Half-year Financial Report

FRoSTA AG

Business development of the Group
from January 1 to June 30, 2026

OUR „INGREDIENTS“

FUNDAMENTAL INFORMATION ABOUT THE GROUP

BUSINESS ENVIRONMENT

REPORT ON OPPORTUNITIES & RISKS

REPORT ON SUBSEQUENT EVENTS

FORECAST

ANNEX

Consolidated Profit and Loss Account per 30.6.2026
Consolidated Balance Sheet per 30.6.2026
Consolidated Statement on changes in Equity per 30.6.2026
Consolidated Statement of Cash Flows per 30.6.2026
Explanatory Information
Statement of the Legal Representatives

FUNDAMENTAL INFORMATION ABOUT THE GROUP

BUSINESS MODEL

FRoSTA has 1,854 employees and operates in seven European countries, producing deep-frozen products from fresh at our three plants in Germany and one in Poland.

We have a long-standing commitment to sustainability. With our Purity Promise, we have gone without adding any colourings, flavourings, flavour enhancers, stabilisers, emulsifiers or other additives to any of our branded products since 2003. This enables FRoSTA to guarantee the quality, taste and naturalness of its extensive product range to an exceptionally high standard. FRoSTA products are available from supermarkets and, in addition to traditional dishes such as chicken fricassee and paella, include a range of vegetarian and vegan choices as well as vegetables, fish, fruit and herbs. In 2026, we will strategically expand our ready meals portfolio by introducing the “à la Carte” and “High Protein” product lines, further strengthening our position in attractive growth segments.

In 2013, FRoSTA was the first frozen food brand to start publishing the countries of origin of all ingredients on the Internet and, since 2015, it has also done so on product packaging. In 2019, FRoSTA made the switch to paper packaging in the freezer aisle.

In addition, we develop and produce high-quality private labels for the food retail and wholesale sectors, for the most part using our retail partners’ own brands. We also offer a wide range of frozen products as a production partner to industry and its out-of-home customers (supplying restaurant chains and wholesalers).

BRANCH OFFICES

Production in Germany is organised across the following branch offices:
FRoSTA AG Werk Bremerhaven
FRoSTA AG Werk Bobenheim-Roxheim
FRoSTA AG Werk Lommatzsch

MANAGEMENT SYSTEM

We manage our business operations based on the key performance indicators sales and consolidated net income for the year.

BUSINESS ENVIRONMENT

GENERAL MARKET & INDUSTRY CONDITIONS

Overall, economic development in Europe remained subdued during the first half of 2026. While economic activity showed early signs of recovery at the beginning of the year, geopolitical conflicts, ongoing trade disputes, and developments in the Middle East increasingly weighed on the economic environment. Rising energy and raw material prices, combined with uncertainties in global supply chains, dampened investment and economic momentum.

Consumer sentiment remained cautious despite more moderate inflation compared with previous years, rising real incomes, and lower key interest rates. Continued economic uncertainty and consumers' ongoing reluctance to spend continued to shape the market environment.

Against this backdrop, the frozen fish, ready meals, and frozen vegetables categories performed well in our core markets, recording volume growth of 3.3% during the first five months of 2026. The FRoSTA brand once again proved to be a key growth driver, achieving sales volume growth of 22.3%. As a result, we were able to further expand our market share in a still highly competitive market environment (Source: Circana (formerly IRI) & NielsenIQ, frozen fish, meals, vegetables and herbs, January to May 2026).

BUSINESS DEVELOPMENT, FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

Revenue increased by 11.7 % year-on-year to EUR 368m in the first six months of the year. This positive development was driven primarily by the continued strong growth of the FRoSTA brand.

Overall, the cost level remained high during the first half of 2026. Rising oil prices also resulted in significantly higher transportation costs. To support the strong growth, investments were made in expanding additional production capacity. The establishment of new production and logistics structures led to one-off start-up and transition costs during the reporting period. In addition, marketing investments were selectively increased to further support the growth of the FRoSTA brand in its core markets.

The Group's net profit for the first six months amounted to EUR 18.2m, slightly exceeding the prior-year figure of EUR 17.7m. With a net profit margin of 4.9 %, Group net profit remains below the level achieved by many international food companies and was slightly lower than the prior-year margin of 5.4 %.

Despite the strong growth, working capital and cash flow remained stable, supporting the Group's solid balance sheet structure and an equity ratio of 60.7 %. The Group was able to meet all of its payment obligations at all times.

SEGMENT REPORTING

FRoSTA SEGMENT

The FRoSTA operating segment comprises the brand business, the out-of-home business, and the home delivery business in Europe. Revenue for the reporting period amounted to EUR 295m, representing growth of 18.1 % compared with the previous year.

The FRoSTA brand continues to perform very positively across all markets and achieved overall growth of 25.0 % year-on-year. The combination of great-tasting products, the FRoSTA Purity Promise, and authentic, consumer-focused communication is attracting an increasing number of consumers and encouraging them to make FRoSTA products an integral part of their daily lives.

Following several years of declining revenues, the out-of-home market returned to a growth trajectory in 2026, with revenue increasing by 4.2 %. This positive development was driven in particular by the consistent focus on the core product range and close, partnership-based collaboration with our customers.

The FRoSTA operating segment made a significant contribution to the Group's net profit in both domestic and international markets.

COPACK SEGMENT

The COPACK operating segment comprises the private label business in Europe. Products are manufactured on behalf of retail partners and in accordance with their respective recipe specifications and packaging requirements.

Revenue in the business segment declined by 11.2 % during the first six months of 2026. This was primarily attributable to the persistently challenging market environment and the deliberate discontinuation of uneconomic contracts.

REPORT ON OPPORTUNITIES & RISKS

The Group addresses the known risks and opportunities in accordance with the disclosures provided on pages 23 to 29 of the 2025 Annual Report.

REPORT ON SUBSEQUENT EVENTS

Since the end of the first half of the year and up to the date of preparation of the FRoSTA AG Half-Year Financial Report, no significant new information has become known that would materially affect the Group's financial position, financial performance, or risk and opportunity profile.

FORECAST

The global economic environment is expected to remain highly uncertain throughout 2026. Geopolitical tensions, armed conflicts, and the continued subdued economic development in Europe, particularly in Germany, our most important sales market, are weighing on market conditions and intensifying competitive pressure. At the same time, climate-related fluctuations in the availability of vegetables and other key raw materials, as well as developments surrounding the Strait of Hormuz, are contributing to increased volatility in supply chains. Rising energy, raw material, and transportation costs are increasing cost pressure throughout the entire value chain.

The ongoing war in Ukraine continues to strain relations between the European Union and Russia and increases the risk of further sanctions that could affect key raw materials sourced from the region. A reduction in global supply could also lead to higher raw material prices in alternative sourcing markets. Additional EU measures in the second half of the year could, in particular, influence the availability and price development of fish on the global market. FRoSTA has prepared for these scenarios and is working closely with customers and suppliers to limit any potential impact on supply reliability and the cost base.

Despite these uncertainties, demand for the FRoSTA brand remains consistently strong. We are therefore confident that the positive business performance will continue throughout the second half of 2026.

For the full year 2026, we expect revenue growth of 9 % to 17 % and a Group net profit of 5 % to 8 % of revenue.

Bremerhaven, 13 July 2026

The Executive Board

Felix Ahlers | Martin Bülow | Hinnerk Ehlers | Tobias Schulze

OVERVIEW OF FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

	31.12.2025 kEUR	30.06.2025 kEUR	30.06.2026 kEUR	Change %
Sales	681.543	329.891	368.381	11,7%
Consolidated net profit	37.023	17.742	18.165	2,4%
in % of sales	5,4%	5,4%	4,9%	
Balance sheet total	**498.186**	**445.039**	**463.482**	**4,1%**
Current Ratio / Liquidity III (inventories + trade receivables + cash-in-hand) / (provisions + trade payables)	**195%**	**199%**	**187%**	**-6,0%**
Equity ratio	**56,7%**	**59,0%**	**60,7%**	**2,9%**
Return on Investment (ROI)	**19,5%**	**24,0%**	**19,1%**	**-20,4%**

CONSOLIDATED INCOME STATEMENT OF FRoSTA AG FOR THE PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

	31.12.2025 kEUR	30.06.2025 kEUR	30.06.2026 kEUR	Change %
1. Sales	681.543	329.891	368.381	11,67%
2. Increase/decrease in stock of finished goods and work in progress	15.882	11.538	-5.311	-146,03%
3. Other operating income	9.327	7.046	2.355	-66,58%
- of which from currency translation: kEUR 1.501 (2025: kEUR 4.486)				
GROSS OPERATING REVENUE	**706.752**	**348.475**	**365.425**	**4,86%**
4. Cost of materials				
a) Cost of raw materials consumables and supplies and of purchased merchandise	-344.133	-170.817	-179.109	4,85%
b) Cost of purchased services	-16.532	-8.556	-8.370	-2,17%
	-360.665	**-179.373**	**-187.480**	**4,52%**
GROSS PROFIT	**346.087**	**169.102**	**177.945**	**5,23%**
5. Personnel expenses				
a) Wages and salaries	-88.162	-43.191	-45.892	6,25%
b) Social security, post-employment and other employee benefit costs	-17.695	-8.628	-9.315	7,97%
- of which post-employment: kEUR 51 (2025: kEUR 43)				
	-105.857	**-51.819**	**-55.207**	**6,54%**
6. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	-20.418	-10.861	-10.813	-0,44%
7. Other operating expenses	-169.557	-82.716	-86.913	5,07%
- of which from currency translation: kEUR 904 (2025: kEUR 4.481)				
8. OPERATING PROFIT	**50.255**	**23.706**	**25.013**	**5,51%**
9. Other interest and similar income	2.467	1.016	565	-44,34%
10. Interest and similar expenses	-880	-444	-350	-21,26%
- of which from unwinding the discount: kEUR 0 (2025: kEUR 0)				
11. **FINANCIAL RESULT**	**1.587**	**572**	**216**	**-62,25%**
12. RESULT FROM ORDINARY ACTIVITIES	**51.843**	**24.278**	**25.228**	**3,91%**
13. Taxes on income	-14.268	-6.231	-6.708	7,64%
- of which deferred taxes: kEUR 0 (2025: kEUR 0)				
14. EARNINGS AFTER TAXES	**37.575**	**18.047**	**18.521**	**2,63%**
15. Other taxes	-551	-305	-356	16,81%
16. CONSOLIDATED NET INCOME / CONSOLIDATED NET PROFITS	**37.023**	**17.742**	**18.165**	**2,38%**

CONSOLIDATED BALANCE SHEET OF FRoSTA AG AS AT 30 JUNE 2026

	31.12.2025 kEUR	30.06.2025 kEUR	30.06.2026 kEUR	Change %
ASSETS				
A. FIXED ASSETS				
I. Intangible fixed assets				
Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	7.430	7.948	6.774	-14,77%
II. Tangible fixed assets				
1. Land, land rights and buildings	32.322	32.208	34.820	8,11%
2. Technical equipment and machinery	58.989	53.943	55.911	3,65%
3. Other equipment, operating and office equipment	12.943	12.764	12.141	-4,88%
4. Prepayments and assets under construction	5.887	6.042	11.470	89,86%
	110.141	**104.956**	**114.342**	**8,94%**
III. Long-term financial assets				
1. Shares in affiliated companies	30	30	30	0,0%
2. Long-term securities and shares in cooperatives	6	6	24.642	401233,42%
	36	**36**	**24.672**	**68792,68%**
TOTAL FIXED ASSETS	**117.607**	**112.940**	**145.788**	**29,08%**
B. CURRENT ASSETS				
I. Inventories				
1. Raw materials, consumables and supplies	82.235	56.772	53.022	-6,60%
2. Work in progress	24.791	19.458	23.702	21,81%
3. Finished goods and merchandise	58.851	57.884	52.936	-8,55%
	165.877	**134.114**	**129.661**	**-3,32%**
II. Receivables and other assets				
1. Trade receivables	91.636	78.476	96.242	22,64%
2. Other assets	7.471	8.617	8.467	-1,74%
	99.107	**87.093**	**104.709**	**20,23%**
III. Cash-in-hand, bank balances	116.907	110.125	83.239	-24,41%
TOTAL CURRENT ASSETS	**381.891**	**331.332**	**317.609**	**-4,14%**
C. PREPAID EXPENSES	603	772	526	-31,90%
D. CONSOLIDATED BALANCE SHEET ITEM	0	-5	0	-100,00%
TOTAL ASSETS	**500.101**	**445.039**	**463.923**	**4,24%**

	31.12.2025 kEUR	30.06.2025 kEUR	30.06.2026 kEUR	Change %
EQUITY AND LIABILITIES				
A. EQUITY				
I. Issued capital				
1. Subscribed capital	17.440	17.440	17.440	0,0%
2. Treasury shares	-13	-29	-48	65,47%
	17.428	**17.411**	**17.392**	**-0,11%**
II. Capital reserves	11.447	11.447	11.447	0,0%
III. Revenue reserves				
1. Legal reserve	220	220	220	0,0%
2. Other revenue reserves	216.989	216.592	236.369	9,13%
3. Currency translationd´difference recognised in equity	-827	-1.056	-2.334	121,01%
	216.381	**215.756**	**234.255**	8,57%
IV. Consolidated net retained profits	37.023	17.742	18.165	2,38%
	282.279	**262.356**	**281.259**	7,21%
B. PROVISIONS				
1. Provisions for pensions and similar obligations	1.723	1.612	1.729	7,24%
2. Provisions for taxes	12.847	18.662	8.091	-56,64%
3. Other provisions	55.892	58.617	71.147	21,38%
	70.461	**78.891**	**80.967**	2,63%
C. LIABILITIES				
1. Liabilities to banks	12.127	14.091	10.385	-26,31%
2. Trade payables	124.330	85.168	86.234	1,25%
3. Other provisions of which from taxes: kEUR 1.789 (2025: kEUR 1.357)	10.903	4.533	5.079	12,03%
	147.360	**103.793**	**101.697**	**-2,02%**
TOTAL EQUITY AND LIABILITIES	**500.101**	**445.039**	**463.923**	**4,24%**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF FRoSTA AG AS AT 30 JUNE 2026

in kEUR	Subscribed capital	Treasury shares	Capital reserves	Currency translation differences	Legal reserve	Other revenue reserves	Consolidated net retained profit	Equity
As at 1 January 2025	**17.440**	**-5**	**11.447**	**-1.735**	**220**	**191.707**	**41.974**	**261.048**
Dividends paid							-16.328	**-16.328**
Acquisition of treasury shares		-34				-1.034		**-1.068**
Employee share programme		10				273		**283**
Appropriation to / withdrawal from revenue reserves						25.646	-25.646	**0**
Currency translation differences				679				**679**
Consolidated net income							17.742	**17.742**
As at 30 June 2025	**17.440**	**-29**	**11.447**	**-1.056**	**220**	**216.592**	**17.742**	**262.356**
As at 1 January 2026	**17.440**	**-13**	**11.447**	**-827**	**220**	**216.989**	**37.023**	**282.279**
Dividends paid							-16.322	**-16.322**
Acquisition of treasury shares		-39				-1.453		**-1.492**
Employee share programme		4				133		**136**
Appropriation to / withdrawal from revenue reserves						20.700	-20.700	**0**
Currency translation differences				-1.506		1	-1	**-1.506**
Consolidated net income							18.165	**18.165**
As at 30 June 2026	**17.440**	**-48**	**11.447**	**-2.334**	**220**	**236.369**	**18.165**	**281.259**

CONSOLIDATED STATEMENT OF CASH FLOWS OF FRoSTA AG FOR THE PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

	31.12.2025 kEUR	30.06.2025 kEUR	30.06.2026 kEUR	Change kEUR
Consolidated net income	37.023	17.742	18.165	+423
Depreciation, amortisation and write-downs of fixed assets	20.418	10.861	10.813	-48
Increase in provisions	4.456	9.645	15.196	+5.550
Other non-cash expenses	-1.708	-2.147	-61	+2.085
Gains/losses on disposal of fixed assets	39	-85	-7	+78
Result from non-cash interest income and interest expense	-1.588	-572	-216	+356
Income tax expense	14.268	6.231	6.708	+476
Income tax payments	-16.462	-4.960	-14.627	-9.667
Cash flow before change in working capital	**56.446**	**36.717**	**35.969**	**-747**
Increase in inventories and trade receivables	-28.611	14.396	31.610	+17.213
Decrease in trade payables	19.296	-17.951	-38.096	-20.145
Change in working capital	**-9.316**	**-3.555**	**-6.486**	**-2.931**
Increase/decrease in other assets not attributable to investing or financing activities	-1.243	-2.097	2.860	+4.956
Decrease in other liabilities not attributable to investing or financing activities	1.537	-5.062	-7.331	-2.269
Change in other balance sheet items relating to operating activities	**294**	**-7.159**	**-4.471**	**+2.688**
Cash flow from operating activities	**47.424**	**26.003**	**25.012**	**-991**
Payments to acquire intangible assets	-2.614	-1.290	-746	+544
Proceeds from disposal of fixed assets	413	100	0	-100
Payments to acquire tangible fixed assets	-20.039	-7.002	-14.002	-7.000
Proceeds from grant/subsidies received	71	0	0	+0
Payments to acquire financial assets	0	0	-24.636	-24.636
Interest received	2.872	1.032	904	-127
Cash flow from investing activities	**-19.296**	**-7.159**	**-38.479**	**-31.320**
Payments to acquire treasury shares	-6.511	-1.068	-1.492	-424
Proceeds from disposal of treasury shares	6.139	283	136	-146
Dividends to shareholders	-16.328	-16.328	-16.322	+5
Payments for redemption of borrowings	-3.928	-1.964	-1.754	+210
Decrease in other financial liabilities	0	0	12	+12
Interest paid	-1.437	-442	-656	-213
Cash flow from financing activities	**-22.065**	**-19.520**	**-20.077**	**-557**
Net change in cash funds	6.062	-676	-33.544	-32.868
Effect on cash funds of exchange rate movements	109	65	-124	-189
Cash funds at the beginning of period	110.736	110.736	116.907	+6.172
Cash funds at the end of period	**116.907**	**110.125**	**83.239**	**-26.885**

EXPLANATORY INFORMATION

1. Basis of Preparation

The interim report as of 30 June 2026 has been prepared using the same accounting and valuation methods as those applied in the consolidated annual financial statements as of 31 December 2025. The consolidated annual financial statements were prepared in accordance with the accounting standards of the German Commercial Code (HGB).

2. Scope of Consolidation

There were no changes in the scope of consolidation during the reporting period.

3. Segment Reporting

Management monitors exclusively the revenue development of the segments. No segmented analysis of results, assets or liabilities is performed.

4. Related Party Transactions

No material transactions with related parties or entities affiliated with related parties were conducted during the first six months of 2026.

5. Audit Review

The interim report has neither been reviewed by an auditor nor audited in accordance with Section 317 of the German Commercial Code (HGB).

Bremerhaven, 13 July 2026

The Executive Board

Felix Ahlers	Martin Bülow	Hinnerk Ehlers	Tobias Schulze

STATEMENT OF LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable principles of proper interim consolidated financial reporting, the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities, financial position and results of operations. The interim Group management report presents the development of the business, including the business results and the position of the Group, in such a way as to provide a true and fair view and describes the principal opportunities and risks associated with the expected development of the Group during the remainder of the financial year.

Bremerhaven, 13 July 2026

The Executive Board

Felix Ahlers	Martin Bülow	Hinnerk Ehlers	Tobias Schulze