitors. Fifax may also face competition from new market entrants given that the technology surrounding land-based fish farming, as well as offshore net pen solutions, is rapidly evolving.

If Fifax's competitors would be able to develop a significant new innovation or product category, which would raise substantial interest and demand among Fifax's current and potential customers, the competitors might get a significant benefit in relation to Fifax. If Fifax is unable to respond promptly enough to the subsequent changes in demand, the competitive advantage gained by the competitors may enable them to gain a considerable market share at the expense of Fifax. In this situation, Fifax might not be able to fully utilize to the commercial benefits resulted from the new trend, or it could completely miss out on the profit potential. In addition, surprising changes related to sales channels or delivery models might lead to a situation where Fifax is in a weaker position than its competitors in responding to a new customer demand trend as a result of its prevailing organization and operating model.

The bases of competition include price, product quality, brand identification, customer service and promotional spending. Further, although the logistics and perishability of fish historically has led to regionalized competition, the market for fresh and frozen fish is becoming increasingly globalized as a result of improved delivery logistics and improved preservation of the products. Fifax's competitors may compete with lower cost structures and achieve lower prices, increasing demand for their products. As a consequence, Fifax's ability to maintain a competitive advantage could be adversely affected and it may be unable to compete successfully on any or all of these bases in the future.

Fifax's ability to compete successfully also depends on its ability to continuously innovate production and processing methods for land-based fish farming. Fifax has during its operations invested in the optimization of it processes and has made constant improvements to its production technology. As part of its strategy, the Company plans to make additional investments to improve the efficiency of its operations and its profitability. However, there can be no assurance that these investments will achieve expected returns, and Fifax may not be able to sustain its development of technologies due to factors such as lower than projected revenues and cash flows or a limited amount of financing to cover the costs of such investments. If Fifax is unable to continue to develop innovative methods and compete with competitors with attractive margins or if competitors are able to replicate or improve on Fifax's technologies in a more cost-effective manner than Fifax, this may adversely affect Fifax's competitive position, the demand for its products and consequently its revenues, cash flow and profits. The materialization of any of these events could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

9. Fifax's business is dependent on certain key customers and the trends affecting their business.

Fifax does not sell directly to consumers, making it dependent on certain key customers distribution channels to end consumers. Over 99 percent of Fifax's net sales in the financial year ended 31 December 2020 were attributable to Fifax's three largest customers. Consequently, Fifax is dependent on a limited number of key customers operating in the food industry and food services sector, and to a certain extent also their respective end customers in the consumer retail as well as the HoReCa sector. While the COVID-19 pandemic has in individual cases even had a positive impact on the revenues and profits of consumer retail companies, the effects have not been distributed equally among companies, resulting in a decrease in revenues and profits and even bankruptcies of many retailers. In addition, the restrictions placed on the ability of restaurants to be open for business as well as the amount of customers allowed on their premises has caused significant damage to the business of restaurants in Finland and Sweden, which has reduced their willingness and ability to explore using new and more highly priced sources of sustainably produced animal-based protein, such as the rainbow trout produced by Fifax. This has also had an impact on the business of wholesalers, who often depend on restaurants as their key clients.

Due to a large amount of Fifax's sales being concentrated to a limited number of key customers, with whom the Company has not entered into continuous, long-term agreements as at the date of this Offering Circular, the loss of any one of the largest customers may in itself result in a significant decrease of Fifax's revenues, as well as a loss of new business opportunities with a key customer or customers within the same sector. If a sector is concentrated to a few large customers (such as the consumer retail sector in Finland, with the three largest retailers accounting for over 90 percent of the entire sector)[27] Fifax may also have limited pricing power due to lower price competition on the buyer side than in sectors with more competing companies. Moreover, the failure to meet the demands of key customers may damage Fifax's professional reputation and reduce Fifax's attractiveness as a business partner among other existing or potential customers. A failure to form and maintain suitable and long-term customer relationships, for example with Finnish and Swedish restaurants, wholesalers and retailers, could require Fifax to keep and feed sellable fish in tanks, which could lead to additional costs and decreased sales

[27] Source: The Finnish Grocery Trade Association – Retail sales and market shares 2020.

compared to the levels estimated by the Company. Fifax's production can only to a restricted extent be adjusted to reflect possible decreased demand, since the operations of the Eckerö Production Facility primarily require a steady production that preferably runs at full capacity. Therefore, Fifax may be required to sell its products at a considerable discount. Such adverse developments could result in a need for Fifax to significantly amend its strategic focus and/or to seek new partners, which could increase Fifax's operating costs significantly.

While Fifax currently estimates that several prevailing trends are favorable to its products and business model, trends currently prevailing in the business sectors of Fifax's key customers (such as an increased offering of or demand for purely vegan ingredients and diets or campaigns emphasizing food which does not accommodate Fifax's products) could create a demand for entirely different set of products than the ones produced by Fifax. These could for example include completely vegan products, that do not contain any animal protein, or such fish products to which the features of the rainbow trout currently produced by Fifax is not best suited for. This would require further tailoring of Fifax's product range to meet new customer specifications, as well as recruitment and training of personnel with the required competences to meet the altered demands by customers, which may result in increased costs and reduce profitability. Materialization of any of the above factors could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

10. A disruption or malfunction in Fifax's logistics chain may require the selling of products with discounts, or result in failures to deliver Fifax's product in a timely manner and in accordance with agreements with customers.

Fifax has a single production facility in Eckerö in the Åland Islands, where it engages in the full range of activities in the production chain of rainbow trout from hatching the fish eggs to slaughtering and packaging. For the delivery and distribution of its products, Fifax relies on third-party logistics partners, who may be subject to disruptions affecting their personnel or equipment that may adversely affect Fifax's logistics chain. As Fifax sources and transports its products over long distances, most of which are perishable and can only be stored for a limited amount of time, any failure by Fifax's transport suppliers to fulfil their obligations according to plan could impair Fifax's ability to bring its products to the market. In addition, Fifax's limited number of suppliers, in particular for rainbow trout eggs and feed, entails an elevated risk of delayed deliveries or increased costs due to factors relating to suppliers and their delivery routes, and a risk that existing suppliers may not be able to meet Fifax's delivery requirements in terms of volume or timing. For example, restrictions imposed due to COVID-19 has previously disrupted established ferry routes from Denmark to Åland, which required additional planning of delivery routes for rainbow trout eggs and fish feed, and resulted in increased costs. These risks are elevated compared to a situation where a broader supplier base could provide compensatory and substitutive sourcing channels.

Any material disruptions or delays impacting Fifax's freight and logistics partners, such as surprising peaks in the demand or problems in the availability of transports or logistics personnel or damages or malfunctions impacting the cold storage machinery in transports or warehouses may prevent Fifax from distributing products to its clients in a timely manner. This may also affect the quality of the delivered product and, in the worst case, result in spoilage of the product. If Fifax is not able perform its obligations towards its customers, it may be subjected to claims for financial compensation based on non-delivery of orders and damage Fifax's reputation as a reliable trading partner. Fifax could also be forced to sell its product with high discounts if it is not able to deliver the freshest possible product due to delays or interruptions in the logistics chain, which would reduce the sales margins. Fifax's insurance coverage may be insufficient to cover any damages that may arise or to compensate Fifax for all losses that it may incur as a result of such events.

Further, Fifax may not be able to pass liabilities through to suppliers or otherwise defray costs related to product quality or safety issues. There can be no assurance that the suppliers will provide Fifax with sufficient refunds or indemnifications. Fifax could experience material product liability losses in the future and incur significant costs to defend any such claims. With certain suppliers the operation still functions with oral agreements. Such uncertainty within supply chain increases risk exposure to quality concerns since lack of clarity is often a driver for claims and disputes. Since the distribution of liability has not been defined in writing in advance, there could be significant uncertainty regarding the scope and distribution of liability between the parties in the event of disagreements. Larger customers may possess significant negotiation power in relation to Fifax, whereby the Company may have to accept liabilities for direct and indirect damages that are more extensive than is customary, in order to maintain a continued customer relationship. If for example Fifax in unable to deliver fish of agreed quality in a timely manner or in sufficient quantities, customers may demand price discounts from the Company or present compensation claims against the Company, not only for breach of agreement or insufficient execution

of an agreement, but also for costs incurred to the customer for purchasing substitutive products from other suppliers.

Any of the factors mentioned above could adversely affect the reputation of Fifax, reduce the demand for Fifax's products or result in additional costs, which could diminish Fifax's revenues and profits. If any of the above risks were to affect Fifax's logistics or supply chain, it could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

11. Fifax relies on a limited number of suppliers, manufacturers and third-party contractors, and a failure of any of these partners to perform their obligations in a satisfactory manner or a loss of any such partners could result in operational disruptions, failure to deliver products on time and increased costs.

Fifax relies on a limited number of third-party contractors, manufacturers and suppliers to, among others, provide design and technological services to its facilities and to provide feed, rainbow trout eggs as well as smolts. In some cases, there are only a limited number of suitable suppliers available for certain products. While Fifax is currently exploring possibilities to diversify its supplier base, AquaSearch is for example currently Fifax's only supplier of rainbow trout eggs and BioMar is the only supplier of feed. Fifax is substantially dependent on these suppliers' capability and willingness to make timely deliveries of sufficient quality, and Fifax is consequently vulnerable to risks particular to these suppliers, over which Fifax has no control. With respect to eggs in particular, Fifax is subjected to a risk of potential diseases originating from an individual supplier's hatcheries or variations in the quality and size of the delivered eggs, which may, in turn, affect the quality, look and growth prospects of the fish. In addition, the IHN virus infections encountered in Danish smolt farming facilities in the summer of 2021 caused uncertainty concerning the availability of smolts, as the Danish authorities placed a temporary export ban on deliveries. Although the export bans have subsequently been removed, Fifax's Danish supplier of smolts was at first unable to confirm its delivery capability or schedule in the summer, as there was no full certainty about the length of the ban or the extent to which the disease had spread. In addition, according to the Company's knowledge, new IHN cases have been identified in Denmark in September 2021, and it is possible that the virus has spread to Finland as well. Although Fifax's fish have not been exposed to the virus in question and the Company's management monitors the development of the situation, the Company's management estimates the risk of infections in a closed facility to be relatively limited, there can be no full certainty that similar cases of disease could not also spread through products of suppliers to the fish grown by Fifax.

Fifax also relies on certain contractors in connection with the design and maintenance of its RAS systems, which are complex and delicate systems that require precise and immediate attention. Fifax depends on these contractors for the seamless operation of its infrastructure. The quality of performance by such third-party contractors and suppliers is beyond Fifax's control, and the failure of such third-party providers to perform could lead to technical errors, the loss of power, limits in capacity, breaches in routine and system failures, all of which could result in fish mortality and a reduction in the fish stock, which would in turn have an adverse effect on, or otherwise harm, Fifax's reputation, business, financial condition and operating results. Suppliers may also deliver products of subpar quality. Products such as fish feed could turn out to be contaminated or to not be at a satisfactory quality in other ways, and thus may be a violation of law and may lead to product liability claims, product recalls, increased scrutiny and penalties, including injunctive relief and plant closings by regulatory agencies, and adverse publicity. Suppliers may also fail to deliver sufficient quantities of products required for Fifax's operations, and there can be no assurance that Fifax's current suppliers would be able to accommodate Fifax's growth or continue to supply current quantities at preferential prices. Especially during seasons of peak demand, such failures to perform or to deliver the agreed products could cause Fifax to experience a significant disruption in its ability to produce and deliver its own product to its customers.

If Fifax needs to replace an existing supplier or partner, it may be unable to supplement or replace them in a timely manner or on acceptable terms without business interruption, incurring material additional costs and/ or substantial delays, which may undermine Fifax's production capacity and quality. For example, it may take a significant amount of time to identify a feed supplier that has the capability and resources to provide enough feed of the correct quality and composition to meet Fifax's daily needs to meet growth projections. Identifying suitable suppliers, manufacturers and contractors is an extensive process that requires significant time investment from Fifax and key executives. The non-satisfactory performance or loss of suppliers as well as failure to replace suppliers and broaden Fifax's supplier base may result in disruptions to its production and logistics process, which could result in Fifax not being able to produce and deliver its products to customers in time or in sufficient amounts. This could result in decreased cash flow, revenues and profits, damage to Fifax's reputation as a reliable trading partner or the loss of customers. Any such events, if materialized, could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

12. Fifax's business involves certain operating risks which are characteristic for land-based Fish farming, such as potential fish mortality or the loss of eggs, and Fifax's insurance may not be adequate to cover all insured losses or liabilities that Fifax might incur in operations.

Fifax has insurance policies in place with respect to general liability, builder's risk, property damage, flood and workers' compensation. Fifax maintains insurance policies from unaffiliated commercial carriers, which cover losses to the extent they exceed deductibles. However, Fifax's insurance may not be adequate to cover all losses or liabilities that it might incur in its operations. Furthermore, Fifax's insurance may not adequately protect it against liability from all of the hazards of its business. In addition, for certain of these risks, such as the loss of eggs or a reduction in the fish stock, there are limited insurance carriers in the market. Fifax has obtained insurance for, among others, its production facility, buildings, machinery and for the eventuality of increased fish mortality or losses of fish due to sudden or unforeseen events. However, the compensations payable under the insurance policies are limited, covering only specific amounts of insurance or specific damages defined in the insurance terms, and involve deductibles. Consequently, they may not be sufficient to cover significant damages to Fifax's property or business operations. For example, Fifax's fish stock insurance does not fully cover the damages from the fish mortalities resulting from the disruption of the oxygen feed system in May 2021. As a result of market conditions, premiums and deductibles for certain of Fifax's insurance policies, particularly in relation to fish mortality, are already relatively high due to the limited number of insurance companies that provide such policies, and may even substantially increase. In some instances, certain insurance may be unavailable or available only for reduced amounts of coverage or excessive premiums. Consequently, Fifax may be unable to maintain or obtain insurance of the type and amount it desires at a reasonable cost. If Fifax was to incur a significant liability for which it was uninsured or for which it was not fully insured, it could have a material adverse effect on Fifax's business, financial condition, results of operations as well as its future prospects and the value of the Shares.

D. Risks Relating to IT Systems and Intellectual Property

1. If Fifax is unable to protect its trade secrets, its competitive advantage could be eroded.

Fifax is a knowledge-intensive organization, and much of Fifax's competitive advantage is based on the knowledge the Board of Directors, the Management Team and key employees have of Fifax's operations and industry. Fifax is dependent on being able to protect its trade secrets and know-how relating to its production and distribution process, which are not covered by patents or other intellectual property rights capable of registration. This applies in particular, to the know-how related to the construction, maintenance and operation of the current RAS facility, which may also be utilized in constructing new facilities and/or through commercial licensing to third parties.

Fifax has limited the access to competitively sensitive confidential information on a need-to-know basis, and has included confidentiality, non-competition and non-solicitation clauses in agreements with its management and key employees. However, Fifax may fail to maintain trade secrets and other confidential information or fail to protect such information using legal means, or such information could become known in another way because of circumstances beyond Fifax's control. There can be no assurance that employees, consultants, advisors, business partners or customers with access to trade secrets and other confidential information would not seek to disseminate or otherwise use this information in a manner that could damage Fifax's competitive advantage by providing competitors with access to Fifax's proprietary information.

If Fifax fails to secure the confidentiality of its trade secrets and know-how, or if such information is transmitted, delivered, disseminated or spread without Fifax's approval, this could have a material adverse effect on Fifax's competitive position. Access by competitors to such information would also mean that Fifax's substantial investments in developing know-how may not result in the revenues and profits which have been projected to cover expenditures, and failure to protect know-how about the construction, operation and maintenance of a successful RAS facility may result in lost commercial licensing opportunities. The materialization of any of these effects could have a material adverse effect on Fifax's business, financial condition, results of operations as well as is future prospects and the value of the Shares.

2. Fifax may not be able to develop or protect its intellectual property in all circumstances and may even be subjected to claims of intellectual property infringement.

Fifax's success depends in large part on its proprietary technology, in particular its proprietary know-how concerning the land-based RAS technology, as well as trade secrets, Fifax's brand and other intellectual property rights. Fifax relies on, and expects to continue to rely on trade secret laws and other laws regarding intellectual

property, as well as confidentiality and license agreements with its employees, contractors, consultants and third parties with whom it has relationships to protect its business and intellectual property rights. Fifax's long-term competitive advantage depends, in part, on its ability to protect its intellectual property rights. However, there can be no assurance that Fifax's intellectual property rights will be sufficient to protect against other companies that are substantially similar to Fifax's and that compete with its business. There is a general risk of third parties attempting to use substantially similar technology to build competing businesses.

Fifax's intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Fifax may also be subject to claims of infringing the intellectual property rights of third parties. Consequently, Fifax may be required to spend significant resources to monitor and protect its own intellectual property rights or to defend itself against claims of infringement. Litigation relating to the enforcement of Fifax's rights or defending Fifax against infringement claims could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of its intellectual property or liability for damages. Furthermore, Fifax's efforts may be met with defences, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. Fifax's failure to secure, protect and enforce its intellectual property rights or to defend itself against claims of infringement could seriously damage its business. In particular any failure by Fifax to safeguard its accumulated know-how in all aspects of the business process, from construction of facilities to all aspects of the operation, may result in limitations on Fifax's ability to leverage such know-how to achieve further growth, either through potentially constructing new facilities or by licensing its know-how to third parties. The materialization of any of these effects could have a material adverse effect on Fifax's business, financial condition, results of operations as well as is future prospects and the value of the Shares.

3. Malfunctions or cybersecurity breaches of critical IT systems could adversely affect the growth and wellbeing of the fish stock or disrupt Fifax's production process.

Fifax's production process is highly automatized and dependent on the seamless and uninterrupted operation of a number of different systems. For example, Fifax's operations depend on the maintenance and monitoring of water quality in general, and in particular keeping various gases in the tanks at specific levels, and such maintenance and monitoring depend to a large extent on the uninterrupted performance of Fifax's IT systems. Maintaining sufficient water quality is critical for the growth and wellbeing of Fifax's fish stock.

Fifax currently utilizes production and system software licensed by external service providers, primarily AKVA Group, along with its self-developed proprietary software. Due to the fact that several systems by different providers operate together in the production process, there is a risk that they may exhibit deficiencies in interoperability, which may result in slow-downs or disruptions in production processes, or even damage to production facilities and equipment.

Threats to network and data security and the uninterrupted performance of IT systems are increasingly diverse and sophisticated and Fifax's proprietary computer systems and those of third parties that it uses in its operations are vulnerable to cybersecurity risks. Any cyber attack or other security breach could jeopardize the performance of Fifax's IT systems leading to a disruption or tampering of Fifax's systems and, potentially, a reduction of the fish stock. Any cyber attack that attempts to disrupt system service or otherwise access Fifax's IT systems or those of third parties which Fifax uses, if successful, could adversely affect Fifax's business, financial condition and operating results and be expensive to remedy. Any unauthorized access to Fifax's systems may also result in the theft of trade secrets or intellectual property, production outage, possible damage claims, disruptions in Fifax's business, and unforeseen additional expenses for remedying the situation or mitigating its effects. Even if there is no cybersecurity breach by an external party, technological errors and system disruptions may be caused by factors such as, among others:

- human error;
- willful or negligent misconduct by employees;
- unforeseen errors resulting from system maintenance and upgrading activities; or
- power outages or surges, storms, fires or other natural phenomena or accidents.

Any disruption or malfunction could affect the performance of such systems or even result in them shutting down, which may lead to damage to production equipment or a reduction of the fish stock due to disruption in the operation of the RAS system or the maintenance of water quality. This could require costly maintenance or corrective measures, which may not be covered by Fifax's insurance coverage. Furthermore, allegations of cyber

security breaches or other failures of safeguarding or ensuring the continued performance of IT systems could have a negative impact on Fifax and its brand and reputation. If any of the above risks were to affect Fifax's IT systems, this might lead to unexpected costs and malfunctions or interruptions of operations, which could have a material adverse effect on Fifax's business, financial condition, results of operations as well as is future prospects and the value of the Shares.

4. Fifax may not be able to execute successful marketing campaigns or build its brand to increase awareness and acceptance of its products that would increase demand.

Fifax may not be able to realize expected benefits and growth prospects from its marketing and advertising initiatives, conducted mainly through services outsourced to third-party marketing partners, if it is unable to execute them successfully. In addition, other factors outside of Fifax's control, such as increased competition or deterioration of general economic conditions, may limit Fifax's ability to capitalize on business opportunities and expand its business. Fifax's success and growth depends on its ability to manage and execute its marketing and advertising initiatives together with its marketing partners, including educational marketing which supports raising awareness of the benefits of sustainable production of rainbow trout in land-based RAS production facilities, in order to reinforce its customer proposition and encourage customers to switch from other sources of protein to Fifax's product as part of their diet. Insufficient or unfavorable publicity concerning Fifax, any of its brands or products may have a material adverse effect on Fifax's customer loyalty and public image, and the possible subsequent decrease in sales could have a material adverse effect on Fifax's business, financial condition, results of operations as well as is future prospects and the value of the Shares.

E. Risks Relating to the Management and Employees

1. Fifax's future success depends on the continuing efforts of its key employees and the Company's ability to attract and retain highly skilled personnel and senior management.

Fifax's future success depends, in part, on its ability to continue to identify, attract, develop, integrate and retain qualified and highly skilled personnel, including senior management and technical experts with in-depth knowledge about the construction, operation and management of Fifax's land-based ultra-intensive RAS system.

Competition for highly skilled personnel in the fish farming industry is often intense, and the industry is of limited size. In particular, there are few professionals with extensive experience and required skills to oversee and develop the construction, maintenance and operation of the land-based ultra-intensive RAS system of the kind Fifax uses in its production facility. Fifax may not be successful in attracting, integrating or retaining qualified personnel to fulfil its current or future needs. While Fifax has been able to recruit sufficient personnel for its production process, it may experience difficulties in hiring and retaining highly skilled employees with appropriate qualifications in the future. As particularly management and high-skilled experts with required knowledge and experience of land-based fish farming processes are in short supply, Fifax may experience harsh competition for the best talent. This may result in Fifax not being able to recruit the managers and experts it requires for the maintenance or expansion of its operations, and its existing managers, experts and production personnel may be subjected to recruitment attempts by competitors. In addition, job candidates and existing employees often consider the value of the equity-linked awards they receive in connection with their employment. If the value of Fifax's Shares declines, it may adversely affect Fifax's ability to hire or retain highly skilled employees. In addition, Fifax may periodically change its equity-linked compensation practices, which may include reducing the number of employees eligible for equity-linked awards or reducing the size of equity-linked awards granted per employee. If Fifax is unable to attract, integrate or retain the qualified and highly skilled personnel required to fulfil its current or future needs, Fifax's business and future growth prospects could be harmed.

Should any of the members of Fifax's senior management or its technical or production staff choose to leave the Company, this may result in a loss of accumulated know-how concerning the production process, as well as the construction of production facilities. This may increase the risk of production-related problems, described in more detail under "*C. Risks Relating to Fifax's Operations and Business Activities – 4. Fifax has a single site of operation, and any malfunction or disruption affecting its production systems, which could adversely impact production and financial performance.*" above, result in longer repair and maintenance times and/or increase the time for achieving normal production levels in the event of stoppages due to accidents, other incidents or maintenance measures in relation to certain parts of the production process. In addition, as much of Fifax's competitive advantage is based on the knowledge concerning the industry and operations of the Company that its management and key employees possess, the decision of members of its management or key employees to accept

a position with other companies operating in the fish farming industry after the non-competition clauses in their agreements have expired, could result in accumulated know-how being transferred to competitors, which may weaken Fifax's competitive edge.

Even if key employees or members of Fifax's management would not take up employment or management positions at competitors, a significant number of employees leaving the Company could result in staffing constraints of factory employees in the production, slaughtering and packaging of fish. This could adversely affect Fifax's ability to meet the demands of customers in a timely fashion, adequately staff existing or new production facilities, or to support its internal research and development programs.

The materialization of any of these factors could have a material adverse effect on Fifax's ability to commercialize and implement the accumulated know-how of its senior management and key employees and weaken its competitive position, which could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

2. ***Employee-related accidents or outbreaks of sickness among employees may result in increased absence or disruptions to the production process, which may affect Fifax's production process and sanctions imposed by authorities.***

Fifax is subject to a risk of its employees being in work-related accidents that may lead to personal injuries and absences due to sickness. Accidents may be caused by a variety of reasons, such as malfunctions of machinery and other equipment, human-related errors, slips or falls at the production facility. Seasonal sicknesses, local epidemics or even global pandemics may also result in increased sickness-related absences, and Fifax may be required to take special precautions to ensure the safety and health of Fifax's employees at the workplace.

Certain individuals among Fifax's personnel have previously been subjected to COVID-19. While the cases have so far been few and have been contained without any significant effects on production, there is a risk that the further spread of the virus or new mutations may result in an increasing number of Fifax's employees being infected. This may adversely impact Fifax's production process and require it to scale down or even temporarily interrupt its activities, particularly if employees engaged in the more labor-intensive production phases, such as the moving of fish between the tanks or slaughtering, are affected. Even if Fifax's employees would not be directly affected or if temporary replacement personnel could be recruited, local, regional and national authorities may impose restrictions on the movement of people and goods, and businesses in general or Fifax in particular may be required to limit the scope of operations or even close down certain production facilities to protect employees and contain the spread of the virus. This would have a material adverse impact on Fifax's ability to make sufficient or timely deliveries to its customers, which could result in decreased revenues and profits, and even subject Fifax to contractual liability for alleged failure to perform its duties under customer contracts. As a result of accidents or employee health-related incidents, Fifax may also be subjected to investigations or even sanctions by occupational health and safety authorities. Any breach of health and safety regulations related to Fifax's operations, failure to comply with the guidelines issued by health and safety authorities and/or incidents affecting the occupational safety of Fifax's employees may lead to, among others, costs related to premature disability pensions and ensuring compliance with legislation and regulations in the future, reputational damage, claims for damage and sanctions based on criminal law. The materialization of any of the above risks may have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

3. ***Protractions in negotiations of collective bargaining agreements, unfavourable results from negotiations of collective bargaining agreements or industrial actions in connection with negotiations concerning the staff of Fifax may increase Fifax's costs and adversely affect the operations of the Company's production facilities.***

Many of Fifax's employees are covered by the Finnish collective bargaining agreement of the food industry, which is valid until 31 January 2023. While it decreases the risk of Fifax being subject to any industrial actions, the agreement limits Fifax's flexibility in terms of salaries, working hours and vacations, among others. Although this does not represent a significant constraint on Fifax's part and Fifax believes its relations with employees and unions are good, collective bargaining agreements are from time to time subject to renegotiations which may expose Fifax to certain risks, which may be beyond its control.

Trade unions and employer organizations may not always be able to negotiate new agreements before the expiration of effective agreements. Any prolonged collective bargaining agreement negotiations may result in

labor disputes and industrial action, and could lead to a deterioration in Fifax's relationship with its personnel. Prolonged negotiations may expose Fifax's operations to an increased risk of significant disturbances and stoppages caused by strikes or other industrial actions. While Fifax is able to grow rainbow trout in its current production facility even with more limited staffing for a certain amount of time, longer stoppages could have a harmful effect on the Company's ability to maintain its production targets. In such situations, it may be challenging or even impossible for Fifax to obtain replacement employees to maintain the production facility, especially if otherwise available skilled persons are union members and participate in the industrial actions. In addition, the significant amount of manual labor required for the slaughtering process may result in difficulties to produce the final product of fish meat once the fish have reached their slaughtering size. In such an event, the Company could face increased costs for feeding the fish, in order to keep them alive, without the possibility to receive proceeds for the sale of slaughtered fish.

There can be no assurance that Fifax's future agreements with labor unions can be negotiated to the long-term benefit of Fifax. In addition, the results of negotiations, mediations and arbitrations concerning the agreements may not necessarily be consistent with Fifax's expectations, and may lead to a decrease in Fifax competitive strength. Even successful negotiations may result in unfavorable employment terms for Fifax, such as salary inflation or otherwise increase Fifax's employment-related costs with the effect that it is not able to compete with some competitors that have more flexible personnel cost structures. An increase in costs could also slow down the turning of Fifax's currently loss-making business operations to profitability, or even prevent it altogether. The materialization of any of the above risks may have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

F. Legal, Regulatory and Compliance Risks

1. Fifax's failure to comply with laws and regulations could negatively affect its business.

The fish farming and processing industries are subject to local, regional and national governmental regulations relating to, inter alia, the farming, processing, packaging, storage, distribution, advertising, labelling, quality and safety of food products and the environment.

Meeting regulatory requirements and compliance with applicable laws and regulations, as well as monitoring and reacting to amendments and changes thereto, may necessitate Fifax to make investments in administrative compliance functions as well as operating management, and associated costs may impact the profitability of Fifax's operations. Any excessive delays in implementing such measures may result in failure to comply with applicable laws or regulations and their interpretations. This could have serious consequences for Fifax's business and operations, including the possibility of criminal, civil and administrative penalties, loss of production, injunctions, product recalls and negative publicity.

Even if Fifax would ultimately be acquitted of any charges, administrative or court proceedings to establish Fifax's compliance with applicable regulations may result in significant legal costs and require expenditure of management resources. There can be no assurance that Fifax would be able to recoup any such costs through its insurance policies or otherwise, or that management attention diverted towards dispute resolution and litigation would not result in operative management not receiving sufficient attention. Conversely, the absence of or a prolongation in the drafting schedule of or a delay in enactment of appropriate regulations may cause uncertainty and impede planning of business operations and adaptation to regulatory requirements. Moreover, impractical, inadequately drafted or ineffectively implemented regulation may enable continued operations or expansions for competitors that employ less sustainable farming practices, with lower costs compared to Fifax or other companies that engage in sustainable land-based fish farming. This may in turn lead to a decreased ability for Fifax and other companies engaging in sustainable land-based fish farming to implement and promote sustainable practices profitably.

Any penalty, sanction, competitive disadvantage caused by regulation or implementation thereof, inability to maintain or obtain new e.g. software licenses and/or loss of license may have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

2. ***Fifax is subject to regulatory requirements concerning food safety, and founded or unfounded claims appearing in public regarding inadequate compliance with such regulations may significantly damage Fifax's brand and reputation, and non-compliance with such regulations may result in administrative or criminal penalties.***

As Fifax's end products are for human consumption, compliance with food safety standards are of critical importance, and any food safety issues may have a negative impact on the reputation of and demand for Fifax's products. Fifax's product quality is subject to internal control, monitoring by food health authorities and testing carried out by Fifax's customers. Fifax's almost completely closed-loop production method results in limited effects from external factors, such as environmental factors and water disturbances. However, there can be no assurance that Fifax's product could not experience food safety or quality-related issues, or that Fifax could not be impacted by food safety concerns affecting the broader fish farming or general food industry, even without any wrongdoing on Fifax's part.

Fifax or the fish farming industry may also be subjected to complaints from its customers, employees, competitors or other third parties in social media channels, alleging injury, health, environmental, safety or operational concerns, negligence or failure to comply with applicable laws and regulations. Any allegations, whether justified or unfounded, of deficient food safety concerning the farming of rainbow trout or even spoiled/contaminated rainbow trout meat could be made towards Fifax, or other companies in the fish farming industry. The real or perceived sale of contaminated rainbow trout by Fifax could result in product recalls, product liability claims against Fifax or its suppliers or investigations by authorities, which may result in administrative or even criminal penalties.

Rumors or unfounded allegations may appear in the public, claiming that e.g. the fish farmed in land-based fish farming facilities is of poor quality, has a bad taste or has adverse health effects. Such allegations may, regardless of their truthfulness, result in decline of trust towards Fifax or the rainbow trout it produces. Negative publicity concerning product safety may also damage the reputation of the whole industry, and generally lead to the decrease in demand for farmed fish products. The latter scenario could materialize even if there was no wrongdoing on Fifax's part. Such negative publicity may result in a loss of trust by consumers and consequently a decline in customer demand or the re-directing of demand towards other fish products or even other sources of animal- or plant-based proteins. Any loss of customer confidence or negative publicity affecting Fifax or the fish farming industry concerning food safety may have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

3. ***As a company based in the Åland Islands, Fifax is subjected to certain local regulations and may in the future be subject to local regulations that do not apply to other Finnish companies, which may not be favorable to Fifax or its operations.***

As Fifax is domiciled in Eckerö in the Åland Islands, Fifax is subject to certain regulations which are not applicable to companies domiciled in mainland Finland, due to the fact that the Parliament of Åland has the authority to enact certain local laws and regulations and the Government of Åland exercises certain provincial powers normally exercised by representatives of the central Finnish government. Among others, Fifax is under the terms of its current business license in Åland required to comply with certain requirements concerning the composition of its Board of Directors, the use of local employees as well as the requirement to conduct its operations in the Swedish language. While local regulation has so far been beneficial to Fifax and the requirements for business licenses have recently been relaxed, there can be no assurance that the regulatory environment in Åland or all of Finland would not change in a manner that would be unfavorable to Fifax, and such changes are beyond Fifax's control. As a result, local authorities in Åland or Finnish authorities could amend regulations or interpret them in a manner that is unfavourable for Fifax, which could increase the costs or restrict Fifax's operating conditions, operational flexibility or maneuverability. Any adverse change in local regulations or regulations concerning all of Finland, or interpretations thereof, could put Fifax at a competitive disadvantage compared to other Finnish companies and thus result in an additional administrative burden or increased costs, which could, in turn, have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

4. ***Fifax's failure to comply with regulations relating to environmental pollution and building regulations could result in sanctions and would adversely impact Fifax's reputation and brand.***

Regulatory impositions due to environmental or animal welfare concerns may materially impact Fifax's operations and financial condition. Fifax emphasizes organizing its operations so that the risk for unexpected measures is

reduced, but there is always a latent risk that the regulatory authorities will impose restrictions and/or sudden changes in the regulatory framework of the industry. Fifax has been subjected to criminal proceedings concerning an environmental offence, in which it was convicted of impairment of the environment in December 2020 and was ordered to pay a fine (see "*Legal and Administrative Matters of Fifax – Legal Proceedings and Disputes*" below). While the matter has been settled and Fifax has made the required adjustments to its operations to prevent any further incidents, there can be no assurance that Fifax's operations would not cause any environmental issues or that Fifax would not be subjected to administrative or criminal proceedings concerning the environmental impact of Fifax's operations.

Fifax's business and operations are subject to, among others, laws and regulations concerning environmental, animal health and wellbeing and building regulations. The impact of Fifax's operations on the environment is linked to discharge of organic material (fish feces) and the intake and outflow of seawater used in its production facility, which are associated with risks of environmental liability, including leakage from its operations to surface or subsurface soils, surface water or groundwater in connection with Fifax's operations. Some environmental laws and regulations may impose strict liability, joint and several liability, or both. Therefore, in some situations, Fifax could be exposed to liability as a result of its conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties without regard to whether Fifax caused or contributed to the conditions. Actions arising under these laws and regulations could result in the shutdown of Fifax's operations, fines and penalties, expenditures for remediation or other corrective measures, and claims for liability for property damage, exposure to hazardous materials, exposure to hazardous waste or personal injuries. Sanctions for noncompliance with applicable environmental laws and regulations also may include administrative, civil or criminal sanctions, revocation of permits, temporary or permanent cessation of operations in a particular location and issuance of corrective action orders. In addition, in certain instances strict liability is attached to such permits.

Fifax has the right to engage in fish farming and fish processing on the Åland Islands, in addition to which it is allowed to also own, possess and trade in real property and securities. The Company's activities do, however, not require environmental permits. In the future, Fifax may need to obtain environmental or other permits issued by authorities in order to be able to carry out the construction and operation of potential new facilities. There can be no assurances that such licenses will be obtained on schedule, or at all. Fifax's failure to obtain or maintain, or loss of, any of the permits it requires to operate its business could materially impact production and results of operations. Future changes in applicable regional, national and international laws and regulations could also result in increased operational and compliance costs, investments in new equipment and production processes, and a need for management to divert attention from purely operational activities to ensuring compliance with new guidelines and regulations. Failure to obtain or maintain required licenses or to ensure compliance with environmental and other regulation may result in additional costs, divert management resources from operational matters and damage Fifax's reputation, all of which, if materialized, could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

5. Fifax has been subjected to, and may in the future be subjected to complaints and litigation which could damage Fifax's brand and reputation and divert management resources.

In the past, Fifax has been subjected to disputes and litigations both from public authorities and private parties and has, as at the date of this Offering Circular, certain unsettled disagreements with AKVA Group, F-Fast and Byggnadsfirma Hans Mattson Ab (see "*Legal and Administrative Matters of Fifax – Legal Proceedings and Disputes*"). Such disputes involve costs related to dispute resolution and litigation, and they require management resources and attention which may have to be diverted away from strategic and operational matters related to the business operations. In the future, Fifax may also be subjected to complaints or litigation from its customers, employees or other third parties, alleging injury, health, environmental, safety or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations. If Fifax were to be found liable for any claims or complaints, for instance claims relating to certain product or service deficiencies, this may lead to unexpected and surprising fines, payments or damages, which may have a material adverse effect on Fifax's business, results of operations, financial position and future prospects. Even if successfully resolved without direct adverse financial effect, such complaints or claims could have a material adverse effect on Fifax's brand and reputation and divert its financial and management resources from business development as well as other purposes that would be more beneficial Fifax's business operations. Any litigation by private parties or public parties may result in increased costs and divert management attention and resources from operational and strategic matters and consequently the development of its operations, all of which, if materialized, could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

G. Financial and Tax-related Risks

1. Fifax's working capital is not sufficient to meet its requirements and thus the continuity of Fifax's operations may be compromised.

As at the date of this Offering Circular, Fifax estimates that it does not have sufficient working capital to cover its current needs for the following 12 months as of the date of this Offering Circular (see "*Capitalization and indebtedness – Working capital statement*"). As at the date of this Offering Circular, Fifax estimates that its current working capital would only suffice until the end of October 2021.

According to the view of Fifax, if the Offering is executed according to the planned schedule, the proceeds from the Offering (together with the available cash and cash equivalents) ensure sufficient working capital for Fifax for its current working capital needs for at least the following 12 months as of the date of this Offering Circular. If the Offering is not executed at all, or it is executed only in part or its execution is delayed, Fifax intends to acquire additional debt or equity financing or adjust its cost structure. If no additional financing is received, Fifax may face serious financial distress and the continuity of its operations may be compromised, and this could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects or the price of the Shares.

2. Fifax needs additional capital in the future in order to fund the growth of its business, and there can be no assurance that additional funds will be available on a timely basis, on favorable terms, or at all, or that such funds, if raised, would be sufficient to enable Fifax to continue to implement its business strategy.

Fifax has applied certain assumptions in determining its future funding requirements and sources of capital, and such assumptions may turn out to be incorrect. According to the estimate of Fifax management, the proceeds of the Offering are not going to be sufficient to completely fund Expansion Phase 1 of the Eckerö Production Facility planned by Fifax. Completion of Expansion Phase 1 requires, in addition to completion of the Offering, also additional financing in the form of debt capital and possible investment grants. A planning process regarding financing is under way and Fifax's management believes it will be able to secure the required financing. The execution of Expansion Phase 2 requires, in addition to the financing obtained for the first phase, that additional financing, in the form of equity or debt capital, is obtained. Fifax is also exploring options to obtain investment grants for the Expansion on an EU, national or provincial level. In particular, the expansion work of the existing facility or the construction of potential new production facilities will therefore require additional external financing in the future. Even if Fifax would initially have sufficient funding for such purposes, the successful construction of new land-based RAS farms will depend on numerous factors, some of which are outside Fifax's control. Changes in Fifax's plans could also result in the need for additional funds. If Fifax is unable to refinance its existing debt obligations at reasonable terms or at all in the future, this may result in increased capital costs and constrain the Company's liquidity, exacerbating difficulties with funding its current or potential new operations. In addition, Fifax has not achieved profitability during its entire operating history and the potentially associated uncertainty around its profitability and creditworthiness may affect the availability of financing. If Fifax in unable to obtain additional financing on terms that are commercially viable, it will not be able to carry out the Expansion of the Eckerö Production Facility at the planned scope, or at all.

In the event that cash flows from operations and cash on hand are insufficient, there can be no assurance that Fifax will continue to be able to obtain, on a timely basis, sufficient funds on terms acceptable to Fifax in order to maintain adequate liquidity and to finance the operating and capital expenditures necessary to increase its capacity, attract customers and competent employees and thereby increase its revenues to offset its operating expenses. If Fifax's revenue does not grow at a greater rate than its operating expenses, Fifax will not be able to achieve and maintain profitability, and it may have to obtain additional financing to finance investments. Changes and uncertainties in the general macroeconomic situation or tightening regulation in the banking and financial sector could also tighten the terms of financing available for Fifax, which may lead to higher costs of capital and, therefore, more limited growth opportunities. Financing may not be available on favorable terms or in a timely manner, or at all. Further, the tightening of available financing can affect the disposable income of customers, and general consumer confidence.

Failure to generate additional funds and to maintain adequate liquidity, whether from operations or additional debt or equity financings, may require Fifax to delay or abandon some or all of its planned expenditures or to modify its business strategy. Further, the ability of competitors to raise capital more easily or on more favorable terms could create a competitive disadvantage for Fifax and any future borrowings and financing arrangements may be

subject to covenants which limit Fifax's operating and financial flexibility resulting in a decrease in Fifax's capability to engage in business opportunities. This could further adversely affect Fifax's ability to finance the operating and capital expenditure necessary to pursue further growth initiatives, resulting in their delay or indefinite postponement. Any failure to obtain necessary additional funding could also materially and adversely affect Fifax's ability to make payments to its creditors. If materialized, any lack of sufficient funding, restrictive terms of financing or additional financing costs could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

3. Fifax has incurred operating losses in the past and may not achieve or maintain profitability in the future.

Fifax has incurred operating losses each financial year since it was established in 2012, and its net loss for the financial year ended 31 December 2020 was EUR 8.395 thousand, and for the six-month period ended 30 June 2021 EUR 6,970 thousand. These losses have resulted from Fifax's investments in the construction and development of its Eckerö Production Facility, hiring and training of personnel, investments in research and development and marketing costs. Fifax's auditor has in its audit drawn attention to uncertainties related to Fifax's continued operations as a going concern. There are uncertainties associated with the Company's continued business operations due to the Company's operations being loss-making, which has required the Company to secure additional equity and debt financing through share issues and loans that include share conversion clauses, renegotiation and restructuring of lease liabilities and lease payment schedules, renegotiation of and existing loans as well as to obtain new loans from credit institutions.

Although Fifax expects to achieve full production capacity in its Eckerö Production Facility during the first half of 2022, achieving profitability depends on Fifax's ability to develop and maintain existing and potential production capacity, develop the RAS technology and to increase demand for Fifax's products. Necessary steps include, among others, successful further increases in capacity, exploring possibilities for expansion through expansion of the existing production facility or the construction additional production facilities, negotiating new agreements with customers and increased marketing and sales efforts to increase awareness of Fifax's product to generate more prospective customers.

These efforts and the associated additional operating expenses may be costlier than expected, and Fifax there can be no assurance that it will be able to increase its revenue to offset the higher expenses. Fifax's ability to earn revenues and the timing thereof are not certain, and achieving revenues does not assure that Fifax will become profitable. Revenue growth may slow, or revenue may decline for a number of other reasons, including reduced demand for Fifax's product, increased competition, failure to capitalize on growth opportunities or a decrease in the growth of, or a reduction in the size of Fifax's overall market. Any sustained or increased losses and/or higher costs or lower revenues than predicted may result in reduced profitability which, if materialized, could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

4. Fifax's actual tax benefits or tax liabilities may be materially different from estimates or expectations, and weak profit development may prevent Fifax from utilizing its adopted losses in future financial periods.

Fifax's income tax expenses are based upon its interpretation of the tax laws in force at the time that an expense is incurred. Fifax has not been subjected to a tax audit during the course of its operations, and there can be no assurance that tax authorities would not conduct audits and claim that Fifax's tax liabilities are higher than those already paid. Fifax may also not be able to utilize accumulated tax assets as planned.

Based on confirmed losses of approximately EUR 21.4 million Fifax has deferred tax assets not recorded on the balance sheet in the amount of approximately EUR 4.3 million. In accordance with the precautionary principle, the Company has not recognized the confirmed losses and the loss to be confirmed for the financial year 2020 as deferred tax assets in its balance sheet Currently unused tax losses expire between 2023 – 2029, and it is possible that Fifax may not be able to use said losses in future taxation. Any potential latent tax assets may not be realized, and accrued losses can be used only if Fifax generates future taxable income covering the losses. Fifax's ability to produce taxable income is dependent, in addition to Fifax's own actions, on the general economic, competitive, financial, legislative and other factors that are beyond Fifax's control. If Fifax does not generate enough profits in the future to be able to use the accrued losses fully or in part, this could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares. During Fifax's operations the Company's ownership has also changed significantly with several rounds of financing and its ownership will change as a result of the Offering. According to Finnish tax legislation, a loss cannot be deducted

in a company's taxation if during or after the year of the loss more than half of the shares have changed ownership, other than through inheritance or a will, or more than half of its shareholders have changed. As a result of this, it is possible that the accumulated losses cannot be utilized. The Finnish Tax Administration may grant the right to deduct a loss despite the change of the ownership for special grounds upon application, but there can be no certainty that such an application would be approved. With regards to earlier changes of ownership, Fifax has received an affirmative decision from the Finnish Tax Administration to an application concerning the right to deduct losses . As a result of new changes in ownership resulting from FN Listing, it is however possible that the Company must make a new application to the Finnish Tax Administration, and there can be no assurance of a new affirmative decision.

Fifax's tax liabilities may vary due to changes in tax laws, treaties or regulations or the interpretation of their content or enforcement thereof. In certain cases, such changes may also be implemented with retrospective effect. If applicable laws, treaties or regulations change, or if Fifax's interpretation of the tax laws would prove to be different from the interpretation of the same tax laws by tax authorities, this could result in additional tax liabilities, and even punitive tax increases. Even if any disputes with tax authorities would result in rulings in favor of Fifax, such processes are likely to result in significant costs, and may require Fifax's management to divert their attention away from operational and strategic matters. Any additional taxes or governmental processes differing from Fifax's expectations may lead to significant costs and thus reduce Fifax's profit and profitability, which could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

5. ***The terms and conditions of Fifax's financing agreements and investment grants, such as financial covenants, may restrict its operational and financial flexibility, and breaches of these terms may result in increased costs or even events of default.***

According to Fifax's balance sheet as at 30 June 2021, the Company had loans from financial institutions in the amount of EUR 7.7 million, which include a facility agreement with Ålandsbanken and a term loan agreement with Eksfin, as well a short-term loan of EUR 1 million granted by Ålandsbanken to cover working capital needs during the FN Listing process. The loan from Eksfin has been amortized with EUR 384 thousand in July 2021. The loans are secured by a business mortgage of approximately EUR 10.1 million and a real estate mortgage amounting to EUR 10.1 million on the property owned by Fifax in Eckerö. A decline or weaker than expected development of Fifax's revenues and operating cash flow or a reduction in the value of Fifax's equity or other assets could also affect the covenant ratios under its financing agreements. As at the date of this Offering Circular, the terms and conditions of Fifax's loan agreements include a financial covenant relating to equity ratio of 15 percent. As at the date of this Offering Circular, Fifax's equity ratio is below the covenant requirement, but the Company has received on 17 September 2021 a waiver regarding the covenant from its financing providers until 31 December 2021. Previously, Fifax's financing agreements included a covenant relating to EBITDA-based debt coverage ratio. Fifax did not previously achieve the level required by the covenant, but it managed to receive waivers from its financier regarding the compliance with the covenant. The covenant was waived entirely when Fifax renegotiated its loan arrangements in 2020.

Fifax's ability to comply with its financial covenants included in its financing agreements in the future can be impacted by events beyond its control, and it may be unable to meet the requirements imposed by such covenants or covenants agreed to under potential future financing agreements. Even in the event of full compliance, covenants may restrict Fifax's freedom to pursue more optimal capital structures, obtain further capital or to make necessary investments, unless it can obtain waivers or renegotiate the terms of its financing agreements. Fifax has in the past breached certain covenant ratios, but has been able to obtain waivers from its lenders. However, there can be no assurance that Fifax's efforts to obtain such amendments or waivers would be successful. If Fifax fails to comply with its financing covenants and is unable to remedy or obtain a waiver or amendment, this may have an adverse effect on Fifax's ability to secure access to liquidity and may result in increased financing costs.

Fifax's credit facilities also contain events of default provisions customary for such financings. If an event of default were to occur, the lenders could, among other things, declare outstanding amounts due and payable and where applicable, repossess collateral. In addition, an event of default or declaration of acceleration under any of the credit facilities could also result in an event of default under other of Fifax's financing agreements based on a cross-default clause. Accelerated repayment of significant amounts of debt could have a material adverse effect on Fifax's solvency and would require Fifax to renegotiate, repay or refinance the obligations under its credit facilities or other financing arrangements. In addition, the lenders would have the right to proceed against the assets Fifax provided as collateral pursuant to the related security agreements. If the debt under its credit facilities was to be accelerated, Fifax may not have sufficient cash on hand, or be able to refinance the loan or to sell

sufficient collateral to repay it, which would have an immediate adverse effect on its business and operating results. If Fifax is unable to fulfil its obligations when they fall due, the Company might become temporarily or permanently insolvent, leading to possible insolvency or bankruptcy proceedings, which can result in investors losing part or all of their capital invested in the Company.

In addition, Fifax has received EUR 3.45 million in investment grants from the Government of Åland', jointly financed by the European Maritime and Fisheries Fund. The decisions concerning the grants include certain conditions concerning, among others, the use of the grants, criteria for providing the grants and information obligations. If Fifax does not comply with these conditions, it could result in a requirement to repay the grants in part or in full. The repayment obligation may be realized for example if Fifax's business would substantially change or if its operations would cease within five years of the payment date of the last instalment. During 2021, this repayment obligation has ceased for approximately EUR 1.05 million, and will cease during 2025 for approximately EUR 2.40 million.

The materialization of any of the above risks may result in increased financing costs and difficulties in securing sufficient liquidity and capital to finance operational expenses and capital expenditure or pay its debts, and disrupt the implementation of Fifax's strategy, which could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

6. Fifax is exposed to liquidity risks.

Fifax's ability to make payments on and to refinance its debt, and to fund working capital and capital expenditures, will depend on future operating performance and ability to generate sufficient cash flows. Although Fifax would be able to repay its loans as planned upon the completion of the Offering, and to make growth investments according its strategy with equity and/or debt capital and with possible investment grants acquired after the Offering together with additional financing acquired after the Offering, there can be no guarantee that Fifax will have sufficient funds available at its disposal or be able to generate sufficient funds to meet claims of creditors in the future. The ability of Fifax to make scheduled payments under its indebtedness will depend on, among other things, its future operating performance and its ability to refinance its indebtedness, if necessary. Each of these factors is, to a large extent, subject to economic, financial, competitive, regulatory, operational and other factors, many of which are beyond Fifax's control. At the date of this Offering Circular, Fifax does not have sufficient funding, and there can be no assurance that in the future Fifax will be able to generate sufficient cash flow from its operations to pay its debts, to fund its working capital, capital expenditure or lease obligations or to engage in future expansion plans. If Fifax's future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund liquidity needs, the Company may be exposed to liquidity risk, i.e. the risk that Fifax may not be able to meet its financial obligations as they fall due. This might require Fifax to obtain new financing or to renegotiate the terms of its financing, which can result in increased financing costs. If Fifax is unable to secure financing or liquidity in a sufficient manner, it may ultimately lead to the Company becoming temporarily or permanently insolvent, leading to possible insolvency or bankruptcy proceedings, which can result investors losing part or all of their capital invested in the Company. The materialization of any of these factors could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

7. Fifax is exposed to credit and counterparty risks

Even if Fifax would be able to meet its own obligations, Fifax is exposed to counterparty risks if its own contractual counterparties are unable to fulfil their obligations based on agreements. It is possible that Fifax's present and potential suppliers, logistics partners, contractors involved with the construction of potential new production facilities or other contractual parties are unable to fulfil their obligations or liabilities towards Fifax in the manner or within the timeframe that has been agreed. Although Fifax may be entitled to receive liquidated damages to compensate for delays or other breaches of contract, there can be no assurance that contractors or suppliers would compensate Fifax in full. Should suppliers or contractors dispute Fifax's claims for damages or be unable to compensate for damages due to their liquidity problems or insolvency, this could result in significant legal costs in the form of protracted negotiations, arbitration, court proceedings or processes whereby Fifax would need to assert its right to compensation in insolvency proceedings. There can be no assurance that any such proceedings would result in Fifax being able to secure full compensation or any compensation at all. In addition, any delay in the completion of construction may result in a significant delay of or decrease in revenues expected to be received by Fifax from planned full-scale operations, which could adversely impact Fifax's operating cash flow and profitability.

Fifax strives to manage the counterparty and credit risk by carefully selecting its contractual parties. However, there can be no assurances that Fifax will succeed in managing the risks related to its contractual counterparties. Should one or more significant contractual parties face payment difficulties or bankruptcy, this may affect Fifax's financial position negatively. Any of the above-mentioned risks may have a material adverse effect on Fifax's funding position and liquidity, which could have an adverse effect on its possibilities to maintain and develop its current operations and carry out the required investments. All of these factors, if materialized could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

8. Fifax is exposed to fluctuations in interest rates.

Fifax's variable interest rate loans consist of a facility agreement with Ålandsbanken, amounting to approximately EUR 2.16 million, and a working capital loan of EUR 1 million granted by Ålandsbanken. In addition, the Company has in June 2020 concluded an agreement with Ålandsbanken regarding a revolving credit facility of EUR 50 thousand, where the interest is tied to a variable reference rate and a fixed margin. However, at the date of this Offering Circular, the revolving credit facility has not been utilized. Adverse developments of macroeconomic conditions and changes in financial markets may affect general liquidity and demand for financing available in debt capital markets. While interest rates have remained low both globally and in Europe as a result of low central bank reference rates as well as targeted liquidity operations and quantitative easing measures by central banks, there is also increasing speculation concerning the potential of rising inflation, which may necessitate an increase in interest rates and consequently the cost and availability of financing in the future.

Any increase in interest rate may result in increased interest expenses for Fifax's existing debt, which may result in the Company's weakened financial position and ability to complete growth investments according to its strategy. Increased financial costs would also. put pressure on Fifax's profitability. Even if fluctuations in interest rates would not immediately impact Fifax's cost of capital, it may make it more difficult or more expensive for Fifax to refinance its existing debt or to acquire sufficient capital to pursue expansion opportunities by constructing new production facilities or expanding existing ones. As the successful execution of Fifax's strategy is dependent on its ability to maintain reasonable levels of its cost of capital and its ability to finance future growth projects, any fluctuations in interest rates resulting in increased capital costs, decreased availability of financing or more onerous terms for financing could have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

9. Currency fluctuations could have a material adverse effect on Fifax's results.

Fifax's results can be affected by fluctuations in currency exchange rates as Fifax is exposed to foreign exchange rate risks in the form of transaction risks arising from fluctuations in currency exchange rates. Fifax's purchases are primarily conducted in euros (96 percent in the financial year 2020), with limited exposure to the Swedish krona (4 percent), and, to a lesser extent, the Danish and Norwegian krona and the British pound. Although only small share of Fifax's sales come from abroad, the Company aims to increase its sales in particular to Sweden. Consequently, Fifax is exposed to certain risks of disadvantageous changes in exchange rates. Fluctuations in foreign exchange rates impact Fifax's results of operations when purchases or sales are made in a different currency than euro.

Unfavorable fluctuations in exchange rates may therefore adversely impact Fifax's revenues and profitability even if sales volumes would develop in a manner favourable to the Company and even if Fifax would not increase its purchase volumes. Fifax currently also has no currency hedging arrangements in place which could prevent or limit the effect of volatility in currency exchange rates. In addition, as the price of Atlantic salmon is to a significant amount denominated in Norwegian krona and the industry is significantly affected by the supply produced by Norwegian producers, the performance of the euro against the Norwegian krona may also have an impact on global prices for salmon, which also act as references for the pricing of Fifax's rainbow trout. Any factors resulting in or affecting significant currency fluctuations may, individually or collectively, result in increased costs or decreased revenues for Fifax's operations, which may consequently have a material adverse effect on Fifax's business, financial position, results of operations, future prospects, or the price of the Shares.

H. Risks relating to Fifax's Shares

1. The market price and liquidity of Fifax's shares may fluctuate significantly.

Prior to the FN Listing, the Shares have not been subject to trading on any regulated market or multilateral trading facility. Fifax intends to submit a listing application with Nasdaq Helsinki to list the Shares on the multilateral Nasdaq First North marketplace maintained by the Nasdaq Helsinki. However, there are no guarantees that an active market will emerge, or can be maintained, for the Shares after the FN Listing. The future liquidity of the Shares is also uncertain. Due to the nature of First North, shares in companies listed on First North are generally subject to larger risks as compared to shares traded on the main list of the Nasdaq Helsinki, and they usually have less liquidity and weaker possibilities for selling. The price of shares listed on First North may also fluctuate more than that of shares traded on the main list of the Nasdaq Helsinki. In addition, Shares are not subject to trading on any regulated market or multilateral trading facility during the subscription period, and the Offer Shares subscribed for in the Offering cannot be sold until after the expiry of the subscription period and the Offer Shares have been credited into the book-entry accounts of the subscribers.

After the FN Listing, the market price of Fifax's Shares may fluctuate significantly. The market price may fluctuate due to the market's perception of the Shares or as a response to various other factors and events, such as public discussion and news relating to Fifax's field of business, planned and implemented changes in the legislation applied to Fifax's operations or changes in Fifax's results of operations or development of its business. The prices and trading volumes of shares may fluctuate from time to time, and this may impact the prices of securities without any connection to the performance or prospects of Fifax. A general decline in stock markets or decline in the prices of securities comparable to shares may have a material adverse effect on the demand and liquidity of Fifax's shares. Moreover, the prices of shares offered for public trading for the first time have been subject to considerable price fluctuations for a period of time, which may not have corresponded to the business or financial success of the particular company issuing such shares. Unusual events and general economic conditions in Europe may also have a general effect on the equity markets. These factors are mainly beyond Fifax's control, and it cannot forecast or estimate possible fluctuation of prices.

It is also possible that Fifax's growth, profitability, results and future prospects will fall short of equity analysts' and investors' expectations. Any of these factors, as well as several other factors, may lead to the market price of Fifax's shares falling below the Subscription Price.

Should the FN-Listing take place, the Shares may not necessarily have been transferred in all parts to the investors' book-entry accounts when trading commences on First North on or about 25 October 2021. Because the ownership of the Offer Shares is transferred only when the Offer Shares have been paid, registered to the Finnish Trade Register maintained by the Finnish Patent and Registration Office ("**Trade Register**") and recorded to the investor's book-entry account, the investor cannot trade with the Shares before they have been transferred to the book-entry accounts, which can have a negative impact on the liquidity of the Shares and therefore also on the market price of the Shares.

2. There are no assurances of distribution of dividends or capital repayment to the shareholders in the future.

Fifax has not distributed any dividends during its operations. Additionally, Fifax's financing agreements include certain restrictions on Fifax's ability to pay dividends or otherwise distribute capital without the written consent of lenders and guarantors. The Company also does not expect to distribute dividends in the short or medium term. There can be no assurance that Fifax distributes dividends or makes capital repayments in the future on the Shares it has issued. The payment of dividend or repayment of capital and their amounts are at the discretion of Fifax's Board of Directors and, ultimately, dependent on a resolution of a general meeting of Fifax, as well as on cash assets, profit for previous financial periods, estimated financing needs, Fifax's results and financial position, potential terms and conditions of loan agreements binding Fifax, stipulations of the Finnish Limited Liability Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and other related factors. See "*Dividends and dividend policy*" and "*Share Information – Shareholders' rights – Dividend and distribution of Other Unrestricted Equity*".

3. The interests of Fifax's major shareholders may not be aligned with the interests of other shareholders, and a significant shareholder may sell a significant part of its shareholding, which may have a negative impact on Fifax's share price.

As at the date of this Offering Circular, FV Group AB, a company owned solely by Fifax's Board member Rolf Karlsson, is the largest shareholder in Fifax with a holding of approximately 28.09 percent of Fifax's Shares and votes. If the Offering and the conversion of the Company's loans that include a conversion clause, and that are to be executed in connection with the Offering, are implemented as planned and in full, FV Group AB will hold approximately 18.4 percent (15.5 percent assuming that the Upsize Option is exercised in full, all Additional Shares are subscribed for and that the allocations for Cornerstone Investors are realized in accordance with the commitments) of all Shares and votes in Fifax immediately after the Offering. As such, FV Group AB still holds a significant proportion of shares and votes in Fifax after the Offering. Due to this, FV Group AB would have, depending on the turnout at the General Meeting of shareholders, when acting alone or together with Fifax's other major shareholders, control over resolutions to be made in the General Meetings of shareholders, such as adopting financial statements, distribution of dividends, capital increases and election and dismissal of the members of Fifax's Board of Directors. The interests of Fifax's largest shareholder may not always be aligned with the interests of other shareholders.

FV Group AB is subject to a lock-up restriction after the Offering (see "*Terms and Conditions of the Offering – General terms and conditions of the Offering – Lock-ups*" and "*Plan of Distribution – Lock-ups*"). However, it cannot be ruled out that after the expiration of lock-up arrangement FV Group AB may aim to exit from Fifax. Should FV Group AB or another significant shareholder decide to sell Fifax's Shares in significant amounts or there is a perception in the market that FV Group AB or another significant shareholder might sell Fifax's Shares in significant amounts, such significant sales or perceptions may have a material adverse effect on the market price of the Shares. If a significant shareholder decides to sell large shareholdings, this may also have other adverse effects. The sale of large shareholdings may for example, trigger change of control clauses in Fifax's funding or other agreements and require renegotiation of such agreements, which may have a material adverse effect on Fifax's financial costs and ability to conduct its business.

4. Certain foreign shareholders may not be able to exercise their subscription rights.

According to Finnish legislation, shareholders have certain pre-emptive subscription rights pro rata their shareholdings, when Fifax issues new Shares or securities entitling to subscribe for new Shares. Certain shareholders in Fifax who reside or will reside or whose registered address is in certain countries outside Finland, such as the United States, may not necessarily be able to exercise their pre-emptive subscription rights in possible future share issues, unless the Shares have been registered according to the securities legislation in effect in the relevant country or in another corresponding way or an exception from registration or other similar requirements is available based on applicable legislation. This may dilute the shareholding of such shareholders in Fifax. Furthermore, if the number of such shareholders who cannot exercise their subscription rights is large and their subscription rights are sold on the market, this may have an adverse effect on the price of the subscription rights. In addition, the legislation of the relevant country may limit the right of a foreign shareholder to receive information on share issues and other important transactions. For more information on shareholders' rights, see "*Share Information – Shareholders' rights*".

5. Investors with a different reference currency than the euro are exposed to certain foreign exchange risks when investing in the Shares.

The Shares are priced and traded on the First North in euros. Possible dividends on the Shares are also paid in euros. Due to this, fluctuations in the value of the euro affect the value of possible dividends and other distributions of unrestricted equity, such as capital repayment, if the investor's reference or main currency differs from the euro. In addition, the market price of the Shares in other currencies than the euro fluctuates in part due to changes in exchange rates. This can affect the value of the Shares and possible dividends paid on the Shares if the investor's main currency is not the euro. In addition, exchanging euros into another currency may incur such investor's additional transaction costs.

I. Risks relating to the FN Listing and the Offering

1. As a consequence of the FN Listing, Fifax incurs additional costs as well as new obligations regarding operating as a listed company.

Fifax will submit an application to Nasdaq Helsinki to admit the Shares to trading on the multilateral Nasdaq First North marketplace maintained by the Nasdaq Helsinki. In addition to non-recurring costs, the FN Listing will incur Fifax additional administrative costs. As a result of the FN Listing, Fifax must comply with statutory requirements applied to companies whose shares have been admitted to public trading on First North. The governance, planning, reporting, communications and monitoring systems required from a listed company are more extensive than those required from private limited liability companies. Fifax must allocate the management's and personnel's resources to these operations and ensure the financial requirements to comply with the regulations and guidelines. Any resulting prospective increased costs or reduced ability to commit resources to Fifax's operations may have a material adverse effect on the management and development of the business.

Fifax has striven to prepare for listing and compliance with the obligations placed on listed companies. Nevertheless, it is possible that Fifax will be unable to fulfil all of its obligations that are required from a listed company, due to which Nasdaq Helsinki may not accept Fifax's listing application, or that the after the Listing, Fifax would fail to comply with the current regulation or the future amendments. The increased costs resulting from the compliance with the regulation and instructions as well as prospective neglections resulting to fines and other payments may have a material adverse effect on Fifax's business, financial position and results of operations.

2. Companies listed on First North are not subject to the same securities market regulation as companies admitted to trading on a regulated market.

First North is a multilateral trading facility maintained by Nasdaq Helsinki. First North companies are not subject to the same rules as on a regulated market. First North companies follow rules with lower standards adapted for small growth companies. In addition, all of the requirements of the Securities Markets Act concerning regulated markets, for example provisions on notification of proportions of shareholdings and voting rights and mandatory bid do not apply to securities admitted to trading in First North. It is therefore possible that, for example, one shareholder would achieve an actual control over the decisions made in the general meeting without disclosing information of increased shareholding and without an obligation to make a mandatory bid to the other shareholders of Fifax. Due to these or other differences in regulation, First North companies and the rights and obligations of their shareholders differ from the rights and obligations of the companies on regulated markets and their shareholders. Investing in First North companies may, therefore, involve larger risks than investing in companies on regulated markets.

3. Subscriptions cannot be cancelled.

Subscriptions made in the Offering are binding and cannot be cancelled or changed, notwithstanding the exception specified in the terms and conditions of the Offering, once a subscription has been made. For more information on the binding subscriptions and cancellation of subscription commitments, see "*Terms and Conditions of the Offering – General terms and conditions of the Offering – Cancellation of Commitments*".

4. The ownership of a shareholder not participating in the Offering, the conversion of Fifax's debts into Shares in connection with the Offering or any future share issues will be diluted.

The relative holding and voting rights in Fifax of shareholders who decide not to subscribe for Shares in the Offering, do not participate in the conversion of Fifax's debts into Shares in connection with the Offering or are unable to fully subscribe for Shares due to the laws and regulations in force in their country of residence or domicile, will be diluted accordingly, and the original shares held by such shareholders will represent a smaller percentage, in the same proportion, of the increased number of total Shares issued by Fifax. In addition, the holders of certain loans that include conversion clauses have notified the Company that they will convert loans and accrued interests, amounting to EUR 17,130 thousand, in connection with the Offering. A maximum of 8,004,661 Shares would be issued to the holders of the loans in the conversion. Issuing shares in the conversion would cause a corresponding dilution in the ownership of the other shareholders. Correspondingly, any future share issues of Fifax would dilute the relative holding in Fifax of shareholders who decide not to participate in such future share issues.

5. Fifax's FN Listing and therefore the Offering may not necessarily succeed or they might be delayed.

In the view of Fifax's management, as at the date of this Offering Circular, Fifax fulfils the criteria set forth for a company applying for listing. However, there can be no assurance that the listing of Fifax's shares on the First North would be executed in the manner Fifax has planned, or at all. If the completion of the FN Listing is not successful, the Offering will also not be carried out. Carrying out the FN Listing and therefore the Offering may fail as a result of execution problems, authority decisions, additional requirements set by Nasdaq Helsinki or for another reason, that Fifax was unable to foresee based on the information available to Fifax at the date of this Offering Circular, or which it has no control over. If the Listing is delayed due to for example Nasdaq Helsinki not accepting Fifax's listing application, this could result in significant additional costs and an additional administrative burden for Fifax. In addition, Fifax would be unable to collect capital from the Offering as planned, which is intended to be used to assure the functioning of the Company's business and to enable the execution of Fifax's growth strategy. Therefore, an uncompleted or delayed FN Listing may have a material adverse effect on Fifax's business, results of operations and financial position, as well as the development of its shareholder value.

6. The requirements for completing the Offering might not materialize.

The Placing Agreement (as defined below) concerning the Offering includes certain usual terms and conditions concerning such aspects as to the accuracy and correctness of certain contractual representations and warranties given by Fifax. If one or more of the terms and conditions of the Placing Agreement are breached, if the Placing Agreement is not entered into or if it is terminated, this will result in the Offering not being be carried out. For more information on the Placing Agreement, see "*Plan of Distribution – Placing Agreement*".

It is also possible, that Fifax is unable to collect gross proceeds of at least EUR 15 million in the Offering. In that case, the conditions for the Offering are not met, and the Offering will not be completed. See more about the requirements of the FN Listing "*Terms and Conditions of the Offering – General terms and conditions of the Offering – Conditionality of the Offering and publication of the Completion Decision*".

SHARE INFORMATION

General

The Company has one share class, whose ISIN code is FI4000496328, and each Share entitles to one vote in the Company's General Meeting. The Shares have been issued under the Finnish law, and they have been registered in the book-entry system maintained by Euroclear Finland Oy ("**Euroclear Finland**"). The Shares, including the Offer Shares, do not have a nominal value, and they are denominated in euro. All Shares in Fifax carry equal rights to dividends and other distributions of the Company's assets (including distribution of assets of the Company in the event of liquidation).

The registered share capital of the Company is the date of this Offering Circular is EUR 80,000 and the Company has 11,851,507 fully paid Shares. Fifax's Articles of Association does not include provisions on maximum or minimum capital.

Resolutions regarding the Offering and FN Listing

Fifax's Extraordinary General Meeting has authorised the Company's Board of Directors to resolve on the issuance of a maximum of 17,000,000 New Shares in order to carry out the FN Listing (including the Upsize Option, as defined below). In addition, the General Meeting has with two separate authorizations authorized the Board of Directors of the Company to decide on the directed share issue of an aggregate maximum of 9,500,000 new Shares to complete the Share Conversion (as defined below) and to purchase a maximum of 3,000,000 Shares, which includes the purchase of Shares from the Stabilization Manager in connection with carrying out stabilization measures. Based on the authorisations, the Company's Board of Directors is expected on 15 October 2021 to resolve to preliminarily issue New Shares in the Offering and to carry out the Share Conversion. The New Shares will be offered in deviance from the shareholder' pre-emptive subscription right in order to execute the FN Listing of the Shares.

If the Board of Directors decides to execute the FN Listing, the Board of Directors will resolve on the Offering on the basis of the authorizations, and the resolutions will be implemented and registered in the Trade Register before the registration of the New Shares and implementation in the FN Listing.

The Board of Directors of Fifax has decided on 27 September 2021 that the Company will apply for the listing of the Shares for public trading on First North marketplace. Public trading in the Shares on is expected to commence on First North on or about 25 October 2021 under the trading code FIFAX and ISIN Code FI4000496328.

Shareholders' Rights

Pre-emptive Subscription Rights

Under the Finnish Companies Act, existing shareholders have pre-emptive right to subscribe for new Shares of the Company. A resolution to issue new Shares waiving pre-emptive rights as well as a resolution to grant option rights and other special rights entitling to the Company's Shares requires at least two-thirds of all votes cast and Shares represented at a General Meeting of Shareholders. In addition, such resolution requires that there is a weighty financial reason for the Company to do so. According to the Finnish Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty reason for the Company and in regard to the interests of all shareholders in the Company.

Certain shareholders who reside or whose registered address is outside Finland, including "U.S. Persons" (as defined in Regulation S of the U.S. Securities Act), may not necessarily be able to exercise their pre-emptive subscription rights unless the Shares have been registered according to the securities legislation in effect in the relevant country or an exception from registration or other similar requirements is available.

General Meeting of Shareholders

Under the Finnish Companies Act, shareholders exercise their power to decide on corporate matters at General Meetings. According to the Company's Articles of Association, the Annual General Meeting shall be held annually within six months from the end of the financial year. The Annual General Meeting shall decide, among others, upon the approval of the financial statements, auditor's report, distribution of dividend and elections of members

of the Board of Directors and the auditor and their remuneration. The Annual General Meeting decides also upon discharge of the Board of Directors and of the CEO from liability. Extraordinary General Meetings in respect of specific matters must be held when considered necessary by the Board of Directors, or when requested in writing by the auditor of the Company or by shareholders of the Company holding at least 10 percent of all the Shares of the Company.

According to the Finnish Companies Act and the Company's Articles of Association, the notice convening a General Meeting of Shareholders shall be delivered to the shareholders no more than three months and no less than three weeks before the meeting, however, at least nine days before the record date of the General Meeting of Shareholders. The notice shall be delivered to the shareholders with a notification published in the Company's website. To be entitled to attend the General Meeting of Shareholders, the shareholder shall notify his/her attendance to the Company at the latest by the date mentioned in the notice convening the meeting, which date may be no more than ten days before the General Meeting of Shareholders.

In order to have the right to attend and vote at a General Meeting of Shareholders, a shareholder must be registered, in accordance with the Act on the Book-entry System and Clearing Operations, in the shareholders' register maintained by Euroclear Finland no later than eight business days prior to the relevant General Meeting of Shareholders (the record date of the General Meeting of Shareholders). A beneficial owner wishing to attend and vote at the General Meeting of Shareholders should seek a temporary registration in the shareholders' register. The notification of temporary registration should be made at the latest on the date mentioned in the notice to the General Meeting of Shareholders, which shall according to the Finnish Companies Act be after the record date of the General Meeting of Shareholders, and such notification is considered a notice of participation in the General Meeting of Shareholders. If the shareholder is participating in the General Meeting of Shareholders through several authorised representatives, the shareholder shall in connection with the notification notify the shares on the basis of which each authorised representative represents the shareholder.

Except for certain exceptions stipulated in the Finnish Companies Act, there are no quorum requirements for General Meetings of Shareholders.

Voting Rights

A shareholder may attend and vote at a General Meeting of Shareholders in person or through an authorised representative. Each share in the Company entitles its holder to one vote at a General Meeting of Shareholders. If the shareholder's shares are recorded on more than one book-entry account, the shareholder has the right to use a different authorised representative for each book-entry account. The shareholder may also vote differently with a part of his owned votes. In order to attend and vote at a General Meeting of Shareholders, a shareholder must be registered in the shareholders' register maintained by Euroclear Finland.

At the General Meeting of Shareholders, most resolutions are passed by a simple majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, waiving shareholders' pre-emptive right to subscribe for shares in a new issue and resolutions on a merger, a demerger or dissolution of the Company require at least a two-thirds majority of the votes cast and the shares represented at the meeting.

Dividend and Distribution of Other Unrestricted Equity

A General Meeting of Shareholders decides on the payment of dividend and other distribution of funds by the majority of the votes cast. All Shares of the Company carry equal rights to dividends and other distributions by the Company. In accordance with prevailing practice in Finland, dividends on shares of a Finnish company are generally only paid annually and only after shareholder approval of the Company's financial statements and of the amount of the dividend proposed by the Board of Directors. However, under the Finnish Companies Act the General Meeting of Shareholders may also authorize the Board of Directors to resolve upon payment of dividends.

Under the Finnish Companies Act, shareholders' equity is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value funds and the revaluation fund as well as any possible reserve fund and share premium fund formed subject to the old Finnish Companies Act effective prior to 1 September 2006. The other equity reserves are included in unrestricted equity. Accordingly, unrestricted equity includes the profit for the preceding financial year, retained earnings from previous financial years and the Company's other unrestricted equity, including the funds in the invested unrestricted equity fund, less the reported losses and the

amount that the Articles of Association of the Company require to be left undistributed, and certain other undistributable funds.

The Finnish Companies Act emphasizes the maintenance of the company's solvency in connection with the distribution of funds and, consequently, no funds may be distributed if, when making the decision on the distribution, the persons knew or should have known that the Company was insolvent or that it would become insolvent due to the distribution of the funds.

Under the Finnish Companies Act, the amount of dividend may not exceed the amount proposed or accepted by the Board of Directors. However, shareholders holding no less than 10 percent of all the shares may request at the Annual General Meeting that the amount distributed as dividend shall be at least one-half of the company's profit for the last preceding financial year, less the amount that the Articles of Association of the company may require to be left undistributed and any dividends previously distributed in respect of the financial year in question. However, the dividend so paid may neither exceed the amount distributable without the creditors' consent nor 8 percent of the total shareholders' equity of the parent company.

Dividends and other distributable funds can be distributed for a certain financial year after the General Meeting of Shareholders has adopted the financial statements for the year in question and resolved on the amount of dividends or other distribution of unrestricted funds on the basis of the proposal prepared by the Board of Directors. Pursuant to the Finnish Companies Act, payment of dividends or other distribution of unrestricted equity can be also based on other financial statements than the adopted financial statements for the latest financial year, provided that the General Meeting of Shareholders has adopted the financial statements in question. Significant changes in the Company's financial position that have occurred after the financial statements were prepared must be considered when deciding on the distribution of profits.

Under the Finnish Companies Act, dividends and other distributions are paid to shareholders or their nominees entered in the shareholders' register on the relevant record date. Such register is maintained by Euroclear Finland through the account operators. No dividends are payable to shareholders not entered in the shareholders' register.

The right to dividends is forfeited three years from when they are payable according to the decision on the dividend.

Distribution of other unrestricted equity is effected essentially in the same way as described above regarding the distribution of dividend.

For information on the taxation of dividends, see "*Taxation*".

Redemption Obligations and Rights

According to the Finnish Companies Act, a shareholder holding more than 90 percent of all shares and voting rights attached to shares in a company is entitled to redeem for a fair value all remaining shares held by other shareholders (redemption right). Similarly, shareholders whose shares may be redeemed as described above, are entitled to require the majority shareholder to redeem their shares (redemption obligation of the majority shareholder).

As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause. The Company's Extraordinary General Meeting of Shareholders has decided to remove this clause from the Articles of Association. The removal of these clauses will not be notified to the Finnish Trade Register until in connection with the registration notification of the New Shares issued in the Offering on the basis of the authorisation given to Fifax's Board of Directors in the same Extraordinary General Meeting of Shareholders, or immediately before it.

Transfer of Shares

When the shares are sold through the book-entry system, the shares are transferred as a bank transfer from the seller's book-entry account to the buyer's book-entry account. For the purpose of the sales, allocation data is entered in the Infinity 2 clearing system of Euroclear Finland and, if necessary, a reservation regarding the book-entries is entered in the book-entry account. The purchase is marked as a pre-sale until it has been cleared and the shares have been paid, after which the buyer is automatically entered in the Company's shareholders' register. If the shares are nominee registered and the shares of both seller and buyer are held in the same custodial nominee

accounts, the sale of shares does not cause any notes on the book-entry system unless the nominee registration custodian is changed or the shares will not be transferred from the custodial nominee account as a result of the sale.

The terms and conditions of the Offering include lock-up clauses regarding the Company, certain shareholders and holders of loans that contain a share conversion clause, Fifax's Board of Directors and management as well as the employees participating the Personnel Offering. For more information on the lock-ups, see "*Plan of Distribution– Lock-ups*" and "*Terms and Conditions of the Offering – General terms and conditions of the Offering – Lock-ups*".

Exchange Control

Foreign people can acquire shares of a Finnish company without any specific exchange control authorisation. Foreign people can also receive dividend without any specific exchange control authorisation, but the company distributing the dividend must deduct the tax-at-source from the assets transferred outside Finland, unless otherwise stated in an applicable tax treaty. Foreign people who have acquired shares of a Finnish company may receive shares in connection with a capitalization or participate in a rights issue without any specific exchange control authorisation. Foreign people may sell their shares in a Finnish company in Finland and the assets acquired in connection with such sale can be transferred outside Finland in any convertible currency. There are no exchange control rules in Finland which would restrict the selling of shares of a Finnish company to another foreign person.

FIRST NORTH AND THE FINNISH SECURITIES MARKET

The following summary is a general description of the First North marketplace and the Finnish securities market and it is based on the laws in force in Finland on the date of this Offering Circular. The following summary is not exhaustive.

General

The securities market in Finland is supervised by the FIN-FSA. The primary laws governing securities markets are the Finnish Securities Market Act (746/2012, as amended), which contains provisions in respect of, among others, company and shareholder disclosure obligations, prospectus requirements and public tender offers, the Prospectus Regulation ((EU) 2017/1129), containing regulation relating to, among others, on the duty to prepare a prospectus and its contents, as well as the Market Abuse Regulation (EU) No 596/2017 containing regulation relating to, among others, disclosure of inside information and the obligation of the issuer's management to notify transactions. The regulation governing admission of securities and other financial instruments to public trading and trading in listed financial instruments is compiled under the Act on Trading in Financial Instruments (1070/2017, as amended). The role of the FIN-FSA is to monitor compliance with these provisions. The FIN-FSA may issue further detailed regulation based on delegation of authority under the Finnish Securities Market Act and other laws that entitle it to do so.

The requirements under the Finnish Securities Market Act on regulated markets, such as flagging requirements, do not apply to securities subject to multilateral trading on First North. However, certain provisions of the Finnish Securities Market Act are also applied to securities subject to multilateral trading, such as provisions relating to market abuse and certain rules on public tender offers. Furthermore, rules of the Nasdaq First North Growth Market Rulebook set obligations on companies subject to public trading on First North.

The Finnish Securities Market Act and the Market Abuse Regulation specify minimum disclosure requirements for companies applying to have their shares listed on Nasdaq Helsinki or the First North marketplace maintained by Nasdaq Helsinki, or whose securities are otherwise publicly traded or who offer their securities to the public. Insider information must be made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public. A Finnish listed company, i.e. a company that has issued shares that are traded in a regulated market, is under an obligation to regularly publish financial information on the company as well as to inform the markets of any matters concerning the company which, if made public, would be likely to have a significant effect on the price of the financial instruments of the issuer. The Nasdaq First North Growth Market Rulebook also contains an obligation to disclose regularly financial information of the company and other regulations on continuous disclosure requirements, the content of which is stipulated in the Nasdaq First North Growth Market Rulebook. Disclosed information must also be kept available to the public.

Furthermore, the Finnish Securities Market Act contains certain provisions on public tender offers of securities listed on First North. These provisions govern, among others, procedures to be complied with in connection with arranging a public tender offer as well as the offer consideration and disclosure obligations in connection with the public tender offer. Anyone who publicly offers to buy shares admitted to trading on First North may not place the holders of the securities subject to the public tender offer in an unequal position. The offeror shall give the holders of the securities of the offeree company essential and adequate information on the basis of which the holders of the securities may make an informed assessment of the bid. The takeover bid shall be disclosed as well as notified to the holders of the securities, First North and the FIN-FSA. The offeror shall ensure that it can fulfil in full any cash consideration. The provisions of the Finnish Securities Market Act concerning raising and refunding the bid shall be applied to the offeror. Provisions of the Finnish Companies Act related to the redemption of minority shares are applied also to shares listed for trading on First North. For more information on the provisions of the Finnish Companies Act related to the redemption of minority shares, see "*Share Information – Shareholders' Rights – Redemption Obligation and Rights*".

The Finnish Penal Code (39/1889, as amended), contains provisions relating to breach of disclosure requirements, the misuse of inside information, unauthorized disclosure of inside information and market manipulation. Acts described in such provisions have been criminalized. Pursuant to the Market Abuse Regulation, the Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions for breach of provisions relating to, among others, disclosure requirements, misuse of inside information, market manipulation and the obligation of an issuer's management to notify transactions, with the exception of situations where preliminary investigation, consideration

of charges or a pending criminal case in a court of law against the party in breach of such regulations is ongoing in relation to the same offence, or where the party has received a non-appealable sentence for the same act. The FIN-FSA can, for example, issue a public warning, prohibit the person involved to trade securities or impose administrative fines or penalty payments.

Trading and Settlement on First North

First North is a Nordic alternative marketplace for trading in shares. First North is maintained by Nasdaq Helsinki. The currency for trading in, and clearing of, securities on First North is the euro, with the tick size for trading quotations depending on the share price. The tick size of shares valued at EUR 0.00–0.499 is 0.001, the tick size of shares valued at EUR 0.50–0.995 is 0.005, and the tick size of shares valued at more than EUR 1.00 is 0.01. All price information is produced and published only in euro. Trading on the First North marketplace takes place in the INET Nordic trading system. The main trading sessions are pre-trading, trading and post-trading. Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity2) on the second banking day after the trade date (T+2) unless otherwise agreed by the parties.

The Finnish Book-Entry Securities System

General

Any issuer established in the European Union that issues or has issued transferable securities which are admitted to trading or traded on trading venues, shall arrange for such securities to be represented in book-entry form. An issuer has the right to choose the central securities depository where the securities are admitted to trading. In Finland, the book-entry system is maintained by a Central Securities Depository. As at the date of this Offering Circular, Euroclear Finland acts as the Central Securities Depository in Finland. Euroclear Finland maintains a book-entry securities register for both equity and debt securities. The registered office of Euroclear Finland is located at Urho Kekkosen katu 5C, FI-00100, Helsinki.

Euroclear Finland maintains a company-specific shareholder registers of the shareholders of companies on behalf of issuers. According to the Regulation (EU) No 909/2014, Central Securities Depositories are not obliged to offer shareholders book-entry accounts free of charge and sponsored by issuers, but a Central Securities Depository may offer such accounts based on a voluntary business decision. The account operators, which consist of, among others, banks, investment services companies and other institutions licensed to act as clearing parties by the Central Securities Depository, are entitled to make entries in the book-entry register and administer the book-entry accounts.

Registration

Shareholders of all companies entered into the book-entry securities system must establish a book-entry account with an account operator or register its securities through nominee registration in order to effect share entries. A Finnish shareholder may not hold his or her shares through a nominee-registered account in the Finnish book-entry system. For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened with Euroclear Finland and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerized book-entry transfers. The account operator confirms book-entry transfers by sending notifications of all transactions to the holder of the respective book-entry account. The account holders also receive an annual statement of their holdings as of the end of each calendar year.

Each book-entry account must give the particulars of the account holder and other holders of rights to the book-entries in the account or of the custodial account holder who manages the assets in the nominee-registered account, as well as information on the account operator for the account. The required information includes the type and number of the book-entry securities registered in the account as well as the rights and restrictions pertaining to the account and the book-entries. Any nominee-registered account must be identified when making entries in the account. Euroclear Finland and all the account operators are responsible for maintaining the confidentiality of the information they receive. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book entry system, at the registered office of the Central Securities Depository in Finland. The FIN-FSA is entitled to receive certain information on nominee registrations upon request.

Each account operator is liable for possible errors and omissions in the book-entry registers maintained by it and for any breach of data protection. However, if an account holder has suffered loss as a result of a faulty registration and the account operator is unable to compensate such a loss, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five (5) calendar years and it must be no less than EUR 20 million. The compensation to be paid to one injured party shall be equal to the amount of damage suffered by such an injured party from a single account operator, subject to a maximum amount of EUR 25,000. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of Securities and Nominee Registration

According to the Finnish laws, a non-Finnish shareholder may appoint an account operator (or certain non-Finnish organizations approved by Euroclear Finland) to act as a custodial nominee account holder on its behalf. In some cases, nominee-registration of Finnish shareholders abroad may be possible by virtue of the Regulation (EU) No 909/2017 of the European Parliament and of the Council or other EU regulation or, if a Finnish company issues its shares in another member state of the EU. A nominee-registered shareholder is entitled to receive dividends and to exercise all share subscription rights and other financial and administrative rights attached to the shares held in its name. A nominee-registered shareholder wishing to attend a General Meeting of Shareholders should seek a temporary registration in the shareholders' register. The notification of the temporary registration shall be made at the latest on the date set out in the notice to the General Meeting, which shall be after the record date of the General Meeting. A custodial nominee account holder or another nominee is required to disclose to the FIN-FSA and to the relevant issuer, upon request, the actual identity of the shareholder of any shares registered in the name of such a nominee, where the nominee-registered shareholder is known, as well as the number of shares owned by such nominee-registered shareholder. If the name of the nominee-registered shareholder is not known, the nominee is required to disclose said information in respect of the representative acting on behalf of the nominee-registered shareholder and to submit a written declaration to the effect that the actual shareholder is not a Finnish natural person or legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V. – as operator of Euroclear Finland – and Clearstream have custodial accounts within the book-entry securities system and, accordingly, non-Finnish shareholders may hold their shares listed on First North in their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders wishing to hold their shares in the book-entry securities system in their own name but who do not maintain a book-entry account in Finland are required to open a book-entry account with an account operator as well as a bank account denominated in euros in Finland.

Compensation Fund for Investors

Under Finnish law, investors are divided into professional and non-professional investors. The definition of professional investors includes business enterprises and public entities which can be deemed to understand the securities markets and the risks related thereto. A customer may also declare in writing that, on the basis of his or her professional skills and experience in investment activities, he or she is a professional investor. However, private investors are generally considered to be non-professional investors.

Credit institutions and such investment services companies managing or retaining clients' assets that do not provide solely intermediation or investment advisory services or organizing of multilateral trading must belong to a compensation fund for investors. The compensation fund safeguards payment of clear, indisputable receivables that are due when an investment services company or a credit institution, for a reason other than temporary insolvency, is not capable of paying the claims of investors within a determined period of time. Only claims of non-professional investors are paid by the compensation fund. An investor is paid 90 percent of the investor's receivable, subject to a maximum amount of EUR 20,000. The compensation fund does not compensate for losses due to a fall in equity prices or incorrect investment decisions, whereby the customer is still responsible for the consequences of his or her investment decisions. If a bank becomes insolvent, customers of a credit institution shall be compensated from the Deposit Guarantee Fund for claims up to EUR 100,000. The funds of an investor are safeguarded either through the Deposit Guarantee Fund or the compensation fund. Accordingly, the same funds of an investor do not benefit from double protection.

TAXATION

The following summary is based on the tax laws of Finland as in effect as at the date of this Offering Circular, and is subject to changes in Finnish law, including changes that could have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or deal with the tax laws of any country other than Finland. The tax legislation of an investor's Member State and Fifax's country of incorporation, i.e. Finland, may have an impact on the income received from the securities. Prospective investors are advised to consult their own professional tax advisors as to the Finnish or foreign tax consequences of the Offering and the purchase, ownership and disposition of the Shares. Prospective investors and possible income received from the Shares may be affected by the tax laws of other jurisdictions, and investors should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances.

Finnish Taxation

The following is a description of the material Finnish income tax consequences that may be relevant with respect to this Offering. The following description of Finnish domestic tax legislation relating to dividend distributions and capital gains arising from the sale of Shares is applicable to natural persons and limited liability companies both resident and non-resident in Finland.

The following description does not address tax considerations applicable to the holders of the Shares that may be subject to special tax rules, including, among others, different restructurings of corporations, controlled foreign corporations (CFC), non-business carrying entities, income tax-exempt entities, general or limited partnerships, Finnish resident individuals who, in accordance with the new rules which have been applied as of 2020, will hold the Shares in a share savings account. Furthermore, this description addresses neither Finnish inheritance nor gift tax consequences.

This description is based on:

- The Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended);
- The Finnish Business Income Tax Act (*Laki elinkeinotulon verottamisesta* 360/1968, as amended);
- The Finnish Act on Taxation Procedure (*Laki verotusmenettelystä* 1558/1995), as amended;
- The Finnish Act on the Taxation of Income of a Person Subject to Limited Tax Liability (*Laki rajoitetusti verovelvollisen tulon verottamisesta* 627/1978, as amended); and
- The Finnish Transfer Tax Act (*Varainsiirtoverolaki* 931/1996, as amended).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Offering Circular have been taken into account.

All of the foregoing laws are subject to change, which could affect the tax consequences described below. The changes may also have a retroactive effect.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on Finnish source income only. In addition, any income received by a non-resident from a permanent establishment located in Finland is subject to taxation in Finland. Finnish tax treaties may limit the applicability of the domestic tax legislation and also preclude the right to tax the non-resident's income that is received from Finland.

Generally, an individual is deemed resident in Finland for tax purposes if such individual stays in Finland for more than six consecutive months or if the permanent home and dwelling of such individual is located in Finland. A Finnish citizen who has left Finland to live in a foreign country is deemed resident in Finland for tax purposes during the tax year of their relocation and three following years, unless they can demonstrate that no material ties between them and Finland have existed during the relevant tax year. Earned income, including salary, is taxed at progressive rates. Capital income is currently taxed at a rate of 30 percent. However, if the capital income exceeds EUR 30,000 during a calendar year, the tax for the exceeding amount is 34 percent. Corporate entities established under the laws of Finland and foreign corporate entities whose place of effective management is located in Finland

are regarded as residents of Finland for tax purposes and are subject to tax on their worldwide income. Currently, the corporate income tax rate is 20 percent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposal of the Shares by Finnish resident and non-resident shareholders.

Personnel Offering

According to Section 66 of the Finnish Income Tax Act, an employer may offer its employees shares at a reduced subscription price with a maximum of a discount of 10 percent without it being deemed as taxable benefit, provided that the shares are offered to the majority of the employees. According to the Supreme Administrative Court's recent precedent KHO 2021:25, Section 66 of the Finnish Income Tax Act applies to the subscription of new shares as well as own shares held by a company. The discount is calculated as the difference between the fair value and the subscription price. A discount on the subscription price of shares exceeding 10 percent is considered as taxable earned income of the employee, subject to withholding of tax in a corresponding manner as salary. The discount provided in a personnel offering is in general exempted from social security and pension contributions. The employee health insurance premium is, however, payable on the taxable part of the benefit.

Taxation of Dividends and Equity Returns

The tax treatment of dividend income is dictated by whether the company distributing the dividend is publicly listed or not. A publicly listed company as defined in Section 33 a Subsection 2 of the Finnish Income Tax Act ("**Listed Company**") means a company whose shares are admitted to trading:

- in a regulated market as set forth in the Finnish Act on Trading in Financial Instruments (748/2012, as amended);
- in another regulated market supervised by authorities outside the EEA-area; or
- in a multilateral trading facility as set forth in the Finnish Act on Trading in Financial Instruments, provided that the share has been admitted to trading by application of the company or with its consent.

First North is a multilateral trading facility as referred to above; hence the provisions regarding distribution of dividend of a publicly traded company are applied to the taxation of the dividend income from the Company.

Distribution of funds from unrestricted equity funds (Chapter 13, Section 1, Subsection 1 of the Limited Liability Companies Act) by a Finnish Listed Company is taxed as distribution of dividends. Therefore, the following applies also to the distribution of funds from the Company´s unrestricted equity funds.

Resident Individuals

85 percent of dividends paid by Listed Company to an individual shareholder is considered capital income of the recipient, taxable at the rate of 30 percent (however, should overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent), the remaining 15 percent being tax-exempt. If the shares form part of resident individual shareholder's business activities, 85 percent of dividends paid by Listed Company is considered business income which is taxed partly as earned income at progressive rates and partly as capital income at the rate of 30 percent (however, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent), the remaining 15 percent being tax-exempt.

Listed Company distributing dividends is obligated to withhold tax from dividends paid to resident individuals. Currently, the tax withheld is 25.5 percent of the dividend. The tax withheld by the distributing company is credited against the final tax payable by the individual shareholder for the dividend received. Where shares are held through a nominee account by a Finnish resident individual the withholding rate is 50 percent. Resident individuals must review their pre-completed tax form to confirm that the received dividend income during the tax year is correct and, if necessary, correct the amount of dividend income and the amount of prepaid income taxes on the pre-completed tax form.

Finnish Limited Liability Companies

Dividends received by a Listed Company from another Listed Company are generally tax-exempt. However, in case the shares are included in the investment assets of the shareholder (only financial, insurance and pension institutes may have investment assets referred to in this context), 75 percent of the dividend is taxable income, the remaining 25 percent being tax-exempt.

Dividends received by a non-listed Finnish company from a Listed Company are generally taxable income with respect to 100 percent of the dividend. However, in cases where the non-listed company directly owns 10 percent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax-exempt provided that the shares are not included in the investment assets of the shareholder. If the shares are included in investment assets of the shareholder, 75 percent of the dividend is taxable income, the remaining part of the dividend being tax-exempt.

Where shares are held through a nominee account by a Finnish resident company, the withholding rate is 50 percent.

Non-residents

Dividends paid by a Finnish company to non-residents are subject to Finnish withholding tax. The withholding tax as a final tax at source is withheld by the company distributing the dividend at the time of the dividend payment. The withholding tax rate for dividend received by a non-resident individual shareholder is 30 percent whereas the withholding tax rate for dividend received by a non-resident company is 20 percent, unless otherwise set forth in an applicable tax treaty. As of 1 January 2021, the rate is generally 35 percent for dividends paid by a Listed Company to nominee registered shares, as described further below.

Finland has entered into tax treaties with many countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of treaties with the following countries, Finnish withholding tax regarding dividends of portfolio shares is generally reduced to the following rates: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: zero; Germany: 15 percent; Ireland: zero; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: zero; and the United States: 15 percent. This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for dividend distributions on qualifying holdings (usually ownership of at least 10 or 25 percent of the share capital or voting rights of the distributing company). The benefit of reduced withholding rate in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided the payer of the dividend the necessary details on the applicability of the tax treaty.

Where shares in a Finnish company are held through a nominee account, the Finnish distributing company pays the dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owner.

A 35 percent withholding tax is generally applied on dividend distributions by Listed Companies, unless custodians fulfill certain strict requirements and are willing to take over certain responsibilities (including e.g. registration with the Finnish Tax Administration (so called authorized intermediary), identification of the beneficial owner of the dividend and collecting and submitting detailed recipient information to the Finnish Tax Administration using specific filing procedures). Furthermore, application of reduced withholding tax rates at source require that the custodian and dividend distributor are willing to assume liability of incorrectly applied withholding tax. If the custodian only registers with the Finnish Tax Administration and submits (or undertakes to submit) the detailed recipient details to the Finnish Tax Administration, 30 percent withholding tax rate can be applied, instead of 35 percent.

Any tax withheld in excess can be reclaimed after the year of the dividend payment by submitting a refund application to the Finnish Tax Administration no later than by the end of the third calendar year following the dividend payment year. During the year of dividend payment, the refund can be processed if custodians and dividend distributor fulfill the above-mentioned requirements laid down for actual dividend distribution. It is exceptionally also possible that any tax not withheld at source is later assessed directly to the shareholder by the Finnish Tax Administration, in case the failure to withhold tax at source is not due to negligence of the custodian or the dividend distributor.

Foreign Companies Residing in the EU Member States

No withholding tax is levied under Finnish tax laws on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU), as amended by the Council Directive 2013/13/EU and 2014/86/EU, and that directly hold at least 10 percent of the capital of the dividend distributing Finnish company.

Foreign Companies Residing in the European Economic Area

Dividends paid to certain foreign companies residing in the European Economic Area are either tax-exempt in full or a lowered rate of withholding tax is applied to them depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

No withholding tax will be levied in Finland on dividends paid by a Finnish company to a non-resident entity, if (i) the entity receiving the dividend resides in the European Economic Area; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC, as amended by the Council Directive 2014/107/EU and (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the receiver of the dividend; (iii) the company receiving dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act Section 33 d Subsection 4 or in Section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be tax-exempt in full if paid to a corresponding Finnish limited liability company (see above " – *Finnish Limited Liability Companies*"): and (v) the entity provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with the tax treaties applicable in the home state of the recipient of dividends, the withholding tax cannot be credited in full.

If dividend is paid to foreign company that fulfils the requirements presented above in section (iii) and resides in a country which fulfils the criteria set out in sections (i) and (ii), but the dividend would be only partly tax exempt if it was paid to a corresponding Finnish entity (see above " – *Finnish Limited Liability Companies*"), a withholding tax will be withheld on the dividends (see above " – *Non-residents*"), but the withholding tax for such dividends will be lowered to 15 percent (instead of 20 percent). Thus, notwithstanding entities as defined in the Parent Subsidiary Directive, which fulfil the criteria for tax exemption by directly owning at least 10 percent of the capital of the Finnish company paying the dividends (see above "– *Foreign Companies Residing in the European Union Member States*"), the withholding tax rate of 15 percent will be applied to dividends paid to a foreign entity, if the shares of the Finnish company paying dividends belong to investment assets of the company receiving the dividends. Depending on the applicable tax treaty, the applicable withholding tax can also be lower than 15 percent (see above "– *Non-Residents*").

Foreign Individuals Residing in the European Economic Area

The dividends paid to a foreign non-resident individual can upon request by the individual in question be taxed, not in accordance with rules concerning withholding tax (see above " – *Non-residents*"), but instead in accordance with the Act on Assessment Procedure (1558/1995. as amended), and thus, as resident individuals in Finland are taxed (see above " – *Resident Individuals*"), provided however that (i) the individual receiving the dividend resides in the European Economic Area; (ii) the Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation and Repealing Directive 77/799/EEC, as amended by the Council Directive 2014/107/EU and (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the dividend recipient; and (iii) the individual provides a report (a certificate from the home member state's tax authority) clarifying that in accordance with the tax treaties applicable in the home state of the recipient of dividends, the withholding tax cannot be credited in full.

Taxation of Capital Gains

Resident Individuals

Capital gain or loss arising from the sale of shares (other than in the context of business activities) is taxable as capital gain, or as capital loss deductible from capital gains for resident individuals. Capital gains are currently taxed at a rate of 30 percent (however, should overall capital income exceed EUR 30,000 during the calendar year,

the tax rate for the exceeding amount is 34 percent). If the disposition of shares is connected to business activities (business income source) of the seller, any gain arising from the sale is deemed to be the seller's business income, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 percent (however, should the overall capital income exceed EUR 30,000 during a calendar year, the tax for the exceeding amount is 34 percent).

Any capital gain or loss is calculated by deducting from the sales price the original acquisition cost and expenses related to the sale. Alternatively, individuals may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 percent of the sales price or, if the shares have been held for at least 10 years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any expenses related to the sale are deemed to be included therein and, therefore, may not be separately deducted from the sales price.

A capital loss arising from the sale of securities, such as the Shares, is deductible primarily from the resident individual's capital gains and secondarily from other capital income arising in the same year and during the following five calendar years. However, the tax exempt part of the subscription discount related to personnel offering is not included in the acquisition cost of shares when calculating capital gains or losses. Capital losses will not be taken into account when calculating the capital income deficit for the calendar year in question. Thus, such capital losses do not affect the amount of the deficit credit deductible from earned income.

Notwithstanding the above, capital gains arising from the sale of assets, such as the Shares, are exempt from tax provided, that proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax-exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the calendar year do not, in the aggregate, exceed EUR 1,000, and proceeds of all assets sold by the resident individual during the same calendar year do not, in the aggregate, exceed EUR 1,000.

An individual resident in Finland has to enter information regarding the sale of securities, such as the Shares, occurred during the relevant calendar year on the pre-completed tax form.

Finnish Limited Liability Companies

The following applies only to Finnish limited liability companies taxed in accordance with the Finnish Business Income Tax Act. Generally, capital gain arising from the Shares is taxable income of the limited liability company.

Shares may be fixed assets, current assets, investment assets (only financial, insurance and pension institutes may have investment assets referred to in this context), financial assets or other assets of a limited liability company. The taxation of a disposal of shares and loss of value may vary according to the asset type for which the shares qualify. Shares may only exceptionally qualify as other than business income source assets of a limited liability company. The provisions of the Finnish Income Tax Act are applied to the capital gains arising from the sale of assets from other income source.

Any sales price from the sale of securities is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of the shares is deductible from business income upon disposal of the shares. However, a participation exemption for capital gains on share disposals is available for Finnish companies, provided that certain strict requirements are met. Under the participation exemption and except for private equity investors, capital gains arising from the sale of shares that are part of the fixed assets of the selling company are not considered taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible, provided, among others, that (i) the selling company has continuously owned at least 10 percent of the share capital in the company whose shares are sold and such sold shares have been owned for at least one year, which period has ended no later than one year before the sale, (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of property, and (iii) the company whose shares are sold is resident in Finland or a company referred to in Article 2 of the Parent Subsidiary Directive or it is resident in a country with which Finland has entered into a tax treaty for the elimination of double taxation which is applicable to dividends. Further, based on case law, the application of the participation exemption also requires among other things, that there is an operational connection between the company disposing of the shares and the company whose shares are being sold.

Tax deductible capital losses arising from the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of shares in the same financial year and five subsequent years. Tax deductible capital losses arising from the sale of shares belonging to other assets are tax deductible only from capital gains arising from the sale of other assets in the same fiscal year and the subsequent five years. Capital losses arising from the sale of shares that are not part of fixed assets or other assets are tax deductible from taxable income in the same financial year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents

Non-residents are generally not liable to tax in Finland on capital gains realized on the sale of shares in a Finnish company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland according to the Finnish Income Tax Act and the applicable tax treaty, and the shares are considered as assets of that permanent establishment, or more than 50 percent of the assets of the company whose shares are sold comprises one or multiple real properties located in Finland.

Transfer Tax

Transfer tax is not payable in Finland in connection with the issuance or subscription of new shares. Transfer tax is generally not payable on transfer of shares subject to public trading, such as shares admitted to trading on First North, against fixed cash consideration. The transaction is not subject to transfer tax provided that an investment service company or a foreign investment service company or another investment service provider, as defined in the Finnish Act on Investment Services (748/2012, as amended), is brokering or serving as a party to the transaction or that the transferee has been approved as a trading party in the market where the transfer is executed. If the transferee's broker or other party to the transfer is not a Finnish investment service company, Finnish credit institution, or Finnish branch or office of a foreign investment firm or credit institution, the transfer will be tax-exempt provided that the transferee liable for tax notifies the Finnish tax authorities of the transfer within two months thereof or that the broker submits an annual declaration concerning the transfer to the Finnish Tax Administration as set forth in the Finnish Assessment Procedure Act (1558/1995, as amended). Tax exemption does not apply to transfers executed as capital investments or distribution of funds or to transfers in which consideration comprises in full or in part work contribution, or to certain other transfers set out in the Finnish Transfer Tax Act. Accordingly, in case law it has been considered that if an incentive scheme remuneration of key persons is paid in money and the recipient of the remuneration is obliged to purchase shares of the Listed Company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution, and is thus subject to transfer tax.

The buyer is liable to pay transfer tax amounting to 1.6 percent of the transaction price in share transfers that do not fulfil the above criteria (2.0 percent on transfers of shares in a company qualified as a real estate company). If the buyer in that case is not resident in Finland for tax purposes or a Finnish branch of a foreign credit institution, investment service firm, fund management company or EEA alternative investment fund manager, the seller must charge the tax to the buyer. If the broker is a Finnish stockbroker or a credit institution or the Finnish branch or office of a foreign stockbroker or credit institution, it is liable to charge the transfer tax to the buyer and execute the payment on behalf of the buyer. If neither party to the transaction is resident in Finland or the Finnish branch of a foreign credit institution, investment service firm, fund management company or EEA alternative investment fund manager, no transfer tax is payable on the transfer of shares (excluding transfers of shares in real estate company, as defined in the Finnish Transfer Tax Act). No transfer tax is payable if the amount of transfer tax is less than EUR 10.

TERMS AND CONDITIONS OF THE OFFERING

The term "subscription" refers in the following to the investor's offer or commitment to subscribe for Offer Shares (as defined below) in the Offering (as defined below). An investor may be allocated either New Shares (as defined below) or Additional Shares (as defined below). Correspondingly, "subscriber", "subscription period", "subscription place" and "commitment" (and other corresponding terms) refer to both New Shares (as defined below) and Additional Shares (as defined below).

General terms and conditions of the Offering

Overview

FIFAX Plc, a limited liability company incorporated in Finland (the "**Fifax**" or the "**Company**") aims to raise gross proceeds of EUR 15 million by offering preliminarily a maximum of 5,900,000 new shares in the Company (the "**New Shares**") for subscription (the "**Offering**"). Unless the context indicates otherwise, the New Shares and the Additional Shares (as defined below) are together referred to herein as the "**Offer Shares**".

The Company's Board of Directors has, depending on the demand, a right to increase the number of New Shares by a maximum of 4,000,000 new Shares (the "**Upsize Option**"). If also the Upsize Option is exercised in full, a maximum of 9,900,000 Offer Shares may be issued, provided that Additional Shares (as defined below) are not subscribed and a maximum of 10,785,000 Offer Shares can be issued, provided that Additional Shares (as defined below) are subscribed in full. The Offer Shares may represent up to approximately 22.9 percent of the Company's shares ("**Shares**") and votes after the Offering, assuming that Upsize Option is not exercised and that the Additional Shares (as defined below) are not subscribed at all (approximately 35.2 percent of the Shares and votes assuming that the Upsize Option is exercised in full and that the Additional Shares (as defined below) are subscribed in full) and assuming that all New Shares are subscribed in full and that the Share Conversion (as defined below) is realized in full. As a result of the Offering, the number of Shares may increase up to 30,641,168 Shares (assuming that the Upsize Option is exercised in full, that the Additional Shares are subscribed in full and that the Share Conversion (as defined below) is realized in full.

The Offering consists of (i) a public offering to private individuals and entities in Finland, Sweden and Norway (the "**Public Offering**"), (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally outside the United States (the "**Institutional Offering**") and (iii) a personnel offering to the Company's Personnel (as defined below) (the "**Personnel Offering**").

Offer Shares will be offered in the Offering to investors outside the United States in offshore transactions in compliance with Regulation S under US Securities Act of 1933, as amended (the "**US Securities Act**") and otherwise in compliance with the said regulation. The Shares (including the Offer Shares) have not been registered and they will not be registered under the US Securities Act or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the US Securities Act), unless they have been registered under the US Securities Act or unless an exemption from the registration requirements of the US Securities Act is applicable and any applicable state securities laws of the United States are complied with.

According to the terms of the Company's EUR 12 million loan, which contains a share conversion clause (the "**EUR 12 Million Loan**") the creditors of the loan (the "**EUR 12 Million Loan Creditors**") have the right to convert the principal of the loan as well as accrued interest into Shares of the Company in connection with the Offering (the "**EUR 12 Million Loan Conversion**")Fifax has received written confirmations, from the creditors of the loan in question, that they will use their right to convert if the FN Listing and Offering is executed.

In addition, the approximately EUR 3,729 thousand loan on equity terms the Company raised during June to September 2021 (the "**EUR 3,729 Thousand Loan**"), according to the terms of which the creditors of the loan (the "**EUR 3,729 Thousand Loan Creditors**") are obliged to convert the principal of the loan into Shares of the Company at the Subscription Price in connection with the Offering at the Company's request (the "**EUR 3,729 Thousand Loan Conversion**"). Based on the decision of Fifax's Board of Directors, Fifax has requested conversion of the loan, conditional on the execution of the FN Listing and the Offering. The Company has received necessary written confirmations for the conversion.

In addition, the Company has as at the date of this Offering Circular a capital loan on equity terms amounting to approximately EUR 200 thousand from certain of its shareholders (the "**Capital Loan Creditors**", and together with the EUR 12 Million Loan Creditors and the EUR 3,729 Thousand Loan Creditors, the "**Conversion Creditors**"). In accordance with its terms, the capital loan as well as accrued interest shall be converted into Shares of the Company in connection with the Offering (the "**Capital Loan Conversion**" and together with the EUR 12 Million Loan Conversion and the EUR 3,729 Thousand Loan Conversion, the "**Share Conversion**"). The Company has received necessary written confirmations for the conversion.

In the Share Conversion, the Conversion Creditors' receivables shall be converted into Shares, so that the receivables of the Conversion Creditors shall be used to set off the subscription price of the shares of the Company to be issued in the Share Conversion (the "**Conversion Shares**"). The Company has received necessary written confirmations for the conversion.

The Company's General Meeting of shareholders has authorized the Board of Directors of the Company to resolve on a directed share issue of a maximum aggregate of 9,500,000 new Shares to the holders of the Company's convertible loans with two separate authorizations. The Board of Directors of the Company is based on this authorization expected to resolve on or about 15 October 2021 to issue Conversion Shares in connection with the Offering.

The subscription price of the Conversion Shares in the EUR 12 Million Loan Conversion is according to the terms of the loan 80 percent of the Subscription Price. The subscription price of the Conversion Shares in the EUR 3,729 Thousand Loan Conversion and the Capital Loan Conversion is the Subscription Price of the Offering. As such, an aggregate maximum of 8,004,661 Conversion Shares would be issued to Conversion Creditors.

The terms and conditions of the Offering are comprised of the general terms and conditions of the Offering as well as the special terms and conditions of the Public Offering, the Institutional Offering and the Personnel Offering.

Public Offering

A General Meeting of the Company has authorized the Board of Directors of the Company to decide on an issue of a maximum of 17,000,000 New Shares. Based on said authorization, the Board of Directors is expected to resolve on or about 15 October 2021 to issue New Shares and Additional Shares (as described below) in the Offering. The number of the Offer Shares issued would represent approximately 35.2 percent of the Shares and votes after the Offering, taking into account the Share Conversion. The number of the Company's Shares may increase up to 30,641,168 Shares, assuming that all of the Offer Shares preliminarily offered in the Offering are subscribed for in full, and that the Share Conversion is realized in full.

The Offer Shares are being offered in deviation from the shareholders' pre-emptive subscription right in order to enable the listing of the Shares on First North Growth Market Finland marketplace ("**First North**") maintained by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**FN Listing**").

The objective of the Offering and the FN Listing is to enable further investments supporting Fifax's continued growth strategy, together with additional capital in the form of equity and/or debt capital and potential investment grants, acquired after the Offering. The FN Listing would also increase Fifax's brand visibility and support, for example, the execution of Fifax's growth strategy, brand building and recruiting. In addition, the FN Listing would support the perception of Fifax as a high-quality company and a trustworthy partner in the fish market. The FN Listing would also serve to increase the general interest towards Fifax from investors, business partners and customers, as well as allow Fifax to obtain access to capital markets for the acquisition of additional financing and broaden its ownership base both with domestic and foreign investors, which would increase the liquidity of the Shares. The FN Listing and the increased liquidity also would make it possible to use the Shares more effectively in incentive programs for personnel and management. As such, there is a weighty financial reason for deviating from the pre-emptive subscription rights as defined in Chapter 9, Section 4 of the Finnish Companies Act.

The payment made to the Company for the approved New Share subscriptions will be booked in its entirety in the invested unrestricted equity, therefore, the Company's share capital will not increase in connection with the Offering.

Global Coordinator, Joint Bookrunner and Subscription Place

Alexander Corporate Finance Oy acts as the global coordinator and bookrunner (the "**Global Coordinator**") for the Offering and as well as the Company's certified adviser. In addition, Fearnley Securities AS ("**Fearnley**") has been appointed to act as a joint bookrunner for the Offering (Fearnley together with the Global Coordinator (the "**Managers**"). Alexander Corporate Finance Oy, Fearnley Securities AS and Nordnet Bank AB ("**Nordnet**") act as subscription places in the Offering. The Managers act as subscription places in the Institutional Offering (except for Nordnet's own Finnish customers) and the Global Coordinator acts as the subscription place in the Personnel Offering. Nordnet acts as a subscription place in the Public Offering and for its Finnish customers in the Institutional Offering. The Company acts as a subscription place for the Share Conversion.

Put Option

In addition to the New Shares and the Upsize Option, the Company may, in connection with the Offering, issue, by a directed share issue, at the Subscription Price, up to 885,000 Company's new shares (the "**Additional Shares**") solely to stabilize and cover potential over-allotments. The Company is expected to commit to repurchase Shares from Lago Kapital Ltd which acts as a stabilizing manager (the "**Stabilizing Manager**"), up to an amount corresponding to the amount of Additional Shares, which the Stabilizing Manager may sell at the Subscription Price (as defined below) (the "**Put Option**") to the Company within 30 days from the commencement of the trading of the Company's Shares on First North, i.e. on or about the time period from 25 October 2021 to 24 November 2021 (the "**Stabilization Period**"). The Company would acquire Shares only if the Additional Shares have been issued and the Stabilizing Manager has carried out stabilization measures, and only to the extent that the Stabilizing Manager holds Shares due to the aforementioned actions. The Company may cancel, hold in treasury or transfer any Shares so acquired. The Additional Shares correspond to approximately 2.9 percent of the Shares and votes after the Offering, assuming that the Company issues 10,785,000 Offer Shares and that the Share Conversion is realized in full. However, the Additional Shares shall not exceed 15 percent of the total number of the New Shares excluding the Upsize Option.

Stabilization

The Stabilizing Manager may, but is not obligated to, within the Stabilizing Period, engage in measures which stabilize, maintain or otherwise affect the price of the shares. In connection with the Offering, the Stabilizing Manager may also bid for and purchase Shares in the market to stabilize the market price of the Shares. These measures may support the market price of the Shares (by raising or maintaining the market price of the Shares in comparison with the price levels determined independently on the market or by preventing or delaying any decrease in the market price of the Shares). However, stabilization measures cannot be carried out at a higher price than the Subscription Price. If the Stabilizing Manager bids for or purchases Shares on the market to stabilize the price of the Shares, the Stabilizing Manager may use its Put Option to sell a number of Shares corresponding to the amount of the Additional Shares to the Company to cover its own position. The Stabilizing Manager has no obligation to carry out these measures, and it may stop any of these measures at any time. The Stabilizing Manager (or the Company on behalf of the Stabilizing Manager) will publish information regarding the stabilization required by legislation or other applicable regulations. The stabilization measures can be conducted on First North during the Stabilization Period.

Stabilization will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (the "**Market Abuse Regulation**") and the Commission Delegated Regulation (EU) 2016/1052 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures.

Placing Agreement

The Company and the Managers are expected to conclude a placing agreement on or about 15 October 2021 (the "**Placing Agreement**"). For further information, see "*Plan of Distribution – Placing Agreement*".

Subscription Period

The subscription period for the Institutional and the Personnel Offerings as well as the Public Offering in Finland will commence on 29 September 2021 at 10:00 a.m. (Finnish time) and the Public Offering in Sweden and Norway

will commence on 30 September 2021 at 10:00 a.m. (local time), and end on 13 October 2021 at 4:00 p.m. (Finnish time).

The Company's Board of Directors has, in the event of an oversubscription, the right to discontinue the Institutional Offering and the Public Offering by its decision at the earliest on 6 October 2021 at 4:00 p.m. (Finnish time). In addition, the Company's Board of Directors may discontinue the Personnel Offering at its sole discretion no earlier than 6 October]2021 at 4:00 p.m. (Finnish time). The Institutional, the Public and the Personnel Offerings may be discontinued or not discontinued independently of one another. A company release regarding any ending will be published without delay.

The Company's Board of Directors are entitled to extend the subscription periods of the Institutional, the Public and the Personnel Offerings. A possible extension of the subscription period will be communicated through a company release, which will indicate the new end date of the subscription period. The subscription periods of the Institutional, the Public and the Personnel Offerings will in any case end on 20 October 2021 at 4:00 p.m. (Finnish time) at the latest. The subscription periods of the Institutional, the Public and the Personnel Offerings can be extended independently of one another. A company release concerning the extension of a subscription period must be published no later than on the estimated final dates of the subscription periods for the Institutional, Public or Personnel Offerings stated above.

Offer Price

The subscription price for the Offer Shares in the Public Offering and in the Institutional Offering is EUR 2.55 per Offer Share (the "**Subscription Price**"). If the Subscription Price is changed, the Finnish language EU growth prospectus published by the Company in connection with the Offering ("**the Finnish Prospectus**") would be supplemented and the supplement and its English language translation would be published through a company release. If the Finnish Prospectus is supplemented, investors who have given their Commitments (as defined below) before the supplement or correction of the Finnish Prospectus have the right to cancel their Commitments as described below in section "– *Cancellation of the Commitments*."

The subscription price per share in the Personnel Offering is approximately 10 percent lower than the Subscription Price in the Public Offering, i.e. EUR 2.30 per Personnel Share (as defined below.

The Subscription Price has been determined in negotiations between the Company and the Global Coordinator. The Subscription Price may be changed during the subscription period, provided, however, that in the Public Offering, the Subscription Price cannot be higher than the original Subscription Price, i.e. EUR 2.55 per Offer Share. Any change would be communicated through a company release.

Conditionality of the Offering and publication of the Completion Decision

The Company's Board of Directors, in consultation with the Global Coordinator, will decide on the completion of the Offering, the final number of Offer Shares and the allocation of Offer Shares (the "**Completion Decision**") on or about 15 October 2021. The above information will be published through a company release immediately after the Completion Decision and be available on the Company's website at www.fifax.ax/en/ipo following the publication of the company release and in the subscription places of the Public Offering and the Personnel Offering no later than the business day following the Completion Decision, i.e. on or about 18 October 2021. In case the Offering does not result in an amount of subscriptions for the New Shares satisfactory to the Company and/or the Global Coordinator and the raised gross proceedings are not at least EUR 15 million, or if Nasdaq Helsinki does not accept the Company's listing application, the Offering will not be completed. The completion of the Offering is conditional upon the Placing Agreement being entered into and remaining in force.

Cancellation of Commitments

A commitment to subscribe for Offer Shares in the Public Offering (a "**Commitment**") cannot be amended. A Commitment may only be cancelled in the situations provided for in Article 23 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**").

Cancellation in accordance with the Prospectus Regulation

Where the Finnish Prospectus is supplemented pursuant to the Prospectus Regulation due to a significant new factor, material mistake or material inaccuracy, which may affect the assessment of the Offer Shares ("**Grounds for Supplement**"), investors who have subscribed for Offer Shares before the supplement is published shall, in accordance with the Prospectus Regulation, have the right to withdraw their Commitments within three (3) business days after the supplement of the Finnish Prospectus has been published. The cancellation right is further conditional on that the Grounds for Supplement have become known prior to the end of the subscription period.

The Company will announce cancellation instructions through a company release. The company release shall also announce investors' right to cancel subscriptions, the period within which subscriptions may be cancelled and more detailed instructions on cancellation. After the end of the cancellation period, the right of cancellation will lapse.

Procedure to cancel a Commitment

Finland

The cancellation of a Commitment must be notified to the subscription place where the initial Commitment was made and within the time limit set for such cancellation. Investors subscribing through the Managers shall make the cancellation in the relevant office or by submitting a written notice of cancellation via email. Investors subscribing through Nordnet shall submit a written notice of cancellation within the set time limit by email to operations.fi@nordnet.fi or by delivering the cancellation to the relevant office with the following exceptions: a Commitment submitted by Nordnet's own customers in Finland, Sweden and Norway accept a separate cancellation of Commitment via Nordnet's online service by using the Nordnet's bank identifiers.

The potential cancellation of a Commitment must concern the entire Commitment. After the time limit set for cancellation has expired, the cancellation right is no longer valid. If the Commitment is cancelled, the subscription place refunds the sum paid for the Offer Shares to the bank account specified in the Commitment. The payment is refunded as soon as possible after the cancellation, approximately within five (5) banking days of serving the subscription place with the cancellation notice. If an investor's bank account is in a different monetary financial institution than the place of subscription, the refund will be paid to the investor's Finnish bank account in accordance with the payment schedule of the monetary financial institutions, approximately no later than two (2) banking days thereafter. To Nordnet's own customers who have given their Commitment through Nordnet, the amount to be refunded will be paid to Nordnet cash account. No interest will be paid on the refunded amount.

Entry of Offer Shares into book-entry accounts

An investor who is a Finnish natural person or a Finnish entity or foundation and has submitted a Commitment must have a book-entry account with a Finnish account operator or an account operator operating in Finland. Investors must specify the details of their book-entry account in their Commitments. Subscriptions to equity savings accounts can be made only via Nordnet to an equity savings account provided by Nordnet. The Offer Shares allocated in the Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about 22 October 2021.

Title and shareholder rights

The title to the Offer Shares will be transferred when the Offer Shares are paid for, registered in the Trade Register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") and recorded in the investor's book-entry account. Offer Shares carry rights equal to all other Shares in the Company and they will entitle their holders to dividends and other distributions of funds as well as other rights related to the Shares when the title has been transferred.

Transfer tax and other expenses

Transfer tax will not be levied in connection with the issuance or subscription of the Offer Shares in Finland. Should transfer tax be levied, the Company will pay or procure the payment of any transfer tax on the allotment of Offer Shares. Account operators charge fees in accordance with their price lists for the maintenance of the book-entry account and for safekeeping of shares.

Trading in the shares

The Company intends to file a listing application with Nasdaq Helsinki to list the Shares on First North. Trading in the Shares is expected to commence on the First North on or about 25 October 2021. The trading code of the Shares is "FIFAX" and the ISIN code is FI4000496328.

When the trading on First North commences on or about 25 October 2021, not all of the Shares may necessarily have been fully transferred to the investors' book-entry accounts. If an investor wishes to sell Offer Shares subscribed for by it in the Offering, the investor should ensure that the number of shares registered to its book-entry account covers the transaction in question at the time of clearing.

Right to cancel the Offering

The Company's Board of Directors has the right to cancel the Offering at any time before the Completion Decision on the grounds of, inter alia, the market conditions, the Company's financial position or a material change in the Company's business. If the Company's Board of Director decides to cancel the Offering, the subscription price paid by the investors will be refunded in approximately five (5) banking days from the cancellation decision. If an investor's bank account is in a different monetary financial institution than the place of subscription, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the monetary financial institutions, approximately no later than two (2) business days thereafter. To Nordnet's own customers who have given their Commitment through Nordnet, the amount to be refunded will be paid to Nordnet cash account. No interest will be paid on the refunded amount.

Lock-ups

The Company will commit, during the period that will end 180 days from the FN Listing and commencement of trading (i.e. on or about 23 April 2022), without the prior written consent of the Global Coordinator (which consent may not be unreasonably withheld), not to issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly disclose such transaction), directly or indirectly, any Shares or any securities they hold entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise or make a proposal to the General Meeting to execute such arrangement. The lock-up does not apply to the Offering. pre-existing rights to purchase or subscribe for Shares based on warrants, options or other special rights entitling to Shares and issued by the Company, or the renumeration or incentive programs described in the Finnish Prospectus.

The members of the Company's Board of Directors and Management will agree that they will not, without the prior written consent of the Global Coordinator (which consent may not be unreasonably withheld) and during a period ending 360 days after FN Listing and commencement of trading (i.e. on or about 20 October 2022), issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise directly or indirectly transfer or dispose of any Shares or any securities convertible into or exchangeable for Shares or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequence of ownership of Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise.

According to the terms and conditions of the Personnel Offering, the personnel participating in the Personnel Offering must agree to comply with the lock-up that will end on the date that falls 360 days from the Listing.

The Company's existing shareholders and holders of the Company's loans that contain a share conversion clause, holding at least 5 percent of the total number of Shares or votes in the Company after the Share Conversion and before other subscriptions of Offer Shares are approved, will agree that they will not, without the prior written consent of the Global Coordinator (which consent may not be unreasonably withheld) and during a period ending 360 days after the FN Listing and commencement of trading (i.e. on or about 20 October 2021), issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise directly or indirectly transfer or dispose of any Shares or any securities convertible into or exchangeable for Shares or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequence of ownership of Shares, whether any

such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. There are certain exemptions to the application of the lock-up of such shareholders.]

In aggregate, the lock-up applies to approximately 56.3 percent of the Shares and votes after the Offering assuming that the Upsize Option is not exercised and that the Additional Shares are not subscribed (approximately 47.3 percent of the Shares and votes assuming that the Upsize Option is exercised in full and that the Additional Shares are subscribed in full), and assuming that all the New Shares preliminarily offered in the Offering are subscribed for in full and that the Share Conversion is realized in full (the proportion of the Shares represented by the lock-up has been calculated prior to the members of the Board of Directors and management team, the current shareholders (excluding the guaranteed allocation of the Cornerstone investors) or the personnel have made any possible subscriptions in the Offering).

Commitments by Cornerstone Investors

Aurator Asset Management Ltd, FV Group AB, Holdix Oy Ab, Oy Etrisk Ab, Finnish Industry Investment Ltd, Special Investment Fund Säästöpankki Ympäristö (Säästöpankki Ympäristö -erikoissijoitusrahasto), Turret Oy Ab and Ålands Ömsesidiga Försäkringsbolag (together the "**Cornerstone Investors**") have each individually in September 2021 given subscription undertakings in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain customary conditions being fulfilled, for an aggregate of EUR 6.0 million, which represents 21.6 percent of the Offer Shares, assuming that the Upsize Option is exercised in full and that the Additional Shares (as defined below) are subscribed in full. The subscription commitments of the Cornerstone Investors are conditional upon the Company raising gross proceeds of at least EUR 15 million from the Offering. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer Shares covered in the subscription undertaking. The Cornerstone Investors will not be compensated for their subscription undertakings.

Other matters

The Board of Directors of the Company will decide on other issues and practical matters related to the Offering.

Documents on display

The Company's latest financial statements, report of the Board of Directors and the auditor's report as well as the other documents pursuant to Chapter 5, Section 21 of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**"), are available during the subscription period at the Company's office at Industrivägen 115, 22270 Eckerö, Finland.

Applicable law

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

Special terms and conditions concerning the Public Offering

General

Preliminarily a maximum of 1,600,000 Offer Shares are offered in the Public Offering to private individuals and entities in Finland, Sweden and Norway. Depending on the demand, the Company may reallocate Offer Shares between the Institutional, the Public and the Personnel Offerings in deviation from the preliminary number of shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering will be 1,200,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

The subscription place and the Board of Directors of the Company have the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Right to Participate and the Minimum and Maximum Amounts for Commitments

Investors whose domicile is in Finland, Sweden or Norway and who submit their Commitments in Finland, Sweden or Norway may participate in the Public Offering. Commitments in the Public Offering must cover no less than 300 and no more than 35,000 Offer Shares. Each investor may only provide one Commitment in the Public Offering. If an investor provides more than one Commitment in the Public Offering, only the first Commitment will be considered when allocating Offer Shares. Legal entities submitting a Commitment must have a valid LEI code.

Places of Subscription and Submission of Commitments

Finland

The places of subscription in the Public Offering are:

- Nordnet's online service at www.nordnet.fi/fi/fifax.
- The subscription can be made through online service with the bank identifiers of Nordnet, Aktia, Danske Bank, Handelsbanken, Nordea, Oma Savings Bank, Osuuspankki, POP Bank, S-Bank, Savings Bank and Ålandsbanken.
    - Subscriptions to equity savings accounts can be made only to an equity savings account provided by Nordnet.
- The Commitment can also be made on behalf of corporation through Nordnet's online service. Estates of a deceased person or persons under guardianship, who are not Nordnet's own customers, cannot submit the Commitment through Nordnet's online service, but instead they have to submit the Commitment at the office of Nordnet at Yliopistonkatu 5, 00100 Helsinki, on weekdays from 10:00 a.m. to 4:00 p.m. The visit must be agreed on in advance.

A Commitment is considered to have been made when the investor has submitted a signed commitment form through online service or to Nordnet's office and paid for the subscription. When subscribing for Offer Shares, the payment must be made from the Finnish bank account which is in the investor's own name, or from the investor's cash account in Nordnet.

Commitments by or on behalf of persons under the age of 18, or otherwise under guardianship, must be made by their legal guardians and may require the consent of the local guardianship authority in Finland. A guardian may not subscribe for Offer Shares without the permission of the local guardianship authority, as the Offer Shares are not yet subject to trading at the time of the Commitment.

Sweden

The place of subscription in the Public Offering for customers with a book-entry account in Nordnet is:

- Nordnet's online service with the bank identifiers of Nordnet at www.nordnet.se.

Additional information on the subscription procedure is available at www.nordnet.se/se/fifax. Submitting a Commitment through Nordnet's online service requires a valid investment agreement with Nordnet.

Commitments made through Nordnet in Sweden by or on behalf of persons under the age of 18, or otherwise under guardianship, must be made by their legal guardians or an individual holding a power of attorney.

Norway

The place of subscription in the Public Offering for customers with a book-entry account in Nordnet is:

- Nordnet's online service with the bank identifiers of Nordnet at www.nordnet.no.

Additional information on the subscription procedure is available at www.nordnet.no/no/fifax. Submitting a Commitment through Nordnet's online service requires a valid investment agreement with Nordnet.

Commitments made through Nordnet in Norway by or on behalf of persons under the age of 18, or otherwise under guardianship, must be made by their legal guardians or an individual holding a power of attorney.

Payment of Offer Shares

Finland

When submitting a Commitment, the price to be paid for the Offer Shares is the Subscription Price, i.e., EUR 2.55 per Offer Share multiplied by the number of Offer Shares covered by the Commitment. If the Subscription Price is decreased, the new Subscription Price will be applied to the Commitments submitted thereafter.

The payment of a Commitment submitted via Nordnet's online service will be charged from the investor's cash account in Nordnet when the investor confirms the Commitment with his or her bank identifiers.

Sweden

The Commitments submitted through Nordnet's online service will be debited from the cash account in Nordnet on the date of the Completion Decision (i.e. on or about 15 October 2021).

To ensure that they do not lose their right to allotment, customers with Nordnet account must have sufficient cash balance available in their account during the period from 3:00 p.m. (Swedish time) on 13 October 2021 until the date of delivery (on or about 22 October 2021). If the Offering is discontinued on 6 October 2021, the customers must have sufficient cash balance available in their account during the period from 3:00 p.m. (Swedish time) on 6 October 2021 until the date of delivery, on or about 15 October 2021.

Norway

The Commitments submitted through Nordnet's online service will be debited from the cash account in Nordnet on the date of the Completion Decision (i.e. on or about 15 October 2021).

To ensure that they do not lose their right to allotment, customers with Nordnet account must have sufficient cash balance available in their account during the period from 3:00 p.m. (Norwegian time) on 13 October 2021 until the date of delivery (on or about 22 October 2021). If the Offering is discontinued on 6 October 2021, the customers must have sufficient cash balance available in their account during the period from 3:00 p.m. (Norwegian time) on 6 October 2021 until the date of delivery, on or about 15 October 2021.

Approval of Commitments and allocation

The Company will decide on the allocation of Offer Shares in the Public Offering to investors after the Completion Decision. The Company will decide on the procedure to be followed in the event of potential oversubscription. Commitments may be approved or rejected in whole or in part. In the event of an oversubscription, the Company aims to approve subscribers' Commitments in whole for up to 200 Offer Shares and, for Commitments exceeding this amount, the Company allocates Offer Shares in proportion to the amount of Commitments unmet.

A confirmation regarding the approval of the Commitments and the allocation of Offer Shares will be sent to the investors who have submitted their Commitments in the Public Offering as soon as possible and on or about 15 October 2021 at the latest. Nordnet's own customers who made their subscription through Nordnet will see their Commitments as well as Offer Shares allocated to them on the transaction page of Nordnet's online service.

Refunding of paid amounts (only investors in Finland)

If the Commitment is rejected or only partially approved and/or if the Subscription Price is changed and the Subscription Price is less than price paid in connection with submission of the Commitment, the excess amount paid will be refunded to the party that made the Commitment to the bank account identified in the Commitment on or about the fifth (5) banking day after the Completion Decision, i.e. on or about 22 October 2021. If an investor's bank account is in a different bank than the place of subscription, the refund will be paid to a bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount. See also "– *General Terms and Conditions of the Offering – Cancellation of Commitments – Procedure to cancel a Commitment*" above.

Special terms and conditions concerning the Institutional Offering

General

Preliminarily a maximum of 4,240,000 Offer Shares are being offered in the Institutional Offering to institutional investors in Finland and, in accordance with the applicable laws, internationally outside the United States on the terms and conditions set forth herein. Depending on the demand, the Company may reallocate Offer Shares between the Institutional, the Public and the Personnel Offerings in deviation from the preliminary number of shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering will be 1,200,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

Offer Shares will be offered in the Institutional Offering to institutional investors outside the United States in offshore transactions in compliance with the US Securities Act and otherwise in compliance with said regulation. The Shares (including the Offer Shares) have not been registered, and they will not be registered under the US Securities Act or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the US Securities Act), unless they have been registered under the US Securities Act or unless an exemption from the registration requirements of the US Securities Act is applicable and any applicable state securities laws of the United States are complied with.

The subscription place has the right to reject a Commitment, either partially or wholly, if it does not comply with the terms and conditions herein or if it is otherwise incomplete.

Right to participate

An investor, whose Commitment is at least 35,001 Offer Shares, may participate in the Institutional Offering. If an investor provides more than one Commitment in the Institutional Offering, only the first Commitment will be considered when allocating Offer Shares. Entities submitting a Commitment must have a valid LEI code.

Places of subscription and submission of Commitments

The places of subscription in the Institutional Offering are the Managers (except for Nordnet's own Finnish customers) and Nordnet (for its own Finnish customers):

- Alexander Corporate Finance Oy's office at Pohjoisesplanadi 37 A, 00100 Helsinki, on weekdays from 10:00 a.m. to 4:00 p.m., tel. +358 50 520 4098, merkinnat@alexander.fi.
    - Alexander Corporate Finance Oy acts as a place of subscription for all other customers than Nordnet's customers. An investor must prove his or her identity when making a subscription. In addition, when an entity is making the subscription, the authorised person must show his or her right to represent the entity.
- To Nordnet's own Finnish customers, Nordnet's online service at nordnet.fi/fi/fifax.
    - A Commitment requires Nordnet's personal bank identifiers.
    - Subscriptions to equity savings accounts can be made only to an equity savings account provided by Nordnet.
- For Nordnet's Finnish customers, Nordnet's office at Yliopistonkatu 5, 00100 Helsinki, tel. +358 20 198 5898.
    - An investor must prove his or her identity when making a subscription. In addition, when an entity is making the subscription, the authorised person must show his or her right to represent the entity.

Payment of Offer Shares and approval of subscriptions

Investors in the Institutional Offering must pay for the Offer Shares corresponding to their accepted Commitment in accordance with the instructions issued by the Managers, so that the payment is on the Company's bank account at the latest at 4:00 p.m. on 20 October 2021, unless the subscription period is discontinued or extended. If

necessary in connection with a Commitment being made or before the approval of a Commitment, the Managers and Nordnet have the right to require that the investor provide information concerning its ability to pay for the Offer Shares corresponding to its Commitment or require that the payment for the Offer Shares concerned by the Commitment be made in advance. The amount to be paid in this connection is the Subscription Price multiplied by the number of Offer Shares covered by the Commitment.

The Company's Board of Directors will decide on the allocation of Offer Shares to the investors in the Institutional Offering. Commitments may be approved or rejected in whole or in part. A confirmation of the approved Commitment will be provided as soon as practicable possible after the allocation of the Offer Shares on or about 15 October 2021. Nordnet's own Finnish customers will see their Commitments as well as Offer Shares allocated to them on the transaction page of Nordnet's online service.

Special terms and conditions concerning the Personnel Offering

General

A maximum of 60,000 New Shares ("**Personnel Share**") are being offered for subscription in the Personnel Offering to the employees who are in a full- or part-time permanent employment relationship with the Company or its subsidiaries as well as employees with a fixed-term employment relationship with the Company or its subsidiaries at the start of the subscription period on 29 September 2021, as well as to the members of Board of Directors, the management team and the CEO of the Company (the "**Personnel**"). Depending on the demand, the Company may reallocate Offer Shares between the Institutional, the Public and the Personnel Offerings in deviation from the preliminary number of shares without limitation. Notwithstanding the above, the minimum number of Offer Shares to be offered in the Public Offering will be a number that corresponds to 1,200,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments submitted in the Public Offering.

Right to participate in the Personnel Offering and Lock-ups

A Commitment provided in the Personnel Offering must concern a minimum of 100 and a maximum of 22,000 Personnel Shares. If an investor provides more than one Commitment, all Commitments submitted by the investor will be combined into one Commitment, and the amount mentioned above is applied. However, the Commitments submitted by an investor in the Personnel Offering will not be combined to the Commitments provided by the same investor in the Public Offering and in the Institutional Offering.

Participation in the Personnel Offering is conditional upon the employee having a valid employment or service relationship at the Company or its subsidiary which has not been terminated by the end of the subscription period.

Personnel must also agree to comply with the lock-up to participate in the Personnel Offering. In accordance with the lock-up, those who participate in the Personnel Offering may not, without the prior written consent of the Company or the Global Coordinator, during a period ending 360 days after the FN Listing, sell or otherwise transfer Personnel Shares. Lock-ups relating to Personnel Offering are binding regardless of whether they are recorded on the investor's book-entry account.

The right to participate in the Personnel Offering is personal and non-transferrable. However, a person entitled to participate may make a subscription through an authorised representative.

The place of subscription has the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Places of subscription and payment of the Offer Shares

The place of subscription in the Personnel Offering is:

- Alexander Corporate Finance Oy's office at Pohjoisesplanadi 37 A, 00100 Helsinki, on weekdays from 10:00 a.m. to 4:00 p.m., tel. +358 50 520 4098, merkinnat@alexander.fi.
    - An investor must prove his or her identity when making the subscription. The subscription must be paid immediately in accordance with the instructions of the commitment form.

A Commitment will be considered to have been made when the investor has submitted a signed commitment form to the Global Coordinator's office and paid the subscription payment. When subscribing for the Offer Shares, the payment must be made from the Finnish bank account which is in the investor's own name.

The Company's Board of Directors has the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Approval of Commitments

The Company's Board of Directors decides on the allocation of the Offer Shares to investors in the Personnel Offering. An electronic confirmation of the approval will be sent to the investors who have made a Commitment on or about 15 October 2021. The Commitment is binding regardless of the confirmation or its receipt.

PLAN OF DISTRIBUTION

Placing Agreement

The Company and the Managers are expected to sign a placing agreement concerning the Offering (the "**Placing Agreement**") on or about 15 October 2021. In the Placing Agreement, the Company is expected to undertake to issue the Offer Shares to investors procured by the Managers, and the Managers are expected to undertake to procure subscribers for the Offer Shares.

The Managers duty to fulfil its obligations pursuant to the Placing Agreement is expected to be conditional on the fulfilment of certain conditions. These conditions are expected to include, among others, that no material adverse change has taken place regarding the Company's business and that the shares have been admitted to trading on First North. The Global Coordinator (on its own behalf and on the behalf of the Managers) is expected to have the right to terminate the Placing Agreement subject to certain conditions prior to the Listing. The Company is expected to indemnify the Managers against certain liabilities pursuant to relevant securities market laws. In addition, the Company is expected to represent and warrant to the Managers certain customary matters. Such representations and warranties may relate to, among others, the Company's business and compliance with the law, the Shares and the contents of this Finnish Prospectus.

Put Option

In addition to the New Shares and the Upsize Option, the Company may in connection with the Offering, issue, by a directed share issue, at the Subscription Price, up to 885,000 new Shares (the "**Additional Shares**") solely to stabilize and cover potential over-allotments. The Company is expected to commit to repurchase Shares from Lago Kapital Ltd which acts as a stabilizing manager (the "**Stabilizing Manager**"), up to an amount corresponding to the amount of Additional Shares, which the Stabilizing Manager may sell at the Subscription Price (the "**Put Option**") to the Company within 30 days from the commencement of the trading of the Company's Shares on First North, i.e. on or about the time period from 25 October 2021 to 24 November 2021 (the "**Stabilization Period**"). The Company would acquire Shares only if the Additional Shares have been issued and the Stabilizing Manager has carried out stabilization measures, and only to the extent that the Stabilizing Manager holds Shares due to the aforementioned actions. The Company may cancel, hold in treasury or transfer any Shares so acquired. The Additional Shares correspond to approximately 2.9 percent of the Shares and votes after the Offering, assuming that the Company issues 10,785,000 Offer Shares and that the Share Conversion is realized in full. However, the Additional Shares shall not exceed 15 percent of the total number of the New Shares excluding the Upsize Option.

Stabilization

The Stabilizing Manager may, but is not obligated to, within the Stabilizing Period, engage in measures which stabilize, maintain or otherwise affect the price of the shares. In connection with the Offering, the Stabilizing Manager may also bid for and purchase Shares in the market to stabilize the market price of the Shares. These measures may support the market price of the Shares (by raising or maintaining the market price of the Shares in comparison with the price levels determined independently on the market or by preventing or delaying any decrease in the market price of the Shares). However, stabilization measures cannot be carried out at a higher price than the Subscription Price. If the Stabilizing Manager bids for or purchases Shares on the market to stabilize the price of the Shares, the Stabilizing Manager may use its Put Option to sell a number of Shares corresponding to the amount of the Additional Shares to the Company to cover its own position. The Stabilizing Manager has no obligation to carry out these measures, and it may stop any of these measures at any time. The Stabilizing Manager (or the Company on behalf of the Stabilizing Manager) will publish information regarding the stabilization required by legislation or other applicable regulations. The stabilization measures can be conducted on First North during the Stabilization Period.

Stabilization will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (the "**Market Abuse Regulation**") and the Commission Delegated Regulation (EU) 2016/1052 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures.

Lock-ups

The Company will commit, during the period that will end 180 days from the FN Listing and commencement of trading (i.e. on or about 23 April 2022), without the prior written consent of the Global Coordinator (which consent may not be unreasonably withheld), not to issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly disclose such transaction), directly or indirectly, any Shares or any securities they hold entitling to Shares or exchangeable for or convertible into or exercisable for Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise or make a proposal to the General Meeting to execute such arrangement. The lock-up does not apply to the Offering. pre-existing rights to purchase or subscribe for Shares based on warrants, options or other special rights entitling to Shares and issued by the Company, or the renumeration or incentive programs described in the Finnish Prospectus.

The members of the Company's Board of Directors and Management will agree that they will not, without the prior written consent of the Global Coordinator (which consent may not be unreasonably withheld) and during a period ending 360 days after FN Listing and commencement of trading (i.e. on or about 20 October 2022), issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise directly or indirectly transfer or dispose of any Shares or any securities convertible into or exchangeable for Shares or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequence of ownership of Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise.

As a precondition for participating in the Personnel Offering is to commit to lock-up when making the subscription, which ends 360 days after the Listing.

The Company's existing shareholders and holders of the Company's loans that contain a conversion clause holding at least 5 percent of the total number of Shares or votes in the Company after the Share Conversion and before other subscriptions of Offer Shares are approved will agree that they will not, without the prior written consent of the Global Coordinator (which consent may not be unreasonably withheld) and during a period ending 360 days after the FN Listing and commencement of trading (i.e. on or about 20 October 2021) issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise directly or indirectly transfer or dispose of any Shares or any securities convertible into or exchangeable for Shares or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequence of ownership of Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. There are certain exemptions to the application of the lock-up of such shareholders.

In aggregate, the lock-up applies to approximately 56.3 percent of the Shares and votes after the Offering assuming that the Upsize Option is not exercised and that the Additional Shares are not subscribed (approximately 47.3 percent of the Shares and votes assuming that the Upsize Option is exercised and that the Additional Shares are subscribed in full), and assuming that all the New Shares preliminarily offered in the Offering are subscribed for in full and that the Share Conversion is realized in full (the proportion of the Shares represented by the lock-up has been calculated prior to the members of the Board of Directors and management team, the current shareholders or the personnel have made any possible subscriptions in the Offering).

Commitments by Cornerstone Investors

Aurator Asset Management Ltd, FV Group AB, Holdix Oy Ab, Oy Etrisk Ab, Finnish Industry Investment Ltd, Special Investment Fund Säästöpankki Ympäristö (Säästöpankki Ympäristö -erikoissijoitusrahasto), Turret Oy Ab and Ålands Ömsesidiga Försäkringsbolag (together the "**Cornerstone Investors**") have each individually in September 2021 given subscription undertakings in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain customary conditions being fulfilled for an aggregate of EUR 6.0 million, which represents 21.6 percent of the Offer Shares, assuming that the Upsize Option is exercised in full and that the Additional Shares (as defined below) are subscribed in full. The subscription commitments of the Cornerstone Investors are conditional upon the Company raising gross proceeds of at least EUR 15 million from the Offering. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer

Shares covered in the subscription undertaking. The Cornerstone Investors will not be compensated for their subscription undertakings.

Fees and Expenses

In addition to the fixed fee paid during the listing process, the Company will pay the Global Coordinator a sales fee which is determined on the basis of the gross proceeds from the Offering. In addition, the Company may, at its sole discretion, pay the Managers a performance fee. In addition, the Company undertakes to reimburse the Managers for certain expenses.

In connection with the Offering, the Company expects to pay approximately EUR 1.8 million in fees and expenses assuming that the Upsize Option is not exercised and that Additional Shares are not subscribed at all. If the Upsize Option is exercised in full and Additional Shares are subscribed in full, Fifax estimates that the fees and expenses payable by it in relation to the Offering will amount to approximately EUR 2.3 million.

Dilution

The maximum number of Offer Shares offered in the Offering represents 35.2 percent of all Shares and votes after the completion of the Offering, assuming that the Upsize Option is exercised in full, that the Additional Shares are subscribed in full and that the Share Conversion is realized in full, and 22.9 percent of all Shares and votes after the completion of the Offering, assuming that the Upsize Option is not exercised, that the Additional Shares are not subscribed and that the Share Conversion is realized in full. In the event that existing shareholders of the Company do not subscribe for the Offer Shares in the Offering, their total holding of Shares and votes would be diluted by 61.3 percent, assuming that the Upsize Option is exercised in full, that the Additional Shares are subscribed in full and that the Share Conversion is realized in full, and 54.0 percent of all Shares and votes after the completion of the Offering, assuming that the Upsize Option is not exercised, that the Additional Shares are not subscribed and that the Share Conversion is realized in full.

The Company's equity per Share stood at EUR 0.12 on 30 June 2021.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"), (b) Articles 9 and 10 of the Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Mi-FID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are (i) compatible with an end target market of retail investor and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"), Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements in any contractual, legal or regulatory selling restrictions in relation to the Offering.

The Target Market Assessment does not constitute (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, obtain, or take any other action concerning the Shares.

Each distributor is responsible for its own Target Market Assessment in respect of the Shares and determining the appropriate distribution channels.

FIFAX'S CORPORATE GOVERNANCE

General

Under the Finnish Companies Act and the Company's Articles of Association, the Company's governance and management are distributed between the shareholders, Board of Directors and the CEO. The management team supports the CEO in the daily management of the Company's operations.

The shareholders take part in the supervision and governance of the Company through the resolutions of General Meetings of Shareholders. A General Meeting of Shareholders is generally convened by the Board of Directors. In addition to this, a General Meeting of Shareholders shall be held if the Company's auditor or shareholders representing a minimum of one-tenth of all outstanding shares in the Company demand in writing that a General Meeting be convened.

The task of the Board of Directors is to see to the governance of the Company and ensure the appropriate organisation of the Company's operations. According to the Company's Articles of Association, the Board of Directors consists of a minimum of three (3) and a maximum of seven (7) ordinary members. The term of office for members of the Board of Directors expires at the end of the first Annual General Meeting of Shareholders following the election. The Company's Board of Directors appoints the CEO and decides on the terms and conditions of his/her executive contract in writing.

The address of the members of the Board of Directors, the CEO and the management team is Industrivägen 115, 22270 Eckerö.

Fifax's Management

Board of Directors

The members of the Board of Directors are Panu Routila (the Chairman), Eduard Paulig, Ulf Toivonen, Robin Blomqvist, and Rolf Karlsson.

The following table sets forth the members of the Company's Board of Directors as at the date of this Offering Circular.

Name	Year of birth	Position	Board member since
Panu Routila	1964	Chairman of the Board	2021
Eduard Paulig	1962	Board member	2017
Ulf Toivonen	1963	Board member	2017
Robin Blomqvist	1982	Board member	2021
Rolf Karlsson	1949	Board member	2020

Panu Routila has been a member of the Company's Board of Directors since February 2021 and Chairman of the Board since March 2021. In addition, Mr. Routila is Chairman of the Board of Patria Plc, Fortaco Group Oy and Oriola Corporation and a member of the Board of Directors of Ensto Ltd and Ensto Building Systems Oy. Previously he has acted as the President and CEO of Konecranes Plc, President and CEO of Ahlström Capital Oy and CEO of Alteams Oy, which belongs to Kuusakoski Group. Mr. Routila holds a Master of Science degree in Economics and Business Administration, and he is a Finnish citizen.

Eduard Paulig has been a member of the Company's Board of Directors since 2017. In addition, Mr. Paulig is Chairman of the Board of Oy The English Tearoom Ab and a member of the Board of Directors of Paulig Ltd. Previously he has acted as the CEO of Oy The English Tearoom Ab, Head of Asset Management at Svenska Handelsbanken AB (publ) and Deputy CEO of Paulig Ltd. Mr. Paulig holds a Master of Political Science (major in Economics), and he is a Finnish citizen.

Ulf Toivonen has been a member of the Company's Board of Directors since 2017. In addition, Mr. Toivonen is the CFO and Deputy CEO of Ålands Ömsesidiga Försäkringsbolag. Previously he has acted as the Head of Credit at Bank of Åland Plc, Group auditor and Accounting Manager at Viking Line Abp and CFO at Birka Line Abp. Mr. Toivonen holds a Master of Science degree in Economics and Business Administration, and he is a Finnish citizen.

Robin Blomqvist has been a member of the Company's Board of Directors since 2021. In addition, Mr. Blomqvist is a partner at Helmet Capital Ltd and a member of the Board of Directors of Viikinkiravintola Harald Oy and OTSO Metsäpalvelut Oy. Previously he has acted as a Sales Director at Bank of Åland Plc and a Strategy Consultant at Deloitte. Mr. Blomqvist holds a Master of Science degree in Economics and Business Administration, and he is a Finnish citizen.

Rolf Karlsson has been a member of the Company's Board of Directors since 2020. In addition, Mr. Karlsson is the CEO of FV Group AB. Previously he has acted as the Chairman of the Board of the Company, CEO and owner of Fågelviksgruppen AB and CEO of Taxi Kurir AB. Mr. Karlsson holds a polytechnic level degree in plant engineering, and he is a Swedish citizen.

CEO and Management Team

The CEO is responsible for the supervision and control of the Company's day-to-day operations in accordance with the Finnish Companies Act and authorisations and guidelines issued by the Board of Directors.

The following table sets forth the members of Fifax's management team as at the date of this Offering Circular.

Name	Year of birth	Position	Member of management team since
Samppa Ruohtula	1970	Chief Executive Officer	2019
Linda Lindroos	1981	Chief Financial Officer	2021
Eevertti Vetriö	1988	Fish Master	2016
Niclas Jansson	1966	Production Manager	2021
Tommy Andersson	1968	Technical Manager	2015
Kimmo Jalo	1964	Chief Technology Officer	2016

Samppa Ruohtula has been the Company's Chief Executive Officer since 31 October 2019. In addition, Mr. Ruohtula is an associate partner at Helmet Capital Ltd. Previously he has acted as the CEO of Vizibler (being one of its co-founders), CEO of IKI-Kiuas Corporation, and Partner at Avanto Network Ltd, in addition to which he has held various management positions based in Helsinki, Paris and Beijing at Nokia Corporation. Mr. Ruohtula holds a Master's degree in Engineering.

Linda Lindroos has been the Company's Chief Financial Officer since 17 May 2021. She has previously acted as the CFO at Gold & Green Foods Oy and in financial management positions at Amer Sports Plc (Controller, Group Internal Controls) and Suunto Oy (Supply Chain Management Business Controller). Lindroos holds a Master of Science degree in Economics and Business Adminisration.

Eevertti Vetriö has been the Company's Fish Master since 2016. He has also acted as a member of the Board of Directors at Investvet Ab since 2016. Previously, he has worked with fish production at Ab Chipsters Food Oy. Mr. Vetriö has studied marine science and biology.

Niclas Jansson has been the Company's Production Manager since 2021. Previously he has acted as the Head of Project Management Office, Business Architecht and Project Manager at Rederiaktiebolaget Eckerö, Operational Department Manager at Government of Åland Islands and a Team and Project Manager at Crosskey Banking Solutions Ab Ltd. Mr. Jansson holds an engineer degree in software and information technology.

Tommy Andersson has been the Company's Technical Manager since 2015. Previously he has acted as a Project Leader of Stockholm Electrical Infra Management at Eltel, Communication Technician at Viking Line Abp, and Engineer at Mariehamns Telefon Ab. Mr. Andersson has a background in pilot studies and he is an Automation Engineer by education.

Kimmo Jalo has been the Company's Chief Technology Officer since November 2019, before which he acted as the CEO of the Company from August 2016 to October 2019. Previously he has acted as a Business Analyst, Purchasing and Innovations Manager and Plant Manager at Pyroll Oy, CEO of Kalvopakkaus Oy, and CEO of Amitec Oy. Mr. Jalo holds a Master's degree in Engineering.

Management's Backgrounds and Family Relations

As at the date of this Offering Circular none of the members of the Board of Directors, the management team nor the CEO have, save for the exemptions described below, during the five previous years:

- been convicted in relation to fraudulent offences; or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Kimmo Jalo was subjected to a criminal charge in December 2019 for impairment of the environment due to a leak of water containing nitrogen and phosphorus into the environment in 2017, which occurred while he acted as the CEO of Fifax (see "*Legal and administrative matters of Fifax – Legal Proceedings and Disputes – Criminal liability for Impairment of the Environment*" below). He was however acquitted of all charges.

There are no family relations between the members of the Company's Board of Directors or of the management team.

Duties of the Board of Directors

The Board of Directors supervises Fifax's operations and management, deciding on significant matters concerning the company strategy, investments, organization and finance in accordance with the Finnish Companies Act. The Board of Directors has general competence to decide and act in all matters not reserved for other corporate governing bodies by law or under provisions of the Company's Articles of Association.

The Board of Directors also appoints Fifax's CEO as well as the members of the management team and decides on the terms of their service. The Board of Directors has prepared a written charter for its operations, defining the main duties and operating principles of the Board.

Committees

Fifax has two committees appointed by the Board of Directors, the Audit Committee and the Nomination Committee. The Committees have no independent decision-making authority but their purpose is to present issues within their remit to the Board of Directors or the General Meeting for a decision. The Committees report regularly to the Board of Directors.

The Board of Directors has confirmed the Audit Committee's key duties and operating principles in the Charter of the Audit Committee. The responsibilities of the Audit Committee are, among other things, to monitor and evaluate Fifax's financial reporting system, internal control and audit and risk management systems, to monitor and evaluate related-party transactions, to monitor and evaluate the independence of the auditor and the auditing, and to carry out preparations for the election of the auditor.

The Audit Committee must have the expertise and experience required for the performance of the duties of the Audit Committee and at least one member of the Audit Committee must have expertise within accounting and auditing. The members of the Audit Committee must be independent of the Company, and at least one of the members must be independent of the major shareholders of the Company. As at the date of this Offering Circular, the Audit Committee consists of three (3) members: Robin Blomqvist (Chairman of the Committee), Ulf Toivonen and Panu Ruotila.

The Board of Directors has confirmed a written Charter of the Nomination Committee, defining the tasks and operating principles of the Nomination Committee. The main task of the Nomination Committee is, among others, to prepare the proposals to the General Meeting regarding the composition of the Board of Directors and the remuneration of the Board members and to implement the performance assessment of the Board of Directors. The Nomination Committee shall consult the largest shareholders of the Company about their views on the composition of the Board of Directors.

The Nomination Committee must have the expertise and experience required for the performance of the duties of the Nomination Committee. A majority of the members of the Nomination Committee must be independent of the

Company. As at the date of this Offering Circular, the Nomination Committee consists of three (3) members: Eduard Paulig (Chairman of the Committee), Robin Blomqvist and Rolf Karlsson.

Shareholding by the Members of the Board of Directors and Management Team

The following table sets forth the number of Shares owned by the members of the Board of Directors and management team as at the date of this Offering Circular].

Name	Position	Number of Shares
Panu Routila	Chairman of the Board	0
Eduard Paulig	Member of the Board	20,000
Ulf Toivonen	Member of the Board	0
Robin Blomqvist	Member of the Board	20,148[1]
Rolf Karlsson	Member of the Board	3,329,600[2]
Samppa Ruohtula	Chief Executive Officer	51,621[3]
Linda Lindroos	Chief Financial Officer	0[4]
Eevertti Vetriö	Fish Master	0
Niclas Jansson	Production Manager	0
Tommy Andersson	Technical Manager	4,537
Kimmo Jalo	Chief Technology Officer	14,084

[1]Direct holding of 20,900 shares and 7,248 shares through wholly-owned Ekbo Capital Ab. In addition, Blomqvist owns 30 percent of Beroson Consulting Oy Ab, which holds 211,361 shares. Robin Blomqvist also owns indirectly 8 percent of Helmet Capital through Ekbo Capital Ab, and Beroson Consulting Oy Ab owns 12 percent of Helmet Capital. Helmet Capital owns 1.28 percent of the Company.
[2]Through wholly-owned FV Group Ab.
[3]Through wholly-owned SCUD Ab.
[4]Vetriö owns 25 percent of Investvet Ab, which in turn holds 46,218 shares.

Board of Directors' and Management's Fees and Benefits

Board of Directors' Fees

According to the Finnish Companies Act, the Annual General Meeting of Shareholders decides on the fees payable to the members of the Company's Board of Directors.

The Company's Annual General Meeting held on 10 May 2021 resolved that the remuneration of members of the Board of Directors, who are not employees of the Company, is EUR 3,500 per year and EUR 200 per month, amounting to total of EUR 5,900 annually. In addition, daily allowances in accordance with applicable general terms are paid and all travel expenses are reimbursed. In addition, the Annual General Meeting resolved that if Fifax is listed on First North, the Chairman of the Board of Directors shall be paid a remuneration of EUR 3,000 per month, and other members of the Board of Directors shall each be paid a remuneration of EUR 1,500 per month.

The following table sets forth the remuneration paid to the members of the Company's Board of Directors for the periods indicated.

	Six-month period ended 30 June	Financial year ended 31 December	
(EUR)	2021	2020	2019
Remuneration of the members of the Board	30,900	13,200	28,300

There have not been material changes to the remuneration of the Company's Board of Directors between 30 June 2021 and the date of this Offering Circular.

Remuneration of the CEO and Members of Management Team

The Board of Directors decides on the remuneration and its terms of the CEO and the members of the management team. The remuneration of the management team and the CEO consists of a monthly salary, customary fringe benefits and incentives as in force from time to time.

The Company's CEO is entitled to a bonus equivalent to 12 months' salary if Fifax will be listed on a stock exchange or a multilateral trading facility, such as First North. 100 percent of the bonus (after taxes) will be used to subscribe Fifax's Shares in connection with the listing.

The pension benefits of the Company's CEO and the other members of the management team are determined in accordance with law and customary practice. The Company has no active supplementary pension or insurance plans provided for the CEO nor for the other members of the management team.

The following table sets forth the remuneration paid to the Company's CEO and management team for the periods indicated.

(EUR)	Six-month period ended 30 June 2021	Financial year ended 31 December 2020	2019
Salary and benefits paid to the CEO	59,480.00	113,400.00	121,107,90
Salary and benefits paid to other members of the management team	165,909.09	222,316.89	127,984,75
Total	**225,389.09**	**335,716.89**	**249,092.65**

The pension and other add-on costs related to the salaries and benefits paid to the members of the Board of Directors and the Management Team amounted to EUR 53,616 and 9,660 in 2020, correspondingly to EUR 44,343 and 3,972 in 2019 and to EUR 39,781 and 8,046 for the six-month period ended 30 June 2021, respectively.

There have not been material changes to the remuneration of the Company's CEO or members of the management team between 30 June 2021 and the date of this Offering Circular. The remuneration of the CEO will however be reviewed after the completion of the FN Listing.

Termination benefits

The CEO's contract of service may be terminated on a mutual three (3) months' notice. Upon termination of the contract by the Company, without reasons comparable to those stipulated in the Finnish Employment Contracts Act (55/2001, as amended) that entitle an employer to terminate employment on grounds relating to the employee, the CEO shall be entitled to receive a one-off severance payment equivalent to six (6) months' salary at the moment of termination in addition to the salary for the notice period including holiday compensation. However, in the event of the CEO's material breach of the obligations under the CEO's contract of service, the Company is entitled to terminate the contract of service immediately, upon notice, with no payment obligation of any kind, and any severance pay already paid must be repaid.

Incentive programs

The Extraordinary General Meeting of the Company has authorized the Company's Board of Directors to decide on a share plan for the Company's CEO, Management Team and key personnel, as well as members of the Board of Directors who do not previously own Shares in the Company. The Board of Directors was authorised to decide on the scope, conditions for granting share rewards, the schedule, as well as other terms of the share plan. The share plan can cover of a maximum of 115,000 Shares, which can be directed to the participants of the share plan, either by issuing new Shares or by transferring Shares that are held by the Company.

The Board of Directors of Fifax will after the Offering decide on a Performance Share Plan ("**PSP**"). The plan will be directed to Fifax's management and key personnel, as well as members of the Board of Directors who do not have a previous significant shareholding. The plan has a three-year performance period (2021 – 2023) based on which the rewards will be paid. Shares will be transferred after the end of the performance period. The performance criteria under the plan are the Total Shareholder Return (TSR) of Fifax, as well as the cumulative profit for three years. In addition, a precondition to receive the rewards is that a participant has a valid employment or service relationship at the moment the Shares are paid.

SELECTED FINANCIAL INFORMATION

Important background information

The financial information presented below has been derived from the Company's audited financial statements prepared in accordance with the Finnish Accounting Standards (FAS) for the financial year ended 31 December 2020 and 31 December 2019, as well as the Company's unaudited interim financial information for the six months ended 30 June 2021 including the comparative financial information for the six months ended 30 June 2020.

Certain historical financial information presented in this Offering Circular for the financial years ended 31 December 2020 and 31 December 2019 differ from the historical financial information of the statutory audited financial statements approved by the Company's Annual General Meeting due to the supplementing of certain notes each year as well as the adjustments made for the financial year 2019 in connection with the preparation of the financial statements for the financial year ended in connection with the change in the accounting principle for inventories and changes in the presentation of the balance sheet. The statutory audited financial statements for the financial year ended 31 December 2019 has not included a cash flow statement, due to which the financial statement information for the financial year ended 31 December 2019 has been prepared for the purposes of this Offering Circular. Additional information about the adjustments made has been presented in the Company's financial statements from the years ended 31 December 2020 and 31 December 2019 incorporated by reference into this Offering Circular under "*Change in inventories accounting policies and change in presentation of the balance sheet*".

The selected financial information provided herein should be read together with "*Financial Statements Related and Certain Other Information*" and the Company's audited financial statements as at and for the years ended 31 December 2020 and 31 December 2019 as well as the unaudited financial information as at and for the six months ended 30 June 2021 incorporated by reference into this Offering Circular.

Alternative Performance Measures

Fifax presents in this Offering Circular certain performance measures, which in accordance with the "Alternative Performance Measures" guidelines by the European Securities and Markets Authority ("**ESMA**") are not accounting measures of historical financial performance, financial position and cash flows, defined or specified in FAS standards, but which are instead alternative performance measures.

The Company presents Alternative Performance Measures as additional information to financial measures presented in income statements, balance sheets and cash flow statements prepared in accordance with FAS. In the Company's view, alternative performance measures provide meaningful supplemental information about the Company to the management, investors, securities market analysts and other parties regarding the Company's results of operations, financial position and cash flows.

These alternative performance measures are

- Investments
- Equity ratio
- Earnings per share, undiluted
- Earnings per share, diluted

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Selected Financial Information – Calculation of Certain Alternative Performance Measures and Other Key Figures*".

Alternative Performance Measures should not be considered in isolation or as a substitute to the measures under FAS. All companies do not calculate Alternative Performance Measures in a uniform way, and therefore the Alternative Performance Measures presented in this Offering Circular may not be comparable with similarly named measures presented by other companies.

Alternative Performance Measures are unaudited.

Income Statement

(EUR thousand)	For the six months ended 30 June 2021 (unaudited)	2020 (unaudited)	For the year ended 31 December 2020 (audited) (restated)	2019 (audited) (restated)
Net sales	**635**	**976**	**1,242**	**701**
Other operating income	460	-	-	17
Materials and services	-3,166	-2,149	-3,666	-2,732
Personnel expenses	-882	-752	-1,381	-1,013
Depreciation, amortization and impairments	-760	-575	-1,150	-1,004
Other operating expenses	-1,472	-1,023	-2,334	-2,378
Operating profit (loss)	**-5,185**	**-3,523**	**-7,290**	**-6,409**
Financial income and expenses	-1,785	-296	-1,105	-751
Result before appropriations and taxes	**-6,970**	**-3,819**	**-8,395**	**-7,159**
Profit (loss) for the period	**-6,970**	**-3,819**	**-8,395**	**-7,159**

Balance Sheet

(EUR thousand)	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)	2019 (audited) (restated)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	-	-	38
Tangible assets	19,839	20,211	20,766
TOTAL NON-CURRENT ASSETS	**19,839**	**20,211**	**20,804**
CURRENT ASSETS			
Inventories	1,055	1,323	1,579
Long-term receivables	264	264	128
Short-term receivables	330	222	475
Cash and cash equivalents	4,879	5,182	536
TOTAL CURRENT ASSETS	**6,528**	**6,991**	**2,718**
TOTAL ASSETS	**26,367**	**27,202**	**23,522**
LIABILITIES			
EQUITY			
Share capital	80	5	5
Reserve for invested unrestricted equity	34,680	34,756	33,785
Retained earnings (loss)	-29,911	-21,516	-14,356
Profit (loss) for the financial year	-6,970	-8,395	-7,159
Equity capital loan	3,500	-	-
TOTAL EQUITY	**1,379**	**4,850**	**12,274**
Non-current liabilities			
Subordinated loans	200	200	200
Liabilities to credit institutions	-	-	6,622
Convertible loans	12,214	12,173	-
Other loans	1,100	-	-
Total non-current liabilities	**13,514**	**12,373**	**6,822**
Current liabilities			
Liabilities to credit institutions	7,742	7,509	1,440
Trade creditors	1,137	985	1,544
Other creditors	215	447	551
Accruals and deferred income	2,380	1,038	891
Total current liabilities	**11,474**	**9,979**	**4,426**
TOTAL LIABILITIES	**24,988**	**22,352**	**11,248**
TOTAL EQUITY AND LIABILITIES	**26,367**	**27,202**	**23,522**

Cash Flow Statement

(EUR thousand)	For the six months ended 30 June 2021 (unaudited)	2020	For the year ended 31 December 2020 (audited)	2019 (audited) (restated)
Operating cash flow	-4,593	295	-6,904	-6,103
Cash flow from investments	-388	-605	-557	-2,758
Cash flow from financing activities	4,678	336	12,107	9,055
Net change in cash and cash equivalents	**-303**	**26**	**4,646**	**194**
Cash and cash equivalents at the beginning of period	5,182	536	536	342
Cash and cash equivalents at the end of period	**4,879**	**562**	**5,182**	**536**

Key Figures

(EUR thousand, unless otherwise indicated)	For the six months ended 30 June 2021 (unaudited)	2020	For the year ended 31 December 2020 (unaudited, unless otherwise indicated)	2019 (unaudited, unless otherwise indicated) (adjusted)
Financial key figures				
Net sales	635	976	1,242	701
Operating profit	-5,185	-3,523	-7,290	-6,409
Profit (loss) for the period	-6,970	-3,819	-8,395	-7,159
Earnings per share, basic and diluted [2] (EUR)[3]	-0.59	-0.32	0.71[1]	1.21[1]
Operating cash flow	-4,593	295	-6,904	-6,103
Capital expenditure	-388	-605	-557[1]	-2,758[1]
Equity ratio	6 %	N/A	18%[1]	52%[1]
Average number of employees, full time equivalent	27	22	23[1]	18[1]
Personnel expenses	-882	-752	1,381	1,013
Balance sheet total	26,367	N/A	27,202	23,522
Operative key figures				
Fish stock at the beginning of the period (tonnes)	413	488	488[1]	302[1]
Fish stock at the end of the period (tonnes)	268	328	413[1]	488[1]
Fish produced, gutted, HOG (tonnes)	227	297	314[1]	173[1]

[1]Unaudited.
[2]The Company's potentially diluting instruments are the loans convertible in accordance with the terms of the capital loan. As the Company has incurred losses, these instruments would not have had a diluting effect, for which reason they have not been taken into account as having a diluting effect when calculating the adjusted earnings per share. For this reason, there is no difference between the undiluted earnings per share and the earnings per share adjusted by the effects of dilution.
[3]Adjusted by the effects of the redemption without consideration and cancellation of 47,406,260 shares, as decided by Fifax's annual general meeting held on 10 May 2021 and registered on 11 May 2021.

Calculation of Certain Alternative Performance Measures and Other Key Figures

Key figure	Definition	Purpose
Earnings per share, undiluted	Earnings per share, undiluted (EUR) = Profit (loss) for the financial period / Weighted average of the number of outstanding shares during the period	Earnings per share helps to describe the distribution of the company's results of operations to shareholders.
Earnings per share, diluted	Earnings per share, diluted (EUR) = Profit (loss) for the financial period / Weighted average of the number of outstanding shares during the period + potential diluting shares	
Capital expenditure	Capital expenditure of cash flow on tangible and intangible assets, reduced by received investment grants.	Capital expenditure provides additional information on the cash flow requirements of business operations.
Equity ratio	Equity divided by the total sum of the balance sheet, reduced by advances received.	Equity ratio assists in presenting the level of financial risk and is a useful indicator, through which management monitors the level of capital utilized in business operations.

Qualifications presented in audit reports

Fifax's auditor has in its audit statement drawn attention to the section "Going concern and financing" in the accounting principles of the financial statements for the financial years 2019 and 2020, that describe the assumption of the company's ability to continue its operations as a going concern and where it is stated that the company's current liquid funds will not be sufficient to finance the planned measures and to repay the outstanding loans to financial institutions. The Company plans to obtain equity financing during the year 2021 and to refinance its loans to financial institutions. As the revenue has not yet reached a commercially sustainable level and there are no binding commitments for further financing at the date of approval of the Set of financial statements, these circumstances represent a material uncertainty that may cast significant doubt on the company's ability to continue as going concern for both of the financial statements included in the Set of financial statements. The auditor's statement has not been restated in this respect.

Recent Events

Other than described below, there have not been any significant changes in Fifax's financial performance or position between 30 June 2021 and the date of this Offering Circular.

The Company agreed on August 2021 to draw down a capital loan of approximately EUR 229 thousand. According to the terms and conditions of the loan, the creditors of the loan are obliged to convert the loan into Shares of the Company, based on the decision of Fifax's Board of Directors. The loan has been drawn down in September 2021 on same terms as the loan of EUR 3.5 million, that was raised during the six months ending 30 June 2021.

DIVIDENDS AND DIVIDEND POLICY

Under the Finnish Companies Act, the General Meeting of Shareholders decides on the distribution of dividends based on a proposal by the Company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the Company's financial statements. If dividends are distributed, all of the Shares of the Company are entitled to the same dividend and it is usually distributed once in a year.

Fifax's business has so far been unprofitable, and it has not distributed any dividends since its incorporation. In upcoming years Fifax will focus on financing its growth and developing its business according to its strategy. The Company does not expect to distribute dividends in the short or medium term. In addition, the terms and conditions of Fifax's financing agreements include certain limitations on Fifax's ability to pay dividends or make other distributions of assets without the written consent of lenders and guarantors.

As to the tax considerations for certain shareholders applicable to dividends, see "*Taxation*".

SHARES AND SHARE CAPITAL

General

The Company's registered share capital at the date of this Offering Circular is EUR 80,000 and the Company has 11,851,507 fully paid shares. On 31 December 2020 and on 31 December 2019, the share capital has been EUR 4,800. Fifax's Articles of Association do not contain any provisions governing the Company's minimum and maximum share capital. The Shares have no nominal value.

Historical development of the Share Capital

The historical development of the Company's share capital and share number from 1 January 2019 to the date of this Offering Circular is presented in the table below.

Date of the decision	Arrangement	Subscription price (EUR)	Number of issued/redeemed and cancelled shares	Number of shares after arrangement	Share capital (EUR)	Registration date
21 May 2021	Increase in share capital	-	-	11,851,507	80,000	21 May 2021
10 May 2021	Redemption and cancelling of shares without consideration		47,406,260	11,851,507	4,800	11 May 2021
8 November 2019	Share issue	0.25	16,000,000	59,257,767	4,800	18 March 2021
24 April 2019	Share issue	0.25	28,000,000	43,257,767	4,800	11 February 2020
22 February 2019	Share issue	1.00	4,004,068	15,257,767	4,800	2 July 2019
28 August 2018	Share issue	1.00	3,575,660	11,253,699	4,800	2 July 2019
11 April 2018	Share issue	1.00	3,087,733	7,678,039	4,800	6 February 2019

Valid Authorisations

As at the date of this Offering Circular, the Board of Directors of Fifax has available the following authorizations, granted by the Company's General Meeting:

The Board of Directors has been authorized to decide on a directed share issue to the public to carry out the Offering. The Company's Board of Directors shall decide on carrying out the share issue, where a maximum of 17,000,000 New Shares in aggregate are issued in one or several lots. The share issue can be carried out in deviation from the shareholders' pre-emptive subscription right (directed share issue), including through offering the shares to institutional investors, the public as well as the Company's personnel and management, in connection with the FN Listing. Shares may be offered to the Company's personnel and management in connection with the Offering, with a subscription price that is lower than the one for other investors. The authorization also covers a share issue in connection with a possible Upsize Option, which can be carried out either with or without payment. Based on the authorization, the Board of Directors may decide on all terms of the share issue, including the subscription price or subscription price range of the Shares. The authorization is in force until the end of the next Annual General Meeting, however not longer than until 21 November 2021.

The Company's Board of Directors is authorized with two separate authorisations to decide on a directed share issue to the holders of the Company's convertible loans. The Board of Directors shall decide on carrying out the share issue, where a maximum of 7,000,000 new Shares are issued in one or several lots to such holders of the Company's loans, the terms of which include a right or obligation to convert the principal and/or accrued interest of the loan into Shares, to enable the conversion of these debts and, where applicable, their accrued interest, into Shares in connection with the Offering. Based on the authorization, the Board of Directors may decide on all terms of the share issue, including the subscription price or subscription price range of the Shares. The authorization is in force until the end of the next Annual General Meeting, however no longer than until 21 November 2021.

In addition to the above-mentioned authorization, the Board of Directors has been authorized to decide on a directed share issue, where a maximum of 2,500,000 new Shares are issued in one or several lots to such creditors of loans granted to the Company, the terms of which include a right, and/or an obligation upon the request of the Company, for the creditor to convert the principal of the loan and/or accrued interest to Shares, to enable the conversion of the principal and possible accrued interest of the loans into Shares in connection with the Offering. Based on the authorization, the Board of Directors may decide on all terms of the share issue, including the subscription price of the Shares. The authorization is valid until the end of the next Annual General Meeting, however no longer than until 21 November 2022.

The Board of Directors of the Company has been authorized to decide on a directed share issue as well as on the issuance of other special rights entitling to shares, as defined in Chapter 10 Section 1 of the Finnish Companies Act. The Board of Directors decides on the share issue or the issuance of other special rights entitling to shares, as defined in Chapter 10 Section 1 of the Finnish Companies Act, in one or several lots. Based on the authorization, the Board of Directors may issue new Shares of the Company or transfer own Shares of the Company that are held by the Company. The total amount of shares to be issued in aggregate is a maximum of 3,000,000. The share issuance and the issuance of other special rights entitling to shares may carried out in deviation from the shareholders' pre-emptive subscription right (directed issue). The Board of Directors may use the authorisation only if the Offering is carried out. The Board of Directors shall decide on all other terms of the share issue and the issuance of other special rights. The authorization is in force until the end of the next Annual General Meeting, however no longer than until 21 November 2021.

The Board of Directors of the Company has been authorized to decide on an acquisition of the Company's own Shares. Based on the authorization, the total number of Shares of the Company that may be acquired in aggregate is a maximum of 3,000,000. The Board of Directors shall decide on how the shares are acquired. The acquisition may, be carried out, *inter alia*, with derivatives. Own Shares may be acquired from the Global Coordinator and/or the Stabilizing Manager in connection with the Offering and/or to execute an Upsize Option potentially carried out in connection with the Offering or thereafter, and/or to carry out possible stabilizing measures that may potentially be performed by the Stabilizing Manager to stabilize, maintain or to otherwise impact the Share price during the stabilizing period, in accordance with applicable laws and regulations. To carry out the Upsize Option and/or stabilizing measures, own Shares may be acquired at a price equivalent to the subscription price in the Offering, or another fair price defined by the Board of Directors in connection with the Offering or thereafter. In other situations, own Shares may be acquired at a price otherwise formed in public trading on the date of acquisition or at a price that is otherwise formed on the markets. Shares may be acquired otherwise than un proportion to the Shares held by the shareholders (directed acquisition). Based on the authorization, own Shares may only be acquired with unrestricted equity. The Board of Directors may use the authorisation only if the Offering is carried out. The authorization is in force until the end of the next Annual General Meeting, however no longer than until 21 November 2021.

Loans with conversion clauses

During the last quarter of 2020, Fifax entered into an agreement regarding a convertible loan (a loan, the terms and conditions of which include a right of the creditors to convert the loan into Shares of the Company) with a total loan capital of EUR 12 million with both some of its existing shareholders and new investors. The loan agreement has a maturity of two years and it has a fixed annual interest of 10 percent. Accrued interest for the loan will be capitalized annually and it will fall due on the maturity date of the loan agreement on 4 November 2022. The capital of the loan, including capitalized interest, was EUR 12,214 thousand as at 30 June 2021. In addition, the loan has during 2021 up to the date of this Offering Circular accrued interest in the amount of approximately EUR 913 thousand. In connection with the Offering creditors of the loan have a right to convert the loan, with accrued interest, into Shares of the Company as such, that the conversion price shall be 80 percent of the Subscription Price. According to the terms and conditions of the loan, the Company may not pay dividend during the term of the loan without the consent of the creditors. Upon the execution of the FN Listing, the loan including accrued interest shall be converted at a price corresponding to 80 percent of the Subscription price as such, that the receivables of the creditors shall be used to set off the subscription price of the Conversion Shares issued in the Share Conversion. Fifax has received a written confirmation from the creditors of the loan in question that they will use their right to convert if the FN Listing and Offering is executed.

Between June and September 2021, Fifax has drawn down a capital loan amounting to a total of about EUR 3,729 thousand on equity terms, where the creditors, under the terms of the loan agreement, are obliged to convert the loan into shares of the Company, based on a decision by Fifax's Board of Directors. The loan supplemented the Company's equity. EUR 1.5 million of the loan has been received from related parties. The loan will be converted

at the Subscription Price upon the execution of the FN Listing as such, that the receivables of the creditors shall be used to set off the subscription price for the Conversion Shares to be issued in the Share Conversion. Based on the decision of Fifax's Board of Directors, Fifax has requested conversion of the loan conditional on the execution of FN Listing and Offering. The Company has received necessary written confirmations for the conversion.

Fifax also has a shareholder loan in the form of a capital loan based on a loan agreement concluded in 2014, the balance sheet value of which was EUR 200 thousand on 30 June 2021, with an annual interest rate of 8 percent. In accordance with the conditions of the capital loan, the entire amount of the capital loan shall be converted into Shares in connection with the Offering at the Subscription Price as such, that the receivables of the creditors shall be used to set off the subscription price for the Conversion Shares to be issued in the Share Conversion. Fifax has informed the creditors of the loan that the conversion is conditional on the execution of FN Listing and Offering. The Company has received necessary written confirmations for the conversion.

In 2016 Fifax has signed a EUR 100 thousand loan agreement with Helmet Capital. The annual interest rate under the loan agreement is 8 percent and the loan capital with accrued interest as at the date of this Offering Circular amounts to approximately EUR 140 thousand. The repayment of the loan requires the consent of Fifax’s lenders and guarantors. The loan can however either be converted into Shares or a capital loan in whole or in part upon Helmet Capital’s request in accordance with the terms and conditions of a possible ongoing share issue. The loan will not be converted in connection with the Offering.

Fifax also has earlier non-converted accrued interest in the aggregate amount of approximately EUR 500 thousand based on capital loan agreements that had been signed in 2014 and 2016. According to the terms of the agreements, the loan and/or its interest can be converted into shares upon the decision of an Annual General Meeting. These unconverted loans will not be converted in connection with the Offering.

OWNERSHIP STRUCTURE

Shareholders owning five (5) percent or more of the shares in the Company have an interest in the Company's share capital which is notifiable pursuant to the Finnish Securities Markets Act. The following table sets forth the shareholders owning individually or through the same sphere of control five (5) percent or more of the shares or votes in the Company, based on the shareholders' register maintained by Euroclear Finland Oy ("**Euroclear Finland**") as at 27 September 2021, as well as information available to the Company:

Shareholder	Number of shares	%
FV Group AB[1]	3,329,600	28.09
Ålands Ömsesidiga Försäkringsbolag	1,177,004	9.93
Holdix Oy Ab	1,156,823	9.76
Etrisk Oy Ab	1,148,609	9.69

[1]A company owned solely by Rolf Karlsson, a member of the Board of Directors.

All of the current shareholders of Fifax are parties to a Shareholders' Agreement concerning the Company, dated 23 January 2014. According to the Shareholders' Agreement, the Company's shareholder Helmet Capital is entitled to appoint at least half of the members of the Board of Directors, including the Chairman of the Board. Consequently, Helmet Capital has control over the Company as referred to in Chapter 2, Section 4 of the Finnish Securities Market Act.

In addition, Helmet Capital has entered into a Representation Agreement with shareholders representing approximately 86.17% of all shares in Fifax. Pursuant to the Representation Agreement, Helmet Capital represents such shareholders and oversees their interest in matters defined in the Shareholders' Agreement.

The Shareholders' Agreement and the Representation Agreement along with it shall terminate as the trading of the Shares commences on First North.

As at the date of this Offering Circular, the Company's Articles of Association include a redemption clause. The Company's Extraordinary General Meeting of Shareholders has resolved to remove the redemption clause from the Articles of Association. The removal of these clauses will not be notified to the Finnish Trade Register until in connection with the registration notification of the New Shares issued in the Offering on the basis of the authorisation given to Fifax's Board of Directors in the same Extraordinary General Meeting of shareholders, or immediately before it.

If the New Shares issued on the basis of the share issue authorisation are registered in more than one batch, the removal of the redemption and consent clauses will be notified to be registered in connection with the first registration notification regarding such New Shares, or immediately before it.

With the exception of the expiry of the Shareholders' Agreement and the Representation Agreement mentioned above, the Company is not aware of event or arrangements following the Offering that may in the future lead to a change of control in the Company.

At the date of this offering Circular the Company does not own its own shares.

The following table sets forth those parties which, after registering the Offer Shares issued in the Offering, and the Conversion Shares in the Trade Register, are based on the information available as at the date of this Offering Circular expected to, alone or though controlled entities, own at least five (5) percent of the Shares and votes in the Company assuming that all of the New Shares preliminarily offered in the Offering are subscribed, that the Share Conversion is fully executed and that the Cornerstone Investors are allocated the agreed allocation of New Shares[28]:

[28] The numbers do not reflect fees paid by certain shareholders in connection with the Offering to Helmet Capital based on the Shareholders' Agreement and the Representation Agreement.

Shareholder	Shares held after the Offering	Percentage of all Shares and votes after the Offering
FV Group AB[1]	4,750,536	15.5
Finnish Industry Investment Ltd	3,316,243	10.8
Holdix Oy Ab	3,049,152	10.0
Oy Etrisk Ab	1,859,438	6.1

[1]A Company completely owned by Rolf Karlsson, member of the Board of Directors of Fifax.

LEGAL AND ADMINISTRATIVE MATTERS OF FIFAX

Material Contracts

Agreements between Fifax and F-Fast

Fifax owns the property on which its production facility is located, while the industrial building which houses Fifax's production facility is owned by F-Fast Ab ("**F-Fast**"). Fifax has leased the property to F-Fast since December 2014, for a lease period of 50 years, and F-Fast has already paid Fifax for the whole lease term. F-Fast in turn leases the industrial building to Fifax.

The lease for the industrial building has a fixed term of 10 years, which commenced on 1 August 2016, upon Fifax gaining access to the entire complete and authority-approved industrial building. After the initial 10 year-period, the lease is extended automatically 1 year at a time unless either party has given a notice of termination in writing 6 months in advance of each expiring lease period. F-Fast may however not terminate the agreement until 25 years have passed from Fifax gaining access to the entire complete and authority-approved industrial building. The lease cannot be terminated within the initial lease period other than in exceptional circumstances, such as the bankruptcy or material breach of the agreement by one of the parties. Fifax may however terminate the lease agreement if the industrial building is destroyed or if it cannot be used for its intended purpose due to factors outside Fifax's responsibility and control.

The annual lease payment was originally agreed as 7.5 percent of the construction costs, added by an annual increase in accordance with the consumer price index of Åland. However, the estimated construction costs of approximately EUR 6 million were exceeded by approximately EUR 3.6 million. The parties agreed that an annual lease of 9 percent shall be paid for the additional cost amount. The monthly lease payment as at the date of this Offering Circular is approximately EUR 65 thousand. However, in May 2020, Fifax and F-Fast have agreed on temporary rent reduction for the industrial building. According to the agreement, the industrial building's rent was reduced by 50 percent to approximately EUR 33 thousand for the period of April-December 2020. The debt that arises from the reduction will be repaid during January-December 2021 in 12 instalments of approximately EUR 25 thousand with 8 percent interest. In addition, Fifax has agreed to pay a monthly lease deposit of approximately EUR 33 thousand for the period August – December 2020, in total EUR 164 thousand, that is valid until further notice. The total amount of lease deposits as at the date of this Offering Circular is EUR 264 thousand.

Fifax has an option to purchase the industrial building from F-Fast after the expiration of the initial 10-year lease period by giving notice of exercising the option 3 months before the end of the lease period. The purchase price will correspond to the acquisition cost of the facility, i.e. the construction costs that are the basis for the ultimate rent (amounting to a total of EUR 9.6 million) added by an increase in accordance with the consumer price index of Åland.

Supplier Agreements

Fifax has during the course of its operations concluded supplier agreements concerning deliveries of several production inputs and equipment. These include, among others, agreements on liquid oxygen and a related gas station, sodium hydroxide equipment, water purification equipment and refrigeration devices.

Fifax has concluded leasing agreements with Ålands Fastighets Ab concerning, among others, a blowing machine, oxygen and ozone equipment used in fish farming (in 2020) as well as a reserve power generator (in 2015). The equipment is of material importance for Fifax's operations, particularly the maintenance of water quality. The remaining lease liabilities for the equipment in question amounted to approximately EUR 353 thousand on 30 June 2021, of which approximately EUR 201 thousand is due within a year. After the monthly repayment of the instalments and the residual value, the equipment will transfer to Fifax. The blowing machine's and the oxygen equipment's last instalment will be paid on 1 October 2023, ozone equipment's on 1 November 2023, and the reserve power generator's on 1 January 2024.

In September 2020 Fifax concluded a new electricity delivery agreement. The agreement is valid until the end of 2021.

Loan Agreements Including Conversion Clauses

Fifax has entered into a loan agreement with the EUR 12 Million Loan Creditors on 4 November 2020 and an accession agreement on 19 November 2020, according to which the EUR 12 Million Loan Creditors have granted a loan to the Company with a loan with a principal of approximately EUR 12 million. The terms and conditions of the convertible loan agreement include a right of the EUR 12 Million Loan Creditors to convert the principal of the loan and accrued interest to Shares in the Company in connection with the Offering.

Between June and September 2021, Fifax has drawn down the EUR 3,729 Thousand Loan. According to the terms of the loan agreement, the EUR 3,729 Thousand Loan Creditors are obliged to convert the loan into Shares of the Company, based on a decision by the Board of Directors of Fifax. The loan supplemented the Company's equity. The loan will be converted at the Subscription Price upon the execution of the FN Listing as such, that the receivables of the creditors shall be used to set off the subscription price for the Conversion Shares to be issued in the Share Conversion. EUR 1.5 million of the loan has been received from related parties.

See "*Terms and Conditions of the Offering – General terms and conditions of the Offering*", "*Business of Fifax – Financing of Fifax's activities – Financing by shareholders and investors*" and "*Shares and Share Capital – Loans with conversion clauses*".

Short-term working capital loans

Fifax has in May 2021 agreed with Ålandsbanken on a short-term loan of EUR 1 million, to cover the working capital needs of the Company during the First North listing process. The loan is secured by a secondary pledge of Fifax's business mortgage and real estate, as well as, a guarantee by the European Investment Fund, which covers 50% of the outstanding loan. The loan has been drawn down on 21 May 2021. The loan falls due no later than on 30 September 2022. However, Ålandsbanken has the right to demand that the loan be repaid on 31 December 2021, if the FN Listing has not been completed by then.

In May 2021 Fifax has obtained a loan amounting to EUR 1 million, granted by its shareholders Ålands Ömsesidiga Försäkringsbolag (EUR 300 thousand), FV Group AB (EUR 250 thousand), Holdix Oy Ab (EUR 200 thousand), Oy Etrisk Ab (EUR 200 thousand) and Helmet Capital (EUR 50 thousand), to cover running working capital costs. The loan is not secured. The annual interest is 6 percent. The loan and potentially accrued interest fall on 30 December 2022 at the latest.

Both of the above mentioned short-term working capital loans shall be repaid immediately upon the execution of the FN Listing.

Legal Proceedings and Disputes

Dispute with Byggnadsfirma Hans Mattsson Ab

Byggnadsfirma Hans Mattson Ab ("**Hans Mattsson**"), the construction company which built the production building owned by F-Fast, filed a claim against Fifax and F-fast Ab in 2017 with a claim of approximately EUR 450 thousand based on the costs of construction which exceeded the planned amount. Hans Mattsson has claimed that Fifax and F-Fast would be jointly and severally liable for such costs. The Åland District Court decided on 13 December 2019 to dismiss the charges. Hans Mattsson subsequently appealed to the Turku Court of Appeal, where the case is currently pending. Hans Mattson entered bankruptcy proceedings on 6 November 2020. The administrator of the bankruptcy estate has not on the date of this Offering Circular stated whether the bankruptcy estate will continue to pursue the claim.

Dispute with AKVA Group

Fifax has an on-going dispute with technology supplier AKVA Group, and the parties have been in correspondence since 2017 regarding certain disagreements in deliveries and payments from both sides. The dispute concerns serious defects in planning and delivered technology, which have resulted in Fifax to making additional investments. In 2018, the Board of Directors has demanded AKVA Group for a payment of EUR 1 million as well as the delivery of the products for which Fifax has already been invoiced. AKVA Group has disputed the claim and has in its latest proposal demanded a payment of approximately EUR 0.7 million in total. Fifax's accounts payable therefore include controversial accounts payable of EUR 606 thousand.

No active court or arbitration proceedings have been initiated by either party, but no mutually satisfactory agreement has as at the date of this Offering Circular been reached despite recurring discussions. Fifax has made no reservations in its financial statements regarding this dispute.

Lease deposit dispute

In 2016 Fifax agreed with F-Fast to raise the original lease deposit in the amount of EUR 250 thousand to EUR 400 thousand as such, that F-Fast would negotiate with interested investors on an investment to be made in Fifax. The parties agreed that if the combined subscriptions of the investors would not achieve EUR 400 thousand, the lease deposit would remain at a lower level corresponding to the subscriptions. As a result of the arrangement, one investor made an investment in the amount of EUR 100 thousand, and Fifax paid a corresponding lease deposit to F-Fast. F-Fast has however since 2017 from time to time presented Fifax with its view, that a lease deposit corresponding to EUR 400 thousand should have been paid. According to Fifax's view, there is no obligation to pay the difference of EUR 300 thousand, as only an investment of EUR 100 thousand was made. Neither party has initiated court or arbitration proceedings, but no final mutually satisfactory agreement has been reached as at the date of this Offering Circular despite recurring discussions . Fifax has made no reservations in its financial statements regarding this dispute.

Criminal Liability for Impairment of the Environment

During the early production ramp up phase, Fifax used a runoff water pool as a part of temporary solution for water purification in 2017, environmental authorities inspected a situation of grow-out water, which escaped from the pool due to an overflow caused by heavy rainfall. A higher concentration of nitrogen and phosphorus was recorded in the escaped water than was permissible, and a police investigation was opened. In December 2019, the prosecutor pressed charges against Fifax as well as its former CEO Kimmo Jalo. The authorities stated in their investigation and in media statements that the water had not caused significant harm to the environment, but legal limit levels were exceeded, which lead to the mandated procedure. Fifax acknowledged the wrongdoing on its own part, which resulted in Fifax being ordered to pay a fine of EUR 5,000 in December 2020 for impairment of the environment. Kimmo Jalo was acquitted of all charges.

In connection with the case, Fifax also reached a settlement with the owner of a neighbouring plot of land who had claimed compensation for costs resulting from premature forest harvesting.

Conflicts of Interest

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish 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, a member of the Board of Directors shall likewise be disqualified from the consideration of a matter pertaining to a contract between the company and a third party, if the member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the company. This provision also applies to any other legal act, legal proceeding or other similar matter. Further, this provision also applies to the CEO.

Apart from what has been presented below, the members of the Company's Board of Directors, the CEO or the members of the management team do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

According to the independence assessment, out of the members of the Company's Board of Directors are independent of the Company and its significant shareholders: Panu Routila, Eduard Paulig and Ulf Toivonen. Rolf Karlsson is not deemed to be independent of a significant shareholder of the Company, because he is the sole shareholder of FV Group AB, which holds approximately 28.09 percent of Fifax's shares. Robin Blomqvist is not deemed to be independent of a significant shareholder of the Company, as he is a partner at Helmet Capital, which based on the Shareholders' Agreement exercises control in Fifax. However, the Shareholders' Agreement shall terminate as the trading of the Shares commences on First North.

The management's lock-up restrictions

The members of the Board of Directors and the management team of the Company will enter into a lock-up agreement with similar terms to that of the Company that will end on the date that falls 360 days from the Listing.

RELATED PARTY TRANSACTIONS

General

The Company's related parties include the members of the Board of Directors, the CEO and members of the management team, as well as their close family members and their controlled entities. Material related party entities include FV Group AB, which has a significant control in the Company through its shareholding, and Helmet Capital Oy Ab, which pursuant to the Shareholders' Agreement has the right to appoint half of the members of the Board of Directors, including the Chairman of the Board of Directors.

Transactions with Related Parties

The following table sets forth the fees and benefits that have been paid to the members of the Board of Directors, the CEO and the management team of the Company. Additional information about the remuneration paid to the members of the Board of Directors, the CEO and the management team of the Company is presented in the section "*Fifax's Corporate Governance – Board of Directors' and Management's Fees and Benefits*" of this Offering Circular.

	For the six months ended 30 June	For the financial year ended 31 December	
	2021	2020	2019
(EUR)			
Remuneration of Board members	30,900	13,200.00	28,300.00
CEO, salary and benefits	59,480	113,400.00	121,107.90
Others in management team, salary and benefits	165,909	222,316.89	127,984.75
Total	**256,289**	**348,916.89**	**277,392.65**

The Company purchases consulting-/management-/project management services from companies controlled by related parties. The item Related party purchases of services presented in the following table represent these services. Services based on these service agreements have been acquired where necessary. The agreements do not include obligations to purchase services in the future. The terms of the services, purchased from related parties, are equivalent to transactions concluded at arm's length terms.

The following table sets forth purchases of services from Fifax's related parties and interest payments to related parties for the periods indicated:

	For the six months ended 30 June		For the financial year ended 31 December	
	2021	2020	2020	2019
(EUR thousand)				
Related party purchases of services	186	97	211	425
Interest expenses	136	5	148	14

The following table sets forth Fifax's outstanding payables to related parties for the periods indicated.

	As at 30 June	As at 31 December	
	2021	2020	2019
(EUR thousand)			
Convertible loans/capital loans / other loans	4,781	2,754	119
Accounts payable	12	33	37
Accrued expenses (accrual of interest)	177	37	40

Between June and September 2021, Fifax has drawn down a EUR 3,729 Thousand Loan, according to the terms and conditions of which the creditors of the loan are obliged to convert the loan into Shares of the Company, at the request of Fifax. The loan supplemented the Company's equity. The loan shall be converted at the Subscription Price upon the execution of the FN Listing as such, that the receivables of the creditors shall be used to set off the

subscription price for the Conversion Shares to be issued in the Share Conversion. EUR 1.5 million of the loan has been received from related parties.

DOCUMENTS ON DISPLAY

In addition to this Offering Circular, the Finnish Prospectus and the documents incorporated by reference, the Company's Articles of Association, which will take effect as of the FN Listing are available on the Company's website at www.fifax.ax/fi/listautuminen during the validity period of this Offering Circular.

ANNEX A – FIFAX PLC's ARTICLES OF ASSOCIATION

The Articles of Association described in this Annex is an unofficial English language translation of the Swedish language Articles of Association, which shall be valid as of the FN Listing of the Company

1§

The company's business name is FIFAX Plc.

The company's Finnish language parallel business name is FIFAX Oyj and its English language parallel business name is FIFAX Plc.

The company's domicile is Eckerö.

2§

The purpose of the company's operations is to conduct growing and processing of fish. The company may also own, possess and conduct trade in real estate and securities.

3§

The shares of the company shall belong to the book-entry system after the confirmed registration period.

4§

The company has a Board of Directors which consists of three (3) to seven (7) members.

The General Meeting of shareholders shall elect the Chairman of the Board of Directors.

The term of office of the members of the Board of Directors commences at the closing of the General Meeting electing them and expires at the closing of the next Annual General Meeting following the election.

5§

The company has a Chief Executive Officer, elected by the Board of Directors.

6§

The company is, in addition to the Board of Directors, represented by the Chairman of the Board of Directors and the Chief Executive Officer, each alone, as well as by two (2) members of the Board of Directors jointly. In addition, the Board of Directors may also give a designated person a procuration right or a right to represent the company.

7§

The company has at least one (1) auditor that shall be an auditing firm approved by the Finnish Patent and Registration Office (FPRO).

The auditor's term of office begins from the closing of the General Meeting that elected the auditor and expires at the closing of the next Annual General Meeting following the election.

8§

The notice of the General Meeting shall be delivered in accordance with the provisions of the Finnish Limited Liability Companies Act governing the time and manner of the notice. If the company's shares are being traded on a regulated market or a multilateral trading facility, the notice of the General Meeting shall, departing from the above-mentioned, be delivered by means of a notice published on the company's website no earlier than three (3) months and no later three (3) weeks prior to the General Meeting. The notice must in any case be delivered by no later than

nine (9) days before the record date of the General Meeting in accordance with the Finnish Limited Liability Companies Act.

To be entitled to attend the General Meeting, a shareholder must register with the company in the manner and within the timeframe specified in the notice of the General Meeting. The final date of registration may not be earlier than ten (10) days before the General Meeting. In addition to the company's place of domicile, the General Meeting may also be held in Mariehamn or Helsinki.

9§

The Annual General Meeting shall be held annually on a date specified by the Board of Directors within six (6) months from the end of the financial period.

At the Annual General Meeting the following shall be presented:

1. the financial statements, including possible consolidated financial statements;

2. the report of the Board of Directors; and

3. the auditor’s report;

decided upon:

4. the adoption of the financial statements;

5. any use of the profit or other unrestricted capital shown on the balance sheet;

6. the discharge of the members of the Board of Directors and the Chief Executive Officer from liability;

7. the number of members of the Board of Directors and their remuneration; and

8. the renumeration of the auditor;

elected:

9. the Chairman and the other members of the Board of Directors; and

10. the auditor; as well as

addressed:

11. any other matters included in the notice of the General Meeting

THE COMPANY

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