Consolidated

HALF-YEAR REPORT 2026

Arla®
Feed LIFE™

Front page
Day 1 celebration at our headquarters in Viby, Denmark. Nearly 8,000 employees from Arla and DMK worldwide joined the event to mark the beginning of our journey as one company.

Festive Day 1 celebration

On 1 June, Arla Foods (Arla) and DMK Group (DMK) celebrated Day 1, marking the official start of a shared journey as one dairy cooperative. Employees across the organisation came together for a global town hall led by the two CEOs, connecting teams from Bremen to Bangladesh, from Leeds to Lagos.

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Arla Half-Year Report 2026 presents the company's financial performance and includes condensed interim consolidated financial statements. Following the merger with DMK on 1 June 2026, DMK's financial results for June 2026 are reflected in this report.

For more information about Arla, visit **www.arla.com**

MID-YEAR IN FOCUS

In this section

Powering everyday protein choices

Arla® Protein benefited from its strong position in convenient, high-protein dairy products for everyday consumption. In the first half of 2026, branded volume-driven revenue grew by 34.4%, driven by demand for functional nutrition across convenient formats, from puddings to milkshakes, without compromising taste. Launched in 2024, Arla® Protein Food to Go expanded further into the meal replacement category, reinforcing its presence in on-the-go consumption.

A new era for Arla begins now

Arla has delivered a strong first half of 2026. Our brands have returned to volume growth, and demand for nutritious dairy is healthy across the world, nowhere more so than in protein, where our brands and our ingredients business are meeting a rising global appetite. With DMK now part of Arla, we begin a new chapter, guided by a firm belief in the future of dairy.

The first half of 2026 was an important period for our cooperative. We delivered one of our strongest half-year performances in recent years, with our brands returning to solid growth, and we completed our merger with DMK, a milestone that opens a new chapter for Arla and for European dairy.

I want to be clear about what this moment represents. This is not simply the story of a strong half-year. It is the story of a cooperative in formidable shape, entering a new era from a position of real strength.

Strong brands in a demanding market

The clearest signal of that strength came from our brands. After a period of higher prices and consumer caution, prices normalised and demand for our brands strengthened markedly, with growth returning across the portfolio. Strategic branded volume-driven revenue growth reached 6.7%, a sharp turnaround from a year earlier and broad-based across our markets and portfolio. To me, this is about more than numbers. Price matters, of course, and more affordable products on supermarket shelves helped bring shoppers back. But the pattern underneath was unmistakable: given the choice, people return to the brands they trust.

Nowhere is that demand clearer than in protein, where the world's appetite continues to grow, and dairy protein is among the very best nature has to offer. We see it directly in our brands, with products like Arla® Skyr and Arla® Protein growing at pace, and we see it in Arla Foods Ingredients, where we turn dairy protein into high-value nutrition for customers worldwide, a capability few can match and one that grew strongly again in the first half.

A lower milk price, a resilient cooperative

I will not pretend the market was easy on our owners. After a period of tight supply, milk became abundant across Europe in the second half of 2025, and this continued into the first half of this year. Combined with cost inflation driven in part by the crisis in the Middle East, the abundant milk supply pushed down dairy prices and performance prices across the sector, and Arla was no exception. Our performance price decreased to 43.6 EUR-cent/kg, from 57.5 a year earlier.

For our farmer owners, that is a real change, and I want to address it directly. A lower milk price is the reality of the cycle we are in, but our cooperative is still very strong. We anticipated this correction and were ready for it. Strong brand volumes, growing protein demand and EUR 63 million in efficiency gains allowed us to deliver a net profit of EUR 213 million, well above last year, and strengthened Arla's competitiveness in a demanding market. The lower milk price reflects a market under pressure, but how we respond to it is very much in our hands, and this is precisely why the cooperative model matters. In volatile times, our scale, our brands and our strategic discipline keep us strong and competitive, so that we come through the cycle better positioned than most. On the strength of that result, we were able to pay our Arla farmer owners a half-year supplementary payment of 1 EUR-cent/kg.

A new chapter with DMK

The defining moment of this half-year, however, looks beyond the numbers. On 1 June, Arla and DMK became one, a step our leadership team and I are genuinely proud of, and one of the most significant in our history. Because the merger took effect on 1 June, only one month of post-merger performance is reflected in the results. DMK joins us as a strong and well-performing cooperative, and the real significance of bringing our two organisations together will build over the years ahead.

> **"This is not simply the story of a strong half-year. It is the story of a cooperative in formidable shape, entering a new era from a position of real strength."**

By combining two of Europe's leading cooperatives, we are creating greater scale and a more resilient foundation for European dairy. In a world becoming more volatile, not less, that is exactly what our owners need.

Our confidence in dairy's future is reflected in where we invest, most clearly in our decision this half-year to build a new cheese dairy in Götene, Sweden, the largest single investment in Arla's history. When demand is this strong, building for the future is simply the responsible thing to do. This is the thinking behind Feed Life™: taking responsibility for ensuring that nutritious dairy products are available to a growing world population.

Looking ahead

We enter the rest of the year with strong momentum, an upgraded outlook for our brands, and DMK now part of our cooperative. To our colleagues and our farmer owners: thank you for your dedication, your trust and the exceptional milk that remains the foundation of everything we do. The world needs what we produce more than ever, and I could not be more confident in the road ahead.

PEDER TUBORGH
CEO of Arla

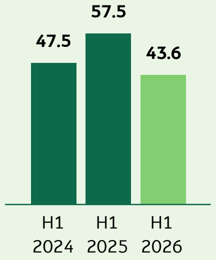
Performance at a glance

Following the merger on 1 June 2026, DMK became part of Arla. DMK's financial results for June are therefore reflected in most KPIs and in the balance sheet.

F28

43.6

PERFORMANCE PRICE EUR-CENT/KG

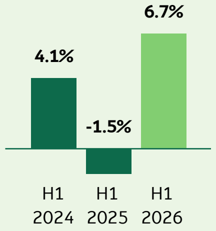


F28

6.7%

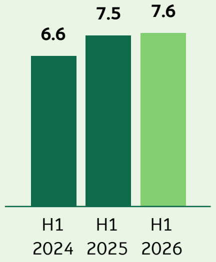
STRATEGIC BRANDED VOLUME-DRIVEN REVENUE GROWTH

EXCLUDING DMK



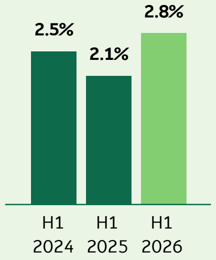
7.6

REVENUE EUR BILLION



2.8%

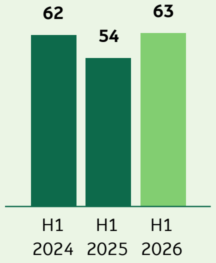
PROFIT SHARE[1] OF REVENUE



63

NET EFFICIENCIES EUR MILLION

EXCLUDING DMK

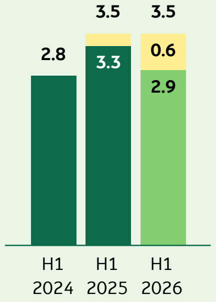


7.9

MILK VOLUME[2] BILLION KG

3.5

LEVERAGE[3]



[1] Based on profit allocated to owners of Arla Foods amba.
[2] Standardised milk: 4.2% fat, 3.4% protein. The milk volume includes both owner milk and other milk.
[3] Leverage adjusted for the temporary effect of mergers and acquisitions (M&As) in the half year was 2.9 (2025: 3.3).

HIGHLIGHTS

Arla Foods and DMK Group officially unite to create Europe's leading dairy cooperative

Following required regulatory approvals, Arla and DMK formally combined under the Arla name on 1 June, creating Europe's leading farmer-owned dairy cooperative.

The merger represents a significant step for the future of dairy farming and European food production. It strengthens scale and resilience while improving the ability to invest for the long term. Combining Arla's international reach and innovation capabilities with DMK's diversified portfolio, strong craftsmanship and established position in Germany and the Netherlands, the merged company is better placed to create value for customers and consumers while supporting future growth.

For our farmer owners, the increased scale of the business provides a stronger foundation for stable milk prices and long-term value creation. The organisation brings together 11,200 farmers and 28,800 colleagues, benefiting from a strong European base, global reach and an annual milk pool of around 20 billion kg. It also supports continued progress on climate, nature and healthier food choices.

On a pro forma basis, assuming the merger had occurred on 1 January 2026, the combined company would have generated approximately EUR 9 billion in consolidated revenue for the first half. Full-year pro forma revenue is estimated at around EUR 19 billion.

Integration, including the unification of farmer cooperatives and alignment of operations, has begun and will continue over a two-year transition period while maintaining business continuity across the organisation. In 2030, we expect to realise synergies of more than EUR 250 million through the full integration of the combined business. This includes leveraging the strength of our combined commercial portfolio, including in whey, optimising our production and logistics network, capturing procurement efficiencies and streamlining ways of working.

Meeting employees
In mid-June, Peder Tuborgh and Ingo Müller were on the road, continuing the Day 1 conversations. The road trip created space for open dialogue with employees as we began our journey as one company.

ONE BRAND PORTFOLIO

Arla's global brands

Arla, Lurpak, Castello, Puck, Starbucks

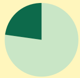
DMK and Arla's strategic brands

Milram, Oldenburger Professional, Humana, Uniekaas, Alete, Tre Stelle, Milex, Buko, Cheasy, B.O.B, Cultura, Arla Lacto Free, Anchor, Lillebror, Keso, Dano, Köket, Arla Protein, Cravendale, Karolines Køkken, Apetina, Yoggi, Jörd, Arla Pro, Bregott, Kærgården

... and many more well-loved brands.

PRO FORMA OVERVIEW

Combined performance of Arla and DMK assuming the merger had taken place on 1 January 2026.

23% OF ARLA'S HALF-YEAR REVENUE	HALF-YEAR REVENUE EUR BILLION	FULL-YEAR REVENUE EUR BILLION
	9	~19

HIGHLIGHTS

New Board of Directors for the next term

The Board of Directors (BoD) will enter its next two-year term with an updated composition following the election in May and the merger with DMK. With the addition of three farmer representatives and one employee representative from DMK, the BoD now comprises 23 members.

The Board of Representatives (BoR) re-elected Jan Toft Nørgaard as Chair and Inger-Lise Sjöström as Vice Chair. They also elected farmer owner Jeppe Thing Jensen and employee representative Michael Skytt Juhl, both from Denmark, while Natacha Valla joined as an external member, succeeding Nana Bule. Representing DMK, farmer owners Heinz Korte, Thomas Stürtz and Guus Mensink became members of the BoD alongside employee representative Uwe Och.

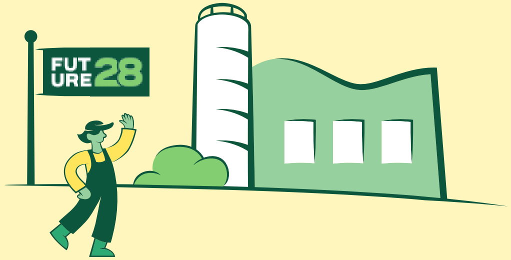
Newly elected BoD
(left to right) Natacha Valla, Jeppe Thing Jensen and Michael Skytt Juhl.

Future26 transitions to Future28

Since its launch in 2022, the Future26 strategy has delivered strong and measurable results while establishing a solid foundation for the next stage of development.

Following the completion of the merger between Arla and DMK, Future26 will continue as Future28 and be extended by two years to support the transition towards one unified company.

By combining capabilities, scale and expertise, Arla will build upon the successful strategic direction of Future26 and further strengthen it within an integrated set-up. As part of this process, DMK's strategy will conclude and transition into Future28, resulting in a single, aligned strategic direction across the enlarged company, with targeted adjustments reflecting the combined business.



Investment-grade credit rating confirmed our financial strength

We secured our first public credit rating, a BBB long-term issuer credit rating from S&P Global Ratings. The rating confirms our strong financial profile, resilient business model and disciplined financial policies, underpinned by a diversified product portfolio and a cooperative ownership structure.

In its assessment, S&P highlighted Arla's solid financial metrics as well as prudent financial management. The rating provides additional confidence to customers and suppliers partnering with Arla and reinforces our position as a safe and attractive home for current and future farmer owners' milk.

Expanding cheese production at Götene site, Sweden
Following the investment, the site is expected to reach a capacity of around 1 billion kg of milk annually by 2030.

Building future growth

Arla progressed its growth agenda in the first half of 2026 through targeted investments and acquisitions across key markets. In Sweden, Arla committed approximately EUR 300 million to expand cheese production in Götene, marking the largest single investment in the company's history. The new dairy, expected to be operational by 2030, will increase milk intake capacity to around 1 billion kg annually. Investment levels remained high across the business, including projects such as the expansion of production capacity at Taw Valley Dairy in the United Kingdom (the UK).

In Australia, the acquisition of Brancourts, effective 1 July 2026, marked a milestone for Arla Foods Mayers Australia, establishing a scalable local production platform and strengthening its position in the growing cottage cheese category.

Together, these initiatives position us to meet growing global demand while creating long-term value for our farmer owners.

PERFORMANCE REVIEW

In this section

A refreshed look for Arla® Pro

Arla® Pro is launching a refreshed design across its professional product range, reinforcing its focus on chefs and foodservice professionals. The updated visual identity supports clarity and consistency across the portfolio – on packaging and in communications. During the period, Arla® Pro delivered 4.6% branded volume-driven revenue growth, reflecting strong momentum in performance-driven dairy solutions for professional kitchens.

External market trends

Abundant milk supply kept commodity prices under pressure, while geopolitical tensions in the Middle East increased uncertainty and drove up energy costs, contributing to higher inflation.

Heightened tensions in the Middle East

Geopolitical tensions intensified in the first half of the year following the outbreak of the Iran war, alongside the conflicts between Israel and Hamas and the war between Russia and Ukraine. This led to greater global uncertainty and increased market volatility, putting pressure on energy and commodity markets, which in turn fuelled inflationary pressures.

Stable economic growth despite gradual slowdown

In the first half of 2026, strong labour markets and resilient consumer demand continued to support stable economic activity across most regions, helping to offset the effects of higher energy prices and increased geopolitical uncertainty[1]. Reflecting this resilience, economic outlooks remain broadly unchanged, with global real gross domestic product (GDP) growth forecast at 3.1% in 2026 (2025: 3.4%). In the euro area, growth is expected to moderate to 1.1% (2025: 1.4%).

The most significant revisions relate to the Middle East, where the conflict has had a direct impact on economic activity and growth prospects. Real GDP is now forecast to decline by 0.4%, compared with growth of 2.4% in 2025 and 3.9 percentage points below the December estimate.

Rising inflation amid Middle East tensions

Inflationary pressures have increased across most regions following the outbreak of the Iran war, driven primarily by higher fuel and energy prices as well as disruptions in global energy markets. The impact has been particularly pronounced in the Middle East, while the euro area has also faced upward pressures from rising energy costs, although the effect has been more moderate.

Reflecting these developments, annual inflation is currently projected at 2.6% in the euro area (H1 2025: 2.1%) and 0.7 percentage points above the December projection[2]. In the Middle East, inflation is now expected to reach 14.2% (H1 2025: 11.5%), 4.0 percentage points higher than projected in December[2].

The outlook remains highly volatile and closely tied to geopolitical developments, particularly the Iran war.

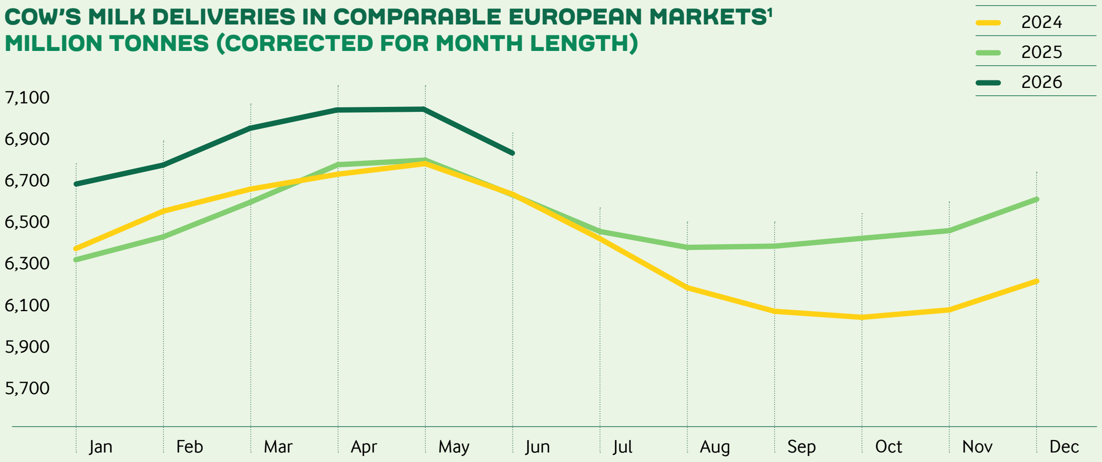
High dairy demand with continued interest in protein-rich products

Consumer purchasing power in the euro area came under pressure due to rising inflation. However, wage growth in 2026 is expected to largely offset this impact, leaving purchasing power broadly unchanged[1].

Demand for dairy products remained high in the first half of 2026, supported by continued consumer interest in protein-rich products, particularly whey-based ingredients, alongside lower dairy price levels. European sales volumes increased by 1.3%, driven primarily by cheese, where volumes rose by 3.3%. In contrast, volumes of butter, spreads and margarine declined by 3.4%. Within this category, consumers traded down towards private-label products, although both branded and private-label products followed similar overall trends.

[1] Source: European Commission, 2026. [2] IMF, 2026.

COW'S MILK DELIVERIES IN COMPARABLE EUROPEAN MARKETS[1]
MILLION TONNES (CORRECTED FOR MONTH LENGTH)



Source: CLAL
[1] Sweden, Denmark, the UK, Germany, Belgium, the Netherlands, Finland.

High European milk supply continued into first half of 2026
Volumes remained strong, averaging 4.5% above the same period last year.

Favourable feed harvests continued to lift milk yield and quality

European milk supply remained strong in the first half of the year, with volumes 4.5% higher on average than in the same period of 2025. Growth was primarily driven by an exceptionally strong feed harvest in 2025 that continued to support milk production in the first half of 2026, resulting in higher yields per cow and improved milk solids content.

For Arla, milk intake increased by 9.7% to 7.9 billion kg, including 0.4 billion kg from DMK following the merger in June (H1 2025: 7.2 billion kg). The higher milk intake was driven by Central Europe, Sweden and the UK.

Dairy commodity prices soften amid elevated milk supply

Following the sharp decline in the second half of 2025, dairy commodity markets stabilised during the first half of 2026, with prices generally moving within a narrower range. However, commodity prices remained significantly below the elevated levels recorded in the first half of 2025. Butter averaged 41.9 EUR-cent/kg, a decrease of 25.9% (H1 2025: 56.6 EUR-cent/kg), while skimmed milk powder (SMP) averaged 39.6 EUR-cent/kg, 26.2% below the same period last year (H1 2025: 53.6 EUR-cent/kg). Gouda averaged 38.2 EUR-cent/kg, a decline of 29.8% (H1 2025: 54.4 EUR-cent/kg).

Lower fat prices remained the primary driver of the overall market price level. Average fat prices declined 44.6% to EUR 4.8/kg (H1 2025: EUR 8.7/kg). In contrast, continued demand for protein-rich products supported protein prices, which increased 7.2% to EUR 6.6/kg (H1 2025: EUR 6.1/kg). The strength of the protein market was also evident in the whey market, where whey protein concentrate with 80% protein content (WPC80), widely used in sports nutrition and protein-enriched foods, rose 75.4% to EUR 20.3/kg (H1 2025: EUR 11.5/kg).

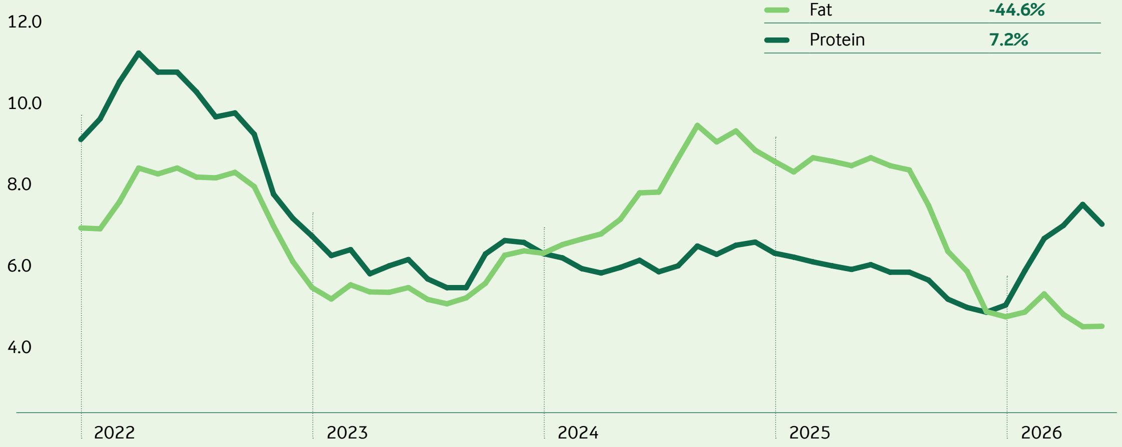
Mixed currency movements in key markets

Currency movements in the first half of 2026 were mixed compared with the first half of 2025. The Swedish krona (SEK) strengthened by 2.7% on average, while the US dollar (USD) and the British pound (GBP) weakened by 6.4% and 2.9%, respectively.

FAT AND PROTEIN COMMODITY PRICES[1] EUR/KG

Average prices H1 2026 vs. H1 2025

	Development
Fat	-44.6%
Protein	7.2%



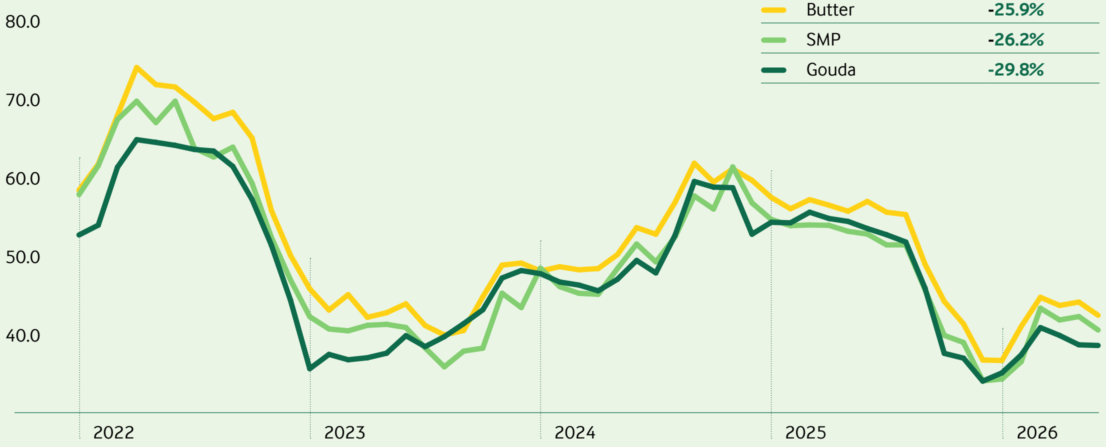
Source: ZMB.

[1] Fat and protein prices calculated based on German and Dutch butter and powder auction prices.

DAIRY COMMODITY PRICES[1] EUR-CENT/KG, MILK UTILISATION PRICE

Average prices H1 2026 vs. H1 2025

	Development
Butter	-25.9%
SMP	-26.2%
Gouda	-29.8%



Source: GDT, Trigona Dairy Trade, CLAL

[1] A change in methodology has been applied to the calculations. The figures may differ from those published in our half-year report 2025.

Meeting the protein boom

With more consumers prioritising health, nutrition and protein, demand for AFI's solutions stayed strong in H1 2026. This was reflected in business performance, with the value-add segment growing by 5.7% and revenue increasing by 19.3%. We continued to innovate with concepts such as Protein Soda, a high-protein, zero-sugar option targeting the fast-growing functional beverages category.

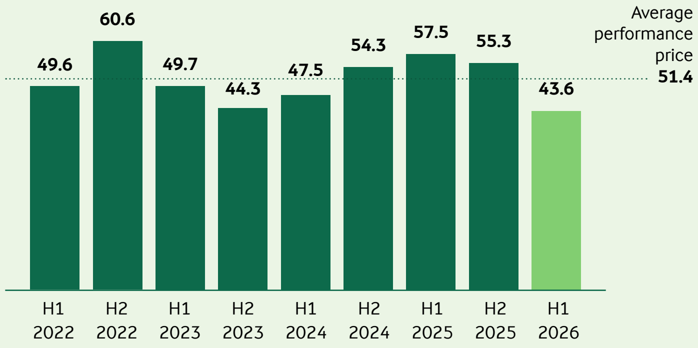
Performance overview

In the first half of 2026, we delivered strong results and maintained a competitive milk price, despite low commodity prices and volatile market conditions.

Performance price decreased due to low commodity prices, despite strong results

Low commodity prices and broader market dynamics had a clear impact on milk prices in the first half of 2026. The exceptionally high milk supply seen in the second half of 2025 continued into the first half of 2026, putting pressure on commodity markets and returns. The outbreak of the Iran war added further uncertainty, increased volatility and contributed to higher fuel and energy costs. These effects were partly offset by strong whey prices and sustained demand for protein-rich products. As a result, our pre-paid price decreased by 26.1% to 40.7 EUR-cent/kg (H1 2025: 55.1 EUR-cent/kg), while our performance price declined by 24.2% to 43.6 EUR-cent/kg (H1 2025: 57.5 EUR-cent/kg). Taking a longer-term perspective, the five-year average performance price was 51.4 EUR-cent/kg.

PERFORMANCE PRICE EUR-CENT/KG



Even so, Arla delivered one of its strongest half-year results to date. Strong consumer demand drove a recovery across the brand portfolio, resulting in solid branded volume growth. The result was further supported by a particularly strong contribution from Arla Foods Ingredients (AFI), reflecting continued momentum in protein and sports nutrition, as well as the first month of DMK integration.

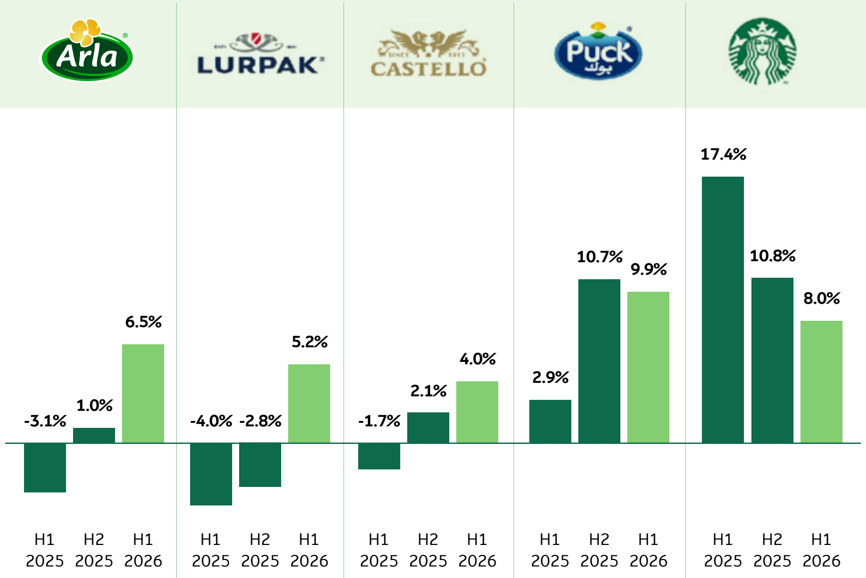
Geopolitical tensions, particularly the Iran war, also directly affected our employees and operations in the Middle East. Employee safety remained our top priority, and all employees were confirmed safe. Through careful planning and strong commitment, operations resumed swiftly under new operating conditions, ensuring continued support for customers and food security across the region.

Our transformation programme, Fund our Future, continued to deliver efficiencies, strengthening competitiveness while cushioning the impact of inflationary pressures on fuel, energy, ingredients and packaging arising from geopolitical developments.

OUR BRANDS

F28

STRATEGIC BRANDED VOLUME-DRIVEN REVENUE GROWTH

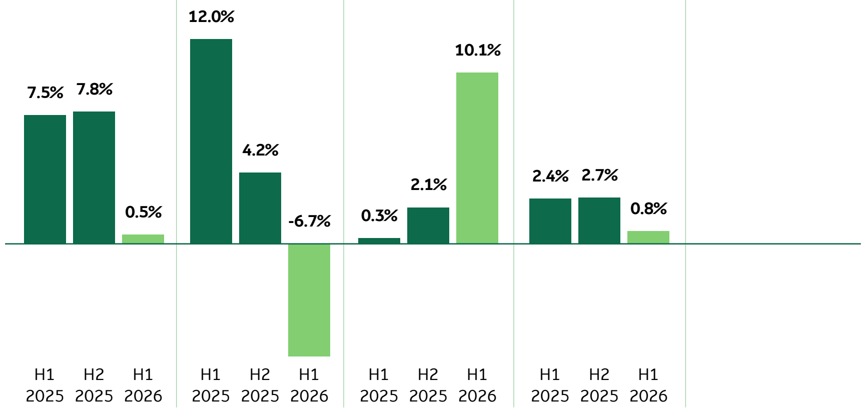


6.7%

H1 2025: -1.5%
H2 2025: 1.7%

F28

STRATEGIC BRANDED NET REVENUE GROWTH



0.0%

H1 2025: 7.7%
H2 2025: 6.3%

Higher milk volumes and revenue following the merger, while underlying revenue reflected lower price levels

The merger with DMK became effective on 1 June. As a result, only one month of DMK results is included in the first-half performance. The merger is expected to have a more significant impact on full-year results. Further details are provided in the Outlook section on page 15.

The impact of the merger is reflected in milk intake and revenue. Excluding DMK, Arla's milk intake amounted to 7.5 billion kg in the first half of 2026. DMK contributed 0.4 billion kg, bringing total milk intake to 7.9 billion kg.

Revenue increased by 1.8% to EUR 7,593 million (H1 2025: EUR 7,454 million). DMK contributed EUR 409 million, equivalent to 5.4% of total revenue in the period. Excluding the contribution from DMK, revenue declined by 3.6% to EUR 7,184 million, primarily reflecting lower retail and trading price levels, as well as adverse currency movements, mainly driven by the weaker GBP and USD. This was partly offset by strong growth in AFI, supported by robust demand for protein ingredients, particularly whey-based products, alongside higher branded retail and trading volumes.

Net profit on track to meet target

Net profit, including DMK, increased to EUR 213 million in the first half of 2026, corresponding to 2.8% of revenue, compared with EUR 158 million in the same period of 2025. Net profit is on track to meet the full-year target range of 2.8-3.2%. The strong result has enabled the Arla Board of Directors to approve a half-year supplementary payment of 1 EUR-cent/kg of milk delivered to Arla farmer owners.

Resilient consumer demand drives broad-based branded volume growth

As anticipated at the beginning of the year, branded volume-driven revenue growth accelerated as pricing pressures eased, supported by a broad-based recovery across Arla's brand portfolio. Strategic branded volume-driven revenue growth reached 6.7% in the first half of 2026 (H1 2025: -1.5%), exceeding expectations and reflecting the strength of our nutritious product offering as well as growing consumer demand for our brands.

Volume-driven revenue growth was broad-based across markets, with Europe delivering 6.4% growth and International increasing 7.4%. All global brands contributed positively, underlining the strength and relevance of our brands across markets and categories. Across channels, retail remained the primary growth driver, with volumes increasing 8.0%, while foodservice delivered more moderate growth of 1.0%. The recovery in demand for our brands was reflected in market share performance across all major categories, particularly cheese.

The strong increase in branded volumes was offset by lower branded price levels, resulting in flat branded net revenue growth in the first half of 2026.

Lurpak®: innovating for continued growth

In the first half of 2026, Lurpak® delivered 5.2% branded volume-driven revenue growth and remained a loved brand in more than 100 markets. The portfolio was expanded with the launch of Lurpak® Chilli & Garlic in the UK and Lurpak® Whipped in Denmark – a blend of Lurpak® butter, pressed rapeseed oil and a pinch of salt, whipped to perfection to deliver a light, airy and creamy texture.

EUROPE

Strategic branded volume-driven revenue growth

6.4%

H1 2025: -2.4%
H2 2025: 0.6%

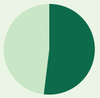
Revenue growth

-7.1%

H1 2025: 10.9%
H2 2025: 5.3%

Revenue in H1 2026
EUR million

3,953



Revenue in the Europe zone decreased by 7.1% to EUR 3,953 million (H1 2025: EUR 4,267 million). Lower prices contributed to stronger branded volumes, driving volume-driven revenue growth of 6.4% (H1 2025: -2.4%). Europe accounted for 52.1% of total Arla revenue.

Arla® Skyr and Arla® Protein led this development, delivering volume-driven revenue growth of 39.6% and 25.1%, respectively, supported by continued consumer demand and targeted product innovation. Volume-driven revenue growth was recorded across all markets, with particularly strong performances in the UK and Sweden, at 9.1% and 6.4%, respectively.

Overall volume-driven revenue growth was further supported by continued innovation, including new product formats within the cooking and milk-based beverage (MBB) segments, as well as strong execution in branded cheese, supported by targeted campaigns.

INTERNATIONAL

Strategic branded volume-driven revenue growth

7.4%

H1 2025: 0.4%
H2 2025: 4.4%

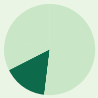
Revenue growth

-1.6%

H1 2025: 0.9%
H2 2025: 1.2%

Revenue in H1 2026
EUR million

1,186



Revenue in the International zone declined by 1.6% to EUR 1,186 million (H1 2025: EUR 1,206 million), primarily due to lower price levels. This was partly offset by branded volume-driven revenue growth of 7.4% (H1 2025: 0.4%), reflecting increasing consumer demand and the continued recovery of key brands. The International zone represented 15.6% of total Arla revenue.

We achieved firm progress across most brands, with Puck® increasing 10.6% and Lurpak® growing 7.3%.

The Middle East and North Africa (MENA) region delivered particularly strong branded volume growth of 12.7%. Within Rest of World (ROW), performance remained solid, with strategic branded volume-driven revenue growth of 4.8%. Spain continued its positive journey, achieving branded volume-driven revenue growth of 22.2% in the first half of 2026.

ARLA FOODS INGREDIENTS (AFI)

Growth of value-add segment

5.7%

H1 2025: 37.3%
H2 2025: 29.3%

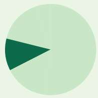
Revenue growth

19.3%

H1 2025: 53.7%
H2 2025: 33.7%

Revenue in H1 2026
EUR million

867



Arla Foods Ingredients (AFI) delivered revenue growth of 19.3% to EUR 867 million (H1 2025: EUR 726 million), supported by favourable market conditions and strong demand across key segments. AFI accounted for 11.4% of total Arla revenue.

Performance was driven mainly by higher whey protein prices, reflecting a consistently strong demand for whey-based ingredients linked to health and nutrition trends, including the impact of GLP-1 diets, together with a volume change of 5.7% in the value-add segment.

The value-add share increased to 84.6% in the first half of 2026 (2025: 82.9%), supported by continued progress in strengthening the Ingredients platform across Performance Nutrition, Functional Nutrition and Specialised Nutrition.

GLOBAL INDUSTRY SALES (GIS)

Milk solids sold through Global Industry Sales

35.4%

H1 2025: 28.5%
H2 2025: 30.7%

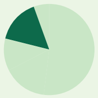
Revenue growth

-7.0%

H1 2025: 14.8%
H2 2025: 2.5%

Revenue in H1 2026
EUR million

1,178



In the first half of 2026, revenue in GIS decreased by 7.0% to EUR 1,178 million (H1 2025: EUR 1,255 million), corresponding to 15.5% of total Arla revenue.

The decline in revenue was driven by lower commodity prices, with butter, SMP and gouda declining by an average of 27.3% compared with the same period last year. The decline was partially offset by increased trading volumes due to a continued high milk intake, particularly in Central Europe, Sweden and the UK.

Consequently, the share of milk solids sold through GIS increased to 35.4% in the first half of 2026, compared with 28.5% in the same period last year.

DMK GROUP (INCLUDED FROM 1 JUNE 2026)

Revenue in H1 2026[1]
EUR million

2,171

June revenue included in Arla's H1 2026
EUR million

409

DMK Group's milk intake amounted to 2.7 billion kg in the first half of 2026, of which 0.4 billion kg was included in Arla's total milk volume following the merger on 1 June 2026.

DMK also reported revenue of EUR 2,171 million (H1 2025: EUR 2,381 million), with EUR 409 million for June included in Arla's half-year revenue.

[1] *These figures represent DMK's results from 1 January to 30 June 2026 and are presented to provide context on the performance of the business that joined Arla on 1 June 2026.*

Fund our Future delivering efficiency savings

Our transformation and efficiency programme, Fund our Future, delivered savings of EUR 63 million in the first half of 2026 (2025: EUR 54 million). Savings were primarily driven by supply chain productivity improvements and better utilisation of AFI production capacity. Together with further initiatives in the second half of the year, efficiencies are on track to deliver savings in line with the full-year expectations.

Our financial position

Leverage remained unchanged at 3.5 compared with the first half of 2025. Excluding the effect of the DMK merger, the underlying leverage ratio was 2.9, reflecting a strong financial position.

Operating cash flow

Cash flow from operating activities increased to EUR 415 million in the first half of 2026 compared with EUR 158 million in the first half of 2025. The drivers were higher EBITDA and improved cash flows from working capital and other positions.

Net interest-bearing debt

Net interest-bearing debt, including pension liabilities, increased to EUR 4,495 million compared with EUR 3,960 million at 30 June 2025. Excluding pensions, net interest-bearing debt increased by EUR 535 million compared with 30 June 2025. The development was driven by the merger with DMK and continued investments in dairies and warehouses. The average maturity of debt increased to 5.2 years from 4.8 years in the first half of 2025.

Investments

We continued to invest in significant projects across our strategic business areas, supporting future growth and expanding capacity to meet long-term demand. Investments in intangible assets, property, plant and equipment, including right-of-use assets, for the first half of the year amounted to EUR 322 million compared with EUR 309 million in the first half of 2025. Key investments relate to increasing MBB and butter capacity in Denmark, cheddar and mozzarella capacity in the UK and growth-supporting investments at AFI production sites.

Progress on sustainability

Progress continues through the FarmAhead™ programme, which focuses on high-impact climate actions such as feed efficiency, manure management, fertiliser optimisation and land-use measures, supported by data-driven insights at farm level. From January 2026, additional FarmAhead™ Incentive point levers became effective, further strengthening incentives to adopt practices with the greatest emissions-reduction potential.

The FarmAhead™ Customer Partnership programme continues to support collaboration with customers and the implementation of climate actions on farms.

Reducing emissions from dairy sites and logistics

We continue to reduce emissions from dairy sites and logistics through electrification, energy efficiency and fuel switching, supporting our target to reduce absolute scope 1 and 2 emissions by 63% by 2030, measured against the 2015 baseline. Key actions include replacing fossil-based boilers with electric boilers and heat pumps, increased use of district heating and the phase-out of fossil fuels where technically feasible.

As of December 2025, 100% of electricity used at Arla's European production sites is sourced from renewable energy, significantly reducing scope 2 emissions. In logistics, emissions reductions are supported through energy optimisation, route efficiency and a gradual transition to lower-emission transport solutions.

A trusted companion in daily cooking

Puck® continued to play a strong role in everyday cooking across the Middle East, supported by its broad range of cream cheese, cooking creams, labneh and mozzarella. During the period, Puck® delivered 9.9% branded volume-driven revenue growth, reflecting its everyday relevance and versatility across meals.

2026 outlook update

The merger with DMK, combined with strong performance in the first half of 2026, supports an improved full-year outlook and strengthens Arla's position in a volatile global environment.

The completion of the merger with DMK on 1 June 2026 marked a defining step in strengthening our cooperative. Through increased scale and shared capabilities, the combined business is better positioned to navigate a volatile global environment. While DMK will contribute to seven months of Arla's 2026 results, the full P&L impact will be reflected in 2027. At the same time, the integration of the two businesses is expected to shape the cooperative and unlock value over the years to come.

Geopolitical uncertainty continues to shape global markets. Recent developments in the Middle East have eased some immediate concerns, but the outlook remains uncertain, particularly regarding US-Iran relations and the continued functioning of key shipping routes such as the Strait of Hormuz. A sustained period of stability could contribute to lower energy and fuel costs, easing inflationary pressures and supporting consumer purchasing power, while renewed tensions could have the opposite effect.

Milk supply is expected to remain high throughout 2026, continuing to put pressure on global dairy prices. However, as the second half of the year begins, we are seeing signs of moderation, with European heatwaves reducing regional supply.

Building on strong first-half momentum, branded volume-driven revenue growth (excluding DMK impact) is now expected to reach 4.0% to 6.0% for the full year, depending on price developments in the coming months.

Driven by the merger and supported by continued strong branded performance, the full-year revenue outlook has been revised upwards to between EUR 16.8 billion and EUR 17.6 billion. Profit share is expected to remain within the target range of 2.8% to 3.2% of revenue. Reflecting strengthened underlying EBITDA, our outlook for the leverage ratio has improved to 2.8-3.2.

Our efficiency programme, Fund our Future, is expected to deliver improved results, with net savings now projected at EUR 100 million to EUR 120 million, excluding any merger-related impacts. The outlook is supported by strong delivery in the first half and a solid pipeline for the remainder of the year.

We remain fully committed to reducing our climate impact across the value chain. We continue to work towards our 2030 scope 1, 2 and 3 emissions reduction targets and expect further progress in 2026, supported by our FarmAhead™ Incentive and FarmAhead™ Customer Partnership programmes.

Following the DMK merger, sustainability data from DMK will not be included in Arla's 2026 sustainability statements, as data systems and methodologies are not yet fully integrated. Sustainability reporting for 2026 will therefore continue to cover Arla's standalone operations.

	2025 result	Outlook February 2026[1]	Outlook August 2026
F28 STRATEGIC BRANDED VOLUME-DRIVEN REVENUE GROWTH EXCLUDING DMK	0.2%	1.0-3.0%	4.0-6.0%
REVENUE EUR BILLION	15.1	13.3-14.1	16.8-17.6[2]
PROFIT SHARE	2.8%	2.8-3.2%	2.8-3.2%[2]
EFFICIENCIES EUR MILLION EXCLUDING DMK	158	90-110	100-120
LEVERAGE	3.3	3.0-3.4	2.8-3.2[2]
F28 SCOPE 1+2 EMISSIONS[3] PERCENTAGE POINTS EXCLUDING DMK	-5.6%P	REDUCTION	REDUCTION
F28 SCOPE 3 FLAG EMISSIONS[3] PERCENTAGE POINTS EXCLUDING DMK	4.4%P	REDUCTION	REDUCTION

1 As announced in the 2025 Annual Report.
2 Includes seven months of DMK results.
3 DMK emissions will be included in sustainability reporting from 2027.

Condensed interim consolidated

FINANCIAL STATEMENTS

Fuel for moments on the move

In 2026, Starbucks® Chilled Coffee launched its new global brand campaign, "Whatever Your Thing, We're In", positioning the brand as a refreshing sidekick that celebrates individuality. The brand delivered 8.0% branded volume-driven revenue growth in the first half of 2026.

In this section

Income statement

(EUR million)	Note	H1 2026	H1 2025	Development	2025
Revenue	1.1	7,593	7,454	2%	15,066
Production costs	1.2	-5,978	-5,983	0%	-12,068
Gross profit		**1,615**	**1,471**	**10%**	**2,998**
Sales and distribution costs	1.2	-1,065	-946	13%	-1,913
Administration costs	1.2	-327	-264	24%	-535
Other operating income		140	48	192%	135
Other operating costs		-47	-46	2%	-68
Share of results after tax in joint ventures and associates		19	19	0%	30
Earnings before interest and tax (EBIT)		**335**	**282**	**19%**	**647**
Specification:					
EBITDA		675	540	25%	1,156
Depreciation, amortisation and impairment losses		-340	-258	32%	-509
Earnings before interest and tax (EBIT)		**335**	**282**	**19%**	**647**
Financial income		27	28	-4%	175
Financial costs		-94	-96	-2%	-308
Profit before tax		**268**	**214**	**25%**	**514**
Tax		-48	-47	2%	-81
Profit for the period		**220**	**167**	**32%**	**433**
Attributable to:					
Arla Foods amba		213	158	35%	415
Non-controlling interests		7	9	-22%	18
Total		**220**	**167**	**32%**	**433**

Comprehensive income

(EUR million)	Note	H1 2026	H1 2025	2025
Profit for the period		**220**	**167**	**433**
Other comprehensive income				
Items that will not be reclassified to the income statement:				
Remeasurements of defined-benefit schemes		-2	5	8
Tax on remeasurements of defined-benefit schemes		-	-2	1
Share of other comprehensive income of associates and joint ventures measured by the equity method	3.1	36	-103	-107
Items that may be reclassified subsequently to the income statement:				
Value adjustments of hedging instruments		3	72	5
Fair value adjustments		9	-1	-3
Exchange differences on translation of foreign operations		7	-90	-103
Tax on items that may be reclassified to the income statement		1	1	3
Other comprehensive income, net of tax		**54**	**-118**	**-196**
Total comprehensive income		**274**	**49**	**237**
Attributable to:				
Arla Foods amba		267	40	219
Non-controlling interests		7	9	18
Total		**274**	**49**	**237**

Balance sheet

(EUR million)	Note	H1 2026	H1 2025	Development	2025
Assets					
Non-current assets					
Goodwill	3.1	1,069	911	17%	897
Intangible assets	3.1	316	275	15%	287
Property, plant and equipment and right-of-use assets	3.1	4,130	3,516	17%	3,646
Investments in associates and joint ventures	3.1	488	482	1%	462
Deferred tax		118	23	413%	23
Pension assets	4.1	33	14	136%	23
Other non-current assets		50	23	117%	28
Total non-current assets		**6,205**	**5,244**	**18%**	**5,366**
Current assets					
Inventory	2.1	2,134	1,856	15%	1,743
Trade receivables	2.1	1,726	1,224	41%	1,247
Derivatives		115	171	-33%	117
Other receivables		442	332	33%	327
Securities	4.1	532	560	-5%	551
Cash and cash equivalents	4.1	174	93	87%	76
Total current assets		**5,123**	**4,236**	**21%**	**4,061**
Total assets		**11,328**	**9,480**	**19%**	**9,427**

(EUR million)	Note	H1 2026	H1 2025	Development	2025
Equity and liabilities					
Equity					
Common capital		2,272	2,060	10%	2,049
Individual capital		924	793	17%	834
Other equity accounts		-105	-75	40%	-161
Supplementary payment to owners		71	68	4%	228
Equity, attributable to Arla Foods amba		**3,162**	**2,846**	**11%**	**2,950**
Non-controlling interests		82	66	24%	66
Total equity		**3,244**	**2,912**	**11%**	**3,016**
Liabilities					
Non-current liabilities					
Pension liabilities	4.1	255	160	59%	159
Provisions		58	38	53%	54
Deferred tax		128	101	27%	106
Loans	4.1	3,993	3,157	26%	2,990
Total non-current liabilities		**4,434**	**3,456**	**28%**	**3,309**
Current liabilities					
Loans	4.1	738	1,273	-42%	1,221
Trade payables and other payables	2.1	1,730	1,443	20%	1,469
Provisions		101	25	304%	20
Derivatives		45	19	137%	22
Other current liabilities		1,035	352	194%	370
Total current liabilities		**3,650**	**3,112**	**17%**	**3,102**
Total liabilities		**8,084**	**6,568**	**23%**	**6,411**
Total equity and liabilities		**11,328**	**9,480**	**19%**	**9,427**

Equity

(EUR million)	Common capital				Individual capital					Other equity accounts				Suppl. payment	Total equity		
	Capital account	Reserve for special purposes	Unallocated profit for the period	Total	Merger reserve	Contributed individual capital	Delivery-based owner certifi-cates	Injected individual capital	Total	Reserve for value adjustment of hedging instruments	Reserve for fair value through OCI	Reserve for foreign exchange adjustments	Total	Total	Equity attributable to the owners of Arla Foods amba	Non-controlling interests	Total equity
Equity at 1 January 2026	**664**	**1,385**	**-**	**2,049**	**260**	**409**	**43**	**122**	**834**	**48**	**-73**	**-136**	**-161**	**228**	**2,950**	**66**	**3,016**
Profit for the period	**-**	**-**	**142**	**142**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**71**	**213**	**7**	**220**
Other comprehensive income	-2	-	-	-2	-	-	-	-	-	3	37	16	56	-	54	-	54
Total comprehensive income	**-2**	**-**	**142**	**140**	**-**	**-**	**-**	**-**	**-**	**3**	**37**	**16**	**56**	**71**	**267**	**7**	**274**
Issued capital in relation to the merger with DMK	79	-	-	79	-	-	-	125	125	-	-	-	-	-	204	4	208
Transactions with owners	3	-	-	3	-	-22	-4	-6	-32	-	-	-	-	-	-29	-	-29
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	3
Supplementary payment regarding 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-230	-230	-	-230
Foreign currency translation adjustments	1	-	-	1	-	-4	-	1	-3	-	-	-	-	2	-	2	2
Total transactions with owners	**83**	**-**	**-**	**83**	**-**	**-26**	**-4**	**120**	**90**	**-**	**-**	**-**	**-**	**-228**	**-55**	**9**	**-46**
Equity at 30 June 2026	**745**	**1,385**	**142**	**2,272**	**260**	**383**	**39**	**242**	**924**	**51**	**-36**	**-120**	**-105**	**71**	**3,162**	**82**	**3,244**
Equity at 1 January 2025	**845**	**1,385**	**-**	**2,230**	**-**	**390**	**46**	**134**	**570**	**43**	**1**	**-**	**44**	**228**	**3,072**	**66**	**3,138**
Profit for the period	**-**	**-**	**90**	**90**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**68**	**158**	**9**	**167**
Other comprehensive income	1	-	-	1	-	-	-	-	-	72	-57	-134	-119	-	-118	-	-118
Total comprehensive income	**1**	**-**	**90**	**91**	**-**	**-**	**-**	**-**	**-**	**72**	**-57**	**-134**	**-119**	**68**	**40**	**9**	**49**
Transactions with owners	1	-	-	1	-	-22	-4	-6	-32	-	-	-	-	-	-31	-	-31
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-2	-2
Transfer to merger reserve	-260	-	-	-260	260	-	-	-	260	-	-	-	-	-	-	-	-
Supplementary payment regarding 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-235	-235	-	-235
Foreign currency translation adjustments	-2	-	-	-2	-	-2	-	-3	-5	-	-	-	-	7	-	-7	-7
Total transactions with owners	**-261**	**-**	**-**	**-261**	**260**	**-24**	**-4**	**-9**	**223**	**-**	**-**	**-**	**-**	**-228**	**-266**	**-9**	**-275**
Equity at 30 June 2025	**585**	**1,385**	**90**	**2,060**	**260**	**366**	**42**	**125**	**793**	**115**	**-56**	**-134**	**-75**	**68**	**2,846**	**66**	**2,912**

Cash flow

(EUR million)	Note	H1 2026	H1 2025	2025
EBITDA		675	540	1.156
Reversal of share of profit in joint ventures and associates		-19	-19	-30
Reversal of other operating items without cash impact		-82	7	46
Change in net working capital	2.1	-92	-181	-65
Change in other receivables and other current liabilities		22	-90	-88
Dividends received, joint ventures and associates		11	-	21
Interest paid		-78	-80	-152
Interest received		10	16	25
Taxes paid		-32	-35	-51
Cash flow from operating activities		**415**	**158**	**862**
Investments in intangible assets	3.1	-32	-40	-85
Investments in property, plant and equipment	3.1	-259	-248	-570
Sale of property, plant and equipment	3.1	-	1	4
Operating investing activities		**-291**	**-287**	**-651**
Acquisition of financial assets		-	-14	-15
Sale of financial assets		18	30	36
Acquisition of enterprises		-	-	-
Financial investing activities		**18**	**16**	**21**
Cash flow from investing activities		**-273**	**-271**	**-630**

(EUR million)	Note	H1 2026	H1 2025	2025
Half-year supplementary payment		-	-	-68
Supplementary payment regarding previous financial year		-230	-235	-234
Transactions with owners		-29	-31	-32
Transactions with non-controlling interests		3	-2	-18
New loans obtained		1,100	104	254
Other changes in loans		-842	332	-45
Payment of lease debt		-36	-38	-75
Payment to pension plans		-12	-12	-23
Cash flow from financing activities		**-46**	**118**	**-241**
Net cash flow		**96**	**5**	**-9**
Cash and cash equivalents at 1 January		76	91	91
Net cash flow for the period		96	5	-9
Exchange rate adjustment of cash and cash equivalents		2	-3	-6
Cash and cash equivalents at 30 June		**174**	**93**	**76**
Free operating cash flow				
Cash flow from operating activities		415	158	862
Cash flow from operating investing activities		-291	-287	-651
Free operating cash flow		**124**	**-129**	**211**
Free cash flow				
Cash flow from operating activities		415	158	862
Cash flow from investing activities		-273	-271	-630
Free cash flow		**142**	**-113**	**232**

Notes Introduction

Basis for preparation

The condensed interim consolidated financial statements are based on the group's monthly reporting procedures. Group entities prepare financial reports in accordance with the IFRS Accounting Standards as adopted by the EU. These standard accounting principles ensure consistency and comparability in financial reporting across the group. The condensed interim consolidated financial statements include relevant information, but do not include all disclosure requirements under IAS 34. The general accounting principles applied can be found in Note 5.

Currency exposure

The group's financial position is exposed to currencies, both due to transactions conducted in currencies other than EUR and due to the translation of financial reporting from entities not part of the eurozone. The most significant exposures relate to financial reporting from entities operating in GBP and SEK, and to transactions relating to sales in USD or USD-pegged currencies.

Merger with DMK – acquisition of DMK GmbH group

On 1 June 2026, Arla merged with DMK. Following IFRS 3, the transaction was classified as an acquisition with the owners of DMK transferring the net assets of the DMK GmbH group to Arla in exchange for Arla issuing equity and debt instruments to the DMK owners as of this date. The provisional accounting for this transaction has been reflected in this half-year report and is based on significant estimates of the fair value of the net assets acquired. These estimates affect the reported financial position and the reported level of activity of the combined business. Read more on page 6 and in Note 3.2.

Significant accounting estimates and assessments

Preparing the group's condensed interim consolidated financial statements requires management to apply accounting estimates and judgements that affect the recognition and measurement of the group's assets, liabilities, income and expenses. The estimates and judgements are based on historical experience and other relevant factors available. By nature, these estimates are associated with uncertainty and unpredictability, which can have a significant effect on the amounts recognised.

In addition to estimates provided in the provisional accounting of the merger with DMK, the most significant accounting estimates are addressed below.

Measurements of revenue and rebates

Revenue, net of rebates, is recognised when goods are transferred to customers. Estimates are applied when measuring the accruals for rebates and other sales incentives. In some customer relationships, the final settlement of rebates depends on future volumes, prices and other incentives, which requires estimation based on historical experience and forecasted future sales.

Valuation of certain assets and liabilities based on a projection of expected future cash flows

Interest rates fluctuated in the period and remained at a high level on most markets. The valuation of goodwill, gross pension liabilities and interest hedge instruments was therefore also carefully assessed at 30 June 2026.

Overall headroom related to impairment testing of goodwill positions remained at a comfortable level supported by solid expected future cash flows and lower discount rates.

Valuation of inventory

Commodity prices declined during the first half of 2026, but remained a high level. To ensure correct inventory valuation, we frequently updated our standard cost model for individual cost components such as milk-based components, additives, packaging, energy etc. throughout the period, and thoroughly reviewed the valuation at 30 June 2026.

The conversion from standard cost to actual cost at the time of production for the individual inventory categories was correspondingly carefully assessed.

The following sections provide additional disclosures supplementing the primary financial statements

Note 1
Revenue and costs

Details on the group's performance and profitability.

Read more on page 22.

Note 2
Net working capital

Development and composition of the group's inventory and trade balances.

Read more on page 25.

Note 3
Capital employed

Details on production capacity, intangible assets, financial investments and business combinations.

Read more on page 26.

Note 4
Funding

Details on funding of the group's activities.

Read more on page 28.

Note 5
Accounting principles

The group's general accounting principles and accounting policies.

Read more on page 30.

Note 1. Revenue and costs

1.1 REVENUE

Financial comments

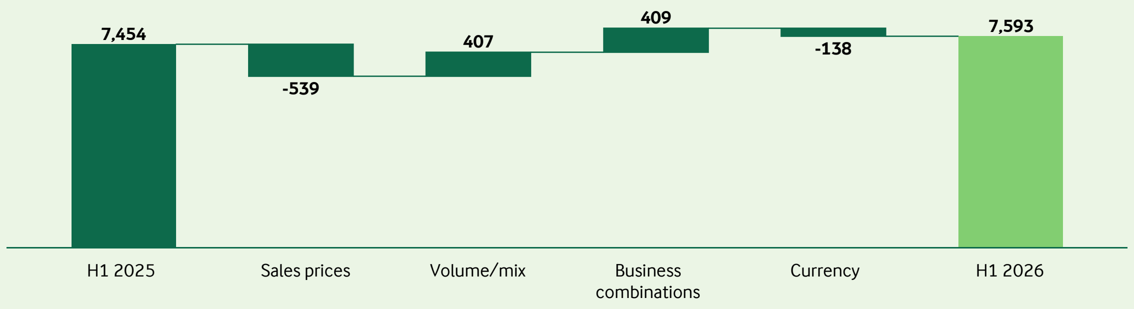
Revenue increased by 1.8% to EUR 7,593 million (H1 2025: EUR 7,454 million). Sales prices negatively impacted revenue by EUR 539 million, while the volume/mix positively impacted revenue by EUR 407 million. In addition, the impact of business combinations driven by the merger with the DMK Group (DMK) as of 1 June 2026 amounted to EUR 409 million. Negative currency effects amounted to EUR 138 million.

Strategic branded revenue amounted to EUR 3,397 million (H1 2025: EUR 3,395 million). Strategic branded volume driven revenue growth was 6.7% compared to -1.5% in the same period of 2025, driven by both Europe with an increase of 6.4% and International with an increase of 7.4%.

AFI delivered revenue growth of 19.3% driven by both increased volumes and higher whey protein prices.

Read more about the performance of our brands and commercial segments in the performance review on pages 12-13.

DEVELOPMENT IN REVENUE (EUR MILLION)



Revenue split by brand

(EUR million)	H1 2026	H1 2025
Arla®	1,942	1,932
Lurpak®	406	435
Puck®	273	270
Castello®	124	113
Milk-based beverages	279	210
Other supported brands	373	435
Strategic branded revenue	**3,397**	**3,395**
Private-label and other	1,774	2,083
Retail and foodservice in Europe and International	**5,171**	**5,478**
Arla Foods Ingredients	867	726
Global Industry Sales	1,146	1,250
DMK Group	409	-
Total	**7,593**	**7,454**

Revenue split by commercial segment

(EUR million)	H1 2026	H1 2025
Europe	3,953	4,267
International	1,186	1,206
Arla Foods Ingredients	867	726
Global Industry Sales and other sales	1,178	1,255
DMK Group	409	-
Total	**7,593**	**7,454**

1.2 COSTS

Financial comments

Operational costs increased by 2.5% to EUR 7,370 million (H1 2025: EUR 7,193 million). The increase was driven by higher milk volumes, inflation and more branded sales, offset by a lower average pre-paid milk price. In addition, business combinations driven by the merger with DMK had an impact of EUR 375 million.

Production costs amounted EUR 5,978 million (H1 2025: EUR 5,983 million). Excluding the cost of raw milk, production costs increased by 34.2% to EUR 2,761 million (H1 2025: EUR 2,057 million). The increase was driven by higher cost of goods sold, inflation and depreciations.

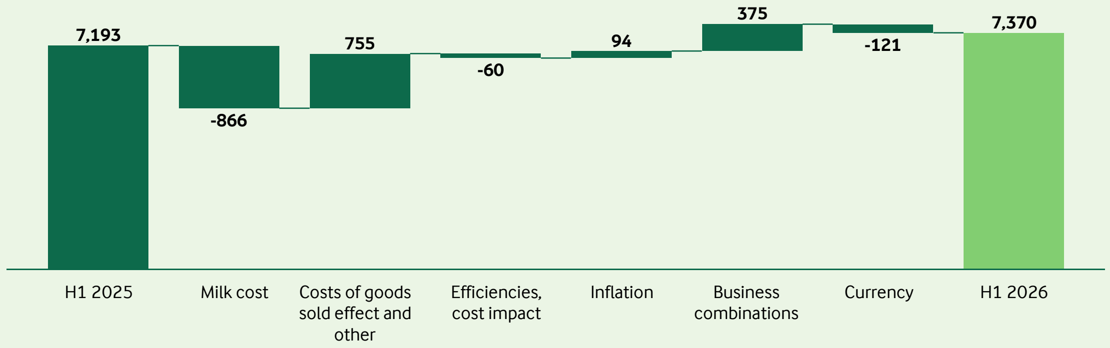
Sales and distribution costs increased by 12.6% to EUR 1,065 million (H1 2025: EUR 946 million), driven mainly by transport inflation, increased activity levels and impairments.

Administration costs increased by 23.9% to EUR 327 million (H1 2025: EUR 264 million) driven by an increase in staff costs, depreciations and costs related to the merger with DMK.

Staff costs increased by 9.0% to EUR 961 million due to an increased number of employees, the merger with DMK and inflation.

Our transformation and efficiency programme, Fund our Future, achieved savings of EUR 63 million, of which EUR 60 million related to operational cost savings.

DEVELOPMENT IN OPERATIONAL COSTS (EUR MILLION)



Operational costs split by function and type

(EUR million)	H1 2026	H1 2025
Production costs	5,978	5,983
Sales and distribution costs	1,065	946
Administration costs	327	264
Total	**7,370**	**7,193**
Specification:		
Weighed-in raw milk	3,217	3,926
Other production materials[1]	1,534	1,009
Staff costs	961	882
Transport costs	515	419
Marketing costs	140	136
Depreciation, amortisation and impairment	340	258
Other costs[2]	663	563
Total	**7,370**	**7,193**
Average number of full-time employees[3]	23,614	22,062

[1] Other production materials include packaging, additives, consumables, variable energy and effects of cost of goods sold related to changes in inventory.
[2] Other costs mainly include maintenance, utilities and IT.
[3] As of 30 June 2026, the number of FTEs in DMK entities amounted to 6,528. The average number of FTEs during the reporting period was 1,635.

Weighed-in raw milk

	H1 2026		H1 2025	
	mkg	EUR million	mkg	EUR million
Owner milk	7,433	3,025	6,781	3,727
Other milk	428	192	382	199
Total	**7,861**	**3,217**	**7,163**	**3,926**

1.3 KEY PERFORMANCE INDICATORS

Financial comments

The alternative performance measures disclosed below are key performance indicators for the group.

Performance price

Arla's performance price is a key measure of overall performance, expressing the value added to each kg of milk supplied by our farmer owners. The performance price is calculated as the standardised pre-paid milk price, included in production costs, plus Arla Foods amba's share of profit for the period, divided by the standardised milk volume from farmer owners in the first half of 2026. The performance price was 43.6 EUR-cent/kg of owner milk (H1 2025: 57.5 EUR-cent/kg).

Strategic branded volume-driven revenue growth

Volume-driven revenue growth (VDRG) is defined as revenue growth derived from growth in volumes while keeping prices constant. VDRG of strategic brands is an alternative performance measure applied to support and understand the non-price revenue growth and performance of our branded business. Strategic branded VDRG was 6.7% in the first half of 2026 (H1 2025: -1.5%).

Profit share

Arla's profit share target is 2.8%-3.2% of revenue for the full year, calculated on the basis of the profit attributable to Arla Foods amba. In the first half of 2026, the profit amounted to EUR 213 million (H1 2025: EUR 158 million). This corresponds to 2.8% of revenue (H1 2025: 2.1%). The profit attributable to Arla Foods amba will be specified in the profit appropriation at year-end.

Performance price

	H1 2026			H1 2025		
	EUR million	mkg	EUR-cent/kg	EUR million	mkg	EUR-cent/kg
Owner milk (standard milk (4.2% fat, 3.4% protein)	3,025	7,433	40.7	3,727	6,781	55.1
Arla Foods amba's share of profit for the period	213	7,433	2.9	158		2.4
Total	**3,238**	**7,433**	**43.6**	**3,885**	**6,781**	**57.5**

Strategic branded volume-driven revenue growth

(EUR million)	H1 2026	H1 2025
Strategic branded revenue last half-year	3,395	3,161
Strategic branded volume-driven revenue growth	226	-46
Price and exchange rate adjustments	-224	280
Strategic branded revenue	**3,397**	**3,395**
Strategic branded volume-driven revenue growth, %	**6.7%**	**-1.5%**

The calculation of strategic branded VDRG is based on fixed exchange rates and is defined as volume growth of EUR 226 million divided by the net amount of strategic branded revenue last year of EUR 3,395 million and an exchange rate effect from average to fixed exchange rates.

Profit share

(EUR million)	H1 2026	H1 2025
Revenue	7,593	7,454
Profit for the period	220	167
Profit relating to non-controlling interests	-7	-9
Profit attributable to Arla Foods amba	**213**	**158**
Profit share	**2.8%**	**2.1%**

Profit share is calculated as EUR 213 million divided by EUR 7,593 million and amounted to 2.8% in H1 2026.

Note 2. Net working capital

2.1 NET WORKING CAPITAL

Financial comments

Net working capital increased by 30.1% to EUR 2,130 million (H1 2025: EUR 1,637 million). The increase was driven by the merger with DMK, resulting in higher levels of inventory and trade receivables, offset by a higher level of trade payables.

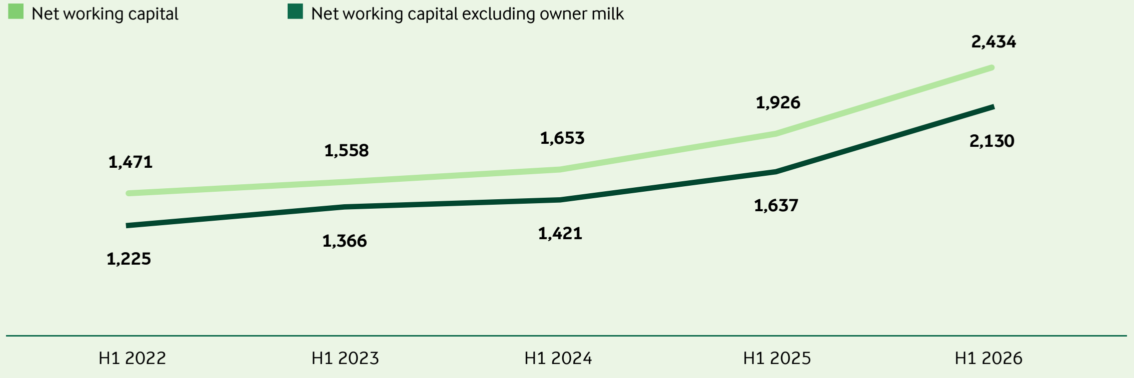
Inventory amounted to EUR 2,134 million (H1 2025: EUR 1,856 million). The increase of EUR 278 million was largely due to higher volumes resulting from the merger with DMK, offsetting the impact of the decreasing milk price on inventory valuation.

Trade receivables increased by 41% to EUR 1,726 million (H1 2025: EUR 1,224 million), driven mainly by volume growth despite lower prices, and by a positive impact from the merger with DMK. The utilisation of trade receivables finance programmes was EUR 372 million, which was 14% higher than last year (H1 2025: EUR 328 million). The group utilises these programmes to manage liquidity and reduce credit risk on trade receivables. Trade receivable financing programmes are an integral part of our liquidity management.

Trade payables and other payables amounted to EUR 1,730 million (H1 2025: EUR 1,443 million), driven by the impact of the merger with DMK.

We continuously strive to optimise our net working capital positions through initiatives such as increased use of global procurement agreements, optimisation of inventory levels and improved payment terms.

DEVELOPMENT IN NET WORKING CAPITAL (EUR MILLION)



Net working capital

(EUR million)	H1 2026	H1 2025
Inventory	2,134	1,856
Trade receivables	1,726	1,224
Trade payables and other payables	-1,730	-1,443
Net working capital	**2,130**	**1,637**

Inventory

(EUR million)	H1 2026	H1 2025
Inventory before write-downs	2,152	1,876
Write-downs	-18	-20
Total inventory	**2,134**	**1,856**
Raw materials and consumables	409	369
Work in progress	382	544
Finished goods and goods for resale	1,343	943
Total inventory	**2,134**	**1,856**

Trade receivables

(EUR million)	H1 2026	H1 2025
Trade receivables before provision for expected losses	1,753	1,241
Provision for expected losses	-27	-17
Total trade receivables	**1,726**	**1,224**

Note 3. Capital employed

3.1 CAPITAL EMPLOYED

Financial comments

The carrying amount of non-current assets increased to EUR 6,205 million (H1 2025: EUR 5,244 million).

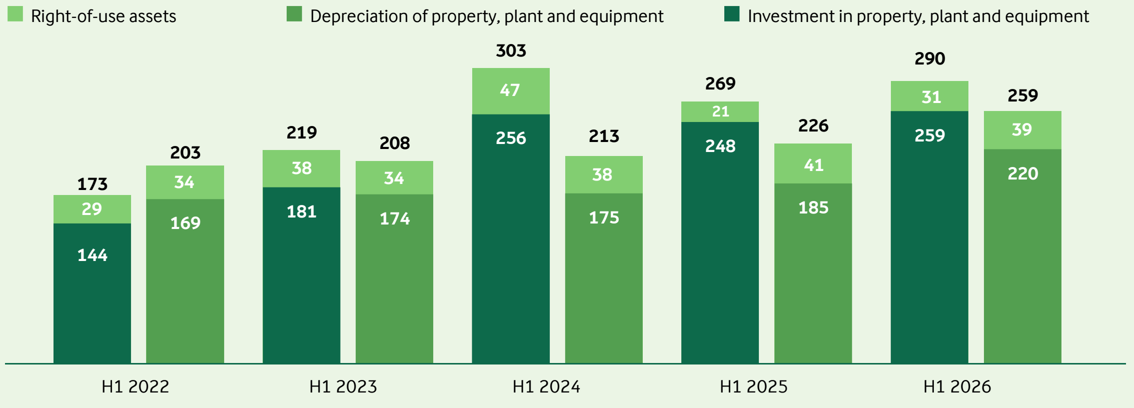
Intangible assets and goodwill increased to EUR 1,385 million (H1 2025: EUR 1,186 million). The increase was largely driven by additional goodwill arising from the merger with DMK.

The carrying amount of property, plant and equipment including right-of-use assets increased by EUR 614 million to EUR 4,130 million (H1 2025: EUR 3,516 million).

Investments in property, plant and equipment including right-of-use assets in the first half of the year amounted to EUR 290 million (H1 2025: EUR 269 million). Investments were conducted to expand production capacity and support future growth across the group's dairy network, while the increase in property, plant and equipment was also impacted by assets acquired through the DMK merger.

The recognised value of associates and joint ventures was EUR 488 million (H1 2025: EUR 482 million), consisting primarily of the investments in COFCO Dairy Holdings Ltd. (Mengniu) and LRF.

INVESTMENTS AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (EUR MILLION)



Property, plant and equipment including right of use assets

(EUR million)	H1 2026	H1 2025
Land and buildings	1,535	1,312
Plant and machinery	1,688	1,436
Fixtures and fittings, tools and equipment	228	214
Assets in the course of construction	679	554
Carrying amount at 30 June	**4,130**	**3,516**
Right of use assets included in the carrying amount	273	227

Intangible assets and goodwill

(EUR million)	H1 2026	H1 2025
Goodwill	1,069	910
Licences and trademarks	83	53
IT and other development projects	233	223
Carrying amount at 30 June	**1,385**	**1,186**

Specification of associates and joint ventures

(EUR million)	H1 2026	H1 2025
COFCO Dairy Holdings Ltd.	389	365
LRF and other associates	95	92
Other joint ventures	4	25
Carrying amount of associates and joint ventures	**488**	**482**

3.2 BUSINESS COMBINATIONS

Financial comments

Merger with DMK

On 1 June 2026, the merger of Arla and DMK became effective following the required regulatory approvals. DMK, Germany's largest dairy company, with an annual milk intake of approximately 5.0 billion kg, became an integrated part of Arla.

Strategic rationale and synergies

The merger represents a significant strategic step in strengthening Arla's position as one of Europe's leading dairy companies and farmer-owned cooperatives with an annual milk pool of approximately 20 billion kg.

The combined group benefits from increased scale, an expanded production network, strengthened customer relationships and a broader portfolio of dairy products and brands across key markets.

The merger further strengthens Arla's position in Germany and the Netherlands, while expanding opportunities across retail, foodservice, ingredients and industrial channels.

The larger milk pool is expected to support future growth in Arla's ingredients business through increased access to raw materials and production capacity. As part of the transaction, Arla also obtained full ownership of ArNoCo, previously a joint venture with DMK, further strengthening the group's ingredients platform.

The merger is also expected to generate operational efficiencies and commercial benefits through the integration of production facilities, supply chain operations and supporting functions across the combined organisation.

Consideration transferred

The consideration transferred in connection with the merger consisted of:

- Issuance of non-distributed common capital of EUR 79 million
- Issuance of new individual capital of EUR 125 million
- Issuance of debt instruments of EUR 206 million to be settled over a two-year transition period

Fair value of acquired net assets and recognised goodwill

Based on provisional fair values of the identified net assets acquired of EUR 347 million, goodwill amounted to EUR 177 million.

Goodwill relates to expected synergies from integrating DMK into Arla, related primarily to whey business in AFI and, is allocated to this segment.

The purchase price allocation is provisional and remains subject to finalisation in accordance with IFRS 3. Consequently, adjustments may be made to the recognised fair values of acquired assets and liabilities within the measurement period of up to 12 months from the merger date.

Table 3.4 Business combinations

(EUR million)	H1 2026	H1 2025
Intangible assets	64	-
Property, plant and equipment	448	-
Inventory	510	-
Other assets	576	-
Liabilities	-1,251	-
Net assets acquired (provisional)	**347**	**-**
Issued common capital instruments	-79	-
Issued individual capital instruments	-125	-
Issued debt instruments	-206	-
Fair value of previously held investment	-110	-
Non-controlling interests' share of acquired net assets	-4	-
Goodwill (provisional)	**177**	**-**

Note 4. Funding

4.1 FUNDING AND PENSIONS

Financial comments

The group's financial leverage was 3.5, slightly above the target range, remaining at the same level compared to the first half of 2025. Assuming Arla and DMK had been one company for the previous 12 months, the leverage would have been 2.9.

Net interest-bearing debt excluding pensions increased by EUR 440 million compared to the position at 30 June 2025. The development was driven mainly by the merger with DMK.

Pension liabilities amounted to EUR 255 million (H1 2025: EUR 160 million). This excludes a UK net pension asset that is recognised separately and not included in the calculation of net interest-bearing debt and leverage. The UK net pension asset had a carrying amount of EUR 33 million (H1 2025: EUR 14 million) at 30 June 2026.

The average maturity profile of debt increased to 5.2 years (H1 2025: 4.8 years). The maturity profile is affected by a lapse of time, refinancing or obtaining of new committed facilities and the level of interest-bearing debt. Average interest expenses excluding pensions were 3.5% (H1 2025: 3.3%).

The liquidity reserves increased by EUR 274 million to EUR 1,993 million compared to the reserves at 30 June 2025. The increase was driven by new committed facilities. Excluded from the liquidity reserves are cash and securities considered as restricted due to restrictions and regulations on transferability of EUR 20 million (H1 2025: EUR 28 million), as well as cash not readily available for upstreaming in the group within five days of EUR 67 million (H1 2025: EUR 21 million).

During the first half of 2026, the group's most significant funding activities were:

- Obtained first public credit rating from Standard & Poor's (S&P) Global Ratings: a BBB long-term issuer credit rating with a stable outlook.
- Bond issue of EUR 1,000 million of which EUR 500 million matures in May 2029 and EUR 500 million in May 2033.
- Five-year long-term loan of EUR 100 million maturing in March 2031.
- Repayment of bridge term loan facility of EUR 500 million.
- Repayment of Schuldschein of EUR 200 million.
- Early repayment of Schuldschein of EUR 110 million, with original maturity in June 2028.
- Repayment of SEK bonds of SEK 500 million.
- Repayment of EUR 314 million of DMK interest-bearing debt after closing.

Arla has given notice to holders of DMK floating-rate Schuldschein to repay loans at the interest payment dates in December 2026. In July 2026, Arla will repay EUR 48 million of DMK Schuldschein loans. The majority of DMK interest-bearing debt will be repaid by the end of 2026.

Net interest-bearing debt

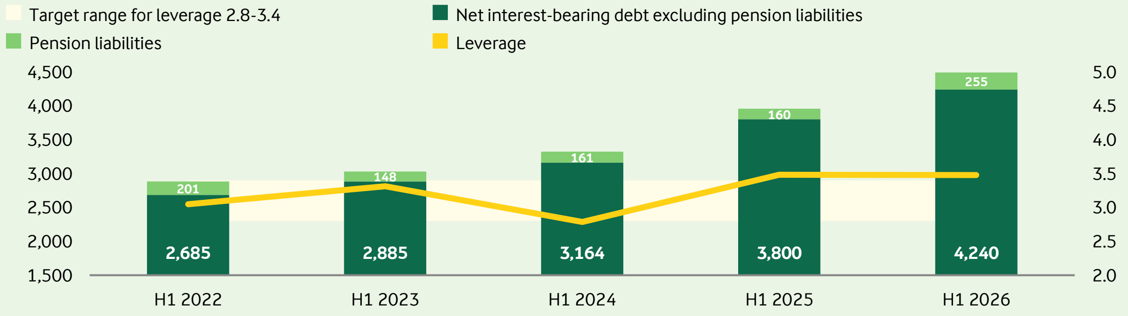
(EUR million)	H1 2026	H1 2025
Long-term borrowings	3,991	3,157
Short-term borrowings	947	1,279
Securities, cash and cash equivalents (excluding restricted securities and cash)	-686	-625
Other interest-bearing assets	-12	-11
Net interest-bearing debt excluding pension liabilities	**4,240**	**3,800**
Pension liabilities	255	160
Net interest-bearing debt including pension liabilities	**4,495**	**3,960**

Liquidity reserves

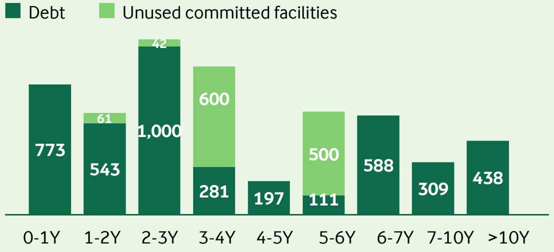
(EUR million)	H1 2026	H1 2025
Free cash and cash equivalents[1]	87	55
Free securities[2]	10	13
Unutilised committed loan facilities > 1 year	1,202	1,103
Other unutilised loan facilities	694	548
Liquidity reserves	**1,993**	**1,719**

[1] Free cash is defined as cash and cash equivalents excluding restricted cash of EUR 20 million (H1 2025: EUR 17 million) and not readily available cash of EUR 67 million (H1 2025: EUR 21 million).
[2] Free securities are defined as securities excluding restricted securities of EUR 0 million (H1 2025: EUR 11 million) and securities used in repurchase arrangements of EUR 523 million (H1 2025: EUR 536 million).

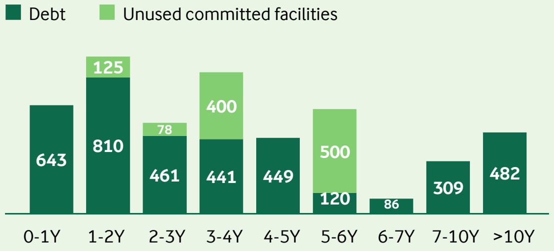
NET INTEREST-BEARING DEBT (EUR MILLION)



MATURITY OF NET INTEREST-BEARING DEBT EXCLUDING PENSION LIABILITIES AT 30 JUNE 2026 (EUR MILLION)



MATURITY OF NET INTEREST-BEARING DEBT EXCLUDING PENSION LIABILITIES AT 30 JUNE 2025 (EUR MILLION)



Exchange rates

	Closing rate			Average rate		
	H1 2026	H1 2025	Change	H1 2026	H1 2025	Change
EUR/GBP	0,862	0,854	-0,9%	0,867	0,842	-2,9%
EUR/SEK	11,094	11,116	0,2%	10,792	11,087	2,7%
EUR/DKK	7,474	7,461	-0,2%	7,471	7,461	-0,1%
EUR/USD	1,142	1,172	2,6%	1,166	1,092	-6,4%
EUR/SAR	4,290	4,394	2,4%	4,376	4,096	-6,4%

Pension liabilities

(EUR million)	H1 2026	H1 2025
Present value of funded liabilities	1,080	1,026
Fair value of plan assets	-860	-882
Deficit of funded plans	**220**	**144**
Present value of unfunded liabilities	2	2
Net pension liabilities recognised in the balance sheet	**222**	**146**
Presented as:		
Pension assets	-33	-14
Pension liabilities	255	160
Net pension liabilities	**222**	**146**

Assumptions for the actuarial calculations

(%)	H1 2026	H1 2025
Discount rate assumptions		
Discount rate, UK	5.9	5.5
Discount rate, Sweden	3.8	3.7
Inflation assumptions		
Inflation (CPI), UK	2.5	2.4
Inflation (CPI), Sweden	1.7	1.6
Mortality assumptions (life expectancy in years at age 65)		
Male in the UK	20.7	20.4
Female in the UK	22.9	22.8
Male in Sweden	22.8	21.9
Female in Sweden	24.4	23.9

Note 5. Accounting principles

GENERAL ACCOUNTING PRINCIPLES

Basis for preparation

The condensed interim consolidated report is prepared according to the accounting policies applied in the consolidated annual report for 2025, and the group has implemented all new standards and interpretations effective in the EU from 1 January 2026, without any significant impact on the financial statements.

The condensed interim consolidated financial statements are prepared in EUR million with rounding.

Condensed interim consolidated financial statements

The condensed interim consolidated financial statements are prepared as a compilation of the parent company's and the individual subsidiaries' financial statements in line with the group's accounting policies. Revenue, costs, assets and liabilities, along with items included in the equity of subsidiaries, are aggregated and presented on a line-by-line basis. Intercompany shareholdings, balances and transactions as well as unrealised income and expenses arising from intercompany transactions are eliminated.

The condensed interim consolidated financial statements comprise Arla Foods amba (parent company) and the subsidiaries in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise holds control to obtain benefits from its activities. Entities in which the group exercises joint control through a contractual arrangement are considered joint ventures. Entities in which the group exercises a significant but not a controlling influence are considered associates. A significant influence is typically obtained by holding or having at the group's disposal, directly or indirectly, more than 20%, but less than 50%, of the voting rights in an entity.

Unrealised gains arising from transactions with joint ventures and associates, i.e. profits from sales to joint ventures or associates, are eliminated against the carrying amount of the investment in proportion to the group's interest in the company. Unrealised losses are eliminated in the same manner, but only to the extent that there is no evidence of impairment.

The condensed interim consolidated financial statements are prepared on a historical cost basis, except for certain items with alternative measurement bases, which are identified in these accounting policies.

Translation of transactions and monetary items in foreign currencies

Each reporting entity within the group determines its functional currency, which is the currency used in its primary economic environment. If a reporting entity engages in transactions in a foreign currency, it will record the transaction in its functional currency using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate applicable at the reporting date.

Exchange rate differences are recognised in the income statement under financial items. Non-monetary items, for example property, plant and equipment, which are measured based on historical cost in a foreign currency, are translated into the functional currency upon initial recognition.

Translation of foreign operations

The assets and liabilities of consolidated entities, including the share of net assets and goodwill of joint ventures and associates with a functional currency other than EUR, are translated into EUR using the exchange rate at the end of the period. The revenue, costs and share of the net profit or loss for the period are translated into EUR using the average monthly exchange rate if this does not differ materially from the transaction date rate. Exchange rate differences are recognised in other comprehensive income and accumulated in the translation reserve.

On partial divestment of associates and joint ventures, the relevant proportional amount of the cumulative foreign currency translation adjustment reserve is transferred to the net profit or loss for the period, along with any gains or losses related to the divestment. Any repayment of outstanding balances considered part of the net investment is not in itself considered to be a partial divestment of the subsidiary.

Glossary

Arlagården® is the name of our quality assurance programme.

Average interest expenses excluding interest related to pension assets and liabilities. The net interest expense is calculated as a total of interest expenses excluding cash discounts and default interest, plus borrowing charges and interest on leases, and reduced by interest income on securities. To calculate the average interest expense, the net interest expense is divided by net interest-bearing debt excluding pension assets and liabilities.

BoD is an abbreviation of Board of Directors. Following the merger with DMK, it now comprises 23 members, including 17 farmer owners, four employee representatives elected by Arla's employees, and two external members appointed by the Board of Representatives.

BoR is an abbreviation of Board of Representatives. The BoR holds the highest authority for decision-making within our cooperative. Following the Arla-DMK merger, the BoR now consists of 214 members, including 200 farmer-elected representatives and 14 employee representatives.

CapEx is an abbreviation of capital expenditure.

Capacity cost is defined as the cost of running the general business, and includes staff costs, maintenance, energy, cleaning, IT, travel, consultancy etc.

EBIT is an abbreviation of earnings before interest and tax, and is a measure of earnings from operations.

EBITDA is an abbreviation of earnings before interest, tax, depreciation and amortisation from ordinary operations.

EBIT margin measures EBIT as a percentage of total revenue.

EMT is an abbreviation of Executive Management Team. In Arla, the team consists of the Executive Board, a manager for each of the European and International commercial segments and four functional heads.

Equity ratio is the ratio of equity, including minority interests, to total assets, and is a measure of the financial strength of Arla.

FarmAhead™ Technology is a toolbox of data-driven and science-based technologies consisting of the FarmAhead™ Check, the FarmAhead™ Incentive, the FarmAhead™ Innovation and the FarmAhead™ Customer Partnership. It is designed to enable our farmer owners to measure, understand and advance their individual sustainability transitions on the farm.

Leverage is the ratio of net interest-bearing debt, inclusive of pension liabilities, to EBITDA. It enables evaluation of the ability to support future debt and obligations: the long-term target range for leverage is between 2.8 and 3.4.

Milk volume is defined as total intake of raw standard milk in kg from owners and contractors.

Milk utilisation price represents the value of 1 kg of standard milk (3.4% protein and 4.2% fat) used in any dairy product to enable profitability comparisons across products. It is calculated using selling prices, market prices for fat and protein together with conversion factors that reflect the amount of milk required to produce the product.

Net interest-bearing debt is defined as current and non-current interest-bearing liabilities less securities, cash and cash equivalents and other interest-bearing assets. Securities, cash and cash equivalents defined as restricted are not included when deducting securities, cash and cash equivalents.

Net interest-bearing debt inclusive of pension liabilities is defined as current and non-current interest-bearing liabilities less securities, cash and cash equivalents and other interest-bearing assets plus pension liabilities. Securities, cash and cash equivalents defined as restricted are not included when deducting securities, cash and cash equivalents.

Net working capital is the capital tied up in inventories, trade receivables and trade payables including payables for owner milk.

Net working capital excluding owner milk is defined as capital that is tied up in inventories, trade receivables and trade payables excluding payables for owner milk.

OCI is an abbreviation of other comprehensive income. OCI includes revenue, expenses, gains and losses that have yet to be realised.

Performance price for Arla Foods is defined as the pre-paid milk price plus Arla Foods amba's share of profit for the period divided by total member milk intake. It measures the value creation per kg of owner milk including retained earnings and supplementary payments. The measure is based on milk standardised to 3.4% protein and 4.2% fat.

Pre-paid milk price is the cash payment farmers receive per kg of milk delivered during the settlement period.

Private label refers to retail brands that are owned by retailers, but produced by Arla based on contract manufacturing agreements.

Profit margin is a measure of profitability. It is the amount by which revenue from sales exceeds costs in a business.

Profit share is a measure of profit relative to revenue, calculated as Arla Foods amba's share of profit for the period divided by total revenue.

Strategic brands are defined as products sold under branded products such as Arla®, Lurpak®, Castello®, Puck® and Starbucks™.

Strategic branded volume-driven revenue growth is defined as revenue growth associated with growth in volumes from strategic branded products while keeping prices constant. It is also referred to in the report as branded volume growth.

Value-add protein segment contains products with special functionalities and compounds, compared with standard protein concentrates with a protein content of approximately 80%.

Volume-driven revenue growth is defined as revenue growth associated with growth in volumes while keeping prices constant.

Corporate calendar

2026

AUGUST 27
Publication of consolidated half-year results for 2026

OCTOBER 1-2
Board of Representatives meeting

2027

FEBRUARY 11
Announcement of 2026 results

FEBRUARY 24-25
Board of Representatives meeting

FEBRUARY 25
Publication of Annual Report 2026

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