

Annual Report 2025

Koninklijke A-ware
Food Group B.V.

*Driven
by taste*

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Royal A-ware (Koninklijke A-ware Food Group B.V.) is an international family business specialising in high-quality dairy and food products, complemented by specialised logistics solutions for agricultural and food transport. With over 135 years of experience, we produce dairy with the highest nutritional value and the lowest possible impact on people, animals, and the environment. We develop sustainable chains from consumer to cow, contributing to the global demand for dairy that supports healthy and sustainable diets.

About Royal A-ware

Key figures



€ 4.4 billion
in revenue



€ 257 million
EBITDA



80%
of renewable electricity



4,037,882
greenhouse gas emissions



5,368
employees
(excl. 1,849 flex workers)



670+ million
kilogram of
sold dairy products



1,700+
own dairy farmers



2.9 billion
kilogram of milk



1,850+
trucks



Message from our Chairman of the Board



Jan Anker
Chairman of the Board

Dear reader,

'When I look back on 2025, I see a year that asked a great deal of our organisation. Economic uncertainty and shifting market conditions required focus, discipline, and sound judgement. In response, the Management Board have remained clear about our priorities: protecting the long-term strength of Royal A-ware and continuing to build sustainable value.

We have deliberately chosen a steady course. Rather than being distracted by short-term fluctuations, we have concentrated on strengthening our core activities, maintaining a solid financial position, and investing carefully in areas that support future growth. I believe this measured approach serves Royal A-ware — and its stakeholders — best.

I attach great importance to good governance. Effective 1 January 2026, the company implemented a change in its governance structure within the Management Board. Antonio assumed the role of CEO and I serve as Chairman of the Management Board. In this role, my responsibilities include setting and overseeing the strategic orientation of the company and maintaining relationships with our principal stakeholders. This change is driven by the company's current growth phase and increasing organisational complexity and the intention to create more time for the long-term strategy and positioning of the company.

The Management Board has maintained an open and constructive dialogue throughout the year, with careful oversight of strategy, risk, and performance. Transparency and accountability are not formalities; they are essential to earning and keeping trust. We are very conscious of our responsibilities — to our employees, whose commitment drives our success; to our dairy farmers, whose trust is key and to our customers, who rely on our products and services. Long-term success depends on maintaining that balance.

Despite the challenges, Royal A-ware delivered a solid performance in 2025. We made progress on our strategic priorities and preserved our financial resilience. This is a reflection of prudent management and, above all, the dedication of our people.

On behalf of our families, Supervisory Board and the entire Management Board, I would like to express my sincere thanks to all our stakeholders for their continued support and cooperation, and especially to our employees for their professionalism and hard work throughout the year.

Looking ahead, we remain realistic about the uncertainties around us, yet confident in our direction and in the strength of our organisation.'

Foreword by our CEO



Antonio Rodriguez
CEO

Dear reader,

'I am pleased to present the Royal A-ware Annual Report 2025 - a report prepared in full accordance with the CSRD requirements and reflecting both our financial performance and our commitment to long-term sustainable value creation.

A strong foundation

The year 2025 proved to be a challenging year due to market volatility. Despite the challenging market conditions, which are also reflected in the fact that our results are less favourable than in other years, our business models have proven to be resilient. At the same time, we have continued our investment agenda to further strengthen our solid foundation for the future.

Continuous investment to future-proof our chain

The guiding theme of this year's report is future-proofing — a principle that has shaped our decisions throughout 2025. We believe that long-term success in our activities requires consistent and forward-looking investment across every link of the chain: from farm to factory, from logistics to partnerships, and from environmental impact to product innovation.

Our ambition is clear: we want to operate a resilient, efficient and sustainable chain that can withstand market volatility and meet evolving customer expectations. Our strategy is to deliver dairy products with the highest

possible nutritional value while minimising our impact on people, animals, and the environment. At the same time, we are committed to ensuring that long-term value is shared across the entire chain.

Our validated Science Based Targets guide our actions towards reducing our emissions of greenhouse gases. Throughout 2025, we continued to implement measures that reduce emissions in our operations and across scope 3 — including renewable electricity projects, efficiency upgrades, support for carbon-smart farming practices, and closer cooperation with partners to lower emissions in our supply chain. Although our commitment remains firm, this remains a challenge in these turbulent times and continuing expansion of our operations. This commitment is also shown through our continued reporting in accordance with the CSRD legislation.

Our driving force behind future-proof growth

Future-proofing is not only about infrastructure, technology and climate action — most important it is our people. In 2025, we continued to invest significantly in our employees' development, well-being and long-term employability. Their expertise, craftsmanship and commitment enable us to deliver high-quality products every day and to innovate at the pace the market requires. We strengthened training programmes, expanded leadership development tracks and enhanced workplace safety initiatives.

As a family-owned company, we value a culture in which people feel respected, supported and encouraged to grow. Our colleagues and their dedication are essential to the success of our entire chain.

Partnering for a resilient dairy farming

Future-proofing also means investing in the dairy farmers who form the backbone of our business. I am pleased that also in 2025 we were able to welcome a significant group of new dairy farmers. We continue to support more than 1,700 dairy farmers through knowledge sharing, innovation programmes and financial incentives for sustainable practices. Through our Dairy Academy and our sustainability programmes, we help farmers strengthen biodiversity and animal welfare — essential pillars for the long-term resilience of dairy farming.

Looking ahead

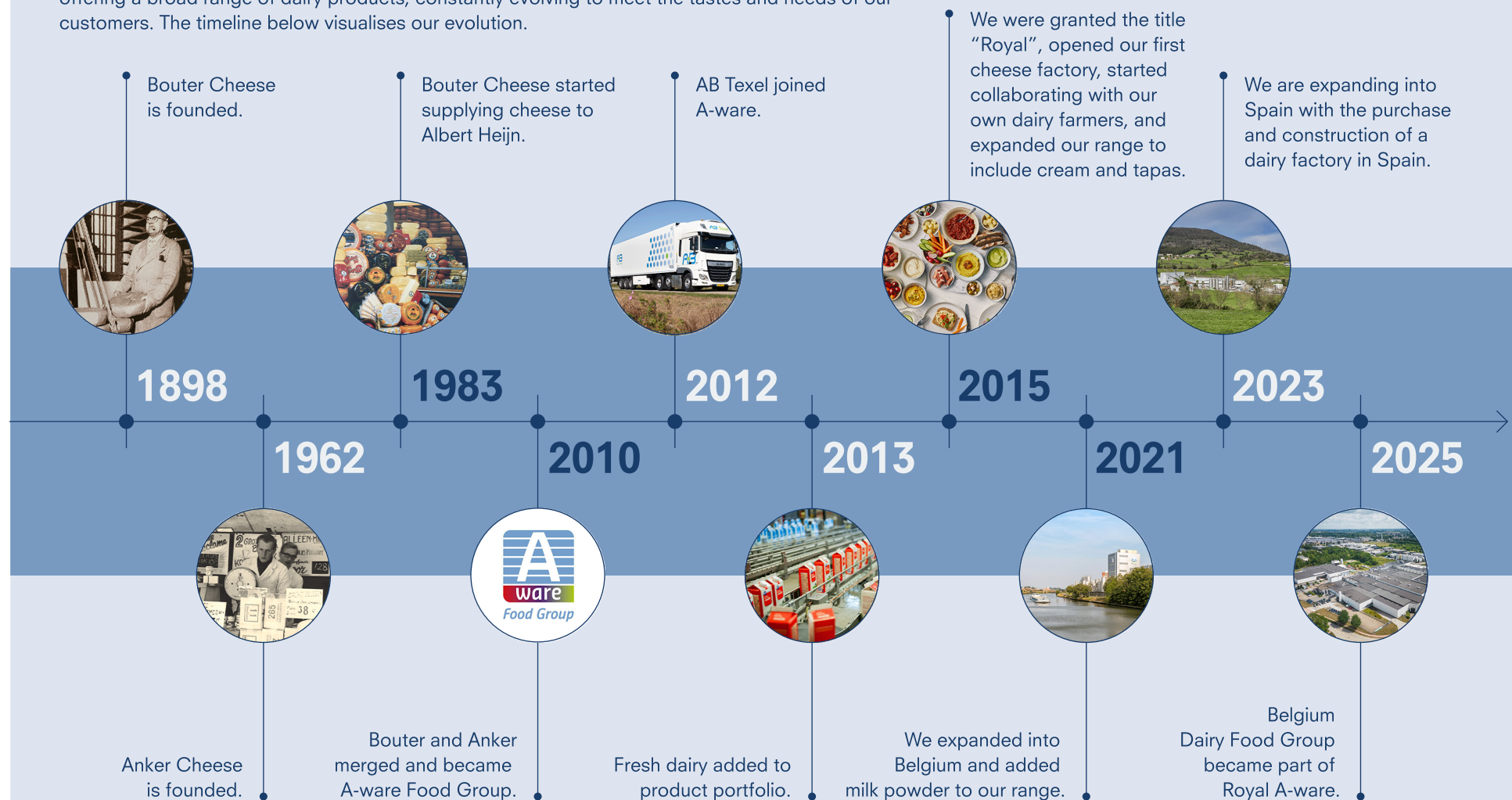
The choices we make today determine the strength of our company tomorrow. As a family-owned organisation, we look beyond short-term results and take responsibility for the health of our value chain over the long term. In 2025, this has meant reinvesting strongly in capacity, technology and people — so that Royal A-ware remains a reliable, innovative and sustainable partner for decades to come.

We thank our employees, dairy farmers, customers and partners for their trust and dedication. Together, we continue to build a future-proof chain that creates value for people, animals and the planet.'



History

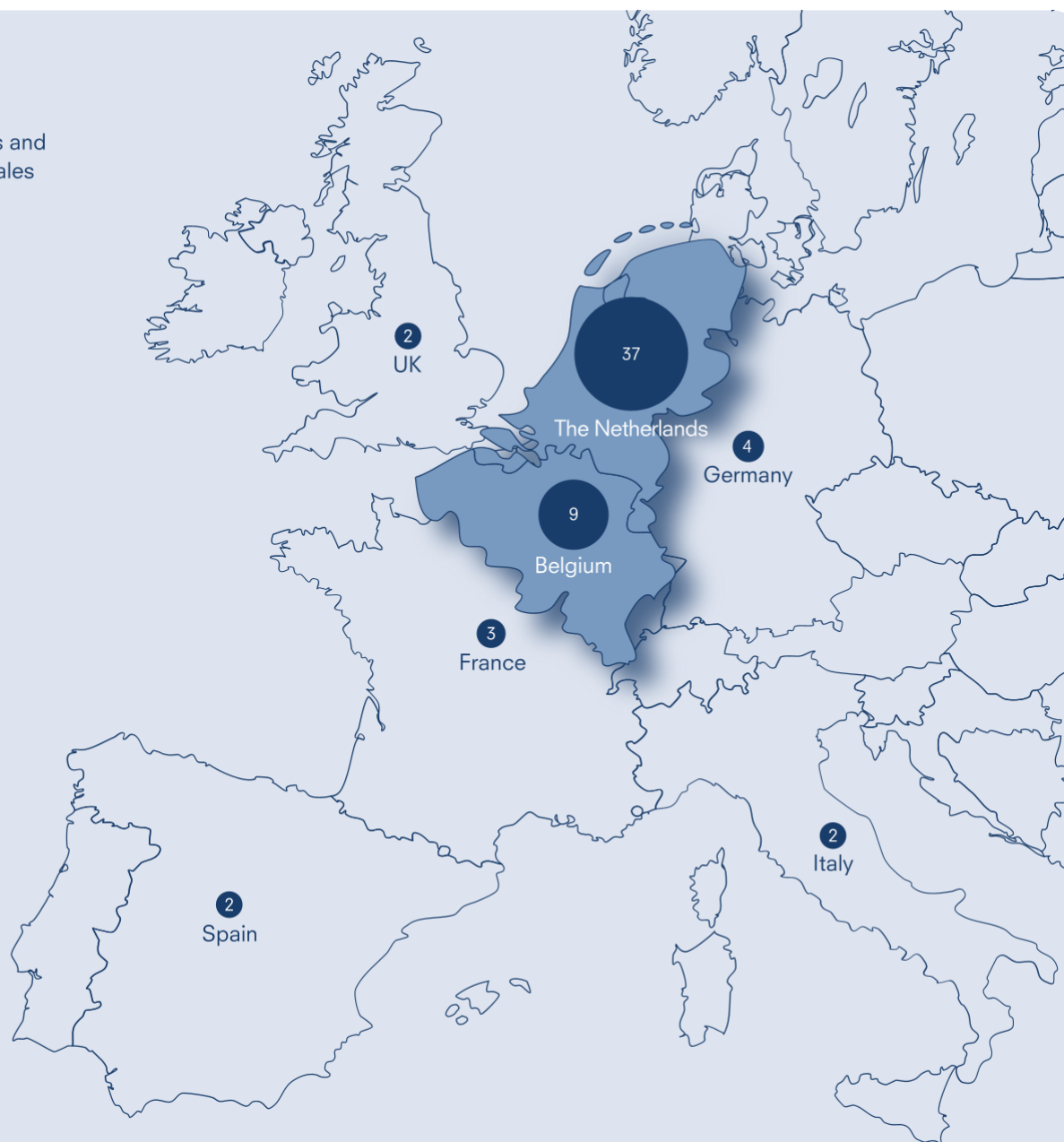
Royal A-ware was founded in 2010 from the merger of two family businesses: Bouter Cheese and Anker Cheese. With roots stretching generations, we have grown from ripening just cheese to offering a broad range of dairy products, constantly evolving to meet the tastes and needs of our customers. The timeline below visualises our evolution.



Locations

Royal A-ware is an international company with 59 sales offices and production locations in various European countries and two sales offices outside Europe.

Royal A-ware sales offices outside of Europe (US and Singapore)



At a glance 2025



New Factory in Salas

In 2025, we nearly completed the full renovation of our new production facility in Salas (Spain). This modernised factory is dedicated to producing high-quality mozzarella balls and pearls. The site is now in its final preparation phase and is expected to become operational during the first half of 2026.



Powering Sustainable Growth in Heerenveen

In 2025, construction of our 60 MVA electricity connection in Heerenveen was completed. The new capacity makes decarbonisation through electrification initiatives possible and enabling future production expansion, reinforcing our long-term sustainable growth strategy.



Integration Dairy Food Group

With the integration of the Dairy Food Group, we are expanding our range of UHT and fresh dairy products, and welcome the dairy farmers of the Belgian Milk Company.



100 years together on the road

On 1 September 2025, AB Texel celebrated its 100th anniversary. Since Aad Bakker started trading in grain, flax and fertiliser, we have grown to become the leading logistics partner in agri-food transport.



More than 1,700 dairy farmers

The milk from our enterprising dairy farmers forms the basis of almost all products we make. The number of dairy farmers we work with continues to grow steadily and exceeded 1,700 by 2025.



Renewable electricity

We've reached a key milestone: 80% of our electricity is renewable, moving us closer to our goal of achieving 100% net-zero emissions by 2050.



Director's report

Strategy and performance

Mission & vision

Royal A-ware's mission is to create the shortest route from consumer to cow. We achieve this by maintaining full control over our value chain, which allows us to optimise processes, enhance efficiency and align production with evolving sustainability requirements.

As part of our broader commitment to sustainability, we are sharpening our focus on responsible sourcing, efficient processing and close collaboration with dairy farmers.

Royal A-ware is committed to delivering high-quality products to its clients efficiently and sustainably. Our vision is to be an international leader in sustainable dairy processing and agrifood transport.



Strategy

Our strategy outlines how we achieve our vision. We take an integrated approach, aligning profitability with customer needs, strong partner relationships and sustainability. These elements are mutually reinforcing one another. By doing so, we build a financially healthy, resilient and future-proof business.

We focus on four strategic themes designed to generate lasting value for all stakeholders. Our core values – **Entrepreneurial**, **Reliable**, **Involved** and **Respectful** – guide how we execute our strategy.

- **Demand-driven portfolio**

Royal A-ware prioritises its customers' needs during the development of its products and services. We develop various milk streams tailored to customer requirements, maintain a flexible approach in addressing our customers' requests and continually strive to improve our products and services to ensure our customers remain satisfied. By keeping them at the forefront of everything we do, we strengthen our market position and ensure long-term resilience.

- **Strong relationships**

We build enduring relationships with dairy farmers, suppliers, customers and employees who share our ambition of making supply chains shorter and more sustainable. We strengthen these relationships by promoting growth, collaboration and trust, fostering shared value and success. Our guiding principle is that all partners benefit sustainably, so dairy farmers can continue their operations, customers can choose from increasingly sustainable products and employees thrive in a workplace where they feel at home and can develop.

- **Diverse portfolio and sales channels**

Royal A-ware offers a variety of products, from cheese and fresh dairy to milk powder and tapas, serving both retail and professional markets. In addition, we offer transportation and logistics services. Diversifying our product offerings and sales channels help us reduce risks and avoid dependence on any single product.

- **Ensuring profitability and sustainability**

We secure our company's long-term value creation while supplying dairy products with optimal nutritional value and the lowest environmental impact. A key part of ensuring profitability and sustainability is maintaining full control over the entire value chain, from consumer to cow. This allows us to optimise processes, enhance efficiency and align production with evolving sustainability requirements. By doing so, we strengthen our independent position and contribute to a more sustainable society.



Value creation model

Our value creation model demonstrates how Royal A-ware leverages key resources to deliver high-quality products and services while generating sustainable value for all stakeholders. It illustrates the relationship between our inputs, business activities and stakeholder outcomes, showing how we achieve both immediate impact and contribute to our long-term strategic ambitions.



Financial year 2025

Our financial year 2025 is characterised by several important developments and events:

- The development of dairy product prices in 2025 had two faces: quite stable prices in the first half year (however significantly higher - approximately 20% - compared to last year) and a significant price decrease in the second half of the year (i.e. milk prices in the Netherlands dropped significantly between August and December 2025). Overall year average milk prices in 2025 were almost 10% higher than 2024. Increasing prices have an impact on higher cost levels affecting, amongst others, working capital. As sales prices decreased significantly in the second half of 2025 and not all cost increases could be passed through towards our customers, margins decreased 1%-point.
- Amongst others, cost increases were partly due to significant increase in labour costs throughout 2025, mainly due to collective labour agreements (CLA) increases. The impact of increasing labour costs directly impacted the operational expenses for the year.
- After the acquisition of a dairy factory in Salas (Spain) in 2024, the focus in 2025 was constructing this new manufacturing plant dedicated to the production of mozzarella cheese. This significant investment represents an important component of Royal A-ware's product portfolio and presence abroad. The Salas project is in full swing of the commissioning and test-phase, for which the go-live is now expected in the first half of 2026.
- After approval from the European Commission, Royal A-ware acquired The Dairy Food Group per 28 April 2025. The Dairy Food Group is a Belgian dairy company actively involved in manufacturing and sales of fresh dairy products in Europe and beyond. With this acquisition we continue our growth in Belgium, our second home country, and diversify our fresh and UHT dairy product portfolio. Adding The Dairy Food Group to Royal A-ware, results in access to additional milk of the Belgian milk pool and to further diversify our activities and product portfolio.
- The investments required to renovate the installations and infrastructure of the Olympia facility are not economically viable. We therefore had to decide to cease operations at the Olympia facility. On 24 June 2025, the unions and the Olympia Board reached an agreement on the social plan. The restructuring and closure costs are part of the total operating expenses and impairment costs are reported under a separate line in the P&L.
- On 18 February 2026 Royal A-ware acquired Global Dairy Ventures. Global Dairy Ventures is a distributor of specialty cheese and dairy products primarily in Spain, Portugal, and Italy. The Barcelona-based company connects European producers of premium cheese and dairy products with customers, among others, in retail and foodservice. With the acquisition of Global Dairy Ventures, we strengthen our market position in Southern Europe and can offer customers an even more complete product portfolio.
- During 2025 we further utilised the financing facility (the refinance took place at the end of 2024), as this enables us to execute our growth plans together with actively managing the working capital.



Financial performance 2025

The net result of Royal A-ware in 2025 amounts to € 43.8 million (2024: € 64.7 million). Decrease in net result is mainly attributable to the restructuring and closure costs (including impairment) related to ceasing operations at the Olympia facility, the impact of lower market prices for dairy products at year end resulting in write down inventories to their net realisable value, and the losses on loans and associated interest provided to E-piim Tootmine that have become credit-impaired due to the bankruptcy filing of E-piim on 11 February 2026 (as an adjusting event after reporting date). On the other hand we see the newly acquired Dairy Food Group facilities contributing positively to the net result. In 2024 we noted the decrease in net result mainly attributable to start-up costs for newly started and/or acquired business and projects in 2024 and some negative results within our business unit 'special transport', and these developments remain areas for improvement in 2025.

Revenues in 2025 amount to € 4,418 million (2024: € 3,813 million), an increase of 16% compared to financial year 2024. This increase is mainly driven by higher dairy products prices, the effect of adding Dairy Food Group (€ 212 million) from 28 April 2025 on and partly off-set by the lower revenue from Olympia operations. The overall external sales volume (excl. Dairy Food Group) declined by almost 5% compared to last year.

Revenues generated from the 'core' dairy and transport activities amounts to € 4,372 million (2024: € 3,751 million). Additionally, € 46 million (2024: € 62 million) in revenue was generated from the automotive activities. The transport fleet of AB Texel showed an increase from 1.800+ trucks in 2024 to 1.850+ in 2025. Apart from continuous fleet renewal, this increase was mainly driven by the acquisition of International Transportbedrijf Dijco B.V. per 1 March 2025 and CNC Grondstoffen B.V.

The total balance sheet grew from € 1,983 million at the end of 2024 to € 2,099 million at the end of 2025. This is primarily the result of the acquisition of The Dairy Food Group and investments in tangible assets (i.e. property, plant and equipment). The solvency ratio stands at 22.8% (2024: 24.1%), based on Royal A-ware's equity, including subordinated loans, adjusted for goodwill on the balance sheet. Bank

covenants as agreed per the senior facility agreement with lenders are all met per balance sheet date 2025.

Inventory value amount increased by 9% compared to 2024. This increase is mainly due to higher inventory volumes irrespective of write down inventories to their net realisable value at the end of the year. The value per kilo is slightly higher compared to previous year. This is in line with the price development of dairy products and on the other hand a mix effect.

Receivables and other assets increased in line with both the integration of The Dairy Food Group and the increase in milk and dairy product prices and are therefore in line with the revenue development.

The investments in tangible fixed assets (excluding right of use) in 2025 amounted to € 135 million (2024: € 108 million). The main investments relate to rebuilding the acquired dairy factory in Salas and investments in our cheese factory in Heerenveen.

The average number of FTEs in 2025 amounts to 5,102 FTEs (2024: 4,492 FTEs). Majority of these FTEs are based in our cheese packaging facilities in Almere and Culemborg and transport entities. The increase in FTEs is mainly due to the acquisition of The Dairy Food Group resulting in an average increase of 346 FTE's.

The cash flow from operating activities is positive, amounting to € 217.3 million (2024: € 107.6 million). The cash flow from investing and financing activities has been explained above when describing the acquisition of subsidiaries and investments in tangible fixed assets, receivables and inventories.

Outlook 2026

Strategically, we will continue on the path we have set: to permanently enhance and improve our position in the food and agri sector. The focus will be on value-added products, innovative concepts, and a strong international market position. The expected growth in exports outside the EU will also continuously be monitored.

Continuity: The financial statements have been prepared based on the going concern assumption, which assumes that Royal A-ware will continue its activities as a going concern. The Management Board of Royal A-ware has considered both operational and financial aspects in the so-called 'going concern' assessment and has developed a multi-year plan that allows for close monitoring of business processes and their continuity. Based on these projections, the Management Board expects that Royal A-ware will continue to meet its covenant requirements and generate sufficient cash flow to meet its obligations. Based on this, the Management Board believes that the continuity of Royal A-ware is assured.

The number of FTEs in 2026 is expected to be in line with 2025.

The investments in 2026 include expansion and modernisation of dairy factories located both in Belgium and the Netherlands, expansion of Grutte Pier location in Heerenveen, acquisition of Global Dairy Ventures in Spain (Barcelona), and investments in trucks and trailers for AB Texel.

All investments are expected to be financed from operating cash flow and existing financing agreements.

On a continuous basis we closely monitor international economic and political developments and determine the impact for our organisation.

'Permanently enhance and improve our position.'

Statement R&D activities

Royal A-ware conducts only a limited amount of Research and Development activities.



Floris Günther
CFO

Risk and corporate governance

Risk management

Risk management is essential for achieving and executing our strategic goals and objectives. Within Royal A-ware, risk management is a continuous process that is integrated in our day-to-day business. The goal is to identify and mitigate risks that could affect the achievement of our goals and objectives. As part of this process, risks are identified, analysed and evaluated. The company sets its risk appetite per type of risk, and based on this decision, mitigating measures and controls are implemented. Both the residual risk and the effectiveness of the taken measures are monitored.

The Management Board is responsible for effectively controlling the risks. On a day-to-day business, this is the responsibility of the management of the business units and division management, and staff departments; this is the first line of defence. Management is supported by several supporting departments, each focusing on a dedicated topic, and a dedicated risk department. These departments are functioning as a second line of defence. Analysing and monitoring risks and their controls is both done on a strategic level as on an operational & financial level. The effectiveness of the most important key-controls is tested four times a year and the outcomes are reported to the Management Board.

In 2025, efforts were made to further professionalise the Risk Management department as part of Finance &

Accounting, which focuses on the aforementioned aspects of our risk management. Special attention has been given to the renewed double materiality assessment (DMA) for European Sustainability Reporting Standards (ESRS) reporting and the updated tax strategy.

Being a food producing and processing company, quality, product, and process knowledge are key values for Royal A-ware. By managing processes and systems per high standards, we believe that food safety can be guaranteed. This is reflected, among others, in the quality certifications awarded to us as dairy company, such as BRC, IFS, and FSSC 22000.

One of the most important external factors impacting Royal A-ware is the availability of milk as a raw material for our products, now and in the future. The EU nature restoration regulation and the nitrogen emissions discussions in both the Netherlands and Belgium could impact how much milk is available for production. To minimise the impact, the company is actively supporting the dairy farmers to reduce their emissions and is an active participant in discussions with the Dutch government and sector organisations. Royal A-ware is also expanding its production activities to other regions, most recently in Ireland and Spain.

As an international company, we are dependent on European and local laws and regulations. If European or local laws and regulations change, it could impact the company's competitive position.

The primary financial instruments of Royal A-ware, other than derivatives, are used to finance Royal A-ware's operational activities or directly arise from these activities. Additionally, Royal A-ware enters into derivative transactions, primarily interest rate swaps, to hedge the interest rate risk arising from Royal A-ware's operational and financing activities. Royal A-ware's policy is not to engage in trading financial instruments.

The main risks arising from Royal A-ware's financial instruments are credit risk, liquidity risk, cash flow risk, and price risk, which includes interest rate risk and to a limited level FX risk. These risks are mitigated through the use of interest rate swaps, a group policy regarding the acceptance of new customers, and strict cash collection procedures.

Royal A-ware's results are dependent on developments in milk and cheese prices, over which we have limited influence. By establishing long-term relationships with suppliers and customers, Royal A-ware seeks to strengthen its position. The volatility in raw material prices is reduced by contracting milk suppliers with

whom a monthly fixed 'A-ware' milk price has been agreed. In addition, we invest in long-term collaboration with customers to manage risks and create more efficient and sustainable supply chains.

Cyber risk is considered an important risk with the potential for significant impact on the organisation if the risk materialises. The company mitigates such risks by training employees, securing IT systems, and implementing proper and complete backup and recovery procedures. The organisation periodically assesses the level of risk and takes appropriate actions accordingly.

Several factors could impact the ability for Royal A-ware to produce and deliver its products to clients. This could be caused by a power outage, a fire, a cyber-attack or another operation related incident. The company analysed these risks per business unit and for the company as a whole. In response Royal A-ware has implemented measures, plans and controls to minimise the chance that the risk materializes. And if it does, that the impact is limited as much as possible and the safety of our staff and products is guaranteed. The company certified this business continuity management system via ISO 22301:2019.

Climate change and the response to it, could also impact the profitability of the organisation. Please refer to the chapter Greenhouse gases of the sustainability statement of this report for a detailed analysis on both the risks, and how Royal A-ware manages these. In 2026, we plan to investigate formalising our risk management practices in relation to sustainability reporting.



Corporate governance



Royal A-ware is committed to upholding high standards of corporate governance. This chapter outlines our corporate governance practices, providing an overview of the composition and structure of our Management Board and Supervisory Board and detailing their roles and responsibilities.

Management Board

Since 1 July 2025, Royal A-ware implemented a co-CEO structure, with Jan Anker continuing as CEO alongside Antonio Rodriguez, who formerly held the position of CFO. Subsequently, Floris Günther succeeded Antonio Rodriguez as CFO. Klaas de Jong served as COO throughout the year. On 31 December 2025, the Management Board consisted of four executive members (0% female): two Chief Executive Officers (CEOs), a Chief Operational Officer (COO) and a Chief Financial Officer (CFO).

The Management Board is responsible for developing and executing Royal A-ware's strategy, including all sustainability-related matters. This includes setting targets in relation to impacts, risks and opportunities (IROs), and monitoring our performance.

The Management Board has delegated the implementation of the sustainability strategy to the Sustainability Steering Group and stays informed about progress through quarterly monitoring reports. The ESG Director also regularly discusses sustainability-related matters with the CEO.

Royal A-ware's remuneration policy, adopted in 2024 and unchanged since, does not link any part of remuneration for Management Board members or employees to sustainability targets or KPIs.

Management Board composition

In 2025, the Management Board consists of four executive members: CEO Jan Anker, CEO Antonio Rodriguez, CFO Floris Günther and COO Klaas de Jong.

As of 1 January 2026, Jan Anker stepped down from his role as CEO and assumed the position of Chairman of the Board.



Jan Anker serves as the co-CEO of Royal A-ware alongside Antonio Rodriguez. He grew up in the cheese business and took over part of his father's business in 2001. In the following years, Anker Cheese grew significantly under Jan's leadership and eventually merged with another family-owned business, Bouter Cheese, to form Royal A-ware.



Antonio Rodriguez served as CFO of Royal A-ware for ten years before transitioning into his current role as co-CEO. Before joining Royal A-ware, Antonio worked for more than 20 years in various financial management positions at larger Dutch (family) companies.



Floris Günther assumed the position of CFO on 1 July 2025, bringing years of experience building Royal A-ware's Finance department to support its ambitious growth trajectory. In his current role, he oversees financial affairs, IT and OT (operational technology), with a particular focus on cybersecurity.



Klaas de Jong serves as COO and is an expert when it comes to the dairy market and has been responsible for all operational activities within the Royal A-ware management since 2012. He is also responsible for the relationship with dairy farmers.

Supervisory Board

The Supervisory Board oversees the Management Board's performance as well as the general course of affairs at Royal A-ware and its affiliated companies. For more information on composition and functioning of the Supervisory Board see chapter Report of the Supervisory Board.

Sustainability Steering Group

The Sustainability Steering Group consists of 14 members who meet every four weeks. It consists of the co-CEO (Antonio Rodriguez), CFO, COO, and all divisional Managing Directors and the staff directors of HR, Legal, ESG and New Product Development (NPD) & Sustainability A-ware Cheese. The team's composition reflects the expertise and skills essential for managing all material sustainability topics.

The Sustainability Steering Group is ultimately responsible for implementing Royal A-ware's sustainability strategy and all other matters related to sustainability. It reports to the Management Board and briefs the Supervisory Board on sustainability-related matters at least once a year.

ESG team

The ESG team consists of subject matter experts and is responsible for executing the sustainability strategy, internal reporting and external reporting for compliance purposes. The team consists of six people.

Diversity in management

Royal A-ware is committed to diversity in the workplace. In response to the Growth Quota and Targets Act, we have set clear gender representation targets for the Supervisory Board and senior management. For more information, please see the Diversity section of the sustainability statement in this report.

Employee representation

Employee representation in the Netherlands is structured through the Central Works Council, which includes representatives from the AB Texel Works Council and the Joint Works Council of A-ware Dairy. The works councils meet at least five times a year to review and discuss agenda items requiring consultation, such as changes in working conditions or the relocation of a branch. Management must inform and discuss these items with the works councils before they are implemented, enabling them to propose insights and potential improvements. The works councils are also engaged in discussions about other workplace topics, including absenteeism, development, diversity and risk events. While these topics are material for Royal A-ware, the works councils are not involved in target setting.

Additionally, the Central Works Council engages in regular dialogue with employees to be able to represent their interests and perspectives. Employees are also informed about progress on relevant targets through the annual report. Also, in Belgium and France employee participation is organised via Works Council. The level of involvement of works councils is determined by national legislation, and we ensure full compliance with these legal frameworks. Royal A-ware has not organised an overarching employee participation at the European level.



Report of the Supervisory Board

The Supervisory Board of Koninklijke A-ware Food Group B.V. ('Royal A-ware') is pleased to present its report for the financial year of 2025. The Supervisory Board is responsible for supervising the policy carried out by the Management Board of Royal A-ware and the general course of affairs at Royal A-ware and its affiliated companies, and provides the Management Board with advice. In fulfilling its duties, the Supervisory Board also focuses on the effectiveness of Royal A-ware's internal risk management and control systems and the integrity and quality of the financial and sustainability reporting.

During the 2025 reporting year, the Supervisory Board performed its duties in accordance with the applicable laws and regulations, the articles of association of Royal A-ware and the regulations of the Supervisory Board. In this report, the Supervisory Board accounts for the manner in which the Supervisory Board has fulfilled its duties and powers in the 2025 reporting year.

Composition of the Supervisory Board

The Supervisory Board consists of the following members:

1. **Mr. P.J.A. (Piet) van Schijndel** (1950) – Chairman of the Supervisory Board until 1 October 2025
Mr. Van Schijndel (Dutch nationality) is a former Rabobank Board Member and also is a former member of the supervisory board of DAF Trucks NV. On 1 October 2025 Mr. Van Schijndel handed over the chairmanship of the Supervisory Board to Mr. B. (Bas) Alblas. On 31 December 2025, Mr. Van Schijndel's term ended after a tenure of more than ten years, during which he made a significant contribution to the work and effectiveness of the Supervisory Board. The Supervisory Board expresses its deep appreciation for his commitment and dedication throughout his more than ten years of tenure.
2. **Mr. B. (Bas) Alblas** (1960) – Chairman of the Supervisory Board as of 1 October 2025
Mr. Alblas (Dutch nationality) is the former CEO of Lamb Weston/Meijer and is currently also the chairman of the supervisory board of KeyGene, member of the advisory board of Frostkrone Food Group and member of the supervisory board of

Royal Cosun. The current term of appointment of Mr. Alblas expires in 2029. Mr. Alblas chairs the Supervisory Board as of 1 October 2025.

3. **Mr. P. (Peter) Bouter** (1971)
Mr. Bouter (Dutch nationality) is one of the shareholders of Royal A-ware. The current term of appointment of Mr. Bouter expires in 2026.
4. **Ms. F. (Fanja) Pon** (1970)
Ms. Pon (Dutch nationality) is, in addition to her role as president of the supervisory board of Pon Holdings and the URUS group, a passionate organic dairy farmer. The current term of appointment of Ms. Pon expires in 2026.
5. **Ms. C. (Carolina) Wielinga** (1970)
Ms. Wielinga (Dutch nationality) is currently the chairman of the supervisory board of NX Filtration and is also member of the supervisory board of Gasunie. The current term of appointment of Ms. Wielinga expires in 2028.
6. **Ms. M.W.E. (Marit) van Egmond** (1973)
Ms. Van Egmond (Dutch nationality) is the former CEO of Albert Heijn. The current term of appointment of Ms. Van Egmond expires in 2029.

Expertise of the Supervisory Board

The Supervisory Board has established a profile that outlines the requirements regarding the composition, size, expertise, and experience of its members. The Supervisory Board is composed in such a way that, as a whole, it possesses relevant knowledge and experience concerning the policy areas that are of importance to Royal A-ware, namely: (i) corporate strategy in an international context, (ii) financial and tax policy focused on value creation, (iii) retail and cheese trading, (iv) governance of family businesses, (v) organizational development and management development, (vi) social policy and (vii) corporate social responsibility and sustainability.

Attendance and frequency of meetings

The Supervisory Board maintains high attendance levels, ensuring active participation in governance matters. During the financial year 2025, six Supervisory Board meetings were held, evenly spread out over the year.

The Supervisory Board meetings were attended by the Management Board members of Royal A-ware, the corporate secretary of Royal A-ware and – in some instances and for some agenda items – the external auditor of Royal A-ware and other guests were invited and attended the Supervisory Board meetings.

The Supervisory Board meetings were preceded by internal consultation between the Supervisory Board members. The chairman of the Supervisory Board and the CEO of Royal A-ware regularly consulted each other outside of the Supervisory Board meetings. The chairman of the Supervisory Board and the external accountant meet annually to discuss relevant matters.

The Supervisory Board monitored attendance to identify any instances of frequent absence. The Supervisory Board reports that there has not been a situation of frequent absence in the financial year 2025.

Report of independence of the individual Supervisory Board members

All members, with the exception of Mr. P. Bouter, are considered to be independent in accordance with these provisions. Mr. P. Bouter is regarded as not fully independent due to his status as a shareholder of Royal A-ware.

Report of Supervisory Board activities and scope of the supervision

In the past financial year, the Supervisory Board actively followed Royal A-ware's strategic direction, with particular attention to long-term value creation, risk management and compliance with relevant laws and regulations. The activities and supervision of the Supervisory Board may be categorized according to the subtopics (i) realization of company objectives, (ii) strategy and risks, (iii) design and operation of internal risk management, (iv) financial reporting, (v) compliance with laws and regulations, (vi) company's relationship with shareholders and stakeholders, (vii) relevant CSR/ESG aspects.

Ad i): Supervision on the realization of company objectives

In the past financial year, the Supervisory Board closely monitored the realization of Royal A-ware's objectives, ensuring alignment with the long-term strategic goals. Regular discussions took place regarding the company's performance, assessing whether targets were being met and whether any adjustments were needed. The Supervisory Board worked closely with the Management Board to ensure the effective execution of key initiatives aimed at sustainable growth and value creation.

Particular activities relevant for this topic included:

- Discussing the integration of The Dairy Food Group (a group of Belgian dairy companies).
- Discussing on the progress of the construction of the new mozzarella plant in Spain.
- The Supervisory Board conducted several production location visits in the year 2025, in particular at the locations of Klipperraak 4 in Bodegraven and Handelsweg 5 in Zeewolde.
- A recurring agenda item on every Supervisory Board meeting agenda is the business update provided by members of the Management Board, in which a general overview is provided of relevant business developments in the various divisions and business areas.

Ad ii): Supervision on strategy and risks

The Supervisory Board actively supervised the development and execution of Royal A-ware's strategy. The Supervisory Board engaged in discussions with the Management Board regarding the strategic direction and any potential adjustments necessary due to market or operational changes. Additionally, the Supervisory Board took a role in identifying and evaluating Royal A-ware's risk profile, ensuring that potential risks were adequately addressed and mitigated. The Supervisory Board has ensured that a clear framework for managing strategic risks is in place.

Particular activities relevant for this topic included:

- Discussing the possible impact of political, legal and environmental developments (such as the endeavours of the various governments to reduce emissions), discussing the availability of milk and other resources.
- Discussing the outlook for the future years, the strategic plans of Royal A-ware and the possible opportunities to further develop Royal A-ware's portfolio.

Ad iii): Supervision on the design and operation of internal risk management

The Supervisory Board paid special attention to the design and operation of the internal risk management systems.

Ad iv): Supervision on the financial reporting

The Supervisory Board ensured the integrity of Royal A-ware's financial reporting by closely reviewing periodic and annual financial statements.

Ad v): Supervision on compliance with laws and regulations

The Supervisory Board was vigilant in overseeing the company's compliance with all relevant laws and regulations. This included monitoring adherence to financial regulations, environmental laws, labor standards and corporate governance requirements. The Supervisory Board worked closely with the Management Board to ensure that Royal A-ware operated within legal frameworks, mitigating the risk of non-compliance.

Ad vi): Supervision on Royal A-ware's relationship with shareholders and stakeholders

The Supervisory Board took an active role in overseeing the Royal A-ware's relationship with shareholders and stakeholders, ensuring effective communication and transparency. The Supervisory Board was involved in ensuring that Royal A-ware's actions were aligned with the interests of its shareholders and stakeholders.

Ad vii): Supervision on the relevant CSR/ESG aspects

The Supervisory Board recognized the increasing importance of corporate social responsibility (CSR) and environmental, social and governance (ESG) factors. The Supervisory Board supervised Royal A-ware's approach to CSR and ESG, ensuring that these considerations were integrated into Royal A-ware's business strategy. The Supervisory Board supported initiatives related to sustainability, ethical conduct, and community engagement, ensuring that Royal A-ware operated in a socially responsible manner. The Supervisory Board is highly impressed with Royal A-ware's approach to CSRD reporting. The practical CSRD projects implemented within the company also deserve recognition and praise.

Conclusion

Throughout the year, it was a pleasure for the Supervisory Board to work within Royal A-ware's open, positive and vibrant atmosphere, fostering a strong sense of collaboration and confidence among the Management Board and the employees. Active engagement in discussions and decision-making alongside visits to Royal A-ware's production sites and meeting employees in different functions has enabled the Supervisory Board to contribute expertise and insight to the company's strategic direction and governance.

The entrepreneurial leadership of the Management Board has been commendable, with its guidance and vision playing a pivotal role in driving Royal A-ware's success. The

dedication and passion demonstrated by senior management and all employees across the company's businesses have been inspiring.

Gratitude is extended to all suppliers, customers and valued partners for their continued trust in this family-owned company. Their collaboration has been instrumental in achieving significant sustainable results, positioning Royal A-ware for continued growth. Looking ahead, the Supervisory Board anticipates an exciting year and stands ready to support and guide the Management Board in their pursuit of continued success.

Lopik, 25 March 2026

Bas Alblas, Peter Bouter, Fanja Pon, Carolina Wielinga and Marit van Egmond





Royal A-ware published its first sustainability report in 2025, reporting on activities and performance for the 2024 year, in accordance with the European Sustainability Reporting Standards (ESRS). We will continue to report on our management of material environmental, social and governance topics. By doing so, we provide insight into our progress in building a sustainable, future-proof company and dairy farming sector.

Sustainability statement

General disclosures - basis of preparation

The sustainability statement has been prepared for the year ending 31 December 2025. The information is consolidated on the same basis as the financial statements unless stated otherwise.

Royal A-ware follows the standards of the ESRS and therefore these also apply to entity-specific topics, being Nutritional value, Resilient dairy farming and Long-term partnerships. Our most significant estimates and uncertainties are disclosed in each of

our accounting policies. Royal A-ware makes use of the phase-in provisions of E1, E3, E4 and E5 in the ESRS.

The sustainability statement is based on the ESRS as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.

Pillar	Material subject	ESRS	Dairy and/or Transport activities
Greenhouse gases	Greenhouse gases & own operations Greenhouse gases & dairy farming	ESRS E1 ESRS E1	Dairy and Transport Dairy
Product	Nutritional value in relation to footprint Food safety	Entity specific ESRS S4	Dairy and Transport Dairy and Transport
Raw materials	Circularity Packaging Water & own operations	ESRS E5 ESRS E5 ESRS E3	Dairy Dairy Dairy
Dairy farming	Biodiversity & dairy farming Animal welfare Future-proof dairy farming sector	ESRS E4 ESRS G1 Entity specific	Dairy Dairy Dairy
Employees	Safety and health Employee development Attractive employment Diversity	ESRS S1 ESRS S1 ESRS S1 ESRS S1	Dairy and Transport Dairy and Transport Dairy and Transport Dairy and Transport
Respectful collaboration	Ethical corporate culture Long-term partnerships	ESRS G1 Entity specific	Dairy and Transport Dairy and Transport

All topics are considered material to Royal A-ware's transport and dairy operations. An exception applies when a topic pertains specifically to dairy farming or processing; such topics are relevant only to the dairy activities, as they do not relate to transport.

Changes in preparation or presentation of sustainability information

We have made changes in the preparation and presentation of our sustainability information compared with 2024:

- We identified a new material topic, food safety, based on our updated DMA. We report on this topic in the chapter Product of the sustainability statement.
- Waste management, which in 2024 was covered under the material topic 'waste management & circularity', did not meet the materiality threshold in the 2025 DMA and was removed from our reporting scope. We continue to report on circularity in the raw materials chapter of the sustainability statement.
- Deforestation is for the DMA 2025 covered under the topic 'biodiversity and value chain'. This topic did not meet the materiality threshold in the 2025 DMA and was removed from our reporting scope. We therefore do not report on deforestation.
- The material topic soil was integrated into 'biodiversity & dairy farming'.
- The scope of material topic 'attractive employment' was expanded to include not only our own employees but also non-employees (including collective bargaining agreement coverage for employees in the Netherlands).
- The Dairy Food Group data has been incorporated from 1 May 2025.

Disclosures incorporated by reference

The following disclosures mandatory under the ESRS are incorporated by reference, referring to sections in our Director's Report:

- ESRS 2 GOV-1, paragraph 19, 20, and 21 : Information about the composition of the administrative, management and supervisory bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters is included in the Management Board and Supervisory Board sections in the Risk and corporate governance chapter and in the Supervisory Board Report. Information about the representation of employees is included in the employee representation section in the Risk and corporate governance chapter.
- ESRS 2 GOV-1, paragraph 22, 23, 26 Information about the role of the administrative, management and supervisory bodies is included in the Management Board and Supervisory Board sections in the Risk and corporate governance chapter and in the Supervisory Board Report.
- ESRS 2 SBM-1, paragraph 40: Information about our total revenue is included in the Performance section in the Strategy & performance chapter.
- ESRS 2 IRO-1, paragraph 53: Information related to risk management and control systems is disclosed in the Risk management section in the Risk and corporate governance chapter.



Value chain

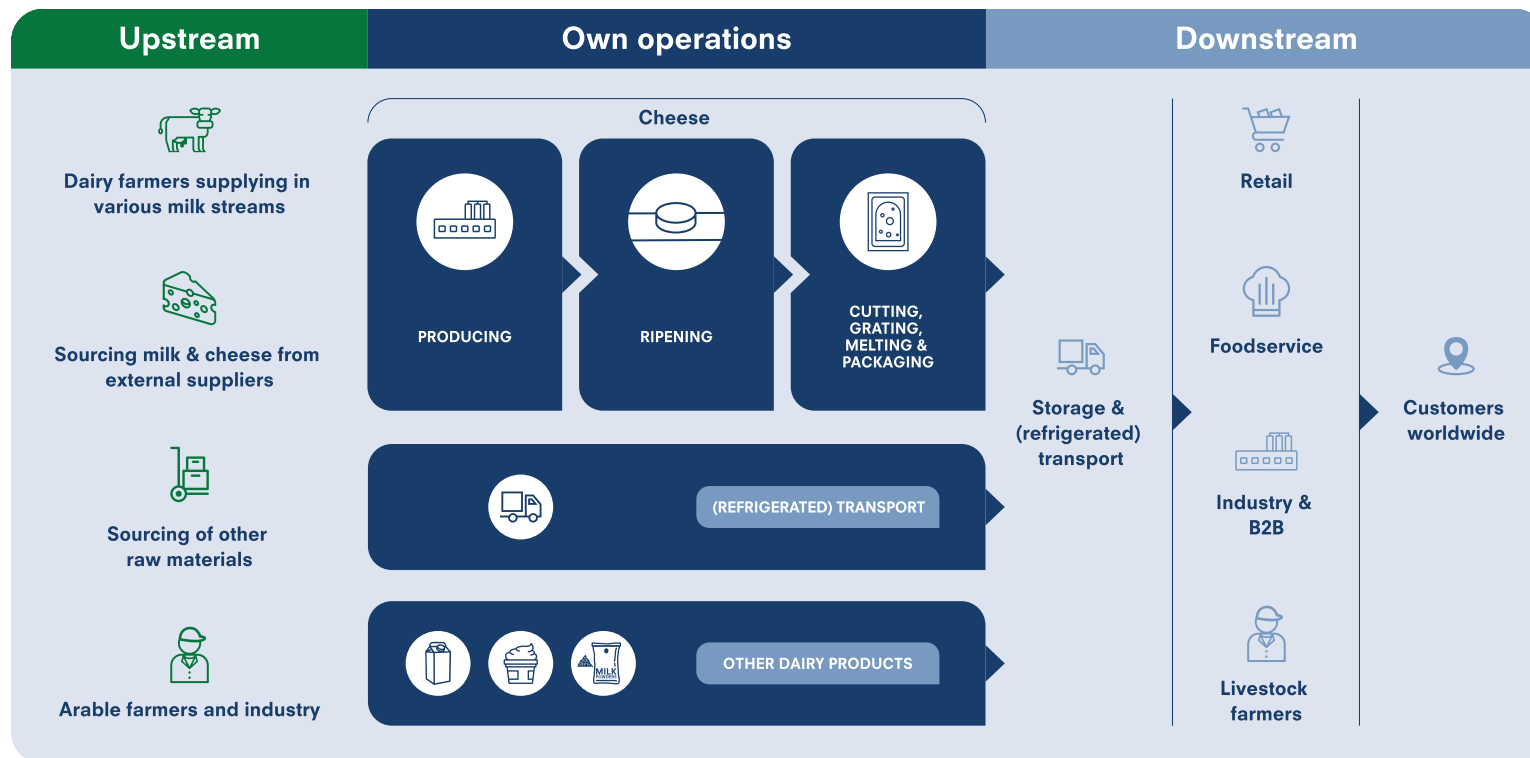
The sustainability targets reported in this sustainability statement apply to our own operations and our upstream and downstream value chain.

Where we set targets for individual groups of products or services, markets or customer groups, this is specified. We do not set targets for specific geographical regions.

Our main inputs are milk and cheese, and other raw materials such as packaging, transport equipment and fuel.

Dairy farmers with cooperation agreements with Royal A-ware supply most of the milk for our dairy products. We also source milk and cheese from external suppliers.

Royal A-ware produces milk, yoghurt, mozzarella, milk powder, whipped cream, and different types of cheese: our outputs. These are primarily private label products for our customers in the food industry, food service and retail. While our main market is Europe, we have customers worldwide. Additionally, we specialise in the road transport of agricultural products, animal feed, chilled food products, and dry and liquid food products, with a focus on Northwestern Europe.



Stakeholder views and interests

Royal A-ware identifies multiple stakeholder groups, such as financial institutions, employees, business partners, suppliers and governments in the regions and countries where we operate. These stakeholders may vary over time, and the relevance of their interests is context-specific and may depend on their potential to be affected by our activities and decisions which is to be determined on a case-by-case basis.

Royal A-ware values open, meaningful and effective dialogue with all stakeholders. We actively engage with our employees, dairy farmers, customers and partners to understand their needs expectations, ensuring our ESG strategy reflects their views and interests. We maintain an ongoing dialogue with our stakeholders through both formal and informal channels. The table below outlines how we engage with our various stakeholder groups and the purpose of these interactions.

Stakeholder engagement overview

			Consulted on specific topics for	
Stakeholders		Process	Setting targets	Setting policy
Employees	• Local Works Councils	Regular meetings, employee development process, video updates by CEO, A-ware Speak, AB Connect	Consultation	E1 E3 E4 E5 S1 S4 G1
	• Individual employees		Information Consultation	
Suppliers	• Through partnerships • B2B	Regular meetings	Consultation	E1
Governments, municipalities	At different levels with representatives in all the countries we operate.	Theme meetings, multi-stakeholder projects, through membership of branch organisations	Information Consultation	E3 E5 G1
Financial institutions	Financial institutions	Bilateral meetings	Information Consultation	E1 E3 E5 S1
Industry organisations / NGO's	NZO, BCZ, FeNIL, ZuivelNL, Gemzu, VNO-NCW, EDA, TLN	Through direct or indirect membership	Information Consultation	E5 S4 Nutritional value
Customers	• Retail • Food Industry • Foodservice • Agriculture • Feed manufacturers	Bilateral meetings	Consultation	S4
Dairy farmers	• Individual farmers in The Netherlands, Belgium, Germany, Italy and Spain • Sounding boards in The Netherlands and Belgium	Meetings	Information Consultation	E1 E4 G1 Resilient dairy farming
Strategic partners	• Various companies	Bilateral meetings	Consultation	S4

Information: providing information to stakeholders without active feedback or dialogue taking place.

Consultation: dialogue to gather their input, feedback, and recommendations, with the aim of shaping policies, strategies, or decisions. The policy headings can be consulted by stakeholders via the sustainability report. If stakeholders have any additional questions, they may contact Royal A-ware.

Double materiality assessment

In 2025, we conducted a new DMA at group level, after reporting in 2024 over the previous DMA which dated from 2023. Royal A-ware's DMA-team, comprising the Director ESG, Head of ESG, ESG officer and Manager Risk, carried out the DMA, which was validated by the Sustainability Steering Committee and endorsed by the Management Board. The DMA process consisted of seven phases, spanning from the context analysis to the finalisation of the DMA.

The goal of the context analysis was to gain a comprehensive understanding of the IROs that may be relevant to our company. It involved an analysis of the external environment, including regulatory, market, and societal and environmental developments, a peer analysis to assess what material topics similar companies in the dairy and transport sectors report on, and a value chain analysis to identify where sustainability matters are likely to arise due to the nature of our operations and value chain activities. The context analysis resulted in a longlist of sustainability topics (step 1).

The DMA-team assessed each topic on the longlist for its relevance, sharing its suggestions with the Sustainability Steering Committee. The Sustainability Steering Committee subsequently provided its recommendations, resulting in a shortlist of topics (step 2).



Following Impacts, Risks and Opportunities are defined. We determined the financial materiality scores in collaboration with the Finance department and the impact materiality scores in collaboration with a task force and the DMA-team.

• Impacts

The severity of impacts was assessed based on three equally weighted criteria: scale, reflecting the extent of positive or negative effects on people or the environment; scope, indicating the number of affected stakeholders or the geographical reach of environmental impacts; and irremediability, referring to the degree to which negative impacts can be reversed. For potential impacts, likelihood, defined as the probability of occurrence, was assessed as an additional parameter. All criteria were rated on a five-point scale, with higher scores indicating greater impact or probability. The severity score for actual impacts is calculated as the average of scale, scope, and irremediability. For potential impacts, the final score reflects the average of severity and likelihood.

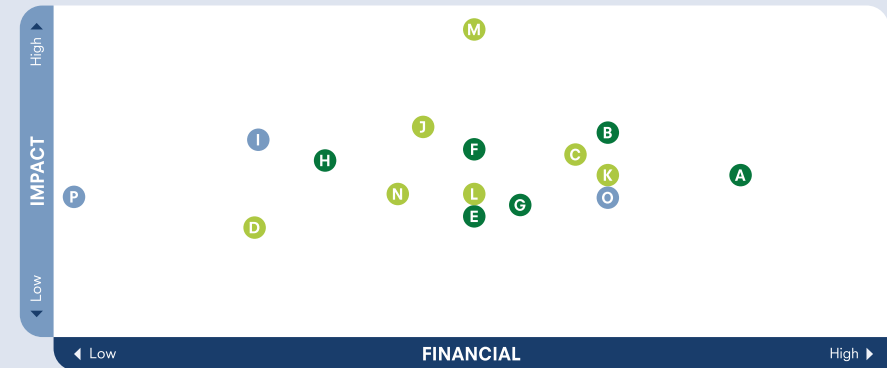
• Risks and Opportunities

Sustainability-related risks and opportunities were evaluated based on likelihood and magnitude. Likelihood represents the probability of occurrence, while magnitude reflects the potential impact in terms of strategic relevance and financial implications. Due to the inherent uncertainty in estimating monetary values for sustainability-related scenarios, quantitative analysis was complemented by qualitative assessments. Both criteria were assessed on a five-point scale and weighted equally in the overall evaluation.

In subsequent roundtable sessions with employees from all divisions of Royal A-ware, we asked participants to provide feedback on the updated and scored list, including whether they recognised and agreed with the scoring outcomes (step 3 and 4). The input from these sessions resulted in a final proposal (including a determination of the threshold). The threshold was established to ensure sufficient focus, acknowledging that not every possible topic can be addressed, while remaining aligned with stakeholder expectations. The final threshold (3.3 on a scale of 5) reflects a comprehensive evaluation that was validated by the Sustainability Steering Committee and subsequently discussed with key stakeholders (step 5 and 6). The DMA was approved by the Sustainability Steering Committee and the Management Board in September 2025 (step 7).

Materiality matrix

● Environment ● Social ● Governance



Greenhouse gases

- A** Greenhouse gases & own operations
- B** Greenhouse gases & dairy farming

Product

- C** Nutritional value in relation to footprint
- D** Food safety

Raw materials

- E** Circularity
- F** Packaging
- G** Water & own operations

Dairy farming

- H** Biodiversity & dairy farming
- I** Animal welfare
- J** Future-proof dairy farming

Employees

- K** Attractive employment
- L** Employee training & development
- N** Diversity
- M** Safety and health

Respectfull collaboration

- O** Long-term partnerships
- P** Ethical corporate culture



Royal A-ware strives to minimise its environmental footprint and impact on surrounding communities. Both within our organisation and in the supply chain.

Pillar Greenhouse Gases

Greenhouse gas reduction

Royal A-ware recognises the impact its value chain has on the environment and is committed to reducing greenhouse gas emissions (GHG) to enhance the sustainability of its operations. We are dedicated to assessing our climate impact, establishing clear reduction targets and implementing concrete measures to mitigate our environmental footprint. In line with our Science Based Targets initiative (SBTi) approval, we aim to achieve a net-zero value chain by 2050.

Impacts, risks and opportunities

Royal A-ware carried out a comprehensive climate scenario analysis to measure the organisation's exposure to physical and transition risks using multiple climate scenarios. Our own operations, as well as the upstream and downstream value chain, are assessed. The scenarios, developed by the Royal Netherlands Meteorological Institute (KNMI), the Flanders Environment Agency (VMM) and various academic studies, are classified into high and low emission pathways. We utilise these scenarios to evaluate the variation in risks under global warming scenarios of 1.5°C and 4°C (in accordance with the SSP scenarios of IPPC) across short-, medium- and long-term horizons. Short-term climate risks refer to those materialising within one year (by 2026), medium-term risks within five years (by 2030) and long-term risks within the period between 2030 and 2050. The 4°C scenario is used to inform our assessment of physical climate risks. Due to limited scientific evidence for accurately assessing short- and medium-term climate risks in dairy, transport, and arable activities, Royal A-ware focuses on evaluating long-term physical climate risks. For transition risk an assessment is executed on the expected transitions on the short-term.

We conducted a DMA during which we identified GHG reduction as a material topic. In accordance with the ESRS, we then examined our material topics more closely by assessing their IROs taking into account the climate risk analysis. The process resulted in the following material IROs:

Impacts

- Actual negative impact on the affordability of food products for consumers due to rising costs associated with measures to address the consequences of climate change ("climate adaptation").

- Actual negative impact on the affordability of food products for consumers due to rising costs associated with measures to mitigate climate change ("climate mitigation"), such as investments in production processes and vehicle fleets.
- Actual negative impact on people and the environment caused by climate change, resulting from greenhouse gas emissions released through the combustion of fossil fuels in dairy production and transportation.
- Actual negative impact on people and the environment caused by climate change, resulting from greenhouse gas emissions (CO₂, methane, nitrous oxide) from dairy farms.

Risks

In assessing risks, Royal A-ware, in accordance with the ESRS, distinguishes between physical risk and transition risks.

Physical risks:

- Risk of deteriorated supply, transport, and processing of raw milk (and other products) due to extreme and/or changing weather conditions (heat stress, heatwaves, water stress, flooding).
- Risk of increased raw material costs as a result of reduced production due to climate change.

Transition risks:

- Risk of growth limitations for Royal A-ware due to stricter laws and regulations aimed at reducing greenhouse gas emissions, making expansion/construction of production sites impossible and/or reducing milk production.
- Risk of increased costs due to (policy) measures such as CO₂ levies or AgriETS to reduce greenhouse gas emissions from operations and agriculture/dairy farming.
- Risk of increased costs and insufficient access to electricity due to grid congestion.
- Risk of cost increases from investments in electrification (trucks, boilers) or other energy sources with a lower carbon footprint (such as LNG, biogas).
- Risk of declining raw milk production by dairy farmers due to stricter laws and regulations aimed at reducing greenhouse gas emissions from dairy farming.

- Risk of lower profitability and/or revenue due to higher costs or reduced efficiency caused by implementing emission reduction measures.

Opportunities

In addition to risks, Royal A-ware also identified opportunities:

- Opportunity to develop and offer different milk streams with requirements regarding climate mitigation measures at the dairy farm.
- Opportunity for subsidies and/or incentivizing (policy) measures to implement climate mitigation actions in own operations and promote innovation, which can provide a competitive advantage.
- Opportunity to strengthen the future resilience of Royal A-ware by investing in mitigation measures.

Resilience analysis

The Climate Risk Assessment (conducted in 2024) and the material IRO's (following from the Double Materiality Assessment conduct in 2025) inform the resilience and the robustness of our strategy and business model. While we have not conducted an official resilience assessment as prescribed under the ESRS, we have carried out our own internal resilience analysis. In order for our business model and strategy to remain resilient and robust we have chosen to adopt a Climate Transition Plan. This plan represents the adaptation of our strategy and business model to ultimately transform towards more sustainable operations, in alignment with the Paris Agreement.

Based on our assessment, we have not identified any assets that require significant modifications to align with the transition to a climate-neutral economy.

'Our climate targets have been validated by the SBTi.'

Our approach

Royal A-ware has a climate change policy in place outlining the organisation's climate strategy. It includes our Climate Transition Plan for addressing Scope 1 and 2 emissions, which includes energy efficiency and renewable energy deployment, as well as Scope 3 emissions. Royal A-ware does not have a formal policy in relation to climate adaptation.

Climate Transition Plan

As part of our commitment to reducing GHG emissions in our operations, we have prepared a Climate Transition Plan based on the IROs. This approach encompasses the key drivers of our carbon reduction efforts, as well as our strategy for addressing climate-related risks. The Sustainability Steering Committee is responsible for the Climate Transition Plan and its implementation; as the CEO and CFO are members, the plan is formally endorsed by the Management Board. The plan is part of our regular business planning and resource allocation process cycle. In the coming years, we will closely monitor and evaluate the effectiveness of our approach. Based on these evaluations, we may refine our plans or adjust our strategic direction as necessary.

In addition, climate targets of the dairy activities have been validated by the SBTi, demonstrating that we are actively taking climate mitigation measures in line with the Paris Climate Agreement's goal of reaching net-zero by 2050, in line with the 1.5°C pathway. By doing so, we follow the standards and protocols of the GHG Protocol and SBTi. If we deviate from this, it is explicitly stated.

The Management Board will allocate the resources (financial and manpower) for actions needed for implementation of the climate transition plan. Allocation of resources is part of our regular course of business and thus specific allocation is not applicable. At present, Royal A-ware does not have a remuneration policy linked to the achievement of sustainability targets (including climate targets). Elements of the climate policy are communicated to relevant stakeholders. Dairy farmers are informed about climate ambitions and related activities through, among others, biannual meetings. Employees involved in the implementation of the strategy are informed by members of the Sustainability Steering Committee.

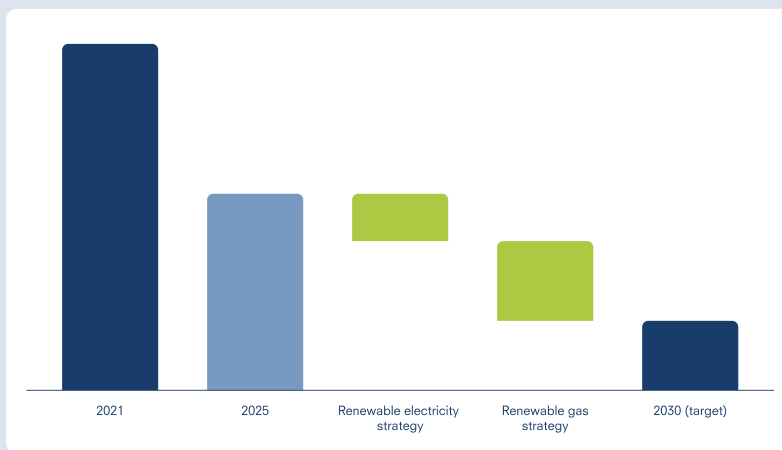
Transition plan own dairy operations

Our Scope 1 and 2 emissions are primarily the result of the consumption of natural gas and electricity. Therefore, our decarbonisation strategy is built around a renewable electricity and renewable gas strategy. This includes increasing energy efficiency and reducing energy consumption. Based on this we are taking concrete actions from 2025 ongoing, such as:

- Investing in the use, generation and storage of renewable energy.
- Acquiring Guarantees of Origin (GOs) and purchasing renewable electricity and gas.
- Entering into Corporate Power Purchase Agreements (CPPAs) to secure long-term access to renewable electricity.
- Reducing energy consumption.
- Properly maintaining our technical installations.
- Applying new techniques or innovations. An example: at our production location in Heerenveen the construction activities for an upgrade of our electricity supply are in 2025 almost completed, included a study for installation of an e-boiler.

Scope 1 & 2: Key decarbonisation levers (dairy activities)

2021 = index 100



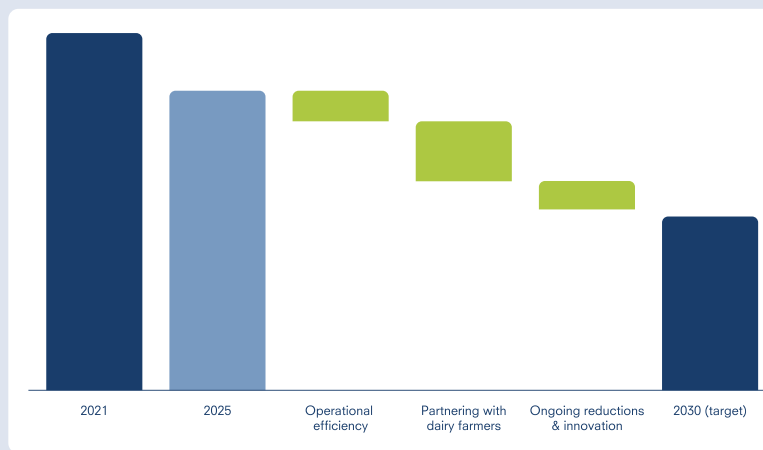
Transition plan dairy value chain

Our Scope 3 emissions are the result of purchased goods, upstream and downstream transport, waste generated during processing, use of our products by consumers. Since the largest share of our Scope 3 emissions is associated with milk production by dairy farmers, our decarbonisation levers include collaboration with dairy farmers. Operational efficiency, driven by reductions in Scope 1 and 2 energy consumption, also contributes to lowering several Scope 3 emissions. As well as ongoing reductions and innovation that contribute to lower emissions. Within these levers, we are taking concrete actions from 2025 ongoing such as:

- Working with farmers to reduce carbon footprint through our Dairy Academy initiative. The Dairy Academy supports farmers through sharing knowledge on best dairy farming practices through workshops and field trips.
- Incentivising dairy farmers in the Netherlands and Belgium to reduce their own greenhouse gas emissions via our footprint premium.
- Encouraging dairy farmers in the Netherlands and Belgium to increase the sustainability of their farms through our A-ware Duurzaam programme.
- Advancing carbon sequestration initiatives with dairy farmers to reduce GHGs.
- Upcycling cheese side streams.

Scope 3: Key decarbonisation levers (dairy activities)

2021 = index 100



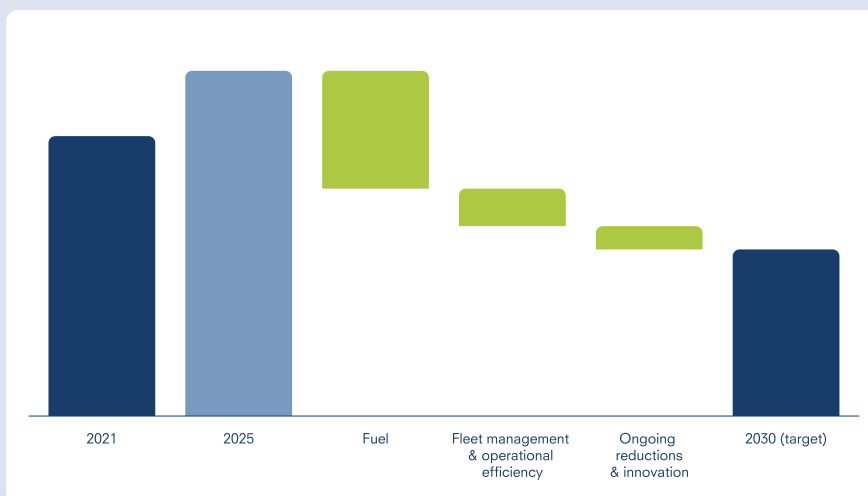
Transition plan transport operations

The emissions of our transport operations are primarily the result of the consumption of fuel. Therefore, in 2025, we established a climate reduction policy for the transport activities based on two pillars: fleet management and operational efficiency including reducing mileage and fuel consumption and utilising alternative fuels and propulsions. Within these levers, we are taking concrete actions from 2025 ongoing such as:

- Optimising our drivers' driving style to help them drive more economically and reduce maintenance coats. All AB Texel drivers in the Netherlands participate in at least one session with a driving coach, which is monitored by a software programme.
- Properly maintaining our fleet.
- Exploring opportunities to work with customers and others to reduce empty miles.
- Exploring use of alternative renewable fuels like electricity and bio-LNG.

Scope 1, 2 & 3: Key decarbonisation levers (transport activities)

2021 = index 100



Locked-in emissions

Royal A-ware has not identified activities that would lead to substantial locked-in GHG emissions or that would be misaligned with the requirements of Commission Delegated Regulation (EU) 2021/2139 concerning the EU Taxonomy.

For Scope 3 emissions, we identified consumer behaviours as a potential source of locked-in emissions. These include activities such as transportation to and from supermarkets, refrigeration and dishwashing. We concluded that the emissions associated with consumer behaviours do not present a material risk to achieving our objectives.

Unavoidable emissions

Methane emissions from cows constitute an unavoidable category of GHG emissions.

Biogenic methane emissions are an inherent byproduct of the cow's natural digestion process and cannot be entirely eliminated. However, these emissions exist within a closed-loop system and their impact is less than fossil methane.

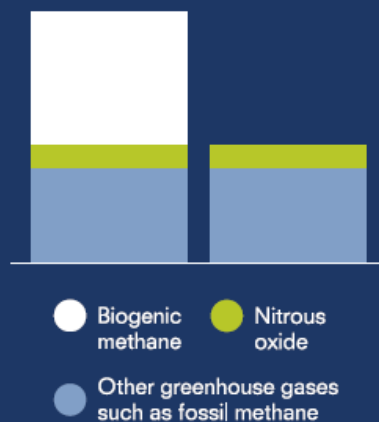
Biogenic methane

Just like the International Climate Panel (IPCC), Royal A-ware believes that the calculation models used to determine methane emissions do not provide a realistic picture. There are two types of methane: fossil and biogenic. Fossil methane is released from fossil fuels, while biogenic methane is emitted when a cow converts grass into milk. This process forms a closed cycle: a cow eats grass, produces manure, which helps the grass grow. As long as the number of cows remains stable and conditions do not change, no additional greenhouse gases are introduced. In contrast, fossil methane contributes to new greenhouse gases in the atmosphere.

In the calculation models, both internationally and nationally, fossil and biogenic methane are considered almost equivalent. As a result, milk production

appears to contribute more to greenhouse gas emissions on paper than it actually does in reality. Royal A-ware therefore believes that the calculation models should be adjusted.

Carbon footprint of measured milk



'We discovered that substantial amounts of carbon are stored much deeper in the soil.'

Carbon sequestration

We encourage carbon sequestration in agricultural soils to partly offset the emissions from dairy production in the future. We achieve this through long-term agreements with dairy farmers. These agreements stipulate that farmers refrain from tillage of grassland to trapping CO₂ in the soil. Dairy farmers in our Beter voor Natuur & Boer milk stream agree to refrain from cultivating their land to enhance carbon sequestration.

Royal A-ware chooses to carry out large-scale direct measurements at different soil depths to more precisely measure carbon sequestration, rather than relying on models. Our research extends carbon measurements to deeper soil layers, down to 30-60 centimetres, whereas most existing studies focus only on the top 30 centimetres. By doing so, we discovered that substantial amounts of carbon are stored much deeper in the soil profile. Our pilot covered 20,000 hectares of our dairy farms, and our methodology has been recognised as scientifically robust by the Stichting Nationale Koolstofmarkt (SNK).

Also with dairy farmers who do not participate in the Beter voor Natuur & Boer milk stream Royal A-ware has started with carbon sequestration. These farmers can participate in the carbon pool of Royal A-ware and increase carbon storage by no tillage of their grasslands. Through this initiative, we collaborate with our farmers to lower greenhouse gas emissions throughout our supply chains. The carbon pool is fully aligned with the requirements of SNK.

Targets and achievements

We have defined targets to manage material climate-related IROs, covering all scopes. We distinguish between dairy production and transportation targets to reflect the unique nature of each activity. Our emission reduction targets use 2021 as the baseline year, with 2030 serving as an intermediate goal toward our 2050 ambition. The targets related to our dairy production activities are aligned with the SBTi.

Overall targets

Since 2021, the base year for calculation of greenhouse gases, quite a lot of production locations have been added to Royal A-ware that have had a material impact on the total amount of greenhouse gases. Due to material changes in the number of production facilities compared to our base year 2021, we have recalculated the emissions for the baseline year. For this recalculation we have used emission factors for 2021. The 2024 comparative and performance figures have not been adjusted to reflect the baseline year change.

Dairy production - Scope 1 & 2

The total Scope 1 and 2 emissions for Dairy activities have decreased significantly, despite the acquisition of several new production locations (The Dairy Food Group in Belgium), in relation to emissions in 2024. This is partly due to buying GOs and partly due to using a revised emission factor. Also the 2024 figures of Scope 2 have been adjusted using a revised emission factor.

Dairy production - Scope 3

In addition to the recalculation of the base year 2021, we have used a new methodology for calculating the greenhouse gases for Scope 3. In comparison with 2024, where the calculations were based on sold products, in 2025 we have used a more detailed breakdown in milk streams inflow and products sold. This has resulted in a more realistic representation of our emissions.

Greenhouse gas emissions & own operations

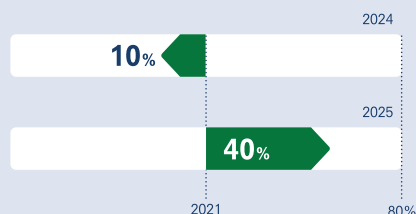
Climate change (E1)

Our targets



2021-2030: At least an 80% reduction in greenhouse gas emissions in Scope 1 and 2.

Our performance



Greenhouse gas emissions & value chain

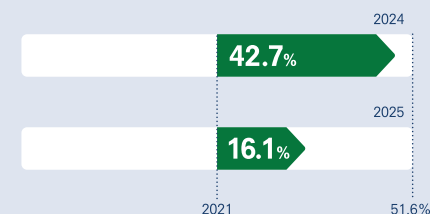
Climate change (E1)

Our targets



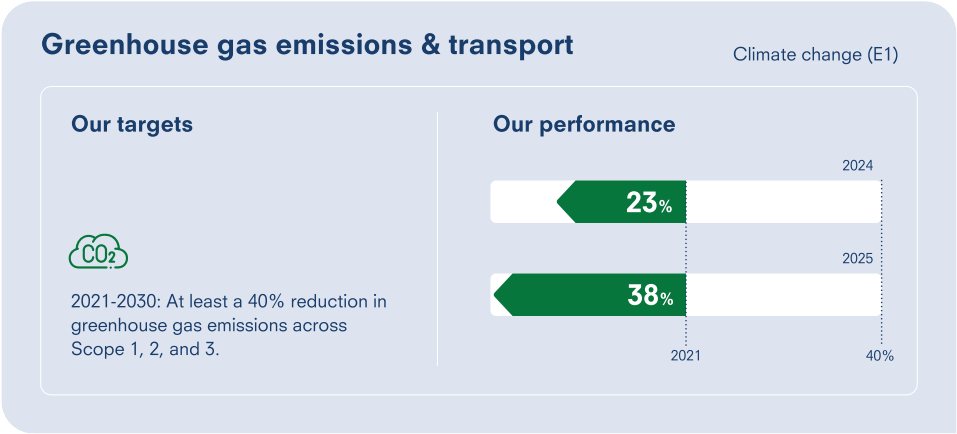
2021-2030: At least a 51.6% reduction in greenhouse gas emissions in Scope 3 per ton of product sold (intensity).

Our performance



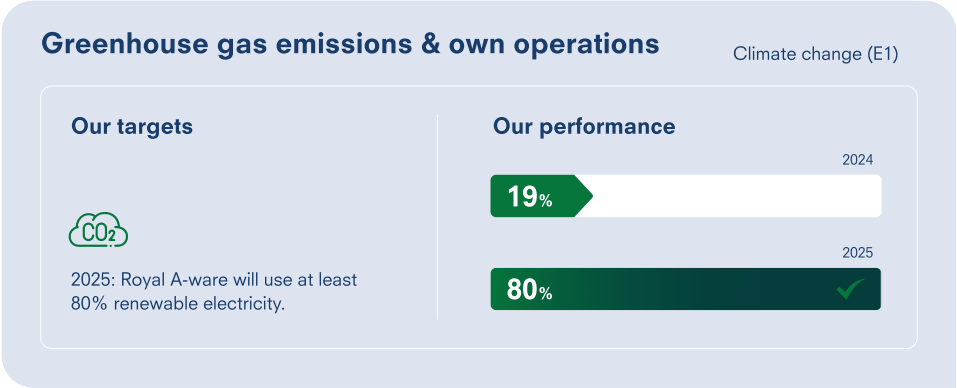
Transport activities - Scope 1, 2 and 3

In 2025 no major changes have been made to the calculation of emissions for the transport activities. All scopes show more emissions in 2025 compared to 2024. Compared to our base year there is a substantial increase in emissions due to a continuing expansion of the transport activities. The 2024 figures have been updated as a consequence of more complete figures.



Renewable electricity

In 2025, we increased our share of renewable electricity through the signing of several CPPAs and the installation of additional solar panels (or the acquisition of sites equipped with them). To meet the remainder of our 2025 target, we purchased European Guarantees of Origin for our Dutch and Belgian operations. The contractual agreements consist 96% out of GO's and 4% out of CPPAs.



Greenhouse gas emissions

Dairy activities	Milestones and target years						
	Baseyear 2021*	2024	2025	%N/ N-1	2030	2050	Annual
Scope 1 GHG emissions*							
Gross Scope 1 GHG emissions (tCO2eq)	51,656	47,178	59,420	26%	-80%	-90%	-40%
Percentage of Scope 1							
GHG emissions from regulated emission trading schemes (%)	26%	72%	61%				
Scope 2 GHG emissions*							
Gross location-based Scope 2 GHG emissions (tCO2eq)	51,630	32,007	30,011				
Gross market-based Scope 2 GHG emissions (tCO2eq)	51,630	31,646	2,794	-91%	-80%	-90%	-40%
Significant Scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	3,228,475	5,780,320	3,710,582	-36%			
1 Purchased goods and services	3,099,622	5,470,047	3,512,545				
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	15,131	14,775	17,566				
4 Upstream transportation and distribution	19,391	38,947	24,497				
5 Waste generated in operations	20,066	42,902	66,066				
6 Business traveling	1	101	259				
7 Employee commuting	1,699	2,540	2,867				
9 Downstream transportation	8,361	35,949	9,170				
11 Use of sold products	41,284	153,363	45,274				
12 End-of-life treatment of sold products	22,919	3,530	25,134				
15 Investments	-	19,213	7,204				
Total GHG emissions (location-based) (tCO2eq)	3,331,762	5,858,675	3,800,013	-35%			
Total GHG emissions (market-based) (tCO2eq)	3,331,762	5,859,144	3,772,797	-36%			
*numbers are adjusted compared to the 2024 report as a result of updates made in the methodology to calculate emissions (see page 38).							

Greenhouse gas emissions

Transport activities	Milestones and target years						
	Baseyear 2021	2024	2025	% N/ N-1	2030	2050	Annual
Scope 1 GHG emissions*							
Gross Scope 1 GHG emissions (tCO ₂ eq)	129,930	145,345	149,117	3%	-40% (including Scope 2&3)		38%
Percentage of Scope 1							
GHG emissions from regulated emission trading schemes (%)	0	0%	0%				
Scope 2 GHG emissions*							
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	1,323	586	633	8%	-40% (including Scope 2&3)		38%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	1,323	586	633	8%			
Significant Scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)	60,273	98,057	115,335	18%	-40% (including Scope 2&3)		38%
1 Purchased goods and services	15,051	18,345	19,052				
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	23,384	49,408	51,494				
5 Waste generated in operations	1	1	-				
6 Business traveling	1	1	-				
7 Employee commuting	641	956	5,710				
9 Downstream transportation	21,195	29,346	39,079				
Total GHG emissions (location-based) (tCO₂eq)	191,526	243,988	265,085	9%			
Total GHG emissions (market-based) (tCO₂eq)	191,526	243,988	265,085	9%			

* The 2024 figures have been updated as a consequence of more complete figures (see page 39).

Greenhouse gas emissions

Energy consumption and mix	2024	2025
(1) Fuel consumption from coal and coal products (MWh)	372	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	506,414	564,350
(3) Fuel consumption from natural gas (MWh)	260,802	323,138
(4) Fuel consumption from other fossil sources (MWh)	4	
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	109,512	32,993
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	877,104	920,480
Share of fossil sources in total energy consumption (%)	92%	86%
(7) Consumption from nuclear sources (MWh)	406	-
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	52,740	20,754
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	25,779	119,096
(10) The consumption of self-generated non-fuel renewable energy (MWh)		9,476
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	78,518	149,326
Share of renewable sources in total energy consumption (%)	8%	14%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	956,029	1,069,806
Intensity	2024	2025 %N/ N-1
Energy intensity per net revenue		
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR millions)	251	242 -3%
GHG intensity per net revenue		
Total GHG emissions (location-based) per net revenue (tCO2eq/EUR millions)	1,600	920 -43%
Total GHG emissions (market-based) per net revenue (tCO2eq/EUR millions)	1,601	914 -43%
Net revenue used to calculate GHG intensity (EUR millions) - as stated in note 19 of the financial statements	3,813	4,418 16%

Accounting policies - Greenhouse Gases

Scope (1/2)

CO₂ equivalents are classified into three scopes in accordance with the Greenhouse Gas Protocol Corporate Standard (GHG Protocol) methodology. For own dairy and transport operations, only entities responsible for more than 0,1% of scope 1 and 2 emissions are included.

To track progress towards our emission reduction targets, we calculate and report our greenhouse gas emissions annually in carbon dioxide equivalents (CO₂e). These emissions are categorised into three scopes, based on the guidelines of the Greenhouse Gas Protocol. This classification helps us categorise emissions based on the level of control we have within different stages of our value chain.

Calculation of CO₂ equivalents

Greenhouse gases contribute to global warming by trapping heat in the atmosphere. The primary greenhouse gases included in our calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). In order to compare the overall impact of these gases on global warming, they are converted into carbon dioxide equivalents (CO₂eq.), reflecting their combined contribution. The conversion of gases to CO₂ equivalents is determined by their relative impact on global warming, following the latest data from the IPCC's Sixth Assessment Report (2021). The conversions are as follows:

- 1 kg of carbon dioxide (CO₂) is equivalent to 1 kg of CO₂eq.
- 1 kg of methane (CH₄) is equivalent to 28 kg of CO₂eq.
- 1 kg of nitrous oxide (N₂O) is equivalent to 265 kg of CO₂eq.

These factors allow us to uniformly assess the impact of the different gases and effectively monitor and report their impact on global warming.

The Global Warming Potential (GWP) measures the impact of various greenhouse gases based on their heat-trapping ability over a specific time period (typically 100 years), taking CO₂ as a reference point with a GWP of 1. The GWP consists of three components, namely:

- GWP-f: Emissions from fossil fuel use, such as gasoline
 - GWP-b: Biogenic emissions from biological processes, such as methane production from livestock digestion
 - GWP-luluc: Emissions from land use and land use change, such as deforestation for grazing or crops
- GWP-total: The total greenhouse gas emissions expressed in kilograms of CO₂ equivalents

Internal Monitoring is based on GWP total.

Scope (2/2)

Scope 1 – All fugitive emissions

Scope 1 emissions cover all direct emissions within our own operations that are fully under control of Royal A-ware. We consider mobile combustion, stationary

combustion and fugitive emissions. This includes emissions from our vehicle fleet, operational processes in our production facilities and other direct business activities.

Scope 2 – Indirect emissions from energy use

Scope 2 emissions refer to indirect emissions generated by purchased electricity, heat, gas or steam. These emissions can be reported using different approaches, depending on how Royal A-ware procures energy and the contracts and certificates that are used. Reducing these emissions is possible through a transition to renewable energy sources. We report both on our location-based and market-based emissions. For the calculation of our location-based emissions we use a grid emission factor of the relevant countries we operate in. For the calculation of our market-based emissions we apply our energy attribute certificates and a supplier specific and grid average emission factor.

Scope 3 – All other indirect emissions

Scope 3 emissions include all other indirect emissions that occur outside our direct control but are linked to our business activities. These include emissions from the production and transport of purchased goods and services, as well as waste processing. These emissions are calculated using emission factors based on data from suppliers, partners and websites. For our dairy product emissions Scopes 3.1, 3.4, 3.9, 3.11, 3.12 we use our purchase and production data. We consider our inflows of milk, cheese, tapas products, cream, milk powder, packaging materials and the

outflow of products sold to third parties to calculate our emissions. For Scope 3.4, we only include suppliers that account for more than 1.5% of our total purchases. For Scope 3.9, we multiply the volume of products sold by an average export distance obtained from Eurostat. The resulting total kilometres form the basis for our emissions calculation.

Scope 3.1: For our transport activities we consider our fleet of trucks, trailers and other equipment needed such as forklifts, pallet trucks and cars to calculate our emissions. This methodology is used for category 1 and 2 and combined in category 1.

Scope 3.3: We consider the value chain component of our Scope 1 and 2 emissions.

Scope 3.5: We consider all waste handlers for our dairy operations, for our transport operations this scope is not material.

Scope 3.6: We consider all business trips booked through travel agencies and kilometres driven for business travel purposes in personal cars. For our transport operations this scope is not material.

Scope 3.7: We consider the distance our employees commute to their workplace, including the impact of working from home. For our transport operations we made use of the data provided in the questionnaire for the Rijksdienst voor Ondernemend Nederland.

Scope 3.9: For our transport activities, we consider chartered transport as well as Eurotunnel and ferry crossings to Great Britain.

Scope 3.15: We consider the Scope 1 and 2 emissions of the two production sites in which we have invested and where our equity share is below 50%. These emissions are calculated proportionally, based on our equity share in each investment.

Emission calculation

Emissions across our value chain are calculated based on standardised emission factors, which may be updated annually based on the latest data. These calculations are tailored to our specific situation, considering production methods, the raw material sourcing and the energy used. We source our emission factors from the following:

- Scopes 1 and 2: CO2emissiefactoren.nl (The Netherlands), CO2emissiefactoren.be (Belgium), and our energy providers
- Scope 3.1: CO2emissiefactoren.nl, Kringloopwijzer, Farmdesk, Agribalyse, GLEC and DEFRA
- Scopes 3.3, 3.7 & 3.9: CO2emissiefactoren.nl
- Scope 3.4: Agribalyse
- Scope 3.5: Our waste treatment partner
- Scope 3.6: Our travel agencies
- Scope 3.11: PECFR Dairy
- Scope 3.15: Nowtricity and CO2emissiefactoren.nl

Energy consumption and mix

In our energy consumption mix we apply the same perimeter as for reporting GHG Scopes 1 and 2. All quantitative energy-related information is reported in megawatt hours (MWh) using suitable conversion factors. Fuel conversion factors are sourced from the GLEC database. For converting gas to MWh in our Dutch operations, we use CO2Emissiefactoren.nl, while Atrias is used for our Belgian operations. In calculating energy consumption, we consider the requirements as stated in ESRS E1, AR 32. As we operate within High Climate Impact Sectors (HCIS), we also disaggregate our energy consumption in accordance with AR 34. All our activities fall under NACE sections C, G and H, all classified as HCIS (defined in Commission Delegated Regulation (EU) 2022/1288).

Uncertainties and estimates

There may be uncertainties in emission calculations, especially when data is sourced from external suppliers or based on self-reported figures. Regular analyses and validations are conducted to verify data accuracy and improve the reliability of our calculations. Emissions for scopes 1.3, 3.5, 3.6, 3.7 will be calculated based on actual data for 12 months. The emissions for the other scopes will be extrapolated to 12 months based on the first 11 months of the year.

Since the weight of three packaging categories is not tracked internally, we apply a conversion rate to convert costs in euros into kilograms. We use this estimate conversion to be able to calculate a part of our Scope 3 emissions related to purchased goods and services.

For Scope 3.9 (downstream transportation and distribution) of our transport activities, we estimate the fuel consumption of our chartered transport activities by applying a fuel ratio to the revenues generated through charters and dividing the result by the average cost per liter of fuel. The fuel ratio is determined by dividing our total own-use fuel costs by our revenue not related to charters.



Energy strategy targets carbon neutrality and supply security

Having an energy strategy is not only essential for achieving our sustainability goals, but also for ensuring a reliable supply of electricity and predictable prices, explains Procurement Director Marco Hoogenes. 'Our energy strategy targets 80% renewable electricity in 2025 and 100% in 2030. At the same time, the availability of electricity is no longer a given. That makes our energy strategy essential to our ability to do business.'

Royal A-ware's energy strategy was formalised in 2025, but efforts to reduce energy consumption and increase the share of renewable electricity date back years. 'In the Netherlands, we have maximised the number of solar panels on our roofs, and we have invested in battery

storage to utilise as much of what we generate to power our buildings,' says Marco. 'As a result, 6.5% of our energy consumption is now self-generated renewable solar energy. Bringing that number up to 80% is only possible through the procurement of green energy.'

Breaking down our energy strategy

That can be done in one of two ways: through Corporate Power Purchase Agreements (CPPAs) or the purchasing of Guarantees of Origin (GOs). 'CPPAs are long-term agreements with energy companies for the direct purchase of energy from wind and solar parks. These agreements offer stability if managed well. The goal is to match the CPPA with our actual energy profile, so that we use the contracted renewable power when it's

available. CPPAs already account for 3.3% of our energy consumption and we intend to scale.'

GOs are similar, but don't offer the long-term stability of CPPAs. 'The energy company both issues GOs and sells GOs. GOs are the way we will achieve our target of 80% renewable energy this year.'

A constant puzzle

If it is that easy to substitute electricity from fossil fuels with electricity from renewable sources, why stop at 80%? Why not go straight to 100%? 'Because securing renewable energy is only part of the challenge', Marco explains. 'We negotiate energy contracts that reflect not only how much energy we use overall but also our peak

demand, with a defined maximum contracted capacity. We have to get it just right. We don't want to exceed our maximum capacity, because we will incur penalties, but we don't want to use too little either, because we risk losing that capacity during our next contract negotiation. Because of grid congestion, companies apply a "use it or lose it" principle.'

'Getting it just right requires close monitoring, forecasting and planning. 'We conduct detailed analyses of our current energy consumption and assess our future needs,' says Marco. 'If we are automating processes at a location, we know we will need more capacity there. Same for expansions. But at some locations, we are already at maximum capacity. There we have to get creative, for example by shifting some production to off-peak hours. It is a constant puzzle.'

On the road to 100% renewable electricity use by 2030, we must manage our existing capacity carefully. 'For example by turning off the air conditioning at the end of the day, but also by reviewing our operations to see where equipment or processes can run more efficiently,' says Marco. As Procurement Director, Marco must balance sustainability with economic viability. And crucially, electricity simply needs to be available. 'Our business is growing, and we want to sustain that growth. In the coming year, I foresee the expansion of our CPPAs, and we will keep reducing consumption where possible.'



From diesel to electric: AB Texel's transition underway

Smooth, quiet and fit for the job, that is driving an electric truck in a nutshell, says Maclé van Helden, driver for AB Texel and an enthusiastic participant in the company's electric vehicle (EV) pilot. Soon, more colleagues will experience the shift from diesel to electric. To achieve the sustainability objectives, AB Texel prepares to scale from five electric trucks today to as many as 100 by 2030. The project is overseen by Manager Sustainability Piet Bakker.

'We have seen enormous progress in just three years,' says Piet about the rapid technological advancements in EV trucking. 'The range of electric trucks has steadily increased, as has charging output. We are now at

300/400 kWh and counting, allowing for much faster charging. Today, we are limited to shorter distances and areas with sufficient charging infrastructure. But even then, there are plenty of suitable transport routes. I am confident that by 2030, we could be up to 100 electric trucks.'

Championing the transition

Maclé has become an ambassador for electric driving. 'I find this technology fascinating and have enjoyed being part of the pilot.' He admits it was an adjustment. 'For the first two months I stayed close to my home base in 't Zand (the Netherlands). Slowly, I became more familiar with charging options on my routes. Now, I drive all over

the Netherlands. I have even gone to Belgium a few times. That was a little nerve-wracking. But overall, you experience that it is very doable, especially when you can charge overnight in 't Zand or near our Utrecht location.'

Investments in charging infrastructure

With relatively few electric trucks on the road, there is no competition for charging stations yet, but that will change. Piet is planning ahead. In 't Zand, the construction of an EV charging hub is underway. 'We are building the underground infrastructure to ultimately install twelve charging stations. By year-end, two of the twelve will be active, and from there we will expand until

we reach capacity. It requires a long-term perspective. You have to renegotiate your energy contract, which is challenging due to grid congestion. We put in our request two years ago and are finally in the construction phase.'

Why not use existing loading infrastructure? The answer is twofold: time and cost. 'There is a huge cost difference between charging at home and charging on the road,' explains Piet. 'In a low-margin industry like ours, that really matters.' Charging during the day can also cause planning issues, Maclé adds. 'It can easily take an hour – time that can't be utilised.'

A tipping point

Even when charging at home overnight, electric trucks still have a higher total cost of ownership than diesel trucks. 'But there will be a tipping point,' says Piet, 'due to subsidies, tax breaks and other incentives.'

AB Texel is not waiting for the scales to tip; they are moving forward. Piet: 'in addition to electrifying our fleet, we are switching to different fuels with a lower carbon footprint, like HVO and bio-LNG. All of these initiatives will contribute to our CO₂ reduction goal and to the climate transition.'



Dairy is a source of essential nutrients and plays an important role in a healthy diet. With this in mind, Royal A-ware calls for increased awareness of the nutritional value of dairy in relation to its impact on the environment. The standard ESRS structure has not been followed in this chapter. Royal A-ware is committed to contributing to our customers' health by providing high-quality, nutritious dairy products. This pillar involves the material topics Nutritional value in relation to footprint and Food safety.

Pillar Product

Nutritional value

Impacts, risks and opportunities

As part of our DMA, we identified one material impact and one risk.

Impact

Actual positive impact on human health and the environment by offering dairy products with a relatively lower environmental footprint compared to plant-based proteins.

Risk

Risk of declining demand for dairy products due to shifting consumer sustainability preferences (balance between plant-based and animal protein) and/or the lack of factual or scientific evidence supporting the nutritional value of dairy products in relation to their environmental impact.

Our approach

Royal A-ware strives for products with the highest possible nutritional value and the lowest possible impact on people, animals and the environment. We believe this dual focus on nutrition and sustainability is particularly important when discussing the protein transition, a familiar concept in the climate change debate.

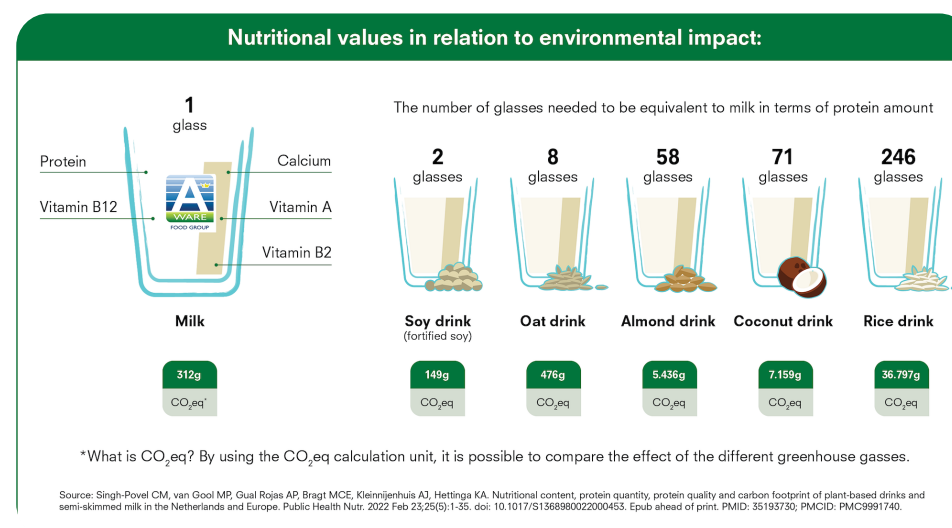
Our perspective on the protein transition

The protein transition involves the transition from animal-based protein to plant-based and other proteins sources to mitigate climate change. The environmental impact of dairy production is often linked to milk and cows, with the belief that less milk would be better for people, animals and the environment. We believe the nutritional value of dairy products, such an important consideration in our opinion, is not sufficiently taken into account when determining the environmental impact. Due to this, we developed a vision that connects environmental impact with the nutritional value of dairy products.

Factoring nutrition into the environmental debate

Animal products provide a high amount of protein, fatty acids and various vitamins and minerals that contribute to a healthy diet. Dairy, in particular, is a major source of

protein, calcium, zinc and vitamins B2, B12 and D. Dairy products are associated with higher greenhouse gas emissions per kilogram than plant-based alternatives. However, from a nutritional perspective, they are often not comparable. If the alternative provides fewer essential nutrients or is less digestible, a simple kilogram-to-kilogram comparison offers an incomplete picture of its environmental impact (Peters et al., 2021).



Royal A-ware believes that expressing environmental impact per kilogram of product, without taking into account nutritional value, can mislead consumers in their efforts to choose healthy and sustainable food. Therefore, this information must be incorporated into the labelling of all food products as soon as possible, enabling consumers to make a more informed decision.

We share the United Nation's Food and Agriculture Organisation's recognition of dairy as an important source of nutrition – particularly for nutrients such as protein, calcium and vitamins that plant-based substitutes may not fully provide. Additionally, the overall environmental impact may remain largely unchanged, as greater quantities of

vegetable products are required to achieve equivalent levels of vitamins and minerals. For these reasons, we consider it essential that dairy maintains a special position within all dietary guidelines.

Objectives and actions

In line with our aim to raise awareness of the nutritional value and health benefits of dairy, as well as its environmental impact in relation to the protein transition, we have prepared an internal campaign for employees in 2025. The goal of this campaign is to enhance knowledge about the nutritional and health benefits while strengthening our organisational pride in dairy.

The campaign will launch posters and quizzes in early 2026 for all colleagues of Royal A-ware at all dairy locations. We will determine the next steps of the campaign based on the results and feedback.

Next to this campaign we have brought this topic to the attention of our clients and other stakeholders. They appreciated us sharing these valuable insights with them.

Targets and achievements

Currently, Royal A-ware does not have any targets set for this topic.



Food safety

Royal A-ware aims to deliver the best and safe products to our customers. Dairy products, due to their perishable nature, are sensitive to contamination, temperature changes and hygiene conditions. As a producer of dairy products, we recognise our responsibility to maintain the integrity and safety of food and feed throughout the supply chain. We are committed to protecting our customers' health by upholding rigorous food safety standards.

Impacts, risks and opportunities

As part of our DMA we identified one material impact. This impact is not widespread or systemic due to the strict quality policies and the implemented quality management system.

Impact

Potential negative impact on the safety and health of consumers and end users when food safety is not guaranteed.

Royal A-ware has considered its various customers, including retailers, foodservice providers, industry and B2B, and livestock farmers, as well as the end-users of the products in assessing the IROs. We consider children, pregnant women, elderly consumers and consumers with food allergies to be end-users at higher risk.

Our approach

In line with our commitment to protecting consumers' health, we have an overall policy as well as sector-specific policies to ensure food safety.

Our overall policy is that both food and feed products must be safe for trade and consumption, posing no risk to human or animal health. Additionally, food and feed products must comply with all applicable requirements, including specifications, integrity and authenticity as set by national and European legislation, certification schemes, product claims and customer standards. This approach applies to all our products and services in both the dairy and transport activities of Royal A-ware.

Our quality policy is based on customer requirements and expectations. The Quality Affairs (QA) teams, together with the business, determines which standards have to be met.

Consumer and end-user protection

In the event that a product recall becomes necessary, Royal A-ware has systems in place to trace and withdraw products from the market. These recall systems are tested at least annually through mock recalls and also checked during audits by independent certifications institutions.

Royal A-ware also maintains a complaints procedure for consumer, business partners and end-user concerns across all activities. Each complaint is investigated for analysis and follow-up. Corrective and preventive measures are implemented, and complaints receive appropriate responses and resolutions.

'We aim to deliver the best and safe products to our customers.'

Dairy activities

Our food safety declaration policy helps to ensure continuous improvement and development across our operations. Products manufactured by Royal A-ware comply with the relevant laws and regulations of the country of production, as well as those of the country in which we sell. We closely monitor developments in legislation through our membership in (inter)national industry organisations, including Nederlandse Zuivel Organisatie (Dutch Dairy Organisation), Gemzu, Belgische Confederatie van de Zuivelindustrie (Belgian Confederation of the Dairy Industry), Federación Nacional de Industrias Lácteas (Spanish Federation of Dairy Industries), ZuivelNL, GMP+ International and OVOCOM (Belgium consultation platform for the animal feed chain).

In addition, we actively follow various information channels, including expert newsletters in our target sectors and resources from the European Commission, such as Rapid Alert System for Food and Feed (RASFF) notifications and the Monthly

Summary of Articles on Food Fraud and Adulteration. We gather additional information by consulting professional literature, attending trade fairs and conferences, participating in (internal and external) audits, taking part in industry association meetings, and undergoing regular evaluations by independent external bodies.

The most senior manager accountable for the implementation of this policy and associated target is the COO.

Employees may report suspected food safety-related concerns via our whistleblower policy, internal grievance mechanisms or email. Confidential advisors are available to provide support.

Together, our recall process, complaints procedure, internal channels and follow-up processes form the systems we use to identify, address and remedy potential negative impacts on consumers and end-users.

Quality management standards

Royal A-ware is committed to maintaining high standards in food safety, quality, traceability and transparency, while meeting the specific needs and values of our customers and consumers. At a minimum, all locations apply the FSSC 22000 standard and, where explicitly required, also the BRC Global Standard for Food Safety. Depending on the specific activities and product types handled at each Royal A-ware location, facilities may also be certified for a range of additional schemes and product claims (see www.royal-aware.com/quality).

Transport activities

AB Texel specialises in the transportation of agricultural and refrigerated food products, animal feed, flour and liquid dairy. We ensure the safety of food and feed throughout our logistics operations by aligning with the following international management systems (see abtexel.com/certifications). This commitment strengthens our role in the agri-food chain and demonstrates our responsibility toward customers, consumers and animals. The most senior manager accountable for the implementation of this policy and target is the Managing Director.



Objectives and actions

Our goal is to uphold food safety standards, ensuring the health of consumers and end-users. To achieve this, we continuously implement and monitor various measures which are subject to regular evaluation.

Dairy activities

- Ensuring that all production activities are carried out in compliance with applicable laws and regulations. Including maintaining EU approval numbers for all Royal A-ware sites.
- Retaining all other required certification schemes and product claims as requested by customers.
- Conducting an annual food safety culture survey. Royal A-ware recognises that employees play a crucial role in our production processes. Through this survey, we assess their level of awareness and develop targeted follow-up actions based on the results.
- Establishing and embedding the Corporate Quality Assurance (QA) structure, including the demonstrable implementation and use of:
- Implementing a Business Continuity Management System (ISO 22301) at selected Royal A-ware locations.
- Providing employees with training on food safety and food fraud through e-learning programmes via the A-ware Academy. Employees are also informed about (food) safety, quality policies and quality matters through other channels, including team meetings, our internal staff magazine, narrowcasting screens at multiple locations and our internal social media platform.
- Certifying all Royal A-ware production facilities in accordance with a GFSI (Global Food Safety Initiative) standard.

Transport activities

- Employing highly trained and qualified staff with in-depth knowledge of food and feed safety.
- Following strict cleaning protocols to prevent contamination and cross-contamination.
- Utilising modern and adequately equipped transport equipment suitable for sensitive and perishable goods.
- Keeping our employees informed about food safety through tools, training and support related to food and feed safety. These include e-learning on food safety,

onboarding checklists, employee handbooks, toolbox meetings, and hygiene and glass audits.

- Maintaining cold chain integrity for temperature-sensitive products.
- Carrying out regular inspections, audits, and evaluations of hygiene, safety, and quality systems.
- Cooperating closely with clients and partners to ensure transparency and traceability in the chain.
- Publishing the policy via AB Connect making it accessible to all employees.

Targets and achievements

Food safety is a top priority for Royal A-ware. Our production sites operate under GFSI standards. GFSI is an international organisation that assesses and accredits food safety standards. GFSI certification ensures effective control of food safety hazards, regulatory compliance, and continuous improvement throughout the supply chain. It incorporates robust metrics and controls to safeguard food safety across all processes. Given that GFSI incorporates comprehensive controls, we do not report on other metrics for food safety.

Food safety

Consumers and end-users (S4)

Our targets



All operational production sites comply with the GFSI standard.

Our performance

100%

2025



Accounting policies - Food safety

Scope

Data pertains to all operational dairy production sites at the end of the reporting period.

Calculation method

GFSI compliance: All operational dairy production sites certified in accordance with GFSI standards or other food safety standards recognized by GFSI as equivalent.

Estimates and uncertainties

No estimates or uncertainties in calculation.

Definitions

GFSI: Global Food Safety Initiative, an international collaboration established by major retailers to harmonize and improve food safety worldwide by benchmarking and recognizing existing certification standards, ensuring global acceptance of a certificate ('certified once, accepted everywhere').





Royal A-ware is committed to the transition towards a circular economy, enabling us to reduce the use of natural resources. We strive to optimise the use of raw materials by preventing food waste and minimising it through the upcycling and reprocessing of side streams. In addition, we are dedicated to making our packaging more sustainable through reuse and recycling, while also promoting the responsible use of water.

Pillar Raw Materials

Circularity

Royal A-ware is actively integrating circular practices into its operations. We consider it our responsibility to minimise the environmental impact of our business activities, including the depletion of raw materials, the negative impacts associated with sourcing of raw materials (e.g., deforestation) and the emissions generated during waste processing. Our circularity efforts focus primarily on reducing food waste and packaging (refer to paragraph on packaging). By valorising residual streams, we not only minimise waste but also create new revenue opportunities.

'We focus on reducing food waste and packaging.'

Impacts, risks and opportunities

As part of our DMA, we identified the following material impact, risk and opportunity:

Impact

Actual negative impact on people and the environment due to the use of natural resources, which can contribute to the depletion of raw materials, deforestation and increased greenhouse gas emissions.

Risk

Risk of reputational damage and losing customers due to not sourcing high-risk raw materials sustainably, as stipulated in iMVO-covenant and EUDR.

Opportunity

Opportunity for additional revenue by maximising the use of raw materials and preventing waste through Royal A-ware valorisation approach (converting side streams into, for example, smoked and processed cheese and grated cheese).

Our approach

Risks associated with the use of high-risk materials are mitigated through our responsible sourcing strategy, under which such raw materials must originate from Europe and/or be sourced with appropriate certification or equivalent measures. The impact and the opportunity are managed through Royal A-ware's circularity policy which is based on the following three principles on the use of raw materials and preventing and reducing waste:

1. Prevent

- Use raw materials efficiently by achieving high process efficiency and minimising process waste.
- Prevent waste by repurposing whey and other side streams as food for humans.

2. Reduce

- Reduce the use of raw materials by adjusting product recipes.
- Reduce waste by valorising side streams as animal feed.

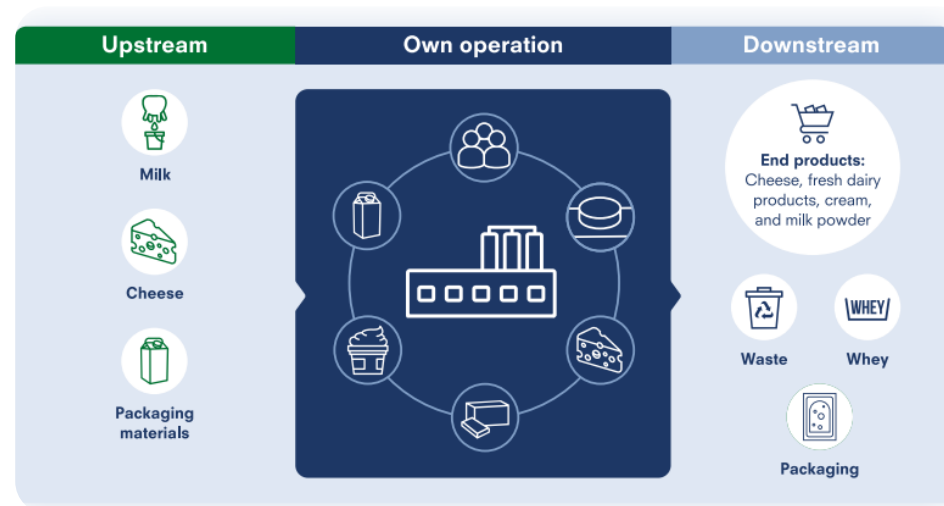
3. Choose more sustainable resources and materials

- Properly separate side streams, allowing a larger proportion of side streams to be upcycled into food for humans (prevent) or animals (reduce).
- Reprocess side streams into food for humans or animals, so that less virgin cheese and milk are needed. This contributes to the sustainable use of raw materials.

Our policy clearly distinguishes between waste, which is any material that we intend or are required to discard, and side streams, which can be repurposed in food and animal feed. The remaining organic waste that cannot be used for human or animal consumption is considered waste.

Analysis of material inflows and outflows

As part of our ESRS E5 assessment, we conducted an analysis of our material inflows and outflows to understand how resources move throughout our operations. We concluded that the substantive material inflows are:



Packaging as a substantive material inflow is discussed in the [Packaging paragraph](#).

Objectives and actions

We aim to minimise food waste from both an environmental and an economic perspective. To effectively monitor and manage our progress, we express food waste as a percentage of total sales. We use this metric to assess the effectiveness of our interventions, which include addressing the root causes of avoidable waste and improving production processes.

Actions

To minimise food waste, we ongoing take the following actions:

- Improving processes to minimise production losses, reducing the volume of waste. Facilities establish their own action plans and timelines to achieve our food waste target, starting with efficiency improvements before implementing more complex reuse measures.

- Maximising the use of side streams to make new products. Leftover cheese is repurposed into products such as grated and melted cheese. Whey, a side stream of cheese production, is sent to a partner to be processed into ingredients for baby food, sports nutrition and animal feed.
- Adjusting recipes to reduce the use of raw materials.
- Pursue the certification of our facilities in accordance with industry standards such as FSSC 22000. All sites participate in the FSSC 22000 certification process to control product loss, ensure compliance with quality and safety standards, and develop strategies to reduce food waste.

Planned actions

We plan to implement the following actions:

- Exploring actions to further minimise food waste.
- Implement environmental management systems for all our facilities in accordance with the ISO 14001 standard.



Targets and achievements

Royal A-ware has defined a clear target to manage the impact and opportunity associated with circularity. The target focuses on limiting food waste to a maximum of 0,1%, this minimisation of waste directly reduces the demand for milk as a raw materials. By doing so, it helps to slow down the depletion of resources and supports their sustainable management and long-term availability of milk.

Circularity

Resource use and circular economy (E5)

Our targets

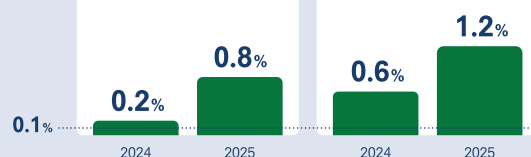


A maximum of 0.1% losses of cheese and white dairy raw materials in our production annually.

Our performance

White dairy

Cheese



Resource inflows

The percentage of biological materials that is sustainably sourced, specifically milk, shows a substantial increase from 23 to 37 percent. This is due to an increasing demand from customers for our sustainable milk streams which focus on relevant sustainability KPI's.

Circularity in dairy production expressed in losses

The percentages for 2025 show an increase in losses for as well white dairy as cheese. The increase in cheese relates to a different classification of organic waste used in 2025 compared with 2024. The increase in white dairy is mainly due to the acquisition of more white dairy production locations.

Other information

Resource inflows	2025			2024		
	Milk	Cheese	Total	Milk	Cheese	Total
Total weight (tonnes)	2,541,928	192,426	2,734,354	2,173,653	194,994	2,368,647
% of biological materials that is sustainably sourced	37%	2%		23%	2%	

Accounting policies - Raw materials

Scope

Data pertains to all operational production sites and storage facilities of our dairy operations under operational control during the reporting period.

Resource inflow

Resource inflow includes purchased milk and cheese as a material resource inflow. The following data is reported for material resource inflow:

- The overall total weight of products, and technical and biological materials used during the reporting period;
- The percentage of biological materials purchased during the reporting period that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle.

Calculation method

Resource inflows

- Material inflow includes all purchased kilograms of milk and cheese, as recorded in the purchase ledger.
- Sustainably purchased milk and cheese that follows the three certification schemes and reported as two percentages of the total milk and cheese inflow.

Losses

Losses in the production process are calculated as the percentage of total organic waste relative to the sales volume in kilogram of cheese and white dairy products during the reporting period. The losses of the cheese and white dairy are reported separately. White dairy are all products sold that are not cheese.

Estimates and uncertainties

The resource inflow will be extrapolated to 12 months based on the first 11 months of the year.

Definitions

Biological materials: Materials of biological origin, such as plants or animals.

Sustainably purchased milk and cheese:

Milk and cheese purchased that follows the certification schemes: 'Beter voor Natuur en Boer', 'Koe Bewust' and 'Organic'.





Mapping and leading the way to better environmental management

Environmental coordinator Yvette Laane knows more about the Bouter Culemborg and Bouter Woerden locations than she ever thought possible. From energy consumption to water management, from the surrounding ecosystems to environmental legislation, she and her colleagues have mapped it all. The goal: to establish an environmental management system according to the ISO 14001 standard. With a systematic overview of environmental risks and mitigation measures, and the permits and procedures in place for compliance with all applicable regulations.

A structured, systematic approach

Royal A-ware strives to make all production sites in line

with ISO 14001. The Heerenveen and Coevorden locations were the first to take on this substantial undertaking. Now, efforts are underway at two Bouter Cheese locations, with Yvette Laane leading the change. She divides her time between the Woerden location for specialty cheese ripening and the Culemborg location for the full-scale ripening, slicing and packaging of cheese for Ahold Delhaize.

One of the first steps in the ISO 14001 process is to identify relevant environmental aspects. 'That is a group effort', Yvette explains. 'We organised numerous work sessions, involved various departments and conducted interviews with key stakeholders. Quality Assurance, Safety Health and Environment, Technical Service,

Operations, Logistics, Ripening – all were represented. We did this separately for each location. Together, we assessed how our operations could affect the environment, what mitigating measures are already in place, where the gaps are and how we can address them.'

'Bouter Cheese's sustainability efforts precede the ISO 14001 process. New boilers and a heat pump will contribute to our goal of reducing our gas consumption by 30%. Waste separation systems support the upcycling of waste streams, which contributes to the reuse of raw materials and lowers our environmental footprint. Various projects target food waste reduction and valorisation of residual streams. In short: Bouter

Cheese didn't need ISO 14001 to become more sustainable. But its benefits are nevertheless substantial', Yvette notes.

From black box to clear oversight

'We know exactly what our impacts are, how our operations may affect people and nature, and which compliance requirements are applicable to us. And we have a process in place to review all of this regularly, to see if anything has changed in terms of laws and regulations, and act accordingly. Things change so fast that it can easily become a black box. We counteracted that. Environmental risk management and compliance are now fully embedded in our way of working.'

Positioned for continuous improvement

Importantly, all the work done to become ISO 14001-certifiable has positioned Bouter Woerden and Culemborg for continuous improvement. 'We are not just doing this to be certifiable; we are also looking ahead. What else can we do to reduce CO₂ emissions together with our suppliers and customers? How can we further reduce food waste? It is an ongoing process, and that is what makes it valuable to us.'

Packaging

Royal A-ware is committed to minimising the environmental impacts associated with packaging materials and packaging waste, while upholding the highest standards of product quality and food safety. Guided by circularity principles, we prioritise sustainable sourcing, reduce overall material use, and maximise recyclability. Through these efforts, we aim to keep valuable resources in use for as long as possible and reduce our dependency on raw materials.

Impacts, risks and opportunities

As part of our DMA, we identified the following material IROs, distinguishing between upstream, our own operations and downstream:

Impacts

- Actual negative impact due to the use of (virgin) raw materials in packaging, which can contribute to resource depletion, deforestation and increased greenhouse gas emissions.
- Actual negative impact on the environment due to the processing of plastic packaging material, which can contribute to environmental pollution.
- Actual negative impact on the amount of waste for our customers and the end user due to our current packaging practices (e.g., pallets, wrapping films and plastic packaging).

Risk

Risk of cost increase due to stricter sustainability requirements for packaging as a result of the regulations from PPWR (Packaging and Packaging Waste Regulation).

Our approach

Royal A-ware's packaging approach is based on our circularity principles. It involves the following practices:

1. Prevent
2. Reduce
3. Choose more sustainable resources/materials

Our packaging policy was updated in 2025 to align with the targets of the PPWR, a proposed regulation designed to ensure that all packaging in the EU market is reusable or recyclable by 2030. The PPWR also makes the use of post-consumer recycled (PCR) material mandatory. The scope of the policy are the dairy activities of Royal A-ware.

The managing directors of the divisions are responsible for the implementation of the policy. It is important to note that Royal A-ware produces primarily products for private label customers. Customers therefore have the final choice when it comes to packaging. We help customers make informed and responsible decisions by providing a range of recyclable and sustainable packaging options. We proactively source equivalent sustainable alternatives to existing packaging.

Objectives and actions

Our objective is to minimise environmental and social impacts, including resource depletion, deforestation and greenhouse gas emissions, by optimising the use of raw materials in our packaging and reducing plastic packaging and waste in our operations. Additionally, we aim for compliance with the PPWR.

Our action plan is under development and is expected to be finalised in 2026. As such, we do not report on our actions in 2025.

Targets and achievements

Royal A-ware's target in relation to packaging was set in 2025 and aligns with the PPWR: By January 1, 2030, all packaging that Royal A-ware places on the EU market will meet a minimum recyclability rate of 70%.

We will begin measuring our progress against this target in 2026.



Preparing for the Packaging and Packaging Waste Regulation

A multidisciplinary project team is preparing Royal A-ware for compliance with the EU's new Packaging and Packaging Waste Regulation (PPWR). The regulation will come into effect in phases by 2026, 2028 and 2030, requiring all packaging to meet strict sustainability requirements. Some materials will be banned altogether, while others must be reusable or recyclable, or contain minimum recycled content.

The project team is developing a blueprint to support all Royal A-ware divisions in making the switch to more sustainable and compliant packaging. Manager Packaging Technology Karin Lemmen and Sustainability Manager Wiebren van Stralen are two of the colleagues leading the effort.

Understanding the requirements

The PPWR has been in the works for a while but was only published in February 2025. As of August, it is officially in effect. 'We finally know what's in it, giving us a starting point,' says Wiebren. 'But demonstrating compliance will require calculations on recyclability, reusability and recycled content. The calculation methods aren't clearly defined yet, so we need to get a better understanding of what packaging is already compliant and where we still have work to do. Hopefully we will have full clarity on a short notice, but it can take up to another two years.'

Building the blueprint

In the meantime, the project team is outlining what steps to take and when to meet which PPWR deadlines. 'We

established four working groups, each with their own area of focus. Next to changing packaging materials, this includes updating recycling logos on packs to provide consumers with clear guidance,' explains Karin. There are also new requirements for documentation. 'The data we will collect will help us with traceability, among other things, and therefore will be added to existing systems. We would like to incorporate the documentation process into the standard way of working of Royal A-ware, which requires a structured approach.'

Every division, every site and a lot of people will be part of the implementation in one way or another. In developing the blueprint, the project team aims to make

it as easy and practical as possible. 'Our goal is to fit the steps into the normal working routine,' explains Wiebren. 'We will need our operators to do test runs with alternative packaging. Packaging selection and testing requires input and time from our packaging technologists, quality departments but also suppliers. We will need additional data on the packaging we procure, and structured data collection, analysis and reporting, requiring support from IT. The blueprint will take this into account. It is a meaningful and challenging project that will help us package all our delicious products more sustainably.'

'Of course, we already have extensive information on our packaging at each site, but exactly what we need to change to fully comply with the PPWR is not yet clear and defined for all packaging. Where possible, we have already taken steps forward to implement sustainable solutions. Some packaging types have already been replaced, but for some packaging no suitable alternative is available yet. In those cases, we will work closely together with our suppliers. Understanding the complete picture first is the basis for your implementation plan.'

Navigating the challenges

There are other challenges too. Contradictory requirements for food safety on the one hand and minimum recycled content on the other. The availability of compliant packaging materials may be another challenge, with many companies making the switch around the same time. Not to mention the logistical challenge of transferring multiple customers on the same production line to the new packaging all at once.

Despite these challenges and uncertainties, Wiebren and Karin support the EU's move. 'The industry needed that push,' says Karin. 'There was a lot of talk, but every

country did things differently. The introduction of one European standard will help us as we have customers in many different countries. Importantly, it will help us further reduce our environmental impact and contribute to a more sustainable sector.'

Water & own operations

Royal A-ware identified 'water & own operations' as a material topic under the raw materials pillar during its DMA. Water is an essential resource for our cheese, dairy and tapas production processes. However, external factors such as population growth and climate change have put increasing pressure on its availability. We therefore commit to the responsible use of water in our production processes by minimising consumption and reusing where possible.

Impacts, risks and opportunities

Royal A-ware has screened its assets and activities, incorporating the insights into the DMA process. The DMA subsequently resulted in the following material IROs related to water consumption:

Impact

Potential negative impact on water availability due to multiple sites being classified as industrial large users.

Risks

- Risk of increased costs due to rising freshwater prices as a result of scarcity or government intervention.
- Risk of stopping or reducing production due to temporary unavailability or limited availability of fresh water (e.g., in times of drought) or contamination (e.g., non-purifying substances such as PFAS / hormones).

Water Risk areas

Before drafting the water policy, the situation at sites in areas of water stress was investigated. This showed that water filtration in particular is a major cause of water stress. For the locations in Belgium and the Netherlands where water stress is an issue, we are therefore investigating additional measures to capture, treat and reuse excess rainwater. Thus, we not only reduce dependence on surface and piped water, but also the risk of flooding.

Our approach

As part of our commitment to using water responsibly, we have developed a water policy focused on sustainable water withdrawal and management within our production facilities. The managing directors are responsible for this policy. Our water policy covers exclusively water use at our production facilities since the impact of water use at our offices is minimal. There are no known instances of local communities being adversely affected by water consumption related to Royal A-ware's operations. Consequently, Royal A-ware has not engaged in consultations with local communities.

Water policy

At the end of 2024, Royal A-ware carried out a baseline measurement at all production sites. Based on this measurement, we set a target and developed a policy, which was implemented in 2025. Our water policy prioritises facilities in water-scarce areas, followed by major water-use sites and finally smaller sites. For each individual site, we identify opportunities for reducing water consumption, either by increasing process efficiency or by enabling reuse. The latter approach involves the recirculation of water (e.g., water is kept within a closed circuit system for cooling), the reuse of water (e.g., water derived from milk is returned to the production cycle), and recycling of water (e.g., water from food processing activities is treated and used in other applications). These measures support the long-term availability of water resources, reduce pressure on aquatic ecosystems and protect them.

Water performance (m ³)	2025	2024
Total tap water consumption	2,016,292	1,943,448
of which total tap water consumption in m ³ in areas at water risk, including areas of high-water stress	257,641	252,005
Waterintensity: total tap water consumption in its own operations in m ³ per million EUR net revenue as stated in note 19 of the financial statements	456	510

Objectives and actions

Royal A-ware aims to use water responsibly by reducing consumption and reusing as much as possible. We achieve this through ongoing actions which are embedded in our ongoing operational and continuous improvement processes:

- Exploring ways to increase the quality of wastewater so that it is as clean as possible.
- Exploring end-of-pipe wastewater treatment techniques to further reduce the environmental impact of wastewater discharges. By doing so, we take a proactive approach to potentially stricter regulations and higher costs due to wastewater discharge.
- For the locations in Belgium and the Netherlands where water stress is an issue, we are investigating additional measures to capture, treat and reuse excess rainwater.
- The Management Board will allocate the resources (financial and manpower) for actions needed for the reduction of water use. Allocation of resources is part of our regular course of business and thus specific allocation is not applicable.
- At Royal A-ware, we focus our water reporting on tap water withdrawal, as this is the most consistent and relevant source of water use within our operations. Our production processes involve significant internal water reuse, particularly water recovered from milk. For example, at our Heerenveen site, water is extracted from whey—a by-product of cheese production that consists of about 93% water. This reclaimed water is reused in cheese-making and for cleaning equipment, amounting to more than 3 million litres per day. Due to this extensive reuse, it is not possible to establish a fully accurate and closed overview of all water flows. Based on these insights, Royal A-ware has chosen to report on tap water use as the most meaningful metric. And as part of our sustainability approach, we aim to lower water consumption. Focusing on tap water withdrawal allows us to direct efforts where we have the greatest impact.

Actions in 2025

Other than more general actions to reduce water usage, there were no specific actions to steer at a 1% reduction at all production locations. The data of 2024 and 2025 gives us now specific insights to reduce water usage at the different locations (locations which were operational as part of the Royal A-ware in 2024 and 2025).

Targets and achievements

Royal A-ware's water policy and targets are aligned with the Dutch government's policy for reducing the use of water. The National Action Plan for Drinking Water Conservation requires wholesale business users to reduce water consumption by 20% by 2035 compared to a 2016-2019 baseline period.

Since Royal A-ware does not have a baseline measurement for the 2016-2019 period and has grown through multiple acquisitions, we cannot directly adopt the government's target. However, we are committed to achieving at least the same 1% annual reduction for each production site using 2024 as our baseline.

Water consumption

The total tap water consumption and consumption of water in areas at water risk, including areas of high-water stress show an increase compared to 2024. This is mainly due to the acquisition of The Dairy Food Group. 7 out of 20 production locations have realised an 1% reduction of water usage.

The changes in water usage differ quite a lot and 2026 will be used to get a better understanding in these fluctuations and actions will be tailored according to the findings.

Water & own operations

Water and marine resources (E3)

Our targets



A 1% reduction in water usage per existing production site compared to the previous year.

Our performance



Accounting policies - Water and own operations

Scope

The data on water pertains to all operational production sites and storage facilities of our dairy operations under operational control during the reporting period.

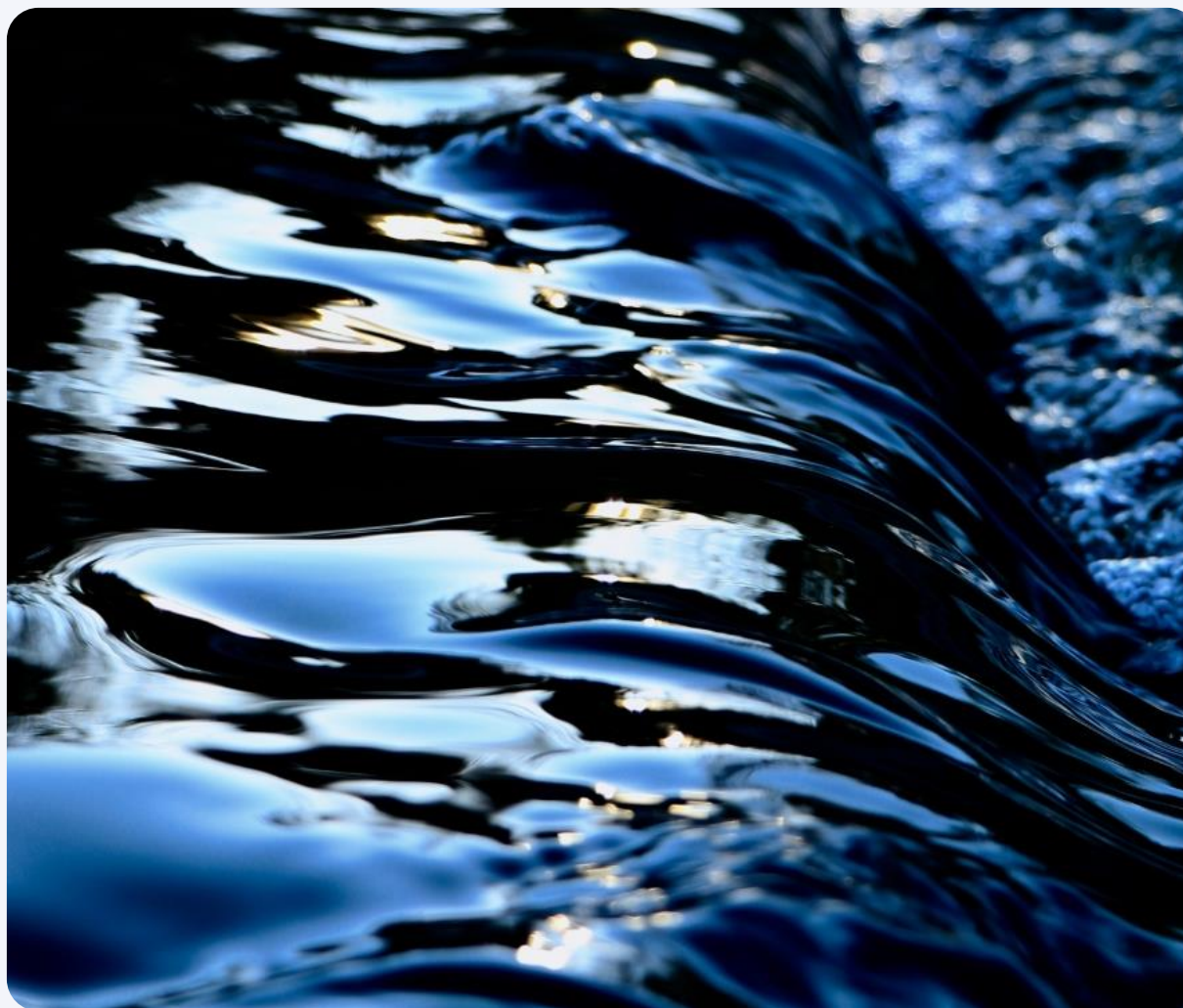
Estimates and uncertainties

For the production and storage facilities, water withdrawal data is periodically reported based on invoices from external water suppliers. Where data on the invoice does not cover the entire reporting period from January to December, water withdrawal is measured using internal water meters, with manual on-site readings recorded and reported. To minimise the risk of manual errors, a thorough internal verification process is conducted ensuring data reliability and accuracy.

Definitions

Water withdrawal: Water withdrawal includes all water used at production and storage facilities. It refers specifically to tap water purchased from external suppliers.

Areas of high-water stress: Regions where water withdrawals represent a high percentage of available renewable freshwater resources. This means tap water purchased from external suppliers for operations in regions classified as high-water stress areas. The classification of areas of high-water stress is done by relevant authorities and institutions.





Royal A-ware is committed to resilient dairy farming, with an emphasis on family farms. Where there is a focus not only on animal welfare, but also on biodiversity and the lowest possible footprint. Royal A-ware partners with over 1,700 dairy farmers across the Netherlands, Belgium, Spain and Germany and establishes long-term partnerships through individual cooperation agreements. These agreements guarantee the purchase of dairy farmers' milk by Royal A-ware over an extended period, providing security for both farmers and the company. The agreements also ensure clarity on the conditions and expectations that all parties must meet. This pillar addresses the topics Biodiversity & Dairy Farming, Future-Proof Dairy Farming Sector and Animal Welfare.

Pillar Dairy Farming

Biodiversity & dairy farming

Royal A-ware recognises that biodiversity is essential for sustainable food production, supporting the ecosystems and resources that dairy farming depends on. Natural resources, such as the grass consumed by cows, rely on healthy, resilient soils. Greater biodiversity improves soil quality, leading to more nutritious and abundant feed for cows. Additionally, natural ecosystems provide essential services, such as carbon sequestration and climate regulation. We are committed to preserving and restoring ecosystems on and around dairy farms to strengthen biodiversity.

Impacts, risks and opportunities

As part of our DMA, we identified the following material impacts and opportunity related to Biodiversity:

Impacts

- Actual negative impact on ecosystem services due to greenhouse gas emissions (GHG) associated with milk production on farms.
- Actual negative impact on ecosystem services associated with land use for raw milk production.
- Actual positive impact on ecosystem services as a result of the application of sustainable agricultural practices on the farm (e.g., via our milk streams and biodiversity bundles).

There are no material negative impacts related to land degradation, desertification or soil sealing or threatened species.

Opportunity

Opportunity to develop and offer different and multiple milk streams with additional legal requirements regarding biodiversity.

Our approach

Royal A-ware assessed its impact on biodiversity, covering both dairy farms and production locations. We reviewed whether production and office locations of the dairy operations are situated in Natura 2000 sites, protected areas across the

European Union designed to safeguard Europe's most valuable species and habitats. We concluded that our own operations do not have a significant impact on biodiversity in these areas.

Royal A-ware has carried out a resilience analysis to assess the resilience of the current business model and strategy on the short (<1 year), term (1-3 year) and long term (>5 year). During this analysis transition, physical and systematic risks were evaluated, we consulted various stakeholders. For more information on stakeholder involvement, please refer to the Stakeholder views and interests section of the General disclosures chapter. Our analysis concluded that there are no risks to the resilience of Royal A-ware from biodiversity and ecosystem-related factors. Therefore, no adaptations were deemed necessary.

Information on the Royal A-ware's due diligence process for identifying, assessing and managing sustainability-related IROs, including those related to biodiversity and ecosystems in our value chain, is provided in the due diligence section of the general disclosures chapter.

Biodiversity policy

Based on our DMA and as part of our commitment to preserving and restoring ecosystems on and around dairy farms, we have developed a biodiversity policy for our dairy activities. Royal A-ware's biodiversity policy aims to support nature-inclusive farming practices and contribute to the EU Biodiversity Strategy. The policy and target are set by the managers farmers support (in Dutch afdeling Veehouderijzaken) in the Netherlands and Belgium. The target is ultimately established by the Sustainability Steering Committee. Additionally, they apply to all dairy farmers in the value chain with whom we have a cooperation agreement within Germany, the Netherlands and Belgium. Together with our dairy farmers, we work to preserve and restore biodiversity through our biodiversity bundles.

Biodiversity bundles are the cornerstone of our policy. These bundles were developed together with the agency De Natuurverduubelaars. These bundles consist of concrete, scientifically supported measures that, in combination, aim to conserve and restore

biodiversity. The approach is based on pressure factors identified by the Louis Bolk Institute: factors related to dairy production that are responsible for biodiversity decline.

In the Netherlands, we have five biodiversity bundles including Landscape Elements, Soil Biodiversity, Biodiverse Farmyard, Biodiverse Grassland and Farmland Birds. These Dutch bundles were adapted for the Belgian context, resulting in four bundles used in Belgium. In 2025, we applied the same methodology to develop four bundles for our German dairy farmers, ensuring consistency in our biodiversity strategy across all operating countries.

Objectives and actions

Royal A-ware's aims to preserve and restore ecosystems in and around farms to enhance biodiversity. To achieve this, we implement the following ongoing actions:

- Incentivising our dairy farmers to adopt sustainable agricultural practices through our A-ware Duurzaam programme. Dairy farmers receive points within A-ware Duurzaam if they comply with one or more biodiversity bundles. The more points they achieve, the higher the sustainability premium the dairy farmer receives.
- Developing the Beter voor Natuur & Boer milk stream in collaboration with Albert Heijn. As part of this programme, dairy farmers reduce land cultivation to enhance carbon sequestration. Additionally, nature-based solutions are integrated into the Beter voor Natuur & Boer milk stream requirements. For dairy farmers who make additional efforts, such as sowing herbs or refraining from ploughing grassland, Albert Heijn pays them a premium on top of the standard pasture milk price.

Actions in 2025

In 2025, we carried out the following actions:

- Developed a biodiversity transition plan.
- Developed biodiversity bundles for our dairy farmers in Germany.
- Integrated the biodiversity bundles in the German edition of A-ware Duurzaam.
- Highlighted biodiversity bundles as a key topic during the biannual farmers' meetings.

Planned actions 2026

We plan to develop a version of the biodiversity bundles for Spain in the coming year.

Targets and achievements

The target, set in 2024 by Royal A-ware is based on expert judgment from the COO and managers of livestock affairs in Belgium and the Netherlands. It is grounded in our biodiversity bundles, which allow for potential additional measures within specific milk streams. The target does not align with the Kunming-Montréal Global Biodiversity Framework. While stakeholders were involved in the development of the biodiversity bundles, they were not involved in target setting. The measures with biodiversity bundles fall within the minimising and restoring layers of the mitigation hierarchy and has remained unchanged since its establishment.

Biodiversity & dairy farming

Biodiversity and ecosystems (E4)

Our targets



2025: 100% of our dairy farmers comply with at least one biodiversity bundle.

Our performance



In 2024 88% of our farmers complied with the target. In 2025 this percentage has increased to 92%. Our approach on biodiversity shows clear commitment from our dairy farmers.

Accounting policies - Biodiversity & dairy farming

Scope

Data pertains to all dairy farmers in the Netherlands, Germany and Belgium. Farmers with a contract with The Dairy Food Group have been excluded from current years scope. Dairy farmers can complete a questionnaire that provides insight into the number of biodiversity bundles a dairy farmer meets. The questionnaire is administered via Z-net. Biodiversity measures that dairy farmers can implement are, among other factors, influenced by the specific region in which they operate. Consequently, biodiversity bundles are tailored to each country. For Spain and The Dairy Food Group, an approach has not yet been developed. Given that biodiversity is highly region-specific, it is not feasible to provide an estimate for Spain based on the efforts of Dutch, Belgian, and German farmers.

Calculation method

The percentage of participants meeting the requirement of one or more biodiversity bundles is determined by dividing the number of unique participants in one or more biodiversity bundles by the number of unique dairy farmers. The number of participants is determined by taking the sum of:

1. For the Netherlands: The number of participants based on UBN (Uniek BedrijfsNummer) in one or more biodiversity bundles.
2. For Belgium: The number of participants based on unique address to one or more biodiversity bundles.
3. For Germany: The number of participants based on UBN in one or more biodiversity bundles.

The number of unique dairy farmers is determined by taking the sum of:

1. For the Netherlands: The total number of unique UBN.
2. For Belgium: The total number of unique addresses.
3. For Germany: The total number of unique UBN.

Estimates and uncertainties

Data collection is based on a questionnaire. Dairy farmers fill these in via Z-net. It is assumed that dairy farmers completed the questionnaire truthfully ('self-declaration'). In 2025, besides to the self-declaration, no additional checks have taken place whether dairy farmers have taken the measures.

The total population of dairy farmers and their compliance with biodiversity bundles per unique farm are assessed annually, using December 31 as the reference date.

Definitions

Biodiversity bundle: A set of concrete and science-based measures that, in context, promote biodiversity.

Total population of dairy farmers: All dairy farmers with a cooperation agreement with Royal A-ware who delivered milk to Royal A-ware at any time during the reporting year. This is a sum of the unique UBN numbers in the Netherlands, Germany and the unique company addresses in Belgium.

Z-net: Company registration system used by dairy companies to administer data on, among other things, milk deliveries, quality, workshop and biodiversity bundles registration and data from external sources (e.g. in NL KoeKompas/PBB+ participation).

Future-proof dairy farming sector

With the rapid developments in dairy farming, Royal A-ware believes it is essential for its dairy farmers to stay informed about best practices and innovations, enabling them to adapt their operations as needed. We are committed to contributing to the health and resilience of the dairy sector through knowledge sharing and optimising our collaboration with our dairy farmers. As a result, farmers can generate a stable family income and facilitate reinvestment. This approach will help future-proof their dairy farms and allow them to be passed on to the next generation.

Impacts, risks and opportunities

As part of our DMA, we identified the following material risk related to resilient dairy farming:

Risk

Risk of declining availability of raw milk in the longer term (e.g. business succession, legislation).

Our approach

Royal A-ware supports farmers by fostering innovation and knowledge sharing across the dairy farming sector through the Dairy Academy. Our teams work with knowledge partners and dairy farmers to set the annual Dairy Academy programme. Additionally, we work collaboratively with dairy farmers to create value throughout the entire supply chain through cooperation agreements and dedicated milk streams.

We develop various milk streams based on specific customer requirements, connecting customers to dairy farmers and building efficient, sustainable supply chains. Each stream has its own requirements, such as animal welfare or climate, and dairy farmers can choose the milk stream that best suits their operations.

Dairy farmers who participate in a milk stream receive an extra premium for the efforts required of them. In several milk streams, participation in one or more substantial gainful activities of Dairy Academy is mandatory.

The Dairy Academy policy applies to dairy farmers with whom Royal A-ware has a cooperation agreement and who have supplied milk to the Dutch and Belgian legal entities.



Dairy Academy

To provide dairy farmers with the tools and insights needed to optimise their operations and ensure long-term viability, we established the Dairy Academy in the Netherlands and Belgium. The Academy offers dairy farmers a variety of resources and learning opportunities, including workshops, webinars, excursions (available only in the Netherlands) and knowledge days that cover various aspects of dairy farming.

The activities are developed on a country-by-country basis, ensuring they address the specific situations and needs of dairy farmers in each region. To deliver the most up-to-date knowledge and comprehensive tools, the Dairy Academy collaborates with relevant knowledge partners, which are companies recognised for their expertise in specific aspects of dairy farming, such as ration composition, financial management, or animal health and welfare.

Royal A-ware and its knowledge partners provide the financial resources to ensure free participation for the dairy farmers. For farmers located in Germany, webinars and workshops are currently organised under the Dutch Dairy Academy. We will further develop and expand these activities as more German dairy farmers join through continued active recruitment.

Objectives and actions

Royal A-ware's goal is for the dairy farming sector to be future-proof, so that financially sound farms can be passed on to future generations. To achieve this, we implement ongoing actions such as:

- Supporting our farmers in optimising their business operations and expanding in a future-proof manner through our Dairy Academy in the Netherlands and Belgium. Dairy farmers can attend workshops and webinars or participate in field trips and knowledge days on a variety of topics related to dairy farming, including herb-rich pastures, udder health and robotic milking.
- Participating in activities of Dairy Academy is rewarded via our A-ware Duurzaam programme. Via this programme Dairy farmers receive a premium for sustainability related measures that go beyond legislation.
- Organising farmer meetings to inform farmers about the performance of Royal A-ware and market developments.
- Collaborating with knowledge partners to provide our dairy farmers with the most up-to-date information. Each knowledge partner is an expert in their field, focusing on specific aspects of dairy farming such as ration composition, financial management, or animal health and welfare.
- Developing milk streams that connect customers with dairy farmers, supporting customer ambitions while contributing to resilient dairy farming.

Actions in 2025

In 2025, we carried out the following actions:

- Developed new webinars and workshops for the Dairy Academy. Each year, new educational content is developed in the form of webinars and workshops tailored to the evolving needs of our dairy farmers. New topics for the Dutch Dairy Academy include strategic entrepreneurship, claw health and dry cow comfort. New topics for the Belgium Dairy Academy include the raw materials market, and labour and protocols.
- In Belgium, the Dairy Academy has established a new partnership with MSD. In addition, the existing collaboration with Spinder has been expanded, extending its scope from the Netherlands into Belgium. Strategic partnerships help strengthen the knowledge network and enhance the value offered through the Dairy Academy.
- Launched the FarmDesk Climate tool in Belgium. The tool calculates dairy farmers' carbon footprints, providing them with insights that enable them to work on reducing their GHG emissions.
- Launched region-specific webinars and workshops to serve the growing number of German dairy farmers.
- Explored the opportunity of launching the Dairy Academy in Spain, aligned with our strategic growth and recruitment efforts in the region.

Targets and achievements

In 2025 79% of our dairy farmers participated in a workshop or webinar of our Dairy Academy. This increase, which also means we achieved our set target for 2025, is mainly due to an increase in participation in Belgium where the Dairy Academy after the initial phase is really ramping up.

Future-proof dairy farming

Entity specific

Our targets



At least 75% of our dairy farmers participate annually in at least one content-related activity of the Dairy Academy.

Our performance



Accounting policies - Future-proof dairy farming

Scope

All dairy farmers with whom Royal A-ware has a cooperation agreement, and who have delivered to the Dutch and Belgian legal entities. Farmers with a contract with The Dairy Food Group have been excluded from current years scope.

Calculation method

The percentage of dairy farmers who participated in one or more workshops or webinars is determined by dividing the number of unique participants in one or more workshops or webinars by the number of unique dairy farmers. The number of participants is determined by taking the sum of:

1. For the Netherlands: The number of participants based on UBN in one or more workshops or webinars.
2. For Belgium: The number of participants, based on unique address, in one or more workshops or webinars.
3. For Germany: The number of participants based on UBN in one or more workshops or webinars.

The number of unique dairy farmers is determined by taking the sum of:

1. For the Netherlands: The total number of unique UBN.
2. For Belgium: The total number of unique addresses.
3. For Germany: The total number of unique UBN.

Estimates and uncertainties

Dairy Academy uses Z-net as its workshop management system. Dairy farmers can register via Z-net and attendance will be recorded after the workshops and

webinars based on attendance lists. These attendance lists are archived.

The determination of the total population of dairy farmers and the number of workshops attended per unique dairy farm is done annually with reference date 31 December.

Definitions

Dairy Academy: Part of Royal A-ware responsible for knowledge transfer to dairy farmers.

Total population of dairy farmers: All dairy farmers with a cooperation agreement with Royal A-ware who delivered to Royal A-ware at any time during the reporting year. This is a sum of the unique UBN numbers in the Netherlands, Germany and the unique company addresses in Belgium.

Z-net: Company registration system used by dairy companies to administer data on, among other things, milk deliveries, quality, workshop and biodiversity bundles registration and data from external sources (e.g. in NL KoeKompas/PBB+ participation).





'My Footprint' by Farmdesk: a tool to calculate the carbon footprint of milk

Near the milkpowder factory in Belgium lives and works Kris Ally, dairy farmer who cooperates with Royal A-ware since 2021. He runs a 140-cow farm with two milking robots, powered largely by self-generated renewable energy. Using rainwater harvesting and highly sustainable fertiliser, he continues to reduce his environmental impact, most recently by adopting Farmdesk's 'My Footprint' tool to monitor and lower greenhouse gas emissions.

When Royal A-ware introduced the 'My Footprint' tool, he was already sold. 'I was part of the founding committee of a tool developed by the Belgian government,' says Kris. 'It had potential, but it was not user friendly. The topic came up again when I joined

Royal A-ware's sounding board. That's when Royal A-ware brought up the Farmdesk tool. We tested it and it was much easier to use. Other farmers agreed; adoption among Belgian A-ware dairy farmers is very high.'

Farmer-proof

Still, completing the initial one-time onboarding process was quite a project. 'It asked a lot of documentation, for example about feed rations. I'll admit I thought: here's another thing to add to my plate. But once you've done it, it becomes very easy. You can reuse data from previous years and make adjustments when things change. If you haven't made any adjustments, the system sends a reminder. It's very doable.'

Footprint premium as incentive

The footprint premium is a nice incentive: 'It feels like a partnership, where the dairy farmer and Royal A-ware benefit equally. There is a healthy balance between the amount of work and the price premium you get in return. That is not always the case. It also gives dairy farmers that extra push to make a change, to reduce their carbon footprint.'

From the beginning, Kris's farm qualified for the footprint premium. It is valuable to understand how the carbon footprint is constructed so that dairy farmers have a better understanding of the levers to further reduce their footprint. 'For me, the drive to improve comes naturally, but the premium is a welcome bonus.'

Animal welfare

Royal A-ware recognises the importance of animal welfare and is committed to ensuring high standards across its value chain. Cows are central to our products, and we collaborate with our dairy farmers to ensure continuous attention and improvement of animal health and welfare. Additionally, we recognise the growing interest from society and stakeholders, including customers and NGOs, in understanding how dairy cows are kept, and we aim to be transparent about our practices and standards.

Impacts, risks and opportunities

As part of our DMA, we identified the following material risks and opportunity related to 'Animal welfare and health':

Risk

Risk of reputational damage for Royal A-ware and/or the entire dairy sector as a result of failure to ensure animal welfare and health.

Opportunity

Opportunity to develop and offer different milk streams beyond legal requirements to animal health and welfare.

Our approach

As part of its commitment to ensuring high standards across its value chain, Royal A-ware has an animal welfare and health policy. We use the Five Domains Model as a guideline for defining animal welfare. According to this model, animals' mental states are directly influenced by their health, environment, nutrition and behaviour.

To assess the mental state of a cow we use the European Welfare Quality Protocol as a base. This protocol is developed by European Welfare specialist (based on amongst others scientific evidence) to gain insight in animal welfare on farms via a standardised method.

Royal A-ware utilises equivalent tools for measuring cow welfare, including the Cow Compass (KoeKompas), Periodic Farm Visit Plus (Periodiek Bedrijfsbezoek Plus; PBB+) and the Cattle Check-up, which is based on PBB+.

Continuous improvement

We use the Plan Do Check Act (PDCA) cycle to monitor and continuously adjust the action plan to ensure the objectives are met. Every year we evaluate whether we are on track and identify any new insights that should be included in the action plan.

The proposals are discussed with the focus group of dairy farmers. Royal A-ware has two focus groups, one in Belgium and one in the Netherlands. Feedback from these panels is very valuable to ensure that adjustments are practical and provide added value. After this evaluation, the managers Farmer Support in the Netherlands and Belgium will determine any actions.

In the Netherlands and Germany, the COO is responsible for the policy and target, while the Manager Dairy Affairs is responsible in Belgium. The policy and accompanying targets apply to all dairy farmers with whom Royal A-ware has a cooperation agreement and who have supplied milk to the Dutch and Belgian legal entities.

Objectives and actions

Our goal in 2025 is for 100% of the dairy farmers with whom we work directly to use one of the tools derived from the Welfare Quality assessment. Annually, we evaluate the results of these measures to adjust them if necessary or introduce new actions. Currently our focus is to make sure all farmers use the instruments as a minimum. In the future next steps can be considered.

To achieve our goal, we implement ongoing actions such as:

- Ensuring dairy farmers in the Netherlands meet the Cow Compass or PBB+ requirement. If a farmer fails to meet this requirement, Royal A-ware can ultimately decide to suspend milk collection until the farmer achieves this requirement.
- Incentivising the Cattle Check-Up in Belgium through our A-ware Duurzaam programme.
- Mandating the Cow Compass tool in the milk streams Beter voor, KoeBewust and Boerderijmelk.
- Mandating PBB+ for German farmers. Since this is an above legislation obligation, working with PBB+ is also incentivised via our A-ware Duurzaam programme.
- Organising activities such as workshops and webinars on animal welfare and health in Belgium, Germany and the Netherlands.

Targets and achievements

In 2025 our percentage dropped minimal to 75% from 76% in 2024. The main explanation for this drop is the increasing number of dairy farmers in Belgium that only recently joined our company in 2025. In 2026 we will undertake action to increase the percentage over the year 2026.

Animal welfare and health

Business conduct (G1)

Our targets



2025: 100% of our dairy farmers use an AWQM-derived instrument for continuous monitoring and improvement of animal welfare and health.

Our performance



Accounting policies - Animal welfare

Scope

All dairy farmers with whom Royal A-ware has a cooperation agreement and who have delivered milk to the Dutch and Belgian legal entities. Farmers with a contract with The Dairy Food Group have been excluded from current years scope. Data are collected and recorded in external sector-wide databases. Figures of Royal A-ware suppliers are uploaded via Z-net.

Calculation method

The percentage of AWQM system participants is determined by dividing the number of AWQM system users by the number of unique dairy farmers. The number of participants is determined by taking the sum of:

1. For the Netherlands: The number of users, based on unique address (UBN), of KoeKompas or PBB+.
2. For Belgium: the number of users, based on unique address, of the Cattle Check-up.
3. For Germany: the number of users, based on unique address (UBN), of PBB+.

The number of unique dairy farmers is determined by taking the sum of:

1. For the Netherlands: The total number of unique UBN.
2. For Belgium: The total number of unique addresses.
3. For Germany: The total number of unique UBN.

Estimates and uncertainties

The determination of total population of dairy farmers is done annually with reference date December 31.

Whether a tool derived from AWQM is used is checked periodically on a quarterly basis and within 6 weeks of

the end of that quarter. For Koemonitor and PBB+, a recovery period of 4 weeks applies. If a supplier is found not to have complied by December 31, they will be given 4 weeks to comply. Once met, the status is updated. 6 weeks after the end of Q4, all data can be viewed in Z-net.

Definitions

Animal Welfare Quality Management (AWQM):

AWQM is a European standardised method for measuring animal welfare, based largely on animal characteristics and measurements.

Equivalent to Animal Welfare Quality Management Royal A-ware also allows systems equivalent to AWQM. The following are defined as equivalent:

- Cattle Check-up
- Periodiek Bedrijfsbezoek Plus (PBB+)
- KoeKompas

Cattle Check-up: An alternative developed by Royal A-ware (derived from PBB+ and equivalent to AWQM) consisting of a herd health vet check at least thrice a year and annual participation in a Dairy Academy webinar on recognising and dealing with 'attentie koeien' (attention cows). The number of unique addresses complying with the Cattle Check-up will be determined for 2025 by the number of participants in the webinar.

PBB+ Germany: This tool, which serves as an equivalent to PBB+, is specifically designed for German dairy

farmers, consisting of a herd health vet check at least four times a year and annual participation in an e-learning or substantive activity of Dairy Academy regarding cattle health.

KoeKompas: Is a structured tool that annually assesses animal health, welfare and operational risks on dairy farms. Using 40 indicators across seven categories, the farmer and veterinarian identify key strengths and improvement areas, supporting preventive herd management.

Total population of dairy farmers: All dairy farmers with a cooperation agreement with Royal A-ware who delivered milk to Royal A-ware at any time during the reporting year. This is a sum of the unique UBN numbers in the Netherlands, Germany and the unique company addresses in Belgium.

Z-net: Company registration system used by dairy companies to administer data on, among other things, milk deliveries, quality, workshop and biodiversity bundles registration and data from external sources (e.g. in NL KoeKompas/PBB+ participation).



Royal A-ware values being an attractive employer. We value long-term relationships with our employees and are committed to attracting and retaining employees who want to grow with our organisation. We prioritise safe and healthy working conditions, room for personal development and an inclusive environment that welcomes various perspectives. This allows our employees to get the best out of themselves. This pillar encompasses Attractive employment, Employee development, Diversity and Safety & health.

Pillar Employees

Attractive employment

Royal A-ware strives to be an employer of choice by investing in the development and well-being of its employees. We believe that our employees contribute significantly to our success and are committed to providing a positive working environment that promotes well-being and reduces absenteeism.

Impacts, risks and opportunities

As part of our DMA, we identified the following material impacts, risks and opportunity related to 'Attractive employment'. Royal A-ware's own employees and flex workers are included in the scope.

Impacts

- Potential negative impact on employee motivation and well-being due to unfavourable working conditions, such as limited wage growth, limited vacation days and partial public transport reimbursement.
- Actual negative impact on the health and well-being of employees due to non-optimal working conditions such as extreme temperatures, high noise levels, vibrations (from forklifts) and physical and mental work pressure.

Risks

- Risk of employee departure, with loss of crucial knowledge, skills and experience.
- Risk of stagnation of growth due to insufficient recruitment and retention of qualified personnel.
- Risk of difficulty filling vacancies, partly due to the tight labour market, which can lead to increased workload for existing employees, potentially resulting in reduced job satisfaction.
- Risk of illness and absenteeism.
- Risk of employee turnover and difficulty attracting employees because collective labour agreements do not sufficiently reflect the wishes and needs of current or potential employees due to being negotiated with unions with low coverage within Royal A-ware.
- Risk of production line downtime due to a significant number of flex workers leaving for competitors offering more attractive employment loss of flex workers to competing employers offering more attractive terms.

Opportunity

Opportunity for employee retention and development, and the strengthening of knowledge, skills and experience within the organisation by stimulating a positive work environment.

Employee involvement

We encourage employee participation in shaping our policies. Our Works Council plays an important role in this. For more information on employee participation, see the Employee representation section in the Risk and corporate governance chapter.

Our approach

Royal A-ware aims to provide a positive and supportive work environment so that our employees experience less stress and fewer health issues. Our absenteeism policy aims to prevent absenteeism and improve the overall work atmosphere. It is rooted in our belief that work promotes health. We take a proactive approach, providing employees with the support they need to recover and return to work, focusing on what employees can do rather than what they cannot. The policy applies to all Royal A-ware employees and distinguishes between our dairy activities and transport activities, recognising the unique needs of each sector. Employee sick leave serves as a key indicator of both well-being and job satisfaction.

The employees of Royal A-ware are covered against loss of income through public programs for to the following major life events: sickness, unemployment, employment injury and acquired disability, parental leave and retirement.

Dairy activities

Within our dairy activities in the Netherlands, our approach to absenteeism focuses on prevention. In 2025, we updated our absenteeism policy to better support employees during absence, with clearer roles and responsibilities and greater employee involvement in the process. The policy is accompanied by various new measures to prevent and reduce absenteeism and promote employee vitality.

Transport activities

For our transport activities, we seek to optimally support our employees in recovery. We are actively looking for places to reintegrate employees (both inside and outside AB Texel) and are currently evaluating how our occupational health and safety service provider can support us. The responsibility to support employees during sickness lies with the supervisors, who receive support from HR.

Objectives and actions

Royal A-ware aims to provide a pleasant working environment, leading to greater well-being and lower absenteeism. To achieve our goal, we implement various ongoing actions. The HR Director of Royal A-ware and the HR manager of AB Texel are responsible for the effective implementation of their respective absenteeism policies. Our ongoing actions include:

- Analysing absence data to raise awareness, advise management and, if necessary, implement targeted interventions at the local level.
- Investing in the development of our employees and promoting a culture of appreciation and recognition.
- Investing in leadership development at all levels within our organisation. We believe that managers have a responsibility not only to inspire, guide and support employees in their development, but also to provide direction and drive results.
- Conducting annual FIT conversations and annual work meetings. During these conversations, supervisors and employees discuss performance, personal and professional development, employability and workload.
- Providing a safe working environment. One of the ways we do so is by enabling employees to report their work-related grievances through various channels, including confidential counsellors, the complaints committee or a manager.
- Provide access to support from qualified and registered occupational physicians and experts in physical and mental well-being.

Actions in 2025

In 2025, we carried out the following actions:

- Introduced a revised absenteeism policy. We communicated the new policy with employees through A-ware Speak. Managers received toolkits with guidance for preventing absenteeism and supporting employees in their return to work.
- Collaborated with OpenUp to support our employees' mental well-being. OpenUp is an online platform that offers low-threshold mental health support.

Planned actions 2026

We plan to implement the following actions:

- Provide absenteeism training for all managers within our dairy activities to improve early detection, enable preventive action and more effectively manage (the risk of) absenteeism.
- Continue the rollout of the absenteeism policy.

Targets and achievements



Although the absenteeism rate is not equal or lower than the sector average, there is a significant reduction compared to 2024 for Dairy. Especially in the second half of 2025 focus has been on reducing the absenteeism rate resulting in a positive effect. In 2026 focus will continue to lower the percentage further.

For the transport activities the absenteeism rate is also significantly lower and is almost equal to the sector average. The chosen path for further reduction of this percentage will continue in 2026.



Work promotes health: a new approach to absenteeism

Work promotes health. This philosophy underpins Royal A-ware's updated absenteeism policy, introduced in 2025 to create a uniform approach across the organisation with a focus on prevention. When absenteeism cannot be prevented, the emphasis shifts to supporting employees in their return to work by focusing on what they can do, rather than what they can no longer do.

The policy outlines how Royal A-ware aims to prevent absenteeism, clarifies expectations for managers and employees, and details available support. With this policy, we aim to reverse the trend of rising absenteeism levels, says HR Project Manager Marjolein Willems.

'Absenteeism has slowly crept up over the last few years, signalling that we needed to change our approach. One that is consistent for all employees, whether they work at the office or in our production facilities.'

Managers as first line of support

Managers play a crucial role. 'We are providing managers with the training and support they need to have open and honest conversations with employees when they suspect something is wrong,' Marjolein explains. 'That isn't always easy, but showing concern goes a long way in preventing absenteeism. Managers now also have the tools to take the next step.'

One of those tools is mental health support from psychologists through online platform OpenUp. 'We know that absenteeism is often related to mental health issues. Reasons vary: they include being an informal caregiver for a family member, work-life balance or issues at home. Employees can make an appointment to talk with and get help from a psychologist. Anonymously and free of charge. Importantly, given our international workforce, coaching is available in 25 languages.'

Supporting return to work

When absenteeism cannot be prevented, external case managers and occupational health advisors provide an extra layer of support. 'They follow up with the employee to see how they are doing and offer support. They also

look at possibilities for employees to return to work in some capacity, for example with adjusted schedules or responsibilities.'

The policy outlines expectations for absent employees too. 'About staying in touch, for example, with regular check-ins. Keeping that connection is important. The longer someone is out of touch, the harder it becomes to return to work.'

Absenteeism down

There are early signs the policy is having an impact, with absenteeism down compared with 2024. The goal is for absenteeism to be in line with or lower than the industry average. In 2026, new tools will be introduced, such as consultations with a workplace physiotherapist. These are important instruments in addressing absenteeism, Marjolein explains. So is creating a culture where it's normal to talk about health and well-being. 'We encourage all employees to reach out when they need help. We are here to support you.'

Employee development

At Royal A-ware, we understand that success depends on having the right individuals who can evolve with us. As we pursue ambitious growth in a rapidly changing landscape shaped by labour market challenges, shifting generational expectations and technological advancements, investing in our employees' professional and personal development remains essential.

We are committed to providing our employees with meaningful opportunities for learning, growth and well-being. By equipping them with the skills, resources and support they need to reach their full potential, we foster a motivated workforce and improve retention.

Impacts, risks and opportunities

As part of our DMA, we identified the following material impact and opportunity related to 'Employee development'. The scope of the IROs covers Royal A-ware's own employees and flex workers working at Royal A-ware.

Impact

Potential positive impact on employee motivation and engagement in the organisation by offering education and training.

Opportunity

Opportunity to retain employees and preserve their knowledge, skills and experience within the organisation by providing opportunities for career advancement.

Our approach

In line with its commitment to providing employees with opportunities for learning, growth and well-being, Royal A-ware has developed training & development policies. This policy outlines our approach to supporting employees in reaching their full potential within the organisation. It applies to all employees, including flex workers, and has been formally approved by management.

Objectives and actions

Royal A-ware aims to support employees in defining and achieving their career goals by providing the necessary resources and guidance. By doing so, we seek to foster motivated employees, improve retention, position ourselves as an employer of choice and establish a solid foundation for our long-term growth objectives. To achieve this, we implement a range of ongoing actions, divided into two key topics: FIT conversations and training programs.

FIT conversations

Our ongoing actions are:

- Conducting annual FIT conversations with employees of A-ware Dairy. During these conversations, supervisors and employees discuss performance, personal and professional development, employability and workload. The goal of the conversation is for both parties to identify what is working well and what can be improved. The HR director of A-ware Dairy is responsible for overseeing the implementation of these conversations and ensuring they are periodically evaluated for effectiveness.
- Conducting annual work meetings (AB Texel's equivalent of FIT conversations) for our transport operations. Supervisors conduct annual FIT conversations with office-based employees. We follow a hybrid approach for drivers, encompassing either annual FIT conversations or online personal and professional development feedback sessions. The HR Manager of AB Texel is responsible for overseeing the implementation of these conversations and ensuring they are periodically evaluated for effectiveness.
- Using our improved HR platform, A-Talent, for the digitalisation and consolidation of processes such as FIT conversations within our dairy activities.
- Providing instructions on conducting efficient FIT conversations through e-learning and our HR guide for executives within our dairy activities, and supporting managers in preparing for and leading these conversations.
- Highlighting the importance and added value of FIT conversations and work meetings in the staff magazines i-Ware and AB Dr!ve and through A-ware Speak, AB Connect and narrowcasting.

Training programs

Our ongoing actions are:

- Offering three types of training programmes to stimulate employee growth and development, including mandatory, development and growth, and broad trainings. These trainings are coordinated by the A-ware Academy, which focuses on employees within the dairy sector, and the Move on Academy, which supports employees in the transport sector.
- Offering training courses through GoodHabitZ for employees within dairy activities.
- Providing mandatory training in areas such as food safety. These trainings are provided by the QSHE team.
- Providing drivers with one or more coaching sessions focused on driving style, aimed at promoting sustainable driving behaviour.



Targets and achievements

In 2025 we monitored for the first time the FIT conversations held in the Netherlands within our dairy activities. In 2025 AB Texel started in the Netherlands with FIT conversations among office personnel. Therefore the number is still low, but further implementation is foreseen in 2026 and further.

Employee development

Own workforce (S1)

Our targets



Conduct annual FIT-conversations with all employees.

Our performance

2025

31%

Within Royal A-ware we are not registering the training hours of all personal across all locations, in the Netherlands and abroad. Therefore we start with reporting the percentage of people having performed the training for new personnel on food safety within the dairy activities and the percentage of drivers that are holding a valid CODE 95 certification. Further development of the system is foreseen in the coming years.

Training employees

Own workforce (S1)

Our targets



Dairy: all new employees have completed the food safety training.

Transport: AB Texel drivers holding a valid CODE 95 certification.

Our performance

Dairy

94%

Transport

100%



Diversity

Royal A-ware believes that a diverse workplace provides a wide range of talent, skills, experiences and perspectives, fostering greater creativity and innovation. We are committed to creating a safe and inclusive work environment that promotes inclusivity and gender diversity. In line with this, we aim to increase the representation of women in senior management and in the Supervisory Board.

Impacts, risks and opportunities

As part of our DMA, we identified the following material IROs related to diversity:

Impact

A potential negative impact on employee well-being due to the lack of a policy and vision on diversity and an employee base that does not sufficiently reflect society.

Opportunities

- A diversity policy and diverse workforce could help us attract employees and knowledge.
- Workforce diversity leads to a broader range of perspectives, which could enhance our decision-making.

Our approach

As part of our commitment to creating a safe and inclusive work environment, we enforce a policy against discrimination and a policy to promote gender diversity.

Diversity policy

The diversity policy of Royal A-ware currently only focuses on gender diversity. The scope of this policy and associated targets encompasses our dairy and transport activities and covers our own employees and our Supervisory Board. The most senior manager accountable for the implementation of this policy is the HR Director of Royal A-ware and the Managing Director of AB Texel.

'We believe that a diverse workplace fosters greater creativity and innovation.'

Anti-discrimination policy

Royal A-ware upholds a zero-tolerance policy against discrimination and intimidation in all forms. This includes, but is not limited to, discrimination based on race, ethnicity, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political beliefs, national or social origin, or any other grounds covered under European Union and national legislation. Our anti-discrimination policy aligns with the principles outlined in the United Nations Human Rights Convention.

Our DMA indicates that no specific groups of employees within the organisation are at an increased risk of discrimination. There are also no groups within our own workforce that are vulnerable to impacts and/or marginalised (for example, women, migrants, people with disabilities). Consequently, no targeted policies have been developed in this regard.

The availability of a complaints mechanisms and confidential advisors enables us to take immediate action if incidents of discrimination come to light.

Objectives and actions

Royal A-ware aims for a diverse workplace that reflects society, bringing together different backgrounds, skills, experiences and perspectives. Gender diversity is a particular area of focus.

Targets and achievements

In response to the Growth Quota and Targets Act, Royal A-ware has established a clear target to increase the representation of women in senior management and in the Supervisory Board, demonstrating its commitment to gender equality in the workplace. Should progress toward this goal prove to be insufficient, we will introduce specific policies to further support and accelerate these efforts.

The target of 30% was already achieved in 2024 but was in 2025 was even higher (50%) with the appointment of another female supervisory board member. The target for the senior management (also 30%) was not in reach with 10%.

Diversity

Own workforce (S1)

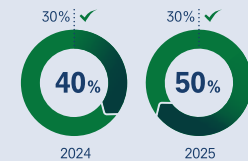
Our targets



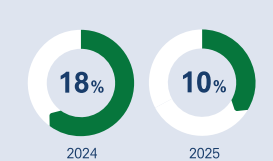
At least 30% women in the Supervisory Board and 30% in Senior Management.

Our performance

Women Supervisory Board



Women Senior Management



Other information

Number of employees by gender	2025	2024	Unit
Male	4381	4038	Head count
Female	987	807	Head count
Other	0	0	Head count
Not reported	0	0	Head count
Total number of Employees	5368	4845	Head count

Number of employees in countries with 50 or more employees representing at least 10% of its total number of employees (Country Level)	Average number of employees 2025	Average number of employees 2024	Unit
The Netherlands	3778.5	3547.5	Head count
Belgium	459.0	341.5	Head count
Germany	501.0	498.5	Head count
France	117.5	91.0	Head count
UK	205.0	169.5	Head count
Spain	45.5	0.0	Head count
Total number of Employees	5106.5	4648	Head count

Information on employees by contract type and gender	2025			2024			Unit
	Male	Female	Other	Male	Female	Other	
Contract type							
Permanent employees	3438	724	0	3226	599	0	FTE
Temporary employees	602	141	0	514	114	0	FTE
Non-guaranteed hours employees	0	0	0	0	0	0	FTE
Total number of Employees	4040	865	0	3740	713	0	FTE
Full-time or part-time employees							
Number of full-time employees	3668	582		3487	491	0	FTE
Number of part-time employees	372	283		253	222	0	FTE
Total number of Employees	4040	865	0	3740	713	0	FTE

Type of contract per region	The Netherlands	Belgium	2025 Germany	France	UK	Spain	The Netherlands	Belgium	2024 Germany	France	UK	Spain	Unit
Contract type													
Permanent employees	2894	500	377	109	190	91	2779	321	432	111	182	0	FTE
Temporary employees	623	20	91	9	0	0	539	5	78	6	0	0	FTE
Non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0	0	0	FTE
Total number of Employees	3517	520	468	118	190	91	3318	326	510	117	182	0	FTE
Full-time or part-time employees													
Number of full-time employees	3001	440	461	117	141	91	2890	287	506	116	180	0	FTE
Number of part-time employees	516	80	7	1	49	0	428	39	4	1	2	0	FTE
Total number of Employees	3517	520	468	118	190	91	3318	326	510	117	182	0	FTE

The total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period

	2025	2024	Unit
Voluntary	598	464	Head count
Dismissal	352	286	Head count
Retirement	69	54	Head count
Death	9	12	Head count
Cause unknown	10	21	Head count
Total	1038	837	Head count
Head Count beginning of period 31/12/2024	4845	4447	
Head Count end of period 31/12/2025	5368	4845	
Average Head Count	5107	4648	
Turnover Rate	20%	18%	

Number of non-employees in own workforce

	Head Count
Self-employed people	80
People provided by undertakings primarily engaged in employment activities (NACE Code N78)	1769
Total number of non-employees	1849

Collective bargaining (CLA) coverage Dairy NL + AB Texel *

	Collective bargaining 12/31/2025	Percentage (coverage) 12/31/2025
The Netherlands CLA	3893	100%
The Netherlands without CLA	0	0%
Total the Netherlands	3893	100%

The distribution of employees by age group

	31-12-2025	Percentage	31-12-2024	Percentage	Unit
under 30 years old	683	13%	611	13%	Head count
30-50 years old	2516	47%	2387	49%	Head count
over 50 years old	2169	40%	1847	38%	Head count
Total	5368	100%	4845	100%	Head count/percentage

Social dialogue *

Country	Coverage
The Netherlands	100%

* The coverage as disclosed in the tables above relates to entities in the Netherlands, a phased-in model is applied here, in which the Netherlands is the first country which is being reporting on.

Accounting policies - Own workforce

Scope

Data pertains to all of our legal transport and dairy entities in countries with more than 50 headcount or more than 10% of total employees.

Calculation method

Full time equivalents (FTE): FTE's are calculated based on the ratio between standard working hours (e.g. 32 hours) and contracted hours (e.g. 40 hours). The FTE calculation follows regional standards and these FTE's are aggregated to determine the total count for Royal A-ware. Please note that there is a split between employees and non-employees. The employee FTE figure includes all employees, regardless of contract type (permanent or temporary). On-call workers and employees with zero-hour contracts are excluded. This is different from the figure regarding employees in the financial statement which is based on average FTE.

Head count: The head count of employees is determined based on HR registration systems, which varies within Royal A-ware. The headcount is measured as the number of employees under contract with Royal A-ware at the end of the reporting period. The same is applicable for non-employees. The employee head count figure includes all employees, regardless of the contract type (including on-call workers/0-hour contracts).

Average number of employees: The average head count of employees is calculated by the total head count at the beginning and the end of the reporting period and

computing the average. This is different from the figure in the financial statement that is based on average FTE.

Gender: Data is provided by employees on their onboarding form.

Staff turnover: Staff turnover is calculated by dividing the total number employees who left the company during a given period (numerator) by the average number of employees in the same period (denominator). The moment of departure is recorded as the last contractual working day with the organisation. Staff turnover includes voluntary departures, dismissals, retirement or death during employment.

Employee distribution by age group: The age distribution is calculated based on difference between the employee's date of birth and the balance sheet date.

Discrepancies between countries: Definitions of permanent, temporary, on-call, full-time and part-time employees vary by country. If the company operates in multiple countries, national definitions are applied at the country level. These country-specific figures are then aggregated into total own workforce count, without adjusting for definitional difference in national labour laws.

Senior management: Royal A-ware defines senior management as all individuals one level below the Management Board and/or part of the senior leadership team, excluding secretarial and support staff. This

definition aligns with the exception permitted under ESRS S1-AR71. The measurement reference date is balance sheet date.

Participation rate in regular performance and development review: the percentage of employees that participated in regular performance and career development reviews, such information shall be broken down by gender. This is done based on the head count stated of S1-6 and in the denominator to calculate this the:

- number/proportion of performance reviews per employee; and
- number of reviews in proportion to the agreed number of reviews by the management.

Percentage of completed mandatory training: For our Dutch dairy activities, we report the percentage of new employees who have completed the mandatory food safety training. This is calculated by dividing the number of new employees who completed the training by the total number of new employees.

For our Dutch transport activities, we report for our employees the percentage of drivers who hold a valid CODE 95 certification. This is calculated by dividing the number of drivers with a valid CODE 95 certification by the total number of drivers.

Collective bargaining coverage: The number of employees in our Dutch workforce which are covered by a Collective Labor Agreement. The coverage is

calculated by dividing the number of employees covered by collective bargaining agreements by the total number of employees.

Representation coverage: The percentage of employees in our Dutch workforce which are represented in social dialogue through a works council. The representation percentage is calculated by dividing the number of employees represented through a works council by the total number of employees.

Estimates and uncertainties

None.

Definitions

Own workforce includes:

1. People who are in an employment relationship with the undertaking ("employees").
2. Non-employees who are: either people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78).

Temporary contracts: This includes work under a fixed-term contract, as opposed to permanent contracts that has no end-date. A job may be considered temporary employment (and its holder a temporary employee) if both employer and employee agree that its end is decided by objective rules (usually written down in a work contract of limited duration). These rules can be a specific date, the end of a task, or the return of another employee who has been temporarily replaced.

Permanent contract: An employee with an employment contract or employment relationship for an indefinite period, in the same establishment, performing the same or similar work or performing the same or similar function, taking into account qualifications/skills.

On-call workers/0-hour contracts: On-call workers are workers without a guaranteed minimum or fixed number of working hours. While they may be required to be available for work as needed, the company is not contractually obliged to offer them a minimum or fixed number of working hours per day, week or month.

FIT conversation: The A-ware Dairy equivalent of a regular performance and career development review.

Annual work meeting: The AB Texel equivalent of a regular performance and career development review.

Absenteeism rate: Royal A-ware's absenteeism rate is compared with the Statistics Netherlands sector benchmark of the food and transport industry. The absenteeism rate is the total number of sick days of employees, as a percentage of the total number of (available) working days of employees in the reporting period.



Safety and health

Royal A-ware recognises that a safe and positive working environment is essential to the well-being and productivity of our employees. We understand that our operations present potential workplace hazards. In our factories, employees work with heavy machinery, slippery floors, hot surfaces and cleaning chemicals. Meanwhile, in our transportation sector, drivers face risks during loading and unloading goods as well as when operating internal transport equipment, such as forklifts.

Impacts, risks and opportunities

As part of our DMA, we identified the following material IROs related to 'Safety and health':

Impact

A potential negative impact on the mental and physical safety, health and well-being of employees when an unsafe working environment is maintained or applicable rules, guidelines and agreements are not complied with or enforced.

Risk

Risk of injury and absenteeism of employees due to an unsafe working environment in which rules, guidelines and agreements are not followed.

Opportunity

Opportunity for customer loyalty due to a strong occupational safety and health culture, mainly in our transport operations.

Our approach

Our safety policy ensures that employees are trained, aware of risks and equipped to work safely. We are committed to fostering a safe working environment and preventing injuries and accidents. Through our safety policy, we ensure that our organisation complies with all legal requirements related to product quality, services, safety, health and other working conditions. Additionally, we prioritise employee safety by designing our production processes and services to minimise risks, with the ultimate goal of eliminating them.

It also promotes a culture of responsibility and care, where everyone looks out for one another. We believe that compliance with our workplace safety policy, including the implementation of preventive and corrective actions, will create a safer working environment and reduce the risks of accidents and injuries. The policy applies to the dairy and transport activities of Royal A-ware and covers our own employees, flex workers and all who enter our workplace. The Safety, Health and Environment (SHE) department is responsible for implementing this policy and is allocated the necessary financial resources to ensure its effective execution.

Given the distinct working conditions in our dairy and transport divisions, we have developed separate safety policies tailored to the specific risks and challenges of each sector. Our policies align with the right to a safe working environment as recognized under Article 23 of the Universal Declaration of Human Rights (fair working conditions) and Article 155 of the ILO Convention on Occupational Safety and Health.

Dairy operations

The safety policy for our dairy operations is developed by the SHE department. The SHE department collaborates with those involved to conduct thorough investigations into all incidents. Based on their findings, appropriate actions are taken, which may include implementing additional preventive measures, introducing safety toolkits or organising canteen information sessions. Furthermore, procedures, policies, work instructions and RI&E assessments are updated accordingly. The COO formally approves, signs and oversees the implementation of the safety policy.

The policy is shared via intranet for internal stakeholders and published on the internet for external stakeholders. Employees are also informed through A-ware Speak, narrowcasting and other internal communication channels. Additionally, periodic consultations are held with the Central Works Council (CWC) to maintain ongoing dialogue and ensure alignment with employee perspectives.

Transport operations

The safety policy for our transport operations is drafted by the QSHE department and signed by the CFO. The QSHE department reports quarterly on new insights,

improvements and outcomes of incidents to the CWC and all employees, via Toolbox on AB Connect. To raise awareness, specific incidents are discussed in separate posts on AB Connect. The safety policy oversight for transport operations is managed by the Managing Director for transport operations.

The Dutch transportation divisions have an occupational safety and health management system that is certified according to the ISO 45001 standard.

Objectives and actions

To minimise the risk of safety accidents, we implement various ongoing actions.

RI&E assessments

We conduct RI&E assessments to proactively address workplace hazards. This allows us to systematically identify risks and take the appropriate actions to mitigate them.

Reporting and analysing near misses

Near misses and risk notifications are a crucial part of our safety culture because they reveal existing risks that could lead to serious incidents in the future if left unaddressed. A near miss occurs when an accident almost happens but is ultimately avoided through quick intervention, luck or other factors. We report and analyse near misses, including potential trends, to improve safety measures and prevent future accidents, and foster open communication and a culture of responsibility where employees feel encouraged to contribute to their colleagues' safety without fear of negative consequences. These analyses are conducted by the various HR departments together with the QSHE department.

We encourage and make it accessible for employees to report near misses at production sites.

Ongoing actions include:

- Communicating the Ten Life Saving Rules for our dairy operations to help prevent injuries and accidents. These rules form our baseline for safe and healthy work and are communicated through items such as the staff magazine, i-Ware and other printed materials at all production sites.
- Utilising the Safety Culture Ladder (SCL) for our special transport operations. The SCL allows companies to measure safety awareness within the organisation and thus improve safety culture.
- Communicating our workplace safety policy through our website and intranet. Employees are also informed through A-ware Speak, AB Connect, narrowcasting and other internal communication channels.
- Coordinating periodic consultations with the CWC to maintain ongoing dialogue and ensure alignment with employee perspectives.

Actions in 2025

In 2025, we carried out the following actions:

- Extending SHE officer support on production locations for dairy activities. Almost every location is now supported by an internal SHE officer who reports directly to the Plant Manager, resulting in more direct communication, ownership, responsibility and actions.
- Extending the Corporate SHE handbook for dairy activities to include generic guidelines, procedures and instructions. Establishing standardised operational safety round controls to ensure correct focus is given and related topics are checked.
- Applying a software system for the setup of safety information sheets, exposure assessments and safeguarding of chemicals for the dairy activities. Additionally, for dangerous materials, extra measures are taken by setting up guidelines, procedures, instruction, risk assessments and extra training for employees who receive and apply hazardous substances in daily routine.
- Prioritising safety and health across both transportation and dairy sectors through communication, internal SHE meetings, department meetings, cross-divisional consultation with SHE officers, plant managers and managing directors. By doing so, we ensure that safety and health come first within our company culture.

Planned actions 2026

We are currently investigating the implementation of an accessible reporting system for transport activities across all divisions to enable the reporting of near misses, unsafe situations and accidents via an on-board computer app. Ideally, the system will also be accessible to office colleagues.

Targets and achievements

We have developed a clear target to achieve our objective on 'Safety and health'. Apart from generic targets in the workplace safety policy, staff members and representatives, such as SHE officers, set annual targets for their own sites. These are identified and evaluated in the SHE management review can be seen in the four weekly safety reports.

Royal A-ware aims for at least 1,920 reports of 'near misses' per year. This target was proposed in 2024 by the Director QSHE of Royal A-ware and the CFO of AB Texel and approved by the Sustainability Steering Committee.

Safety and health

Own workforce (S1)

Our targets



A minimum of 1,920 reports of near misses annually.

Our performance

1,920
reports

1,690

2024

3,111

2025

In 2025 there was more focus on the safety culture within all Royal A-ware locations. This has resulted in a much higher number of reported 'near misses' for 2025. This is a clear sign of a heightened alertness for safety within the organisation.



% to which its own workforce is covered by a safety and health management system	Employees	Self-employed persons, Freelancers	People employed by a third party engaged in 'employment activities'
2025	100%	100%	100%
2024	100%	100%	100%

	2025					2024				
	Employees	Self-employed persons, Freelancers	People employed by a third party engaged in 'employment activities'	Other workers on undertakings's site, for example workers in the value chain	Total	Employees	Self-employed persons, Freelancers	People employed by a third party engaged in 'employment activities'	Other workers on undertakings's site, for example workers in the value chain	Total
The number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	0	0	0	0	0	0	0
Number of work-related accidents;	112	11	35	0	158					177
Rate of recordable work-related accidents for own workforce (x 1,000,000)	12.7	96.8	15.7	-	14.2					17*

* Figure has been adjusted in accordance with change of methodology (see accounting policy page 98)

	2025	2024
Number of cases of recordable work-related ill health	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	6078	5249

Accounting policies – Safety and health

Scope

Data pertains to our workforce in our dairy and transport operations and third-party fatalities on Royal A-ware sites. Due to a significant descaling of the Olympia production activities in 2025, the safety & health figures of Olympia are not included in 2025. It is expected that this won't have a material impact on our safety & health figures including our rate of work-related injuries.

Calculation method

Rate of work-related injuries: In computing the rate of work-related injuries, the undertaking shall divide the respective number of cases by the number of total hours worked by people in its own workforce and multiply by one million. Thereby, these rates represent the number of respective cases per one million hours worked. A rate based on one million hours worked indicates the number of work-related injuries per 500 full-time people in the workforce over a one-year timeframe. For comparability purposes, a rate based on one million hours worked shall be used also for undertakings with less than 500 people in the workforce. If it is not possible to directly calculate the number of hours worked, this is estimated on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (for example, paid vacations, paid sick leave, public holidays). Fatalities as a result of work-related injury are included in the calculation of the number and rate of recordable work-related injuries.

Work-related illnesses: The number disclosed relates to cases of work-related ill health notified to the undertaking or identified by the undertaking through medical surveillance, during the reporting period. The undertaking might be notified of cases of work-related ill health through reports by affected people, compensation agencies, or healthcare professionals.

Number of days lost: The number of days lost are counted such that the first full day and last day of absence is included. Calendar days are considered for the calculation, thus days on which the affected individual is not scheduled for work (for example, weekends, public holidays) will count as lost days.

Fatal accidents: The information is also reported for other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites.

Estimates and uncertainties

Number of hours worked: For our own workforce, hours worked are estimated based on the average of full-time equivalents taking into account entitlements to periods of paid leave of absence from work multiplied by the average head count of our own workforce, this methodology has also been retroactively applied to 2024 to improve comparability.

Reported workplace accidents: All supervisors and employees have the possibility to report work-related workplace accidents immediately via the intranet regardless of severity. During our review this year, we observed that a difference in registration of accidents for our dairy operations in Belgium exists. We anticipate that this discrepancy will no longer exist in 2026.

Absenteeism rate: The methodology of calculation may differ by subsidiary and region and therefore may also differ from CBS' methodology.

Definitions

Recordable work-related injury or ill health:

an accident or ill health that results in any of the following: i. death, absence from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. ii. significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Recordable work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (for example, noise-induced hearing loss, vibration-caused diseases), and mental illnesses (for example, anxiety, post-traumatic stress disorder). For the purpose of the required disclosures, the undertaking shall, at a minimum, include in its disclosure those cases outlined in the ILO List of Occupational Diseases.





As a family business, Royal A-ware invests in long-term partnerships with stakeholders who share the same ambitions. Staying true to our identity, we carefully consider the interests of our employees, dairy farmers, customers, suppliers and other partners throughout the value chain. We are committed to high standards of ethical conduct and act with care and responsibility in relation to human rights and the environment. This pillar focuses on fostering Long-term partnerships and a strong Ethical corporate culture.

Pillar Respectful Collaboration

Long-term partnerships

Royal A-ware is an active partner in the agri-food value chain. We collaborate closely with dairy farmers, customers and suppliers, and we aim for long-term, sustainable and mutually beneficial partnerships. These partnerships are essential to realising our mission – the shortest route from consumer to cow – with shorter, more direct and more sustainable supply chains. The guiding principle is that all links in our chain experience lasting benefits: dairy farmers can continue to farm, customers can choose from increasingly sustainable products and employees feel at home and continue to develop.

Impacts, risks and opportunities

As part of our DMA, we identified the following material IROs related to 'Long-term partnerships':

Impact

Actual positive impact across multiple stages of the value chain because of long-term collaborations that offer lasting benefits for every partner in the chain.

Opportunities

- Opportunity to strengthen business continuity by continuing to commit to long-term partnerships with dairy farmers.
- Opportunity to make (complex) chains more sustainable through long-term collaboration and partnerships with value chain partners.

Our approach

We maintain a long-term perspective that is rooted in our identity as a family business, with a history going back more than 135 years. We think in generations rather than years. Our strategy prioritises building a resilient business, contributing to a future-proof dairy farming sector, and working with our customers to provide assortments that grow and develop with them.

Dairy farmers

We work together with over 1,700 dairy farmers in the Netherlands, Belgium, Germany and Spain and believe it is important that we are aligned with them and do business together. We enter into long-term partnerships with dairy farmers and set out agreements in an individual cooperation agreement. Thus, not only are dairy farmers guaranteed that their milk will be purchased by Royal A-ware for a longer period, but there is also security for ourselves. A cooperation agreement also ensures that it is clear what conditions must be met.

To gain insight into the views and practical experiences of dairy farmers, we set up a focus group in both the Netherlands and Belgium. A group of dairy farmers who meet regularly with management and the Livestock Affairs department to discuss developments, give input and advice on decisions to be taken. This could include current events in the sector, changes in supply conditions or developments in milk streams. For example, we think it is important to hear whether the conditions we set for a milk stream are workable for the dairy farmer.

The focus group meets online at least once a month. Physical meetings take place as often as necessary, but at least four times a year. The participants in the focus group are a reflection of the total group of dairy farmers in both size, milk stream, business operations and region. Because every region is represented, we stay close to what is going on at the regional level.

Connecting dairy farmers and customers through milk streams

We develop and offer various milk streams based on specific customer requirements, connecting customers to dairy farmers and building more efficient, sustainable supply chains. Each stream has its own requirements, such as animal welfare or climate-related requirements, and dairy farmers can choose the milk stream that best suits their operations. Dairy farmers who participate in a milk stream receive an extra premium for their efforts.

Strategic partnerships

Ahold Delhaize

Our collaboration with Ahold Delhaize goes back decades. Since 1983, we have been ripening, cutting, packaging and distributing cheese for Albert Heijn. Together, we continuously work on an optimal assortment of Dutch and European cheeses. We also serve Delhaize and Albert CZ, both Ahold Delhaize companies. In 2008, we started developing innovative tapas bites with meat, fish and vegetables. Our partnership led to the development of the 'Better for Nature & Farmer' programme, launched with Albert Heijn in 2017. The programme enhances the sustainability of Albert Heijn's private-label dairy and cheese products through a closed production chain. Today, more than 450 dairy farmers supply their milk exclusively for Albert Heijn dairy and cheese.

New Zealand dairy cooperative Fonterra

Our partnership with New Zealand dairy cooperative Fonterra began in 2015, with the opening of a Fonterra ingredients factory located on the same site as our cheese factory in Heerenveen. Fonterra uses the whey released during cheese production to produce high-quality products sold through their global sales network.

Irish dairy cooperative Tirlán

We have partnered with Tirlán, Ireland's largest dairy cooperative, since 2019. Our partnership involves the joint construction and operation of a sustainable cheese factory in Kilkenny, in the south-east of Ireland. The factory has a production capacity of at least 50,000 tonnes of Dutch cheeses, using milk supplied by Tirlán member dairy farmers. Both the construction and operation of the factory have contributed to the economy and employment opportunities in the region. The partnership is mutually beneficial, enabling the further diversification of Tirlán's portfolio with Dutch cheese varieties while strengthening Royal A-ware's access to cheese produced from high-quality milk within a controlled chain. Our collaboration with Tirlán exemplifies our ambition to develop chains with our partners and expand our product range.





From suppliers to partners: Royal A-ware's dairy farmer sounding board

13 dairy farmers from all over the Netherlands, representing every milk stream and region, make up Royal A-ware's sounding board. At least five times a year, they meet with the Management Board. In these meetings, strategy meets reality. New ideas are vetted with the dairy farmers: how realistic are they, and what changes may be needed to fit them into life on the farm? Former member Ton van de Bosch and newer member Jacomien Dogger talk about the mutual learning experience of being on the sounding board.

'Milk was just milk when we became suppliers,' says Ton, who runs a 245-cow dairy farm in Lippenuizen, Friesland. Since then, Royal A-ware has developed six

milk streams, each with specific sustainability requirements. The sounding board played an important role in this transformation and remains involved in developments both large and small.

Mutual learning

'Royal A-ware's directors aren't farmers,' says Ton. 'They understand what we do, but they don't experience the day-to-day life on the farm. The sounding board brings that practical knowledge to the table. That learning has always gone both ways. As farmers, we gain a better understanding of how Royal A-ware's business works, what customers demand of them and what we have to do to ensure our product sells. I realised early on: I'd rather help develop solutions than resist change.'

Jacomien operates a 200-cow dairy farm in Beerzerveld, Overijssel. As a newer member, Jacomien hasn't experienced major changes yet. Her first year on the board has nevertheless proved meaningful. 'Instead of simply presenting us with requirements, Royal A-ware brings us challenges and works with us to find solutions. When you share a different opinion, they want to understand your reasoning. It's nice to see that the Royal A-ware's directors are genuinely interested in what drives your perspective.'

Give and take

The development of the Koe Bewust programme is a prime example of how the sounding board works, with give and take on both sides. 'When they introduced the

requirements for herb-rich grassland, we didn't think they were realistic,' says Ton. 'But we discussed it, and we agreed that buffer strips count towards the target. For the farmer, this is a much more practical solution.' The requirements for grass-clover were also met with scepticism. 'It was new to us, and you know the saying: farmers don't trust what they don't know. Once we tried it, however, we were quite enthusiastic.'

The monthly milk price calls also offer opportunities for feedback, explains Jacomien. 'Our contracts stipulate that the milk price should fall within a specific range. But we also see what is happening around us. If we were to find that the milk price is not in line with market conditions, we would raise this issue.'

Staying approachable

Over the years, the sounding board has become more structured, with fewer spontaneous meetings at the local dairy factory like in Ton's early days. But whatever form it takes, approachability remains essential. 'We have a good relationship with the Management Board, built on openness and transparency,' says Jacomien. 'Every farmer should feel comfortable raising questions and concerns. I believe we have that environment here.'

Ethical corporate culture

At Royal A-ware, our company culture is built upon our mission statement and is guided by our core values: Entrepreneurial, Reliable, Involved and Respectful. Our company culture shapes our behaviour, attitudes and the way we collaborate and engage with customers, dairy farmers and all other stakeholders. By consistently embodying our core values, we strengthen our organisational identity and enhance our ability to achieve sustainable results.

Impacts, risks and opportunities

As part of our DMA, we identified the following material IROs related to 'Ethical corporate culture':

Impact

Actual positive impact on employees, suppliers, customers and other stakeholders by acting with integrity.

Our approach

We foster a strong corporate culture, with a focus on transparency and accountability. We uphold our core values, clearly communicate the behavioural expectations that reflect these values and provide employees with confidential channels to report violations or conduct inconsistent with our standards. The Code of Conduct for Employees and Whistleblower Policy support our objectives.

Corporate culture

Our corporate culture is set out in our mission statement, as well as our core values and our Code of Conduct for Employees.

Core values

Our core values define who we are, what we consider important and how we strive to achieve our goals. These values clearly define the behaviours that we expect employees to uphold.

Entrepreneurial: We stay true to our entrepreneurial spirit by being creative, innovative, bold, forward-thinking, with a focus on identifying opportunities. We actively seek ways to improve and demonstrate both courage and accountability in our decision-making. Our customers value our flexibility, swift action and knowledgeable employees who are empowered to take initiative.

Reliable: We honour our commitments, act with honesty and integrity, and foster relationships built on trust. Our customers see us as reliable because we keep our promises, are transparent and strive to build lasting relationships. As a family company, Royal A-ware is approachable and dependable.

Involved: We are committed to building strong relationships by being open and willing to show vulnerability. We actively foster a positive and enjoyable work environment and show genuine interest in our colleagues and in developments within the company. Our customers see us as involved because we meet their needs, provide support, and respond and think proactively with them. Royal A-ware takes a personal approach to strengthening relationships, and our leadership is both visible and approachable.

Respectful: We treat others the way we ourselves would like to be treated. We value every individual by listening actively, offering thoughtful feedback and engaging in direct, honest conversations. Customers see us as respectful because we listen to their needs and uphold our values. We are invested in our customers and offer personal attention.

Code of Conduct for Employees

The corporate culture is defined in our mission statement, core values and Code of Conduct for Employees.

All employees in dairy activities receive and sign the Code of Conduct for Employees upon joining and attend an introduction day where the Management Board presents Royal A-ware's corporate culture. AB Texel employees are made aware of the Code via their employment contract. Both codes are accessible via intranet (A-ware) and AB Connect (AB Texel).

We promote corporate culture through internal communications including staff magazines (i-Ware and AB Dr!ve), apps (A-ware Speak and AB Connect), and regular video updates from Co-CEO Jan Anker on company developments and culture. Building corporate culture involves management, executives, HR, Corporate Communications and the Central Works Council, with HR leading employee training and activities.

Remediation and grievance mechanisms

We have several mechanisms in place for identifying, reporting and investigating unlawful behaviour or behaviour contrary to the Code of Conduct for Employees. Royal A-ware has separate internal complaints procedures for its dairy and transport operations. These procedures are accessible via the intranet and the internal communication platform, AB Connect and A-ware Speak. The Complaints Committees conduct an annual review to assess whether remedies provided are effective and adjustments to our complaints mechanism or due diligence progress are required. All members of the committees have the work experience to fulfil their roles effectively.

External complaints

We also have an external complaints procedure available on the Royal A-ware and AB Texel websites where stakeholders are able to file complaints related to (potential) negative impacts of Royal A-ware and her value chains on the environment, people and animals.

Whistleblower policy

Royal A-ware's whistleblower policy enables the reporting of suspected misconduct within the group of companies of Koninklijke A-ware Food Group B.V. (Royal A-ware).

Any natural person who suspects misconduct in a work-related context is free to decide whether to report this to Royal A-ware (internal reporting) or to an external body (external reporting), further in accordance with Royal A-ware's whistleblower policy confidential advisers are available to provide consultation. All confidential advisors within Royal A-ware are trained by external experts, have the necessary qualifications, or both.

The manager or point of first contact will forward any reports of suspected misconduct to the compliance officer. The compliance officer is Royal A-ware's General Counsel, who possesses the necessary work experience to fulfil the role and does not require additional training. The Compliance Officer will immediately forward the report to the Management Board. Independent investigators will be assigned by the Executive Board (in consultation with the compliance officer) to handle the case, and affected parties are informed unless doing so would compromise the investigation. Investigators may interview the reporting person and other parties involved in order to establish facts. The investigators will ensure that this is recorded in writing and show this record to the person who was interviewed, for approval and signature. Anyone interviewed will be given a copy of this. The investigators can request any information from Royal A-ware that is reasonably necessary to conduct the investigation.

The reporter, their adviser and the officers involved (such as the Compliance Officer, Confidential Adviser, and investigators) will not be treated unfairly or disadvantaged during or after the handling of a report of suspected wrongdoing.

The whistleblower policy complies with the requirements of the Whistleblower Protection Act, which is the implementation of the European Whistleblower Protection Directive 2019/1937.

Corruption and bribery policy

We have a corruption and bribery policy that is consistent with the United Nations Convention against Corruption. As part of our policy, we conducted a risk assessment of the functions most exposed to these risks. The assessment identified the following functions as high-risk:

- Royal A-ware: CEO, CFO and COO.
- A-ware Dairy: Director Finance & Accounting.
- Managing Directors.
- AB Texel: CEO and division controller.

Our Code of Conduct for Employees and whistleblower policy are key tools to prevent, detect and address risks of corruption or bribery. In 2025, there were zero violations of corruption and bribery laws.

We currently do not offer training related to anti-corruption or anti-bribery, but may add this content in the future. Zero percent of the functions at risk are covered by training programmes.

Cases of corruption will be investigated as part of the whistleblower policy. Which includes procedures to investigate cases of corruption and bribery.

Objectives and actions

We implement the following ongoing actions to build and promote corporate culture within our organisation:

- Promoting corporate culture is a shared effort across our organisation. We actively engage employees at both the individual and Central Works Council level. This initiative involves management, executives, the HR department, Corporate Communications and many others.
- Requiring all A-ware Dairy employees to read and sign the Code of Conduct for Employees upon joining the company.
- Informing employees of AB Texel through their employment contracts about AB Connect, where the Code of Conduct can be consulted. These codes includes information about prevention of corruption and bribery.
- Hosting an introduction day for new employees of A-ware Dairy. On this day, new employees are welcomed to A-ware Dairy and introduced to its corporate culture.
- Communicating corporate culture through internal communication tools, such as staff magazines (e.g., i-Ware and AB Dr!ve) and apps (e.g., A-ware Speak and AB Connect).
- Providing A-ware Dairy employees with regular video updates on company developments. Royal A-ware's Co-CEO Jan Anker, delivers this video message, in which he also reflects on the company's culture.
- A welcome video for new colleagues to get to know the company and its corporate culture.



Targets and achievements

Royal A-ware operates across Europe and are therefore required to comply with legislation and regulations relating to business ethics. This provides a solid foundation on which we have build elements like codes of conduct, compliance programmes and whistleblowing mechanisms. These approach structurally safeguard an ethical corporate culture, making the introduction of additional targets unnecessary as they would not deliver added value or enhance compliance. Therefore Royal A-ware has not set specific targets in relation to ethical corporate culture and therefore does not report on achievements or progress against targets.

Grievances provide an important indicator for assessing organisational integrity. Royal A-ware monitors the effectiveness of its grievance mechanisms to ensure they remain fit for purpose. On an annual basis, the Management Board receives a report on the grievance mechanisms (internal complaints procedure, external complaints procedure and the whistleblowing scheme). These reports -combined number of reports related to corruption and bribery is also included (zero reports in 2025) - provide a insight into whether the company's integrity framework is functioning effectively. In 2025 we changed our approach regarding our complaints system, which had an effect on the reported number of complaints. All notifications have now been reported regardless of the outcome of their handling.

Reporting period	2025	2024
Total number of incidents of discrimination, including harassment (number)	2	0
Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns (including grievance mechanisms) (number)	29	0
Number of complaints filed to the National Contact Points for OECD Multinational Enterprises (number)	0	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints (euros)	0	0
Number of severe human rights incidents connected to the undertaking's workforce (number)	0	0
Number of cases of non-respect of the UN Guiding Principles on Business and Human Rights (number)	0	0
Number of cases of non-respect of the ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises (number)	0	0
Total amount of fines, penalties and compensation for damages for the incidents (euros)	0	0

Due diligence

Royal A-ware's due diligence policy outlines its approach to preventing, mitigating and eliminating human rights and environmental risks within our value chain. It is aligned with the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) conventions on labour rights and social issues.

The scope of our due diligence policy extends across our entire global value chain, covering both upstream and downstream activities.

Our due diligence policy follows OECD's six-step due diligence framework, in which the assessment of risks is a key step. The outcomes of this assessment also inform our DMA and prioritisation of sustainability topics. The policy is managed by dedicated

due diligence coordinators. A working group meets at least twice a year to oversee the implementation and effect of the due diligence policy. Related policies include the Code of Conduct for Suppliers, which set out our ethical standards and expectations for behaviour.

We conduct supplier due diligence by evaluating them on various topics, including human rights, labour practices and environmental issues. If we receive indications that suppliers may not be complying with our Code of Conduct for Suppliers we take appropriate action, such as initiating a dialogue or conducting an audit. Further details on our 2025 sustainability progress are disclosed throughout the report.

Due diligence element	Description	Section(s) of the report
Due diligence governance	Overall sustainability due diligence framework integrated into the company's risk management and decision-making processes.	Director's report - Risk and corporate governance
Materiality assessment	Process used to identify, prioritise, and assess actual and potential sustainability impacts, risks, and opportunities across operations and the value chain.	Sustainability statement – Double materiality assessment
Grievance and complaints mechanisms	Internal and external channels that enable employees and business partners to raise concerns confidentially and without retaliation.	Sustainability statement – Employees – Attractive employer Sustainability statement - Respectful collaboration - Ethical corporate culture
Monitoring and KPIs	Metrics and performance indicators used to track due diligence effectiveness and supplier compliance over time.	Applicable topical sections in the sustainability statement
Human rights policy	Commitment to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.	Sustainability statement – Employees – Attractive employer - Consumer and End-user protection
Environmental due diligence	Procedures to assess and manage environmental risks in the supply chain, such as deforestation.	Sustainability statement – Dairy farming – Biodiversity & dairy farming

Accounting policies - Respectful collaboration

Scope

Data pertains to own dairy and transport operations and all reports of corruption and bribery received from own staff, being employees, self-employed, hiring and third parties.

Estimates and uncertainties

No estimates, involves actual reported cases where Corruption and Bribery have been identified.

Definitions

Confirmed incident of corruption or bribery: An incident of corruption or bribery that has been found to be substantiated. Confirmed incidents of corruption or bribery do not include incidents of corruption or bribery that are still under investigation at the end of the reporting period. The determination of potential noncompliance cases as substantiated may be made either by the undertaking's compliance officer or similar function or an authority. A determination as substantiated by a court of law is not required.

Corruption: Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper

advantage, or that can result in moral pressure to receive such an advantage.

Bribery: Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.

Incidents: The number of complaints raised by our own workforce specifically concerning discrimination, including harassment.

Complaints: The number of complaints filed through channels for people in our own workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECD Multinational Enterprises. Excluding those already reported under incidents related to discrimination, including harassment.

Severe human rights incidents: The number of severe human rights incidents connected to our own workforce, including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises.

Fines, penalties and compensation: The total amount of fines, penalties and compensation for damages presented as separate amounts. One amount for the incidents related to severe human rights incident and the second amount for incidents concerning discrimination, including harassment and complaints. If applicable, a reconciliation of the disclosed monetary amounts to the

most relevant amount in the financial statements for these two amounts. Lastly, if a confirmed incident of corruption or bribery leads to a fine the amount will be disclosed accordingly.



Appendix

ESRS disclosure requirements

The table below lists the ESRS disclosure requirements covered in this sustainability statement based on the outcomes of our DMA. For each material topic, we report the main challenges ahead and the critical solutions or projects to be implemented, if relevant for sustainability reporting.

#	Description	Reference
ESRS 2: General disclosures		
BP-1	General basis for preparation of the sustainability statements	
BP-2	Disclosures in relation to specific circumstances	
GOV-1	The role of the administrative, management and supervisory bodies	Risk and corporate governance: Management board, Management Board composition, Supervisory body, Sustainability Steering Group
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Risk and corporate governance: Management board
GOV-3	Integration of sustainability-related performance in incentive schemes	Risk and corporate governance: Management board
GOV-4	Statement on due diligence	Pillar Respectful collaborations: Due Diligence
GOV-5	Risk management and internal controls over sustainability reporting	Risk and corporate governance: Risk Management
SBM-1	Strategy, business model and value chain (value-creation process)	Strategy and performance: Mission & vision; Value Chain
SBM-2	Interests and views of stakeholders	Stakeholder views and interests
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Our Pillars Greenhouse gasses, Product; Raw Materials, Dairy Farming, Employees, Respectful Collaboration: Impacts, risks and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double materiality assessment, Our Pillars Greenhouse gasses, Product; Raw Materials, Dairy Farming, Employees, Respectful Collaboration
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Double materiality assessment, ESRS Disclosure requirements
MDR-P	Policies adopted to manage material sustainability matters	Our Pillars: Our Approach
MDR-A	Actions and resources in relation to material sustainability matters	Our Pillars: Objectives and actions
MDR-M	Metrics in relation to material sustainability matters	Our pillars: objectives and actions, Targets and achievements

#	Description	Reference
MDR-T	Tracking effectiveness of policies and actions through targets	Our pillars: Targets and achievements
ESRS E1: Climate change		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Risk and corporate governance: Management board
E1-1	Transition plan for climate change mitigation	Greenhouse gases: Impacts, risks and opportunities, Our approach
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Greenhouse gases: Impacts, risks and opportunities
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Double materiality assessment, Greenhouse gasses: Impacts, risks and opportunities.
E1-2	Policies related to climate change mitigation and adaptation	Greenhouse gases: Our approach
E1-3	Actions and resources in relation to climate change policies	Greenhouse gases: Our approach
E1-4	Targets related to climate change mitigation and adaptation	Greenhouse gases: Target and achievements
E1-5	Energy consumption and mix	Greenhouse gases: Greenhouse gas emissions
E1-5	Energy consumption and mix – Energy intensity based on net revenue	Greenhouse gases: Greenhouse gas emissions
E1-6	Gross scopes 1, 2, 3 and total GHG emissions	Greenhouse gases: Greenhouse gas emissions
E1-6	GHG Intensity based on net revenue	Greenhouse gases: Greenhouse gas emissions
E1-7	GHG Removals and GHG Mitigation projects financed through carbon credits	Not material
E1-8	Internal carbon pricing	Not material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	We make use of the phase-in provision
ESRS E2: Pollution		
Our DMA results indicate that pollution-related IROs are not material.		
ESRS E3: Water		
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine related impacts, risks and opportunities	Double materiality assessment, Raw Materials: Water & own operations: Impacts, risks and opportunities.
E3-1	Policies related to water and marine resources	Raw Materials: Water & own operations: Our approach
E3-2	Actions and resources in relation to water policies	Raw Materials: Water & own operations: Objectives and actions
E3-3	Targets related to water and marine resources	Raw Materials: Water & own operations: Target and achievements
E3-4	Total water metrics	Raw Materials: Water & own operations: Figures

#	Description	Reference
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities	We make use of the phase-in provision
ESRS E4: Biodiversity		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Dairy Farming: Biodiversity & dairy farming: Our approach
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double materiality assessment, Dairy Farming: Biodiversity & dairy farming: Impacts, risks and opportunities, Our approach.
ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity related impacts, risks and opportunities	Dairy Farming: Biodiversity & dairy farming: Impacts, risks and opportunities, Our approach.
E4-2	Policies related to biodiversity and ecosystems	Dairy Farming: Biodiversity & dairy farming: Our approach.
E4-3	Actions and resources related to biodiversity and ecosystems	Dairy Farming: Biodiversity & dairy farming: Objectives and actions
E4-4	Targets related to biodiversity and ecosystems	Dairy Farming: Biodiversity & dairy farming: Targets and achievements
E4-5	Impact metrics related to biodiversity and ecosystems change	Dairy Farming: Biodiversity & dairy farming: Targets and achievements
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	We make use of the phase-in provision
ESRS E5: Circular economy		
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy and marine related impacts, risks and opportunities	Double materiality assessment, Raw Materials: Circularity: Impacts, risks and opportunities, Our approach.
E5-1	Policies related to resource use and circular economy	Raw Materials: Circularity: Our approach
E5-2	Actions and resources related to resource use and circular economy	Raw Materials: Circularity: Objectives and action
E5-3	Targets related to resource use and circular economy	Raw Materials: Circularity: Targets and achievements
E5-4	Resource inflows	Raw Materials: Circularity: Targets and achievements, Other information
E5-5	Resource outflows	Not material
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	We make use of the phase-in provision
ESRS S1: Own workforce		
ESRS 2 SBM-2	Interests and views of stakeholders	Stakeholder views and interests
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Employees: Attractive employment: Impacts, risks and opportunities, Employees: Employee development: Impacts, risks and opportunities, Employees: Diversity: Impacts, risks and opportunities
S1-1	Policies related to own workforce	Employees: Attractive employment: Our approach, Employees: Employee development: Our approach, Employees: Diversity: Our approach

#	Description	Reference
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Risk and corporate governance: Employee representation
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Respectful collaboration: Our approach
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Employees: Attractive employment: Objectives and actions, Employees: Employee development: Objectives and actions, Employees: Diversity: Objectives and actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Employees: Attractive employment: Targets and achievements, Employees: Employee development: Targets and achievements, Employees: Diversity: Targets and achievements
S1-6	Characteristics of the undertaking's employees	Employees: Diversity: Other information
S1-7	Characteristics of non-employees in the undertaking's own workforce	Employees: Diversity: Other information
S1-8	Collective bargaining coverage and social dialogue	Employees: Diversity: Other information
S1-9	Diversity metrics	Employees: Diversity: Other information
S1-10	Adequate wages	Not material
S1-11	Social protection	Not material
S1-12	Persons with disabilities	Not material
S1-13	Training and skills development metrics	Employees: Employee development: Targets and achievements
S1-14	Health and safety metrics	Employees: Safety and health
S1-15	Work-life balance metrics	Not material
S1-16	Remuneration metrics (pay gap and total remuneration)	Not material
S1-17	Incidents, complaints and severe human rights impacts	Respectful collaboration: Targets and achievements
ESRS S2: Workers in the value chain		
Our DMA results indicate that workers in the value chain-related IROs are not material.		
ESRS S3: Affected communities		
Our DMA results indicate that affected communities-related IROs are not material.		
ESRS S4: Consumers and end-users		
ESRS 2 SBM-2	Interests and views of stakeholders	Stakeholder views and interests
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Product: Food Safety: Impacts, risks and opportunities

#	Description	Reference
S4-1	Policies related to consumers and end-users	Product: Food Safety: Our approach
S4-2	Processes for engaging with consumers and end-users about impacts	Product: Food Safety: Our approach
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Product: Food Safety: Our approach, Respectful collaboration: Our approach
S4-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Product: Food Safety: Objectives and actions
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Product: Food Safety: Targets and achievements
ESRS G1: Business conduct		
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	Risk and corporate governance: Management board, Management Board composition, Supervisory body
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double materiality assesment, Respectful Collaboration: Ethical corporate culture
G1-1	Business conduct policies and corporate culture	Respectful Collaboration: Ethical corporate culture: Our approach
G1-2	Management of relationships with suppliers	Respectful collaboration: Long-term partnerships: Our approach
G1-3	Prevention and detection of corruption and bribery	Respectful Collaboration: Ethical corporate culture: Our approach
G1-4	Incidents of corruption or bribery	Respectful Collaboration: Ethical corporate culture: Targets and achievements
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	Not material



Consolidated financial statements

Consolidated Statement of Financial Position

As at	Notes	31/12/2025 € 000	31/12/2024 € 000
Assets			
Non-current assets			
Property, plant and equipment	7	717,193	570,652
Right-of-use assets	8	287,193	275,379
Intangible assets and goodwill	9	42,353	9,147
Financial assets	11	9,835	26,386
Derivative financial instruments	18	3,700	1,069
Joint ventures and associates	10	45,033	35,192
Deferred tax assets	28	22,029	7,822
Total non-current assets		1,127,337	925,647
Current assets			
Inventories	12	370,964	334,164
Trade and other receivables	13	480,802	456,908
Cash and cash equivalents	14	120,004	266,563
Total current assets		971,769	1,057,635
Total assets		2,099,107	1,983,282
Equity and liabilities			
Equity			
Issued capital	15	18	18
Share premium	15	55,443	55,443
Legal reserve	15	5,031	5,439
Cashflow hedge reserve	15	3,700	1,069
Retained earnings	15	400,684	406,369
Equity attributable to equity owners of the parent		464,877	468,338
Non-controlling interests	15	2,672	2,526
Total equity		467,548	470,864
Non-current liabilities			
Interest-bearing borrowings	16	920,999	908,152
Provisions	17	1,299	1,013
Deferred tax liabilities	28	30,575	28,042
Total non-current liabilities		952,874	937,207
Current liabilities			
Trade and other payables	16	295,528	221,791
Interest-bearing borrowings	16	174,962	101,533
Provisions	17	10,485	1,333
Current income tax payables	16	24,901	42,660
Other current liabilities	16	172,808	207,896
Total current liabilities		678,684	575,212
Total equity and liabilities		2,099,107	1,983,282

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

	Notes	31/12/2025	31/12/2024
		€ 000	€ 000
Net revenue	19	4,418,116	3,813,074
Other operating income	20	3,619	9,423
Cost of materials and charters *	21	(3,245,189)	(2,777,394)
Direct variable costs	22	(93,813)	(71,755)
Personnel expenses	23	(518,082)	(462,892)
Depreciation and amortisation	24	(134,517)	(109,725)
Other operating expenses	25	(308,083)	(282,534)
Total sum of expenses		(4,299,683)	(3,704,300)
Total operating result		122,051	118,197
Impairment and reversals - net	11	(18,402)	-
Financial income and expenses	27	(48,564)	(33,082)
Income before income taxes		55,085	85,115
Share in result of joint ventures and associates		2,121	2,610
Income tax expense	28	(13,217)	(22,744)
Net income		43,989	64,981
Attributable to:			
The owners of the parent		43,843	64,721
Non-controlling interests	15	146	260
Net income		43,989	64,981

The accompanying notes are an integral part of these consolidated financial statements.

*Cost of sales was renamed to Cost of materials and charters in 2025 to better reflect the nature of the costs included within this line.

Consolidated Statement of Comprehensive Income

	Notes	31/12/2025	31/12/2024
		€ 000	€ 000
Profit / (loss) for the period		43,989	64,981
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Gains (losses) on cash flow hedges	18	2,632	(2,705)
Gains (losses) on cash flow hedges (Joint Ventures)	10	2,319	(674)
Currency translation differences in foreign interests:			
Continuing operations		(2,425)	1,098
Cumulative translation differences transferred to net income		169	-
Net other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods		2,695	(2,280)
Total comprehensive income / (loss) for the period, net of tax		46,684	62,701
Attributable to:			
The owners of the parent		46,538	62,441
Non-controlling interests	15	146	260
		46,684	62,701

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	31/12/2025	31/12/2024
		€ 000	€ 000
Operating result		122,051	118,197
Adjustments to reconcile combined net profit/(loss) to net cash flows			
Depreciation, amortisation and impairments	24	134,517	109,725
Other financial result	20	-	680
Other non-cash items		12,742	505
Result on disposal of equipment	20	(1,121)	(4,977)
Income tax (paid)/refund received	28	(50,421)	(36,362)
Net working capital changes:			
Change in trade and other receivables	13	38,868	(104,127)
Change in inventories	12	(29,812)	(31,337)
Changes in trade and other payables and liabilities	16	(18,845)	55,179
Change in provisions		9,323	77
Cash flow from operating activities		217,301	107,560
Purchases of intangible assets		(127)	(204)
Purchases of property, plant and equipment	7	(132,402)	(107,555)
Disposals of property, plant and equipment	7	11,702	10,051
Payments for acquisition of subsidiaries, net of cash acquired	31	(128,743)	(5,771)
Loans provided	11	-	(3,766)
Payments received on loans provided	11	760	516
Dividends received from investments		258	1,018
Investments in joint ventures and associates	10	(5,660)	(1,515)
Investments in non-listed equity investments at fair value	11	-	(723)
Interest received		1,336	5,044
Cash flow from investing activities		(252,876)	(102,907)
Proceeds from borrowings	16	95,684	642,185
Repayment of borrowings	16	(36,078)	(232,432)
Principal portion of lease payments	8	(68,048)	(67,404)
Interest paid		(51,674)	(28,173)
Dividends paid	15	(50,000)	(10,000)
Cash flow from financing activities		(110,116)	304,177
Net (decrease) increase in cash and cash equivalents		(145,690)	308,830
Cash and cash equivalents at the beginning of the period		265,571	(43,259)
Cash and cash equivalents at the end of the period	14	119,881	265,571

The accompanying notes are an integral part of these consolidated financial statements.

* Cash and cash equivalents for the comparative period (2024) was adjusted for EUR 22.5m and is now included under cash flow from financing activities. It concerns a Structured Inventory Program ("SIP") facility.

Consolidated Statement of Changes in Equity

(in €000, except share data)

Particulars	Note	Attributable to the equity holders of the parent							Non-controlling interests	Total equity
		Number of shares outstanding	Issued capital	Share premium	Retained earnings	Other legal reserves	Cash flow hedge reserve	Total		
Balance at 01/01/2024		18,000	18	55,443	350,780	5,882	11,300	423,424	2,265	425,689
Profit / (loss) for the period			-	-	64,721	-	-	64,721	260	64,981
Other comprehensive income / (loss)			-	-	-	425	(2,705)	(2,280)	-	(2,280)
Total comprehensive income / (loss)			-	-	64,721	425	(2,705)	62,441	260	62,701
Reclassification of cash flow hedge reserve to profit or loss	18		-	-	-	-	(7,527)	(7,527)	-	(7,527)
Dividends declared	15		-	-	(10,000)	-	-	(10,000)	-	(10,000)
Acquisition of non-controlling interest			-	-	-	-	-	-	-	-
Acquisition of subsidiary			-	-	-	-	-	-	-	-
Other			-	-	868	(868)	-	-	-	-
Balance at 31/12/2024		18,000	18	55,443	406,369	5,439	1,069	468,338	2,526	470,864
Profit / (loss) for the period			-	-	43,674	169	-	43,843	146	43,989
Other comprehensive income / (loss)			-	-	169	(106)	2,632	2,695	-	2,695
Total comprehensive income / (loss)			-	-	43,843	63	2,632	46,538	146	46,684
Reclassification of cash flow hedge reserve to profit or loss	18		-	-	-	-	-	-	-	-
Dividends declared	15		-	-	(50,000)	-	-	(50,000)	-	(50,000)
Acquisition of non-controlling interest			-	-	-	-	-	-	-	-
Acquisition of subsidiary			-	-	-	-	-	-	-	-
Other			-	-	471	(471)	-	-	-	-
Balance at 31/12/2025		18,000	18	55,443	400,684	5,031	3,700	464,876	2,672	467,548

The accompanying notes are an integral part of these consolidated financial statements.



Notes to the consolidated financial statements

1. Entity information

The activities of Royal A-ware Food Group B.V. ('Royal A-ware') consist mainly of the production of dairy products and the provision of agri-logistic services. Royal A-ware has its registered office in Lopik, the Netherlands. The actual address of business is Rembrandtsplein 1, Lopik, and is registered at the Chamber of Commerce under number 51245353.

2. Basis of preparation

The consolidated financial statements of Royal A-ware for the year ended 31 December 2025 are compiled in accordance with the IFRS Accounting Standards ("IFRS") as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, unless otherwise indicated. They are prepared and reported in thousands of Euros ("€000") except where otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Under the articles of association, the year under review corresponds with the calendar year ending on 31 December 2025 (2024: 31 December 2024).

The presentation currency of these consolidated financial statements is Euro ("EUR" or "€").



3. Basis of consolidation

The consolidated financial statements comprise the financial statements of Royal A-ware and its subsidiaries, including entities that are controlled directly or indirectly by Royal A-ware. This is the case if Royal A-ware obtains power over the potential subsidiaries directly or indirectly from voting rights or similar rights, is exposed or has rights to, positive or negative variable returns from its involvement with the subsidiaries and is able to influence those returns. Specifically, Royal A-ware controls an investee if, and only if, Royal A-ware has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Royal A-ware has less than a majority of the voting or similar rights of an investee, Royal A-ware considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- Royal A-ware's voting rights and potential voting rights

Royal A-ware re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Royal A-ware obtains control over the subsidiary and ceases when Royal A-ware loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date Royal A-ware gains control until the date Royal A-ware ceases to control the subsidiary.

If Royal A-ware loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Intercompany transactions, intercompany profits and mutual receivables and debts between Royal A-ware and other legal entities included in the consolidation are eliminated to the extent that the results have not been realised through transactions with third parties outside Royal A-ware. Unrealised losses on intercompany transactions are also eliminated unless there is an impairment. Accounting policies of group companies and other legal entities included in the consolidation have been changed where necessary for reconciliation with the applicable accounting policies for Royal A-ware.

In the consolidated financial statements of Royal A-ware Food Group B.V. the financial figures of the following entities are included, split per activity:

Holding:

- Royal A-ware Food Group B.V. (100%) in Lopik
- A-ware Dairy B.V. (100%) in Lopik
- A-ware Dairy and Cheese Holding B.V. (100%) in Lopik
- A-ware Cheese B.V. (100%) in Lopik
- A-ware Industrial B.V. (100%) in Vriezenveen
- AFG Capital B.V. (100%) in Lopik
- A-ware Services B.V. (100%) in Woerden
- A-ware Production B.V. (100%) in Lopik
- A-ware Retail Europe B.V. (100%) in Culemborg
- A-ware België Holding B.V. (100%) in Lopik
- A-ware Dairy Products Belgium Holding B.V. (100%) in Merchtem, Belgium
- A-ware Italië B.V. (100%) in Lopik
- A-ware Dairy & Cream B.V. (100%) in Lopik
- Katshaar Holding B.V. (100%) in Coevorden
- A-ware Grutte Pier B.V. (100%) in Lopik
- AFG Participaties B.V. (100%) in Lopik
- A-ware Spanje Holding B.V. (100%) in Lopik
- A-ware Automotive B.V. (100%) in Lopik
- A-ware Truckcenter B.V. (100%) in Lopik
- Truck Service Holding B.V. (100%) in Heerenveen
- AB Transport Group B.V. (100%) in Lopik
- AB Texel Group B.V. (100%) in Lopik
- AB Aardappel Holding B.V. (100%) in Lopik
- AB Veevoer Holding B.V. (100%) in Lopik
- AB Zuivel Holding B.V. (100%) in Lopik
- AB Vastgoed Holding B.V. (100%) in Lopik
- Combex Transport Group Holding B.V. (100%) in Eastermar
- Combex Holding GmbH (100%) in Frankfurt am Main, Germany
- B&A Asset Management Holding B.V. (100%) in Lopik
- Gimaco N.V. (100%) in Dilsen-Stokkem, Belgium (acquired 28 April, 2025)
- KGS N.V. (100%) in Zonhoven, Belgium (acquired 28 April, 2025)

Trading:

- Dutch Cheese Makers Corp. (100%) State of Delaware, US
- Anker Cheese USA Corp. (100%) State of Delaware, US
- Schipper Cheese USA Corp. (100%) State of Delaware, US
- A-ware Dairy Asia PTE. Ltd (100%) Singapore
- Anker Cheese B.V. (100%) in Lopik
- A-ware China B.V. (100%) in Lopik
- A-ware Dairy Products Shanghai Ltd. (100%) Shanghai, China
- A-ware Dairy Ingredients B.V. (100%) in Culemborg
- A-ware Dairy Trade B.V. (100%) in Lopik
- A-ware Iberia S.L. (100%) in Barcelona, Spain
- A-ware Dairy Sourcing B.V. (100%) in Woerden
- A-ware France S.A.R.L. (100%) in Marseille, France (formerly named: Alital S.A.R.L.)
- A-ware Milk Processing B.V. (100%) in Lopik
- A-ware Milk Processing Belgium B.V. (100%) in Merchtem, Belgium
- Katshaar Melk B.V. (100%) in Coevorden
- A-ware Mozzarella & Cream B.V. (100%) in Lopik
- Belgian Milk Company N.V. (100%) in Zonhoven, Belgium (acquired on 28 April, 2025)

Manufacturing:

- A-ware Packaging B.V. (100%) in Huizen
- A-ware Cheese Ingredients B.V. (100%) in Lopik
- A-ware Ripening B.V. (100%) in Woerden
- CF B.V. (100%) in Moordrecht
- Prika Dairy Industry B.V. (100%) in Weert
- A-ware Food Solutions B.V. (100%) in Bunschoten
- Noordhoek Geraspte Kaas V.O.F. (100%) in Bodegraven (merged on 1 January, 2025)
- A-ware Cheese Production B.V. (100%) in Lopik
- A-ware Cheese Ripening B.V. (100%) in Lopik
- Bouter Cheese B.V. (100%) in Culemborg
- A-ware dairycate B.V. (100%) in Lopik (formerly named: A-ware Tapas B.V.)
- A-ware Dairy Products Belgium B.V. (100%) in Aalter, Belgium
- A-ware Kruibeke B.V. (100%) in Kruibeke, Belgium
- Olympia N.V. (100%) in Herne, Belgium
- IL RE Srl. (100%) in Baiso, Italy
- Stefanini Formaggi Srl. (100%) in Bosco di Scandiano, Italy (merged on 1 August, 2025)
- KH Dairy Sourcing B.V. (100%) in Groningen
- La Concorde N.V. (100%) in Merchtem, Belgium
- A-ware Mozzarella B.V. (100%) in Lopik
- A-ware Cream B.V. (100%) in Lopik
- A-ware Asturias S.L. (100%) in Salas, Spain
- Incopack N.V. (100%) in Dilsen-Stokkem, Belgium (acquired on 28 April, 2025)
- Incorock N.V. (100%) in Dilsen-Stokkem, Belgium (acquired on 28 April, 2025)
- Eurodesserts N.V. (100%) in Beringen, Belgium (acquired on 28 April, 2025)
- Limelco N.V. (100%) in Zonhoven, Belgium (acquired on 28 April, 2025)

Logistics:

- AB Texel B.V. (100%) in Lopik
- AB Texel België B.V. (100%) in Oostrozebeke, Belgium
- AB Texel UK Ltd. (100%) in Peterborough, United Kingdom
- AB Texel France S.A.R.L. (100%) in Harnes, France
- AB Texel GmbH (100%) in Helmstedt, Germany
- Butter Sp. Zoo (100%) in Warsaw, Poland (liquidated on 7 July, 2025)
- AB Texel Spain S.L. (100%) in Barcelona, Spain
- AB Texel Distribution B.V. (100%) in Lopik
- AB Texel Silo B.V. (100%) in Lopik
- AB Texel Feed België B.V. (100%) in Oostrozebeke, Belgium
- AB Texel Feed Deutschland GmbH (100%) in Helmstedt, Germany
- AB Texel Zuiveltransporten B.V. (100%) in Lopik
- AB Texel Zuivel België B.V. (100%) in Oostrozebeke, Belgium
- AB Texel Fresh Transport B.V. (100%) in Lopik
- Bosman Transport Nisse B.V. (60%) in Nisse
- AB Texel Special Transport B.V. (100%) in Eastermar (formerly named: Combex B.V.)
- Driessen Spezial Transporte GmbH (100%) in Straelen, Germany
- May Transporte GmbH (100%) in Rheinböllen, Germany

Other:

- Schipper Cheese B.V. (100%) in Lopik (dormant)
- A-ware USA Holding B.V. (100%) in Lopik (dormant)
- AFG Materials B.V. (100%) in Lopik
- Tijmen Koelewijn 'B2B' B.V. (100%) in Bunschoten Spakenburg (merged on 1 January, 2025)
- C. Noordhoek Onroerende Zaak B.V. (100%) in Bodegraven
- A-ware Energy B.V. (100%) in Amsterdam
- Sinnetsiis II B.V. (100%) in Woerden (acquired on 22 April, 2025 and liquidated on 16 November, 2025)
- Prika Ingredients B.V. (100%) in Weert
- A-ware Cheese Real Estate B.V. (100%) in Lopik
- Katshaar Onroerende Zaken B.V. (100%) in Coevorden
- Katshaar Landbouw Vastgoed B.V. (100%) in Coevorden
- A-ware Shared Services B.V. (100%) in Lopik
- A-ware Projects B.V. (100%) in Lopik
- A-ware Partnerships B.V. (100%) in Lopik
- A-ware Italia Srl. (100%) in Padua, Italy (in liquidation)
- Dairy Academy Oenkerk B.V. (100%) in Lopik
- Nordic Truckcenter AB (100%) in Arlöv, Sweden
- Nordic Truckcenter Oy (100%) in Vaanta, Finland
- Nordic Truckcenter A/S (100%) in Langhus, Norway
- Truckservice Friesland B.V. (100%) in Heerenveen
- Truck- & Trailerservice Sneek B.V. (100%) in Heerenveen
- Truck- & Trailerservice Swifterbant B.V. (100%) in Heerenveen
- Truck- & Trailerservice Eastermar B.V. (100%) in Heerenveen
- Schilderweg Vastgoed B.V. (100%) in Lopik
- Combex Vastgoed B.V. (100%) in Eastermar
- May Reparatur Service GmbH (100%) in Rheinböllen, Germany
- B&A Asset Management I B.V. (100%) in Lopik
- B&A Asset Management II B.V. (100%) in Lopik
- B&A Asset Management III B.V. (100%) in Lopik

Royal A-ware Food Group B.V. has no control over the following entities:

Interest in joint ventures accounted for using the equity method:

- Dutch Carbon Company (50%) in Lelystad
- Meierei B.V. (50%) in Bladel
- Farmdesk B.V. (50%) in Brecht, Belgium
- Ice Cream Makers GmbH (51%) in Weitendorf, Germany (formerly named: Organic Jersey Farm GmbH)
- Kilkenny Cheese Holdings Limited (50%) in Kilkenny, Ireland
- Coucour N.V. (34.02%) in Ternat, Belgium

Non-listed equity investments accounted for at fair value:

- Trigona Dairy Trade B.V. (15.78%) in Didam
- Boostlogix Holding B.V. (14.29%) in Tilburg

The recorded percentages mentioned show the interest in capital of the applicable entity.

4. Accounting principles

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria

are met. When significant parts of plant and equipment are required to be replaced at intervals, Royal A-ware depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if

the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Annual depreciation rates

Category	Asset	Depreciation rate
Property, plant and equipment	Land	0%
	Buildings	4%
	Leasehold improvements	4 - 20%
Machines and installations	Process oriented installations	6.5 - 20%
	Cheese warehouse installations	5%
	Packing lines	10 - 20%
Other fixed assets	Vehicles	20%
	(Cheese) crates and boxes	6.7 - 20%
	Other (company) equipment	10 - 20%
	Hardware/Software	20%

Interest expenses on liabilities related to an asset for which a considerable amount of time needs to be spent to complete or to bring the asset into conditions for use or sale (qualifying asset) are being included in the historical cost price, under the condition that the future economic benefits are sufficient to cover the carrying value of the asset including the related interest and that the economic benefits can be determined reliably.

The interest is calculated based on the due interest on the liabilities incurred for the construction of the asset. As far as the construction is being financed by a loan which is not specifically related to the construction of the asset, the interest to be recognised is calculated by applying the weighted interest rate of the loan multiplied with the expenses for construction, taken into account the period of construction. The amount of calculated

interest will not be higher than the actual interest due for the period.

Grants received for investments in tangible fixed assets are being deducted from the cost price of the assets for which the grants are issued and received.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment

whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Business combinations and Goodwill

Acquisitions qualifying as business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, Royal A-ware elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

Royal A-ware determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. An acquired process is considered substantive if it is critical to the ability to continue producing outputs, or the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs or is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When Royal A-ware acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, Royal A-ware re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Royal A-ware's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Leases

Royal A-ware assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Royal A-ware applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Royal A-ware recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

Royal A-ware recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Machinery and equipment 1 to 7 years
- Motor vehicles and other equipment 1 to 8.5 years
- Buildings 1 to 15 years

If ownership of the leased asset transfers to Royal A-ware at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, Royal A-ware recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-

substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Royal A-ware and payments of penalties for terminating the lease, if the lease term reflects Royal A-ware exercising the option to terminate.

In calculating the present value of lease payments, Royal A-ware uses the interest rate implicit in the lease. If the implicit rate cannot be readily determined Royal A-ware uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Royal A-ware's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

Royal A-ware applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on

short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which Royal A-ware does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments in associates and joint ventures

An associate is an entity over which Royal A-ware has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. Royal A-ware's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in Royal A-ware's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects Royal A-ware's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of Royal A-ware's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, Royal A-ware recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Royal A-ware and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of Royal A-ware's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as Royal A-ware. When necessary, adjustments are made to bring the accounting policies in line with those of Royal A-

ware. After application of the equity method, Royal A-ware determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, Royal A-ware determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, Royal A-ware calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and then recognises the loss as 'Share in result of joint ventures and associates' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, Royal A-ware measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Receivables from and loans to participations, as well as other receivables, are initially recognised at fair value and subsequently measured at amortised cost, less any provisions deemed necessary.

Impairment of Non-Financial Assets (Property, Plant, and Equipment, Intangible Assets, and Right-of-Use Assets)

Royal A-ware assesses whether there is an indication that an asset may be impaired at each reporting date. If any indication exists, or when annual impairment testing

for an asset is required, Royal A-ware estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Royal A-ware bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of Royal A-ware's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, Royal A-ware estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Royal A-ware assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

The right-of-use assets are also subject to impairment. Royal A-ware assesses at each reporting date, whether

there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Royal A-ware estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and Royal A-ware's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, Royal A-ware initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which Royal A-ware has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This

assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from Royal A-ware's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- Royal A-ware has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) Royal A-ware has transferred substantially all the risks and rewards of the asset, or (b) Royal A-ware has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment

Royal A-ware recognises an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash

flows due in accordance with the contract and all the cash flows that Royal A-ware expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, Royal A-ware applies a simplified approach in calculating ECLs. Therefore, Royal A-ware does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Royal A-ware has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Royal A-ware considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Royal A-ware may also consider a financial asset to be in default when internal or external information indicates that Royal A-ware is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Royal A-ware. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Royal A-ware has not designated financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Royal A-ware's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation

is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Royal A-ware uses derivative financial instruments, (i.e. interest rate swaps) to hedge its interest rate risks. These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, the interest rate swaps are classified as cash flow hedges. Cash flow hedging means hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. In respect of interest rate swaps, the hedged risk relates to Royal A-ware's exposure to changes in market interest rates.

At the inception of a hedge relationship, Royal A-ware formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how Royal A-ware will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Royal A-ware hedges and the quantity of the hedging instrument that Royal A-ware uses to hedge that quantity of hedged item.

The fair value of the cash flow hedge is determined in accordance with the methodology outlined in note 16. In calculating the fair value of the loan, the extension

option (structured as 3 + 1 + 1 years) is not taken into account. The valuation reflects only the initial contractual loan term of three years, without considering potential extensions.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a

reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Packing materials, cheese coating, technical services stock and cleaning materials are valued at the production cost or lower realisable value. If necessary, provision for obsolescence are being deducted from the value recorded.

Raw materials are measured at purchase costs on a first-in/first-out basis. Finished products are valued at production cost, increased by a surcharge for interest, transport costs and ripening costs, or the lower net realisable value. Cost consists of the acquisition or production price (all costs associated with the acquisition or production) as well as the costs incurred to bring the stocks to their current location and condition. Production costs include direct handling costs and bonuses for production-related indirect fixed and variable costs. The realisable value is the estimated sale price less directly attributable selling expenses. In determining the net realisable value, the obsolescence of the inventories is taken into account.

The inventory of trucks and parts are valued at historical cost or lower market value. The lower market value is the estimated sales price of the truck less the costs to be

incurred for sale. By determining the valuation method the obsolescence of the inventory components is taken into account.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised costs. The carrying amount of cash and cash equivalents approximates their fair value due to the short-term nature of these instruments. If cash and cash equivalents are not freely available, this is taken into account in the valuation.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Royal A-ware's cash management.

Non-controlling interests

Non-controlling interests are recorded, as appropriate, on the consolidated balance sheet, in the consolidated income statement, and in the consolidated statement of comprehensive income for the non-controlling shareholders' share in the net assets and the income or loss of subsidiaries.

Provisions

General

Provisions are recognised when Royal A-ware has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When Royal A-ware expects some or all of a provision to be reimbursed, for example,

under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for onerous contracts

If Royal A-ware has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, Royal A-ware recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that Royal A-ware cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Provision for jubilee benefits

The provision for jubilee benefits is the amount of future benefits that employees have earned in return for their

services in the current and prior reporting periods. The liability has been calculated taking into account future salary developments and likelihood that employees will stay with Royal A-ware. The provision is stated at present value (discount rate 3%; 2024 - 3%).

Fair value measurement

Royal A-ware measures derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by Royal A-ware. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Royal A-ware uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, Royal A-ware determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, Royal A-ware has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 29.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenues

Revenues from contracts with customers are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. To recognise revenues, Royal A-ware applies the five step IFRS 15 approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration to which Royal A-ware expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties and recognised when control is transferred and is accounted net of rebate and taxes.

Royal A-ware principally satisfies its performance obligations at a point in time. Royal A-ware's customers generally have payment terms of 30 to 45 days from the date of invoice. The contracts do not typically include a financing component as the period between the transfer of control of goods or services and payment is not extended beyond normal commercial terms.

Costs of materials and charter costs

Costs of materials relates to the dairy business and represent expenses of raw and semi-finished materials (primarily raw milk and semi-finished cheese) used in the production process. Charter costs relates to the

transport business and represent expenses incurred for third-party freight services.

Direct variable costs

This line item includes the costs related to transport, packaging and ripening for the Dairy business. Additionally, it includes costs related to industrial cleaning and quality and health for the Dairy business.

Other general expenses

Other expenses are recognised in the consolidated statement of profit or loss on an accrual basis when the goods are utilised or the services are consumed. These expenses are measured at the fair value of the consideration paid or payable, net of any applicable value-added tax. Housing expenses and car expenses include payments for short-term leases, leases of low-value assets, and non-lease components of lease arrangements, which are recognised as an expense on a straight-line basis over the lease term in accordance with the practical expedients of IFRS 16. Furthermore, this category encompasses operating, repair, and maintenance expenses incurred to maintain the functional capacity of Royal A-ware's assets, alongside selling, shipping, and general administrative overheads required to facilitate business operations.

Other operating income

The other operating income includes results that are not directly related to the supply of goods or services in the context of normal, non-incidental business activities. This revenue is allocated to the reporting period in accordance with the performance.

Wages

Employee benefits are charged to the income statement in the period in which the work is performed and as an obligation on the balance sheet insofar as not paid yet. If the amounts already paid exceed the rewards, this amount is recognised as an accrued income to the extent that it will be repaid by personnel or from settlement against future payments by Royal A-ware. If a reward is paid, whereby no rights are accrued (for example, continued payment in the event of illness or incapacity for work), the expected expenses are recognised in the period over which the reward is due.

The expected costs related to rights, sabbatical leave, profit-sharing and bonuses during the employment are taken into account. Compensation as a result of profit-sharing is recognised if a liability to pay a bonus has arisen before balance sheet date. Additions to and releases from liabilities are recognised in the profit and loss statement.

Production costs capitalised to inventory include direct wage costs for production related indirect fixed and variable costs.

Pension costs

Royal A-ware has various post-employment benefit plans in place in the form of pension plans. The plans are regarded as either defined benefit plans or defined contribution plans depending on whether Royal A-ware has a legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. All defined benefit plans of Royal A-ware are part of multi-employer plans.

Defined benefit plans – multi-employer plans

Royal A-ware regards the defined benefit plans as multi-employer plans as the plans pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

Royal A-ware makes use of the practical exemption in IAS 19 for multi-employer plans where sufficient information could not be obtained to use defined benefit accounting for the multi-employer defined benefit plan. In those cases, Royal A-ware accounts for the plan as if it were a defined contribution plan.

Defined contribution plans

When an employee has rendered service to Royal A-ware during a period, Royal A-ware recognises the contribution payable to a defined contribution plan in exchange for that service:

- a. as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, Royal A-ware recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
- b. as an expense, unless another IFRS requires or permits the inclusion of the contribution in the cost of an asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis in the profit and loss account, taking into account the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value

of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which Royal A-ware initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, Royal A-ware determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Foreign Currency	31/12/2025		31/12/2024	
	Average	End	Average	End
U.S. Dollar (USD)	1.1710	1.17402	1.0483	1.0427
Chinese Yuan Renminbi (CNY)	8.2492	8.21292	7.6681	7.6104
Singapore Dollar (SGD)	1.5118	1.5092	1.4147	1.4160
Norwegian Krone (NOK)	11.8300	11.8200	11.7600	11.7900
Swedish Krona (SEK)	11.8800	11.8100	11.5100	11.4600
British Pound Sterling (GBP)	0.8750	0.875	0.8306	0.8306
Polish Zloty (PLN)	4.2563	4.2563	4.3043	4.3043

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Royal A-ware operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject

to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a

business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, Royal A-ware relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at acquisition date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Royal A-ware offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement consists of cash at banks, in hand and current liabilities to credit institutions. Income taxes are included in the cash flow from operating activities. Dividends and interest received are included in the cash flow from investing activities. Dividends and interest paid are included in the cash flow from financing activities.

The acquisition price less cash acquired of an acquired group company is included in the cash flow from investment activities to the extent that payment has been made in cash.

Cash flow in foreign currencies are translated at an estimated weighted average rate of the reporting period/ the rate on the date the transactions took place. Exchange rate differences regarding cash are presented separately in the cash flow statement.

Transactions not involving the exchange of cash are not included in the cash flow statement. The payment of the lease instalments related to the financial lease contract are relating to the redemption as an expense from financing activities and relating to the interest as an expense from operating activities.



5. Climate related matters

Royal A-ware considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes both the physical risks associated with primary production, specifically in arable and dairy farming, and the transition risks related to emerging climate legislation. Management has reviewed these risks in relation to the carrying value of assets and the estimation of useful lives for property, plant and equipment. At present, these matters do not have a material impact on the measurement of Royal A-ware's financial position, as existing operation costs and market conditions remain within the ranges accounted for in our current financial models.

While climate-related developments increase the level of uncertainty regarding future assumptions, Royal A-ware's current business model and products are expected to remain viable throughout the transition to a low-carbon economy. We continue to monitor changes in the regulatory environment and potential shifts in the supply chain to determine if adjustments to asset valuations or depreciation schedules may be required in the future. For additional context on our environmental impact and operational strategy, please refer to the sections on [Green House Gases](#) and Business model & value chain.

6. Significant accounting judgements, estimates and assumptions

The preparation of Royal A-ware's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying Royal A-ware's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the consolidated financial statements. The key judgements, assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Royal A-ware based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Royal A-ware. Such changes are reflected in the assumptions when they occur.

Determining the lease term of contracts with renewal and termination options – Group as lessee

Royal A-ware determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Royal A-ware has several lease contracts that include extension and termination options. Royal A-ware applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, Royal A-ware reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate

If Royal A-ware cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that Royal A-ware would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what Royal A-ware 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). Royal A-ware estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

'We ensure accuracy through careful financial judgements and estimates.'

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Royal A-ware has €22,194,000 (2024: €10,725,000) of recognised deferred tax assets related to tax losses carried forward. Deferred tax assets are recognised if it is probable that there will be future taxable profits within the entities against which the

losses can be utilised. The deferred tax asset is mainly recorded for deductible tax losses. The majority is expected to be realised after 1 year.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that Royal A-ware is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by Royal A-ware. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 9.



7. Property, plant and equipment

	31/12/2025	31/12/2024
	€ 000	€ 000
Land and buildings	234,833	213,135
Machinery and equipment	250,763	208,677
Other fixed assets	82,526	66,581
Property, plant and equipment in progress and prepayments	149,071	82,259
Total property, plant and equipment	717,193	570,652

	Land and buildings	Machinery and equipment	Other fixed assets	Property, plant and equipment in progress and prepayments	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Balance as at 01/01/2024					
Purchase price or manufacturing price	274,486	378,207	174,879	29,377	856,949
Accumulated depreciation	(60,499)	(176,342)	(113,085)	-	(349,927)
Book value as at 01/01/2024	213,987	201,864	61,794	29,377	507,022
Movements					
Investments	7,417	20,235	11,843	68,175	107,669
Acquired through business combinations (Note 31)	1,196	337	4,931	-	6,464
Transfers (Note 8)	-	170	6,348	-	6,518
Depreciation (Note 24)	(10,174)	(25,266)	(16,889)	-	(52,330)
Impairment losses (Note 24)	-	-	-	-	-
Disposals	(239)	(292)	(4,268)	(275)	(5,074)
Exchange differences	99	-	283	-	382
Reclassified from PP&E in progress	849	11,630	2,539	(15,018)	-
Balance movements	(852)	6,814	4,787	52,882	63,630
Balance as at 31/12/2024					
Purchase price or manufacturing price	284,087	409,690	192,165	82,259	968,201
Accumulated depreciation and impairment losses	(70,952)	(201,013)	(125,584)	-	(397,549)
Book value as at 31/12/2024	213,135	208,677	66,581	82,259	570,652

	Land and buildings	Machinery and equipment	Other fixed assets	Property, plant and equipment in progress and prepayments	Total
Balance as at 01/01/2025					
Purchase price or manufacturing price	284,087	409,690	192,165	82,259	968,201
Accumulated depreciation	(70,952)	(201,013)	(125,584)	-	(397,549)
Book value as at 01/01/2025	213,135	208,677	66,581	82,259	570,652
Movements					
Investments	4,924	14,992	25,878	89,582	135,376
Acquired through business combinations (Note 31)	28,084	49,095	12,259	-	89,437
Transfers (Note 8)	-	168	880	-	1,048
Depreciation (Note 24)	(11,003)	(30,761)	(17,118)	-	(58,882)
Impairment losses (Note 24)	-	(9,512)	-	(51)	(9,563)
Disposals	(1,333)	(1,443)	(7,556)	(249)	(10,581)
Exchange differences	(168)	-	(126)	-	(294)
Reclassified from PP&E in progress	1,196	19,546	1,728	(22,469)	-
Balance movements	21,699	42,085	15,945	66,812	146,542
Balance as at 31/12/2025					
Purchase price or manufacturing price	347,599	620,085	219,248	149,071	1,336,003
Accumulated depreciation and impairment losses	(112,766)	(369,322)	(136,722)	-	(618,810)
Book value as at 31/12/2025	234,833	250,763	82,526	149,071	717,193

Investments

The investments in tangible fixed assets in 2025 amounted to €135,376,000 (2024: €107,669,000). The investments mainly relate to rebuilding the acquired dairy factory in Salas (Spain) and investments to the cheese factory in Heerenveen.

Acquisition during the year

Please refer to note 31 for further detail of acquisitions during the year resulting from business combinations.

Capitalised borrowing costs

During the financial year, an interest amount of €2,974,000 (2024: €1,106,000) is capitalised, with an average interest rate of 4.5% (2024: 3%).

8. Right-of-use assets

Royal A-ware has lease contracts for various items of equipment, machinery, vehicles and buildings used in its operations. Leases of plant and machinery generally have lease terms between 1 and 7 years, while motor vehicles and other equipment generally have lease terms between 1 and 8.5 years. Leases of buildings generally have lease terms between 1 and 15 years. Royal A-ware does not include non-lease components in the Right-of-use assets. Royal A-ware's obligations under its leases are secured by the lessor's title to the leased assets.

Set out in the table on the right are the carrying amounts of right-of-use assets recognised and the movements during the period.

The majority of the additions in 2025 and 2024 concerns replacement of the existing truck and trailer fleet (included under motor vehicles) of the AB Transport division. A small portion concerns expansion of the fleet.

	Buildings	Motor vehicles	Machinery and equipment	Total
	€ 000	€ 000	€ 000	€ 000
Balance as at 01/01/2024	63,421	162,955	17,696	244,073
Additions	7,227	77,116	11,209	95,551
Transfers (Note 7)	-	(6,348)	(170)	(6,518)
Modifications	(83)	(491)	(123)	(697)
Exchange rate differences	3	270	-	273
Depreciation (Note 24)	(11,082)	(42,529)	(3,692)	(57,304)
Balance as at 31/12/2024	59,485	190,973	24,921	275,379
Additions	5,166	63,160	4,321	72,647
Transfers (Note 7)	-	(880)	(168)	(1,048)
Modifications	7,330	(1,659)	(192)	5,478
Exchange rate differences	(32)	(838)	-	(870)
Depreciation (Note 24)	(12,451)	(46,827)	(5,116)	(64,393)
Balance as at 31/12/2025	59,499	203,929	23,765	287,193

Set out in the table to the right are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period.

The maturity analysis of lease liabilities is disclosed in Note 30.

	2025	2024
	€ 000	€ 000
As at 1 January	265,816	231,261
Additions	75,235	95,551
Modifications	6,112	93
Exchange rate differences	(1,002)	161
Interest (Note 27)	7,081	6,152
Payments	(75,130)	(67,404)
As at 31 December	278,112	265,816
Current	68,476	62,010
Non-current	209,636	203,806

The amounts in the table on the right are recognised in profit or loss:

Royal A-ware had total cash outflows for leases of €75,130,000 in 2025 (€67,404,000 in 2024).

Leases not yet commenced

As of 31 December 2025, Royal A-ware has entered into a lease agreement for a distribution centre in Deventer, the Netherlands that commences on 1 January 2026. The lease has a non-cancellable term of 13 years and 2 months. Royal A-ware is committed to future undiscounted cash outflows of €68,818,000 over the lease term, which are not reflected in the measurement of lease liabilities at year-end.

	2025	2024
	€ 000	€ 000
Depreciation expense of right-of-use assets (Note 24)	64,393	57,304
Interest expense on lease liabilities (Note 27)	7,081	6,152
Expense relating to short-term and low-value leases	9,186	11,043
Total amount recognised in profit or loss	80,661	74,499

9. Intangible assets and Goodwill

	31/12/2025	31/12/2024
	€ 000	€ 000
Development costs	3	9
Costs of acquisition of patents, trademarks and other rights	16,802	223
Goodwill	25,548	8,914
Total intangible assets	42,353	9,147



	Development costs	Patents, trademarks and other rights	Goodwill	Total
	€ 000	€ 000	€ 000	€ 000
Balance as at 01/01/2024				
Cost	68	545	8,460	9,073
Accumulated amortisation	(52)	(395)	-	(447)
Book value as at 01/01/2024	16	150	8,460	8,626
Movements				
Investments	-	153	-	153
Acquired through business combinations (Note 31)	-	-	400	400
Exchange differences	-	4	4	8
Amortisation	(7)	(84)	-	(91)
Disposals	-	(45)	-	(45)
Amortisation on disposals	-	45	-	45
Other	-	-	51	51
Balance movements	(7)	73	454	521
Balance as at 31/12/2024				
Cost	68	665	8,914	9,647
Accumulated amortisation	(59)	(442)	-	(500)
Book value as at 31/12/2024	9	223	8,914	9,147
Balance as at 01/01/2025				
Cost	68	665	8,914	9,647
Accumulated amortisation	(59)	(442)	-	(500)
Book value as at 01/01/2025	9	223	8,914	9,147
Movements				
Investments	-	37	-	37
Acquired through business combinations (Note 31)	-	18,017	16,878	34,895
Exchange differences	-	(7)	(8)	(15)
Amortisation	(6)	(1,672)	-	(1,678)
Disposals	-	-	-	-
Amortisation on disposals	-	-	-	-
Other	-	204	(236)	(32)
Balance movements	(6)	16,578	16,634	33,207
Balance as at 31/12/2025				
Cost	68	18,696	25,548	44,312
Accumulated amortisation	(65)	(1,895)	-	(1,959)
Book value as at 31/12/2025	3	16,802	25,548	42,353

Impairment

The entities within A-ware are organised under 4 main pillars (A-ware Dairy; AB Transport; Automotive; B&A Asset Management) that perform different services and sell different goods. These 4 pillars represent the cash generating units. Goodwill is tested for impairment annually. See below for an overview of the carrying value of

goodwill. Royal A-ware's impairment test is primarily based on value in use calculations using a discounted cash flow model, based on cash flow projections for a total of 5 years from the strategic plan prepared by management.

The carrying amount of goodwill allocated to the cash generating unit is as follows

	31/12/2025	31/12/2024
A-ware Dairy	€ 000	€ 000
AB Transport	20,572	3,928
Automotive	4,953	4,964
B&A Asset Management	23	23
Total goodwill	25,548	8,914

Other intangible fixed assets

Intangible fixed assets do not include any self-generated intangible fixed assets.

The intangible assets other than goodwill are depreciated over 10 years. Goodwill is not amortised, but tested for impairment annually irrespective whether there are indicators for impairment or not.

There are no intangible assets with limited rights of ownership and no intangible fixed assets have been provided as security for liabilities. There are also no obligations with respect to the acquisition of intangible fixed assets.

Acquisition during the year

Please refer to note 31 for further detail of acquisitions during the year resulting from business combinations.

Key assumptions used in value in use calculations

The calculation of value in use for the identified cash generating units is most sensitive to the following assumptions:

- Discount rates
- Revenue and margin development
- Terminal value growth rate

A reasonably possible change in a key assumption would not cause the cash generating units' carrying amounts to exceed their recoverable amount.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Royal A-ware and its operating segments and is derived from its weighted average cost of capital (WACC) and ranges between 7 - 11%. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by Royal A-ware's investors. The cost of debt is based on the interest-bearing borrowings Royal A-ware is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Revenue and margin development

For the value in use calculation of each CGU, the future cash flows are estimated using the expected future revenue and margin development. These have been based on the budget for the next year, and thereafter Royal A-ware's Long Term Plan ('LTP') for a period of 5 years in total, that is updated annually to align with current expectations of future financial performance.

Terminal value growth rate

The terminal value growth rate is an important assumption in the value in use calculations, as it influences the expected value of the business after the explicit forecast period. The terminal value growth rate of 2% is considered in conjunction with the risk free rate that is included in the WACC.



10. Joint ventures and associated companies

	31/12/2025	31/12/2024
	€ 000	€ 000
Investments in joint ventures	45,033	35,192
Total joint ventures and associated companies	45,033	35,192
	Investments in joint ventures	
	€ 000	
Balance as at 01/01/2024		32,772
Investments		1,515
Provided loans		-
Movement in P&L		-
Result for the year		1,579
Share of other comprehensive income (OCI)		(674)
Balance as at 31/12/2024		35,192
Investments		5,660
Provided loans		-
Movement in P&L		-
Result for the year		1,862
Share of other comprehensive income (OCI)		2,319
Balance as at 31/12/2025		45,033
	31/12/2025	31/12/2024
	€ 000	€ 000
Investments in joint ventures accounted for using the equity method		
Kilkenny Cheese Holdings Limited	38,415	30,362
Organic Jersey Farm GmbH	2,849	2,557
Coucour N.V.	2,680	1,372
Meierei B.V.	384	245
Dutch Carbon Company B.V.	27	16
Farmdesk B.V.	678	640
Total	45,033	35,192

The result from joint ventures and associates, as presented in the consolidated statement of profit or loss, amounted to € 2,121,000 (2024: € 2,610,000). This total includes:

- A share of profit from joint ventures and associates of € 1,862,000 (2024: € 1,579,000), as disclosed in the table on the right.
- Dividend income from investments in equity instruments at FV of € 258,000 (2024: € 1,018,000).
- Other: € 1,000 (2024: € 13,000)

The difference between the total result from joint ventures and associates as presented in the statement of profit or loss and the amount disclosed in Note 10 primarily reflects the inclusion of dividend income from equity instruments at FV.



Kilkenny Cheese Holdings Limited

In 2022 a 50% interest (Joint Venture) was acquired in Kilkenny Cheese Holding Limited. Kilkenny Cheese Holdings Limited holds 100% shares in Kilkenny Cheese Limited. The convertible loan to Kilkenny Cheese Limited provided in previous years has been converted into equity for a total amount of €21,650,000 in 2022 and €7,671,000 in 2023. During 2025 an additional €3,000,000 was invested in the equity of Kilkenny Cheese Holding Limited.

Royal A-ware's interest in Kilkenny Cheese Holdings Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the investment:

Kilkenny Cheese Holdings Limited

	31/12/2025	31/12/2024
	€ 000	€ 000
Current assets	64,698	54,063
Non-current assets	207,675	211,006
Current liabilities	63,923	58,689
Non-current liabilities	131,620	145,655
Equity	76,831	60,725
Group's share in equity	38,415	30,362
Goodwill	-	-
Group's carrying amount of the investment	38,415	30,362
	31/12/2025	31/12/2024
	€ 000	€ 000
Revenue from contracts with customers	260,719	170,994
Cost of sales	(215,083)	(141,892)
Administrative expenses	(31,315)	(18,492)
Finance income	1	6
Finance costs	(8,046)	(5,304)
Profit before tax	6,277	5,312
Income tax expense	(809)	(666)
Result of participations	-	-
Other comprehensive income	4,638	(1,347)
Total comprehensive income for the year	10,106	3,299
Group's share of profit for the year	5,053	1,650



Coucour N.V.

In 2022 a 30% interest was acquired in Coucour N.V. In 2025, a capital investment of €1,102,000 increased the interest to 34.02%.

Ice Cream Makers GmbH

In 2020 a 51% (legal) interest was acquired in Ice Cream Makers GmbH (formerly: Organic Jersey Farm GmbH). Economically, this is a 50% Joint Venture.

Meierei B.V.

In 2020 a 50% interest was acquired in Meierei B.V. Economically, this is a 50% Joint Venture.

Dutch Carbon Company B.V.

In 2022 a 33.33% (legal) interest was acquired in Dutch Carbon Company B.V.

Farmdesk B.V.

In 2024, October 24 a 50% (50% voting and 50% capital) interest was acquired in Farmdesk B.V.



Joint Ventures and Associates (Aggregated)

Royal A-ware's share of profit/(loss) from joint ventures recognised in the consolidated statement of profit or loss for the year ended 31 December 2025 consists of the following:

- € 2,734,000 represents Royal A-ware's share of the 2025 result of Kilkenny Cheese Holding Ltd.
- € (956,000) relates to the aggregated profit/(loss) of all other joint ventures, which corresponds to their 2024 financial year results.
- € 85,000 represents adjustments from prior years relating to the aggregated profit/(loss) of Royal A-ware's joint ventures.

Royal A-ware's interest in joint ventures that are not individually material is accounted for using the equity method in the consolidated financial statements. Please note that the annual reports of The Ice Cream Makers GmbH, Coucour N.V. and Dutch Carbon Company B.V. for 2025 are not publicly available yet and therefore 2024 figures are included in the aggregated figures. The following table illustrates the aggregated summarised financial information of Royal A-ware's investment:

Joint ventures (aggregated)

	31/12/2025	31/12/2024
	€ 000	€ 000
Current assets	7,447	8,723
Non-current assets	32,293	28,308
Current liabilities	1,012	3,178
Non-current liabilities	29,888	25,186
Equity	8,840	8,668
Group's share in equity	3,373	3,419
Goodwill	584	584
Investments in equity other years	2,660	825
Group's carrying amount of the investment	6,618	4,829
	31/12/2025	31/12/2024
	€ 000	€ 000
Revenue from contracts with customers	7,317	11,082
Cost of sales	(5,589)	(7,303)
Administrative expenses	(3,271)	(4,903)
Finance income	1,166	857
Finance costs	(1,381)	(1,325)
Profit before tax	(1,759)	(1,593)
Income tax expense	(234)	(227)
Result of participations	523	665
Other comprehensive income	-	-
Total comprehensive income for the year	(1,470)	(1,155)
Group's share of profit for the year	(872)	(748)

11. Financial assets

	31/12/2025	31/12/2024		
	€ 000	€ 000		
Receivables from joint ventures	2,500	15,000		
Non-listed equity investments at fair value	780	780		
Other financial fixed assets	6,555	10,606		
Total financial assets	9,835	26,386		
	Non-listed equity investments at fair value	Receivables on participations	Other financial fixed assets	Total
	€ 000	€ 000	€ 000	€ 000
Balance as at 01/01/2024	57	15,000	6,975	22,032
Investments	723	-	-	723
Acquired through business combinations (Note 31)	-	-	500	500
Provided loans	-	-	3,766	3,766
Movement in P&L	-	-	(119)	(119)
Impairment and reversals - net	-	-	-	-
Disposals	(0)	-	-	(0)
Repayments	-	-	(516)	(516)
Balance as at 31/12/2024	780	15,000	10,606	26,386
Investments	-	-	-	-
Acquired through business combinations (Note 31)	-	-	792	792
Provided loans	-	-	-	-
Movement in P&L	-	-	(333)	(333)
Impairment and reversals - net	-	(12,500)	(3,750)	(16,250)
Disposals	-	-	-	-
Repayments	-	-	(760)	(760)
Balance as at 31/12/2025	780	2,500	6,555	9,835

Non-listed equity investments accounted for at fair value:

	31/12/2025	31/12/2024
	€ 000	€ 000
Investments in non-listed equity investments at FV		
Boostlogix Holding B.V.	54	54
Trigona Dairy Trade B.V.	726	726
Total	780	780

Boostlogix Holding B.V.

In 2020, the shares in Boostlogix Zwolle B.V. incorporated into the new entity Boostlogix Holding B.V. In exchange for this, a 14.29% interest in Boostlogix Holding B.V. was obtained.

Trigona Dairy Trade B.V.

Investment relates to a 15.78% interest in Trigona Dairy Trade B.V. situated in Didam.

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-listed equity investments have been estimated using a discounted cash flow (DCF) model, which necessitates management to make several key assumptions regarding the model inputs, such as forecast cash flows, the discount rate, credit risk, and volatility. Management has assessed the probabilities of the various estimates within the range, which are integral to the determination of fair value for these investments. Notably, the analysis revealed that there is materially no difference between the cost and the fair value calculated through the DCF model. Consequently, management has concluded that it is appropriate to carry these non-listed equity investments at cost in the financial statements, reflecting their fair value assessment.

	31/12/2025	31/12/2024
	€ 000	€ 000
Receivables from joint ventures		
Loan Meierei B.V.	-	12,500
Loan Kilkenny Cheese Holdings Limited	2,500	2,500
Total	2,500	15,000

A bridge loan of €10,450,000 carrying interest of 6% per year was issued to Meierei B.V. in 2021. In 2022 an amount of €450,000 was repaid and during 2023 €2,500,000 was advanced additionally.

As at 31 December 2025, Royal A-ware determined that the loans and associated interest receivables provided to Meierei B.V. were credit-impaired (Stage 3) in accordance with IFRS 9. This assessment was confirmed by the fact that local management of E-Piim Tootmine AS, (a part-ownership through Royal A-ware's joint venture Meierei B.V.), filed for bankruptcy on 11 February 2026 and was declared bankrupt by the Estonian court on 11 March 2026. This provided definitive evidence of E-Piim Tootmine's inability to meet its financial obligations and confirmed conditions that existed at the balance sheet date. The loan provided to Meierei B.V. was lent-on to

E-Piim Tootmine. Consequently, Royal A-ware has recognised a loss allowance representing the full lifetime expected credit loss for these assets.

The gross carrying amount of the loan to Meierei B.V. of €12,500,000 and the direct loan to E-Piim Tootmine of €3,750,000, together with the associated accrued interest (other receivables), have been reduced to a net carrying amount of nil. In accordance with Royal A-ware's accounting policy for credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount net of the loss allowance. Due to the bankruptcy proceedings, the probability of recovery is deemed negligible, and a total impairment loss of €16,250,000 plus associated accrued interest of €2,152,000 has been recognised in the consolidated statement of profit or loss for the year ended 31 December 2025.

A shareholder loan of €2,500,000 carrying interest of 4.5% per year was issued in December 2022 to Kilkenny Cheese Holdings Limited. The loan has a maturity date equal to the final date of the shareholder agreement of 13 May 2040.

	31/12/2025	31/12/2024
	€ 000	€ 000
Other financial fixed asset		
Loan E-piim Tootmine AS	-	3,750
Loan Emaus B.V.	2,049	2,802
Loan Armalienke B.V.	3,000	3,000
Other financial fixed assets	1,507	1,054
Total	6,555	10,606

A shareholder (indirect) loan of €3,750,000 carrying interest of 6% per year was issued to E-Piim Tootmine AS in 2024. In accordance with IFRS 9, Royal A-ware has determined that the bankruptcy constitutes a default event. Consequently, the loan has been transitioned to stage 3 (credit-impaired). The impairment related to this loan amounts to €3,995,000 of which €3,750,000 relates to the provided loan and the remainder consists of accrued interest that was presented under short-term receivables.

The loan regarding Emaus is a loan to a third party. The loan is issued for four years, starting 5 January 2023. The interest on the loan is 5%. A guarantee on all current and future tangible, intangible and financial fixed assets is received as collateral.

The loan to Armalienke B.V. was provided in the financial year 2017. The loan was extended in 2024. The interest rate is 2%. The loan is due in full on 5 May 2027.



12. Inventories

	31/12/2025	31/12/2024
	€ 000	€ 000
Raw materials	243,915	239,385
Finished goods	72,307	54,300
Packing materials	17,689	14,122
Trucks	8,358	8,175
Property held for resale	7,517	-
Other	21,179	18,183
Total	370,964	334,164

In the valuation of inventory the indirect costs for storage, transport and interest costs are included. An amount of €1,408,000 (2024: €1,085,000) related to interest costs is included on an average of 5% (2024: 3%). A provision for stock of €19,046,000 (2024: €5,187,000) is included in the finished goods. The majority of the provision in 2025 includes a write-down to the net realisable value (NRV). During 2025, Royal A-ware recognised an expense of €10,019,000 (2024: € 594,000) to write down inventories to their net realisable value. This expense is included in 'Costs of materials, production and charter costs'.



13. Trade and other receivables

	31/12/2025	31/12/2024
	€ 000	€ 000
Trade receivables	417,278	401,518
Allowance for expected credit losses	(2,154)	(1,307)
Trade receivables (net)	415,123	400,211
Other receivables, prepayments, commercial reservations and accrued income	46,965	41,118
Taxes and social security charges	18,713	15,579
Total	480,802	456,908

The following table summarises the movement in the allowance for expected credit losses for the years ended 31 December 2025 and 31 December 2024.

	31/12/2025	31/12/2024
	€ 000	€ 000
Opening balance	(1,307)	(1,043)
Accruals for expected credit losses	(1,195)	(426)
Recoveries	29	27
Amount written off	319	151
Other movements	-	(16)
Closing balance	(2,154)	(1,307)

Set out below is the information about Royal A-ware's trade receivables (including contract assets) using a provision matrix:

	Current	Days past due			Total
		< 60 days	61-120 days	>120 days	
31/12/2025					
Expected loss %	0.00%	0.00%	1.48%	27.30%	0.52%
Trade receivables	324,998	77,441	7,347	7,492	417,278
Allowance for expected credit losses	-	-	(109)	(2,045)	(2,154)
Trade receivables (net)	324,998	77,441	7,238	5,447	415,123

	Current	Days past due			Total
		< 60 days	61-120 days	>120 days	
31/12/2024					
Expected loss %	0.00%	0.03%	2.98%	12.93%	0.33%
Trade receivables	297,953	84,073	12,402	7,090	401,518
Loss allowance	-	(22)	(369)	(916)	(1,307)
Trade receivables (net)	297,953	84,051	12,033	6,174	400,211

Taxes and social security charges

	31/12/2025	31/12/2024
	€ 000	€ 000
Value added tax, wage and social security receivables	10,623	9,753
Corporate income tax	2,572	613
Other taxes	5,518	5,214
Total	18,713	15,579

Other receivables, prepayments and accrued income

	31/12/2025	31/12/2024
	€ 000	€ 000
Amounts to be invoiced	27,178	19,911
Amounts to be received	4,996	3,127
Prepaid expenses	10,943	11,360
Other	3,848	6,720
Total	46,965	41,118

The other receivables are due within 1 year. During 2025 €2,152,000 (2024: €0) of expected credit losses (stage 3) was recognised related to interest receivable on the (indirect) loans to E-Piim Tootmine AS as presented under other receivables (see note 11).



14. Cash and cash equivalents

Cash and cash equivalents consisted of the following items as of:

	31/12/2025	31/12/2024	01/01/2024
	€ 000	€ 000	€ 000
Cash and cash equivalents at bank	119,908	266,543	24,856
Cash on hand	96	20	26
Cash equivalents with original maturity less than three months	-	-	-
Cash and cash equivalents	120,004	266,563	24,882
Less: Bank overdrafts	(122)	(993)	(68,141)
Cash and cash equivalents, net of overdrafts, as presented in the consolidated statement of cash flows	119,881	265,571	(43,259)

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are comprised of cash at bank and on hand and highly liquid investments that are readily convertible to known amounts of cash, are subject to only an insignificant risk of changes in value and have an original maturity of less than three months.

For the purpose of the statement of cash flows, cash and cash equivalents is presented net of bank overdrafts. Royal A-ware includes its bank overdraft as a component of cash and cash equivalents in accordance with IAS 7.

Bank overdrafts are otherwise presented within current interest-bearing borrowings in the statement of financial position (see note 16).

A reconciliation of the cash and cash equivalents balance presented in the statement of financial position to the balance presented in the statement of cash flows is provided above.



15. Issued capital and reserves

Authorised shares	31/12/2025	31/12/2024
	€ 000	€ 000
Ordinary shares of €1 each	18	18
Total	18	18

The share capital is paid up in full. The share capital issued equals €90,000 divided in 90,000 shares of €1 each.

Share premium	31/12/2025	31/12/2024
	€ 000	€ 000
Share premium	55,443	55,443
Total	55,443	55,443

The Share premium reserve was created by contribution when the company was established on 10 November 2010.

Other legal reserves	Foreign currency translation reserve	Retained earnings	Other reserve	Cash flow hedge reserve	NCI
	€ 000	€ 000	€ 000	€ 000	€ 000
As at 1 January 2024	(468)	350,780	6,350	11,300	2,265
Realised	1,098	868	(1,541)	(3,773)	-
Dividends paid	-	(10,000)	-	-	-
Addition/withdrawal in financial year	-	-	-	1,069	-
Net result for the period	-	64,721	-	(7,527)	260
As at 31 December 2024	631	406,369	4,809	1,069	2,526
Realised	(2,425)	471	1,848	2,632	-
Dividends paid	-	(50,000)	-	-	-
Addition/withdrawal in financial year	-	-	-	-	-
Net result for the period	169	43,843	-	-	146
As at 31 December 2025	(1,625)	400,684	6,657	3,700	2,672

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. These differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

Dividends

The Management Board, with the approval of the Supervisory Board, proposes that a dividend of €2,222.22 per share to be paid with respect to 2025, amounting to a total distribution of €40.000.000. This dividend is subject to approval by the General Meeting of Shareholders.

The final dividend of €2,222.22 per share has not been included as a liability on the consolidated balance sheet as of December 31, 2025. The payment of this dividend will not have income tax consequences for Royal A-ware.

Approval Process

The proposed profit appropriation is subject to approval by the general meeting of shareholders, which will be held on 20 May 2026. The financial statements do not reflect this proposed appropriation.

Legal and Contractual Restrictions

The company is subject to certain legal and contractual restrictions on the distribution of profits. As of the balance sheet date, the company complies with all such restrictions, including the minimum reserve requirements stipulated by the Dutch Civil Code and the covenants in the company's loan agreements.



16. Financial liabilities

	Interest rate	Maturity	31/12/2025	31/12/2024
	%		€ 000	€ 000
Current interest-bearing loans and borrowings				
Lease liabilities (Note 8)			68,476	62,010
Short term borrowings			40,489	22,496
Bank overdraft (Note 14)			122	993
Loans from shareholders 1	Euribor + 4.50% (min. 6.50%)	01/01/2027	-	-
Other subordinated loans			-	-
<i>Loan from credit institutions 1</i>	0.70 - 2.90%	1 - 9 years	-	173
<i>Loan from credit institutions 2</i>	2.19% fixed + 1.85%	27/11/2029	-	-
<i>Loan from credit institutions 3 (Term loan)</i>	Euribor 3-mth + 1.75%	27/11/2028	15,000	15,000
<i>Loan from credit institutions 3 (RCF)</i>	Euribor 3-mth + 1.75%	27/05/2026	50,000	-
<i>Loan from credit institutions 4</i>	4.31%	26/09/2034	-	-
<i>Loan from credit institutions 5</i>	3.33%	03/06/2032	-	-
<i>Mortgage loan 1</i>	Euribor Reuters + 1.50%	30/05/2030	124	111
Other			750	750
Total current interest-bearing loans and borrowings			174,962	101,533
Lease liabilities (Note 8)			209,636	203,806
Loans from shareholders 1	Euribor + 4.50% (min. 6.50%)	01/01/2027	4,000	4,000
Other subordinated loans			5,543	5,902
<i>Loan from credit institutions 1</i>	0.70 - 2.90%	1 - 9 years	-	689
<i>Loan from credit institutions 2</i>	2.19% fixed + 1.85%	27/11/2029	72,500	72,500
<i>Loan from credit institutions 3 (Term loan)</i>	Euribor 3-mth + 1.75%	27/11/2028	567,582	581,378
<i>Loan from credit institutions 4</i>	4.31%	26/09/2034	34,238	23,502
<i>Loan from credit institutions 5</i>	3.33%	03/06/2032	17,000	-
<i>Mortgage loan 1</i>	Euribor Reuters + 1.50%	30/05/2030	502	626
Other			10,000	15,750
Total non-current interest-bearing loans and borrowings			920,999	908,152
Total interest-bearing loans and borrowings			1,095,961	1,009,685

Refinancing transaction (2024)

In November 2024, Royal A-ware refinanced its existing borrowings through a new term loan (loan from credit institutions 3). The refinancing resulted in the full repayment of several loans previously held with various credit institutions. The transaction simplified Royal A-ware's debt structure. The impact of the refinancing resulted in a cashflow of € 421,716,756 principal payment included in financing activities.

Short term borrowings

Short-term borrowings comprises financing obtained under the Structured Inventory Product ("SIP") facility that Royal A-ware has. The SIP is a short-term financing arrangement secured by inventory, to optimise working capital and liquidity. Borrowings under the SIP have maturities of less than twelve months and are measured at amortised cost.

Royal A-ware also maintains a bank overdraft facilities. Due to its nature and integration with daily cash management, the overdraft balance is included as part of cash and cash equivalents (Note 14).

Interest expenses related to SIP and the overdraft facility are recognised in the profit and loss as incurred.

Subordinated loans:

Loans from shareholders:

- One loan amounts to €4,000,000 with an interest rate of 1-year EURIBOR plus 4.5% with a minimum of 6.5%. According to the agreement, the loan must be repaid in full before 1 January 2027.

Other subordinated loans:

- A loan of €4,450,000 provided by Coöperatie Noorderland Melk U.A. with an interest rate of 12-month EURIBOR plus 4% per year. The loan is provided for an indefinite period.

- A loan of €1,092,500 provided by members of the Vereniging Melkleveranties A-ware. The interest rate varies between 4% and 6% per year. In 2025 an amount of €360,000 (2024: €40,000) was repaid on the existing loans provided by members of the Vereniging Melkleveranties A-ware. The loan is provided for an indefinite period.

Loan from credit institutions 1

Sum of 8 loans related to property, plant and equipment of May Transporte GmbH with an interest percentage between 0.70% and 2.90%. The term varies between 1-9 years. The remainder of the loans were repaid in 2025.

Loan from credit institutions 2

On 28 November 2024, Goldman Sachs Asset Management B.V. (formerly: Nationale Nederlanden Investment Partners) provided a loan of €72,500,00. The interest percentage is 4.04%. The amount of €72,500,000 must be repaid in full on 30 December 2027.

The interest rate is a (fixed) rate of 2.19% plus a margin of 1.85%, for a total of 4.04%. No repayments of principal are required during the term of the loan, which is due in full at maturity. Financing costs of €217,500 were deducted and are being amortised over the term of the loan.

Loan from credit institutions 3

On 25 November 2024, a €1,000,000,000 long-term financing agreement was signed to refinance the majority of Royal A-ware's existing debt. The syndicate consists of eleven financial institutions.

The loan is divided into a €600,000,000 term loan, which was fully drawn at the closing date (28 November 2024), and a €400,000,000 Revolving Credit Facility of which €75,000,000 was drawn on 29 April 2025. At 31 December 2025, the drawn portion of the Revolving Credit Facility amounted to €50,000,000.

Tenor of the facility is initially three years and can be extended by one year, twice (3 + 1 + 1 years). In 2025 the facility was extended by one year. The extension options are not taken into consideration for measurement of the long-term financing agreement.

Interest is based on 3-month EURIBOR plus a margin of 1.75%. The term loan is repayable in semi-annual instalments of €7,500,000 with the first instalment on 28 May 2025. Financing costs of €3,000,000 were deducted from the loan and are being amortised over the term of the loan.

A commitment fee (35% of the margin) is payable on the undrawn proportion of the Revolving Credit Facility.

As at 31 December 2025, a portion of the term loan amounting to €546,500,000 has been designated in a cash flow hedge relationship to manage the exposure to variability in interest cash flows. The hedging instrument used is an interest rate swap, whereby Royal A-ware receives variable interest and pays fixed interest. Further details on the Group's risk management strategy, hedge designation, and effectiveness assessment are provided in Note 18 and 30.

The loans are subject to the following covenants, which are reviewed quarterly:

- Net Leverage: Net Debt over EBITDA should not exceed 4:1;
- DSCR: Debt Service Cover should not be less than 1.25:1;
- Asset & EBITDA Cover Test: Obligors under the facility should at least represent 85% of assets & EBITDA as compared to the consolidated group figures.

At year end, no breach of covenants was applicable.

The margin on the loans depends on this:

- Net Leverage (margin grid i.e. lower leverage leads to lower margin payable);
- Sustainability KPIs:
 - Increase in annual sourcing of renewable electricity as percentage of total electricity sourced by current, fully owned, production sites;
 - Reduction in Scope 3 GHG emissions on A-ware dairy farms in the Netherlands per kilogram of FPCM, calculated as a weighted average by volume of milk per milk stream;
 - Reduction of water intake at currently, fully owned, wet production locations.

Loan from credit institutions 4

On 26 September 2024 A-ware Asturias S.L. entered into a loan agreement with Grupo SEPIDES for a facility up to €34,855,000 of which €23,898,668 was drawn in 2024. The facility was fully drawn at year-end 2025. The purpose of the loan is the investment in a new plant in Asturias, Spain. The facility has a fixed interest rate of 4.31% over the lifetime of the loan and a tenor of 10 years. In terms of security, the facility benefits from a guarantee from Koninklijke A-ware Food Group B.V., as well as a guarantee of €3,500,000 (of which 50% is to be held in cash on a blocked account at Banco De Sabadell). Financing costs related to this facility are capitalised and will be amortised once the plant in Asturias becomes operational.

Loan from credit institutions 5

On 3 June 2025 A-ware Asturias S.L. entered into a loan agreement with Banco Bilbao Vizcaya Arentaria for an amount of € 17,000,000. The purpose of the loan is the investment of a new plant in Asturias, Spain. The facility has a fixed interest rate of 3.33% over the lifetime of the loan and a tenor of 7 years. The loan will be repaid in monthly instalments of € 308,000 with the first instalment commencing on 3 June 2027. In terms of security, the facility benefits from a guarantee from Koninklijke A-ware Food Group B.V.



Mortgage loan 1

On 24 June 2024 Stefanini Formaggi Srl was acquired through a business combination. Through this acquisition, a new mortgage was included and has an initial amount of € 400,000. The fair value at acquisition date was € 387,304. The interest rate is based on EURIBOR plus 1.5%. A security for this loan is the real estate located at Via del Bosco 68 Bosco di Scandiano (Italy).

Another mortgage was included and has an initial amount of € 250,000. The fair value at acquisition date was € 127,201. The interest rate is based on EURIBOR plus 4%. A security for this loan is the real estate located at Via del Bosco 68 Bosco di Scandiano (Italy).

Lastly, a mortgage was included and has an initial amount of € 467,000. The fair value at acquisition date was € 222,495. The interest rate is based on EURIBOR plus 4%. A security for this loan is the real estate located at Via del Bosco 68 Bosco di Scandiano (Italy).

Other loans

A loan of €10,000,000 was provided by a strategic partner. The loan is due on 1 January 2030. The interest rate is Euribor plus 1.5%.

Another loan of €5,000,000 was provided by a strategic partner. The loan has been repaid in full on 15 October 2025. The interest rate was Euribor plus 3.5% per year.

A Loan of €3,750,000 was provided by a former shareholder in 2021 with an interest rate of 4% per year. The loan is repaid in quarterly instalments of €187,500.

Loans related to acquisitions

On 30 April 2025, Royal A-ware acquired the Dairy Food Group (see note 31). As part of the acquisition, Royal A-ware assumed existing bank loans with a total carrying amount of € 13,323,000 at the acquisition date. The loans were fully settled in October 2025. The impact of the settlement resulted in a cashflow of an identical amount included in financing activities. Royal A-ware has no continuing obligations in respect of these loans and there were no breaking costs.



Changes in liabilities arising from financing activities

	1/1/2024	Cash flows	Foreign exchange movement	Changes in fair values	New leases	Other	31/12/2024
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Current interest-bearing loans and borrowings (excluding items listed below)	27,427	12,096	-	-	-	-	39,523
Current lease liabilities (Note 29)	54,215	(67,404)	-	-	69,047	6,152	62,010
Non-current interest-bearing loans and borrowings (excluding items listed below)	303,011	402,812	-	-	-	(1,477)	704,346
Non-current lease liabilities (Note 29)	177,046	-	161	-	26,505	94	203,806
Total liabilities from financing activities	561,699	347,504	161	-	95,551	4,769	1,009,685
	1/1/2025	Cash flows	Foreign exchange movement	Changes in fair values	New leases	Other	31/12/2025
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Current interest-bearing loans and borrowings (excluding items listed below)	39,523	66,945	-	-	-	13	106,481
Current lease liabilities (Note 29)	62,010	(75,130)	-	-	74,515	7,081	68,476
Non-current interest-bearing loans and borrowings (excluding items listed below)	704,346	6,034	-	-	-	983	711,363
Non-current lease liabilities (Note 29)	203,806	-	(1,002)	-	720	6,112	209,636
Total liabilities from financing activities	1,009,685	(2,151)	(1,002)	-	75,235	14,190	1,095,957

Other financial liabilities

	31/12/2025 € 000	31/12/2024 € 000
Other financial liabilities at amortised cost		
Trade and other payables	295,528	221,791
Payables relating to taxes and social security contributions	24,901	42,660
Other liabilities and accrued expenses	172,808	207,896
Total other financial liabilities	493,237	472,346
Total current	668,199	573,879
Total non-current	920,999	908,152

17. Provisions, commitments and contingencies

The following table summarises the movement in provision for the years ended 31 December 2025 and 31 December 2024:

	Annuity commitments	Jubilee benefits	Provisions for onerous contracts	Restructuring provisions	Other provisions	Total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
As of 01/01/2024	144	889	840	30	350	2,253
Consolidation	-	15	-	-	-	15
Arising during the period	14	183	1,197	-	74	1,468
Utilised	(69)	(101)	(840)	(15)	(350)	(1,375)
Realised revaluation	-	-	-	-	-	-
Unused amount reversed	-	-	-	(15)	-	(15)
Transfer / reclassification	-	-	-	-	-	-
Translation and other adjustment	-	-	-	-	-	-
As of 31/12/2024	89	986	1,197	-	74	2,346
Current	17	94	1,197	-	25	1,333
Non-current	72	892	-	-	49	1,013
As of 01/01/2025	89	986	1,197	-	74	2,346
Consolidation	-	88	-	-	-	88
Arising during the period	21	305	2,965	7,319	1	10,611
Utilised	(12)	(177)	(1,072)	-	-	(1,261)
Realised revaluation	-	-	-	-	-	-
Unused amount reversed	-	-	-	-	-	-
Transfer / reclassification	-	-	-	-	-	-
Translation and other adjustment	-	-	-	-	-	-
As of 31/12/2025	98	1,202	3,090	7,319	75	11,784
Current	12	139	2,990	7,319	25	10,485
Non-current	86	1,063	100	-	50	1,299

Restructuring provisions

In May 2025, Royal A-ware announced and initiated a formal plan to cease operations at its Olympia facility. This action is part of a strategic consolidation of manufacturing activities in response to structural changes in market demand. The closure is expected to be completed in 2026.

The restructuring provision relates to the following estimated costs:

- Termination benefits: includes severance and related costs for employees whose roles are being made redundant as a direct result of the Olympia facility closure.

These costs are recognised in accordance with IAS 19 as Royal A-ware has a detailed formal plan and has raised a valid expectation in those affected.

- Contract terminations and site costs: includes penalties for the early termination of contracts and other exit costs directly attributable to the closure that are not associated with the ongoing activities of the entity.

As the closure is scheduled for completion in 2026, the remaining provision is expected to be utilised within the next twelve months.

Commitments and contingencies

Royal A-ware Food Group B.V.

The following security has been provided for entities subject to financing by the banking syndicate and Goldman Sachs Asset Management B.V.:

- A pledge, first in rank, on all receivables, bank accounts and inventory owned by Dutch Obligors.
- A Mortgage, first in rank, on registered property at the cheese factory in Heerenveen, the Mozzarella and Cream factory in Heerenveen and the cheese processing factory in Lopik.
- A pledge, first in rank, on movable property at the cheese factory in Heerenveen, the Mozzarella and Cream factory in Heerenveen, the packing facilities in Almere and Culemborg, the cheese processing factory in Lopik and the ripening and warehousing facility in Zeewolde.
- A pledge, first in rank, on all claims, bank accounts, receivables and movable assets owned by Belgian Obligors.

Off-balance sheet commitments relating to liability claims

Royal A-ware Food Group B.V. issued article 403 item 1 sub f Book 2 BW, relating to making itself jointly and severally liable for debts arising from juridical acts of the subsidiaries, for all consolidated subsidiaries with the exception of the following Dutch entities:

- Bosman Transport Nisse B.V.

AB Texel GmbH, Helmstedt, and May Transporte GmbH, Rheinböllen, have made use of the exemption under Section 264(3) of the German Commercial Code (HGB) for the financial year 2025.

The off-balance sheet liabilities relating to the fiscal unity

Royal A-ware Food Group B.V. and its 100% owned Dutch subsidiaries are part of the fiscal unity for corporate income tax purposes, of which Royal A-ware Food Group B.V. is head of Royal A-ware, with the exception of fiscal unity AB Transport Group, fiscal unity A-ware Grutte Pier, fiscal unity Truck Service Holding, Sinnetsiis II B.V. and G. Bosman Transport Nisse B.V. and as such is jointly and severally liable for the corporate income tax payable to the Dutch Tax Authorities.

Royal A-ware Food Group B.V. and its consolidated Dutch subsidiaries are part of the fiscal unity for value added tax purposes, of which Royal A-ware Food Group B.V. is head of Royal A-ware, with the exception of fiscal unity AB Transport Group, fiscal unity A-ware Automotive, fiscal unity B&A Asset Management Holding, Sinnetsiis II B.V. and value added tax exempted entities as such is jointly and severally liable for the turnover tax payable to the Dutch Tax Authorities.

Off-balance sheet liabilities relating to purchase commitments

At year-end 2025, a total of €85,012,436 (2024: € 95,398,730) in investment commitments had been entered into.

Purchase agreements

Long-term purchase contracts have been entered into with milk suppliers (full off-take of available milk volume from farmers), subject to variable prices.

Off-balance sheet commitments relating to guarantees

A total amount of €109,828 (2024: €1,760,000) of guarantees have been issued to third parties.

Suretyship

Royal A-ware Food Group B.V. is guarantor for all purchases and debts by its subsidiaries to BP/OK.

Supply commitment

Royal A-ware has entered into several supply and off-take agreements in which parties (supplier – off-taker) agree on certain volumes to be supplied and/or taken-off. Royal A-ware has evaluated the risk related to the supply commitments and considers that no further disclosure is applicable as there is no financial risk determined.

18. Hedging activities and derivatives

Royal A-ware is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments is interest rate risk.

Royal A-ware's risk management strategy and how it is applied to manage risk are explained in Note 30.

Derivatives designated as hedging instruments

Cash flow hedges

Royal A-ware uses interest rate swaps to hedge a portion of the interest rate risk associated with its borrowings. The principal objective of such arrangements is to minimise the risks and/or costs associated with Royal A-ware's operating and financial structure as well as to hedge specific anticipated transactions. Royal A-ware does not intend to utilise derivatives for speculative or other purposes other than interest rate risk management.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). Royal A-ware has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, Royal A-ware uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item



The impact of the hedging instrument on the statement of financial position is as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
	€ 000	€ 000		€ 000
As at 31 December 2025				
Interest rate swap	546,500	3,700	Derivative financial instruments (Non-current)	-
As at 31 December 2024				
Interest rate swap	560,000	1,069	Derivative financial instruments (Non-current)	-
As at 1 January 2024				
Interest rate swap	196,000	11,300	Derivative financial instruments (Non-current)	-

	Total hedging gain/(loss) recognised in OCI	Ineffective-ness recognised in profit or loss	Line item in the statement of profit or loss	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
	€ 000	€ 000		€ 000	
As at 31 December 2025					
Interest rate swap	2,632	-	N/A	-	N/A
As at 31 December 2024					
Interest rate swap	(2,705)	-	N/A	(7,527)	Other financial income and expenses



19. Revenue

Revenue from contracts with customers

The table below provides a breakdown of revenue from contracts with customers for the years ended 31 December 2025 and 31 December 2024. Royal A-ware principally satisfies its performance obligations at a point in time.

	31/12/2025	31/12/2024
	€ 000	€ 000
Dairy	3,895,858	3,324,953
Transport	476,056	426,209
Automotive	46,201	61,912
Total revenue from contracts with clients	4,418,116	3,813,074
Timing of revenue recognition		
	31/12/2025	31/12/2024
	€ 000	€ 000
Revenue recognised at a point in time	4,418,116	3,813,074
Revenue recognised over time	-	-
Total revenue	4,418,116	3,813,074

Dairy revenue for the year ended 2025 includes €50,500,000 of variable consideration relating to two long-term contracts that have been terminated. This amount represents consideration that became fixed upon the cessation of the contracts. As Royal A-ware has satisfied all performance obligations and has an unconditional right to the consideration received, the full amount has been recognised within the current reporting period.

	31/12/2025	31/12/2024
	€ 000	€ 000
Segmentation of revenue		
Netherlands	2,291,534	2,059,740
Germany	722,574	584,885
Belgium	625,865	564,066
Other EU countries	550,722	453,449
Non-EU countries	227,421	150,932
Total	4,418,116	3,813,074
	31/12/2025	31/12/2024
	€ 000	€ 000
Reconciliation of Receivables (unbilled)		
Opening balance	19,911	17,969
Addition during the period	27,178	19,911
Amount transferred to trade receivables	(19,911)	(17,969)
Closing balance	27,178	19,911

Performance obligations are generally satisfied at a point in time. As a result contract balances convert into receivables shortly after. Receivables from customers generally have a payment term of 30 - 45 days net.

20. Other operating income

	31/12/2025	31/12/2024
	€ 000	€ 000
Result on disposal of fixed assets	1,121	4,977
Other operating income	2,640	5,126
Gain (loss) on lease	(142)	(680)
Total	3,619	9,423

21. Costs of materials and charter costs

	31/12/2025	31/12/2024
	€ 000	€ 000
Costs of materials	3,167,524	2,720,085
Transport charter costs	77,665	57,309
Total	3,245,189	2,777,394

22. Direct variable costs

	31/12/2025	31/12/2024
	€ 000	€ 000
Other direct variable expenses Dairy	30,068	27,575
Transport expenses Dairy	38,326	23,012
Industrial cleaning expenses	17,194	14,239
Quality and health expenses	8,225	6,930
Total	93,813	71,755

23. Personnel expenses

The table below provides a breakdown of personnel costs for the years ended 31 December 2025 and 31 December 2024:

	31/12/2025	31/12/2024
	€ 000	€ 000
Wages and salaries	288,022	254,715
Social Security and pension cost	82,491	70,245
Other personnel costs	147,569	137,931
Total personnel costs	518,082	462,892

Other personnel costs mainly consists of temporary workers € 100,928,000 (2024: € 99,700,000).

Disclosure of pension costs

Royal A-ware has the following main pension arrangements:

'Kaaspakhuis' cao – Dairy

All employees under the 'Kaaspakhuis' cao are enrolled in a career average pension plan at the industry-wide pension fund PGB. Contributions to this plan are determined centrally by unions and employer organisations in the sector. Participation in this plan is mandatory for employees in the cheese warehousing sector.

Royal A-ware pays a fixed contribution rate for the period that the employee is under contract. These are fixed contribution rates, the employer has no (legal or constructive) obligation to pay further contributions in the event of funding deficits. The contribution rate was 23.20% (2024: 23.20%) with a maximum employee contribution of 4.64% (2024: 4.64%).

Royal A-ware has no further obligation (legal or constructive) to make additional payments – other than the regular premiums – in the event that the fund has insufficient assets to pay all employee benefits relating to current and prior service.

In addition to the basic plan at PGB, a top-up plan is in place for employees who earn more than the salary cap. This plan is a defined contribution plan which is insured at NN. In a defined contribution plan, Royal A-ware pays fixed contributions. Apart from these contributions Royal A-ware has no legal or constructive obligations to make additional payments relating to employee service in the current and prior periods.

‘Zuivel’ cao – Dairy

All employees under the ‘Zuivel’ cao are enrolled in a career average pension plan which is insured at NN. The pension plan entails a career average pay plan with conditional indexation which is linked to the indexation granted by the Bpf Zuivel industry-wide pension fund for the dairy industry.

The contributions rates are based on the insurance company tariffs and are fixed until the end of the contract.

In addition to the basic plan, a top-up plan is in place for employees who earn more than the salary cap. This plan is a defined contribution plan which is insured at NN.

Management plan

The management participates in a separate defined contribution plan. This plan is administered by the insurance company NN. The contribution rates are age-dependent and range from 7.2% to 31.5% of the pensionable base. The contribution is fully paid by the employer. In a defined contribution plan, the employer pays fixed contributions. Apart from these contributions, the employer has no legal or constructive obligations to make additional payments relating to employee service in the current and prior periods.

Transport

All employees of the Transport business are enrolled in a career average pension plan at the industry-wide pension fund for transportation (Bpf Vervoer).

Royal A-ware pays a fixed contribution rate for the period that the employee is under contract. These are fixed contribution rates and the employer has no (legal or constructive) obligation to pay further contributions in the event of funding deficits. During the last few years the contribution rate has been stable at a level of 30.0% of the pension base with a maximum employee contribution of 10.16%.

Just like the pension plan at PGB, in this plan Royal A-ware has no further obligation (legal or constructive) to make additional payments – other than the regular premiums – in the event that the fund has insufficient assets to pay all employee benefits relating to current and prior service.

‘Middeloonregeling’ pension plans

The “Middeloonregeling” Royal A-ware has with Bpf PGB, Bpf Vervoer and Nationale Nederlanden is regarded as a defined benefit plan. The “Middeloonregeling” meets the definition of a multi-employer plan as it is a defined benefit plan that pool the assets contributed by various entities that are not under common control and uses those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

Sufficient information could not be obtained to use defined benefit accounting for the multi-employer defined benefit plan due to the lack of detailed actuarial data and specific plan provisions necessary to determine the entity's share of the plan's obligations and assets, as well as the inability to assess the financial position of the plan as a whole, which is required under IAS 19 for accurate measurement and recognition of defined benefit obligations. Royal A-ware therefore makes use of the practical exemption in IAS 19 to account for these plans as defined contribution plans. The expected contributions to the “Middeloonregeling” for the financial year ending 31 December 2026 is €22,069,000. The expense recognised for these plans for the year ending 31 December 2025 is €21,043,000.

In accordance with standard arrangements applicable to members of industry pension funds, participation in the fund is mandatory for all eligible entities. Members are not afforded the option to exit the fund at their discretion. Upon the termination of the pension arrangement, it is required that alternative provisions be sought to ensure continued retirement benefits for participants. Furthermore, participants retain their claims on the fund, which must be honored in accordance with the governing

regulations. These arrangements include insured payout agreements with guaranteed amounts (Defined Benefit) placed in (guarantee) contracts with multi-employer pension providers.

Pension plans Belgium

Various Belgian entities, both Dairy and Transport, sponsor (by its nature) defined contribution plans, classified as defined benefit plans for accounting purposes due to the minimum guarantees explained hereafter. These are funded pension plans which are open to groups of staff members to invest their contributions. Belgian law requires that the employer must guarantee a return on both employer contribution and personal contribution, and consequently creating a potential liability for the entity involved. As from January 1, 2025, the minimum return is fixed at 2.50%. At the end of 2025, the net liability concerning these plans is not material.

Individual schemes

Other than the “Middeltoonregeling” plans, Royal A-ware also has individual pension schemes with Nationale Nederlanden. These schemes are regarded as defined contribution plans. The expense recognised for these defined contribution plans for the year ending 31 December 2025 is €2,914,000.



Average number of FTE

	31/12/2025	31/12/2024	
Average number of FTE over the period working in the Netherlands	3,572	3,359	
Average number of FTE over the period working outside the Netherlands	1,530	1,133	
Average number of FTE over the period	5,102	4,492	
	Active within the Netherlands	Active outside the Netherlands	Total
2025			
Production	1,040	432	1,472
Logistics	1,509	795	2,304
Other	1,023	303	1,326
Total	3,572	1,530	5,102
	Active within the Netherlands	Active outside the Netherlands	Total
2024			
Production	910	116	1,026
Logistics	1,395	738	2,133
Other	1,054	279	1,333
Total	3,359	1,133	4,492

24. Depreciation and amortisation of intangible and tangible fixed assets

	31/12/2025	31/12/2024
	€ 000	€ 000
Amortisation of intangible assets	1,678	91
Depreciation on property, plant and equipment	58,882	52,330
Impairment losses on property, plant and equipment	9,563	-
Depreciation on right of use assets	64,393	57,304
Total	134,517	109,725

In 2025, Royal A-ware recognised net impairment losses of €9,563,000 for machinery and equipment. These were related to the ceasing of operations at its Olympia facility. This site forms part of a larger cash-generating unit and does not represent a major line of business or geographical area. The closure reflects structural changes in demand and Royal A-ware's objective to consolidate manufacturing. The closure is expected to be completed in 2026. This closure does not meet the criteria for classification as a discontinued operation under IFRS 5 and is presented within continuing operations.

25. Other operating expenses

	31/12/2025	31/12/2024
	€ 000	€ 000
Housing expenses	62,002	61,678
Operating, repair and maintenance expenses	38,679	38,292
Selling expenses	12,416	7,107
Car expenses	5,266	5,653
Restructuring and closure costs	15,090	-
General expenses	33,277	35,708
Shipping expenses	141,353	134,096
Total	308,083	282,534

of business or geographical area. The closure reflects structural changes in demand and Royal A-ware's objective to consolidate manufacturing. The closure is expected to be completed in 2026. This closure does not meet the criteria for classification as a discontinued operation under IFRS 5 and is presented within continuing operations. The costs related to the closure are recognised as a provision under IAS 37 (Note 17).

The provision includes termination benefits (IAS 19) for employees whose employment is being terminated as a direct result of the closure. The obligation for termination benefits was recognised when Royal A-ware had a formal plan for the restructuring. The amounts recognised during the year are included under 'Restructuring and closure costs'.

The provision furthermore includes other operating expenses related to the closure, including costs that are incurred as a direct result of the closure of Olympia that are not associated with the ongoing activities of the entity. These costs primarily consist of contract terminations and are included under 'Restructuring and closure costs'.

Restructuring Olympia

Royal A-ware initiated a plan in May 2025 to cease operations at its Olympia facility. This site forms part of a larger cash-generating unit and does not represent a major line

26. Auditors' remuneration

An amount of €453,000 (2024: €271,775) is related to audit fees in foreign countries.

	31/12/2025	31/12/2024
	€ 000	€ 000
Auditors' fees relating to the audit of the financial statements	931	896
Accountant fees for other audit assignment	18	15
Auditors' fees relating to tax services	34	40
Total	982	952

27. Financial income and expenses

Please refer to note 11 for further details.

	31/12/2025	31/12/2024
	€ 000	€ 000
Interest and similar income	4,979	7,261
Interest and similar expenses	(38,827)	(37,433)
Currency exchange differences	(1,416)	453
Other financial income and expenses	(3,344)	5,252
Interest on financial lease liabilities	(2,876)	(2,462)
Interest on lease liabilities	(7,081)	(6,152)
Total	(48,564)	(33,082)

28. Income taxes

Effective tax rate

In 2025 the effective tax rate is 23.9% (2024: 26.7%) of the result before taxes. The corporate income tax rate is mainly affected by:

- Fiscally limited or non-deductible income and expenses
- Deviations between local corporate income tax rates
- Permanent differences as a result of energy and environmental subsidies and preferential tax regime for innovation income
- Adjustment to deferred tax position prior years

	31/12/2025	31/12/2024
	€ 000	€ 000
Deferred income tax expense current year	20,222	4,312
Deferred income tax expense previous years	3,341	69
Income tax expense from previous financial years	(2,361)	168
Income tax expense from current financial year	(34,419)	(27,292)
Total of income tax expense	(13,217)	(22,744)

Applicable tax rate

Reconciliation of tax expense and the accounting profit multiplied by Royal A-ware's domestic tax rate for 2024 and 2025:

	31/12/2025	31/12/2024
	€ 000	€ 000
Accounting profit before tax from continuing operations	55,086	85,115
At Royal A-ware's statutory income tax rate of 25.8% (2024: 25.8%)	14,212	21,960
Deduction for energy investment	(147)	(54)
Deduction for innovation investment	(321)	-
Non-deductible expenses	661	582
(Foreign) tax rate differences	(40)	33
Losses for which no deferred tax asset was formed	49	334
Corporate income tax corrections previous years	(980)	(237)
Other	(218)	126
At the effective income tax rate of 23.9% (2024: 26.7%)	13,217	22,744
Income tax expense reported in the statement of profit or loss	(13,217)	(22,744)

Deferred tax assets / (liabilities)

	31/12/2025	31/12/2024		
	€ 000	€ 000		
Deferred tax assets	22,029	7,822		
Deferred tax liabilities	(30,575)	(28,042)		
Net deferred tax position	(8,546)	(20,220)		
	Opening balance	Net income statement movement	Other movements	Total
	€ 000	€ 000	€ 000	€ 000
Net deferred tax position as at 01/01/2024	(29,663)	5,408	(337)	(24,592)
PPE / Leases and financing	(15,887)	2,257	-	(13,630)
Intangible assets	-	-	-	-
Inventory	(17,090)	(251)	-	(17,341)
Provision	37	(11)	-	26
Tax losses carried forward	8,353	2,372	-	10,725
Others	(5)	14	(9)	-
Net deferred tax position as at 31/12/2024	(24,592)	4,381	(9)	(20,220)
PPE / Leases and financing	(13,630)	7,780	(13,934)	(19,784)
Intangible assets	-	-	-	-
Inventory	(17,341)	5,935	-	(11,406)
Provision	26	3	-	29
Tax losses carried forward	10,725	9,597	2,293	22,615
Others	-	249	(249)	-
Net deferred tax position as at 31/12/2025	(20,220)	23,564	(11,890)	(8,546)

The movements related to PPE / Leases and financing consists amongst others of the impairment of assets at Olympia, for which a deferred tax liability (DTL) of €1,705,000 had been recognised. The deferred tax liability related to inventory concerns the difference in inventory valuation, whereby Royal A-ware applies the base stock valuation method. The other movements relates to the acquisition of the Dairy Food Group (note 31) where a deferred tax liability has been recognised on the fair value adjustment of acquired assets against the local tax rate of 25% (Belgium).

Approach to Tax

Vision and Mission

As a family-owned business, Royal A-ware is committed to safeguard the needs of future generations. This starts with fostering long-term and respectful relationships with stakeholders and being a reliable and involved partner to those stakeholders, while maintaining an entrepreneurial mindset.

- We are growing thanks to long-term partnerships: we are building the future with strategic partners who share the same goals.
- We combine sustainability and profitability: sustainability and profitability go hand in hand and ensures that we build a stable and financially healthy company for future generations.
- We constantly strive for improvement: going forward, we continue to perform at the high level of our customers increasing expectations.
- We foster our entrepreneurial and flexible culture: this allows us to respond quickly to developments and customer requests.

Core Values of Royal A-ware

Our tax strategy is based on our four core values:

- **Entrepreneurial:** Our entrepreneurial mindset means that our tax structures are always driven by commercial considerations and aligned with our business activities. We avoid artificial arrangements solely aimed at creating tax benefits. Instead, we utilise legitimate tax incentives and exemptions that are in line with the legislator's policy intent. To stay ahead in a dynamic tax landscape, we continuously invest in technology and expertise to adapt to new regulations.
- **Involved:** As an involved partner, we seek an open and constructive dialogue with our stakeholders, including tax authorities, government, civil society organizations, customers, and employees. We aim for a cooperative relationship with tax authorities, based on mutual respect and trust. This includes proactively sharing relevant information and collaborating to resolve open items if applicable. Our involvement is also expressed in transparency about our tax approach and taxes paid, in line with standards such as the VNO-NCW Tax Governance Code. This counts for all of our group entities.
- **Reliable:** Royal A-ware sees tax not as a cost factor only, but as a means for social economic cohesion, sustainable growth and long-term prosperity and is overseen by the Board. We are committed to comply with the relevant and applicable tax legislation in all countries in which we operate. This means that we strive to pay the right amount of tax, in the right place, and at the right time. Our reliability is ensured

by timely and accurate filing of all required tax returns and ensuring the correctness of our tax positions as reported in our annual financial statements. Where necessary, we seek upfront certainty from tax authorities based on full disclosure of all relevant facts and circumstances.

- **Respectful:** Respect is key for all our internal and external relationships. We continuously strive for mutual respect, transparency, and trust in our relationships with tax and other governmental authorities. Our business principles ensure that we act with integrity towards all stakeholders. This includes adhering to the spirit of the law, meaning that structures always have economic substance.

Pillar Two rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax.

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted

or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. Royal A-ware has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two model rules were adopted at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, Royal A-ware is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which Royal A-ware operates effective for the financial year beginning 1 January 2024. Royal A-ware has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2024 country-by-country reporting and 2025 financial information for the constituent entities in Royal A-ware. The Pillar Two effective tax rates in all of the jurisdictions in which Royal A-ware operates is above 15%. No Pillar Two current tax expense is expected.

As at 31 December 2025, Royal A-ware has unrecognised deferred tax assets relating to carry-forward tax losses of €5,704,421 (2024: €6,117,732) of which NOK 20,604,733 in Norway, SEK 27,374,830 in Sweden and €1,643,275 in Finland, including an estimate of the settable tax loss for 2025. These losses are available for offset against future taxable profits but have not been recognised due to the uncertainty of generating sufficient taxable profits within the period allowed by the relevant tax authorities. Royal A-ware intends to cease operations in Norway and Sweden in 2026. The deferred tax assets in Norway and Sweden are denominated in NOK and SEK, respectively. Royal A-ware will continue to monitor the situation and recognise the deferred tax assets as and when it becomes probable that these will be utilised.

Royal A-ware continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

29. Fair values

31/12/2025	Financial assets at amortised cost	Financial assets at fair value	Financial liabilities at amortised cost	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Financial assets not at fair value								
Loans issued (Note 11)	7,928	-	-	7,928	7,928	-	-	-
Other financials assets (Note 11)	1,127	-	-	1,127	1,127	-	-	-
Trade and other receivables (Note 13)	480,802	-	-	480,802	480,802	-	-	-
Cash and cash equivalents (Note 14)	120,004	-	-	120,004	120,004	-	-	-
	609,861	-	-	609,861	609,861	-	-	-
Financial assets at fair value								
Investments in non-listed equity investments at FV (Note 11)	-	780	-	780	780	-	-	780
Hedging derivatives (Note 18)	-	3,700	-	3,700	3,700	-	3,700	-
	-	4,481	-	4,481	4,481	-	3,700	780
Financial liabilities not at fair value								
Interest bearing borrowings (Note 16)	-	-	1,095,961	1,095,961	-	-	-	-
Other financials liabilities (Note 14)	-	-	122	122	-	-	-	-
Trade and other payables (Note 16)	-	-	493,237	493,237	-	-	-	-
	-	-	1,589,321	1,589,321	-	-	-	-

31/12/2024

	Financial assets at amortised cost	Financial assets at fair value	Financial liabilities at amortised cost	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Financial assets not at fair value								
Loans issued (Note 11)	24,896	-	-	24,896	24,896	-	-	-
Other financials assets (Note 11)	710	-	-	710	710	-	-	-
Trade and other receivables (Note 13)	456,908	-	-	456,908	456,908	-	-	-
Cash and cash equivalents (Note 14)	266,563	-	-	266,563	266,563	-	-	-
	749,077	-	-	749,077	749,077	-	-	-
Financial assets at fair value								
Investments in non-listed equity investments at FV (Note 11)	-	780	-	780	780	-	-	780
Hedging derivatives (Note 18)	-	1,069	-	1,069	1,069	-	1,069	-
	-	1,849	-	1,849	1,849	-	1,069	780
Financial liabilities not at fair value								
Interest bearing borrowings (Note 16)	-	-	1,009,685	1,009,685	-	-	-	-
Other financials liabilities (Note 14)	-	-	993	993	-	-	-	-
Trade and other payables (Note 16)	-	-	472,346	472,346	-	-	-	-
	-	-	1,483,024	1,483,024	-	-	-	-

Financial Assets and Liabilities

For financial instruments, the carrying amount represents a reasonable approximation of fair value. As a result, no separate fair value disclosure is included for these financial instruments.

Investments in non-listed equity investments at FV

Investments in non-listed equity investments at FV are classified as level 3. The fair values of the non-listed equity investments have been estimated using a discounted cash flow (DCF) model, which necessitates management to make several key assumptions regarding the model inputs, such as forecast cash flows, the discount rate, credit risk, and volatility. Management has assessed the probabilities of the various estimates within the range, which are integral to the determination of fair value for these investments. Notably, the analysis revealed that there is materially no difference between the cost and the fair value calculated through the DCF model. Consequently, management has concluded that it is appropriate to carry these non-listed equity investments at cost in the financial statements, reflecting their fair value assessment.

Hedging derivatives

The hedging derivatives are classified as Level 2 valuation method. The fair value of the interest rate swaps is based on the statement of the market-to-market valuations of the relevant counterparties. The models of the counterparties value the interest rate swaps as the difference between a fixed-rate loan and a variable-rate loan, given the market interest rate of the counterparty on the reference date.

The fair value of trade receivables, cash and trade payables approximate their carrying value.

30. Risk management objectives and policies

The data included in these notes provide information that helps in estimating the extent of risks associated with both on balance and off-balance financial instruments.

Royal A-ware's primary financial instruments, other than derivatives, are used to finance Royal A-ware's operational activities or arise directly from these activities. Also, Royal A-ware uses derivatives, in particular interest rate swaps, to hedge the interest rate risks arising from Royal A-ware's operational and financing activities. It is Royal A-ware's policy not to trade in financial instruments.

The main risks arising from Royal A-ware's financial instruments are credit risk, liquidity risk, and price risk, which consist of interest rate risk.

Royal A-ware's policies to limit these risks are set out below.

Cashflow risk

Royal A-ware is exposed to interest risk on the interest-bearing receivables (and cash) and the interest-bearing long-term and short-term debts (including debts to credit institutions).

Royal A-ware is exposed to risk on future cash flows concerning the receivables and debts with agreements including variable interest. For the receivables and debts with agreements including fixed interest Royal A-ware is exposed risk on the fair value as a result of changes in the market interest. Concerning the receivables, no financial derivatives are contracted for covering the interest risk. Concerning several fixed rate debts (loans to associates and joint ventures) the companies contracted interest swaps, variable interest is received, and the fixed interest is paid.

Interest rate risk

Royal A-ware is exposed to the risk of changes in market interest rates primarily due to its long-term debt obligations. Royal A-ware manages its interest rate risk exposure through a portfolio of fixed and variable rate borrowings.

	31/12/2025	31/12/2024
	€ 000	€ 000
Fixed rate borrowings	672,698	660,949
Floating rate borrowings	107,576	63,450
Total borrowings	780,273	724,399

Sensitivity analysis

Impact on net profit for the period

	31/12/2025	31/12/2024
	€ 000	€ 000
Increase in borrowing rate by 100 bps	(1,076)	(635)
Decrease in borrowing rate by 100 bps	1,076	635

Royal A-ware is exposed to possible changes in interest rates on variable interest loans and borrowings, partially mitigated through cash and cash equivalents, derivatives (IRS) and current deposits. With all other variables held constant, Royal A-ware's profit before tax is affected through changes in the floating rate of borrowings while Royal A-ware's equity is affected through the impact of a parallel shift of the yield curve on the fair value of hedging derivatives. Royal A-ware assessed the impact of sensitivity for

the cash flow hedge on Royal A-ware's equity and considers potential scenarios to be immaterial and as such did not further disclose the sensitivity analysis.

Royal A-ware entered into several derivatives. Refer to note 18 for more information.

The derivatives related to the Grutte Pier Financing have a term ending in 2028. Interest rates included in the derivatives range between 0.61% and 0.70%. On 17 December 2024 the derivatives were settled and received with a positive market value of €1,708,200.

In 2022 Royal A-ware entered into two derivatives with a term ending in 2026 related to the Dairy and Cheese financing. Interest rates included in the derivatives range between 0.48% and 0.49%. On 17 December 2024 the derivatives were settled and received with a positive market value of €5,818,500.

In 2024 Royal A-ware entered into six derivatives with a term ending 28 November 2029 related to the A-ware Food Group financing. The interest rates applicable are approximately 2.20% based on 5 year mid swap rate plus credit spread for the fixed rate and 3M Euribor for the floating rate. At the end of the financial year, Royal A-ware had interest rate derivatives outstanding with a positive market value of approximately €3,700,000 (2024: €1,069,000).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Royal A-ware is exposed to credit risk from its operating activities (primarily from trade receivables, loans to affiliates and contract assets), and from its treasury activities, including deposits with banks and financial institutions, derivative financial instruments and other financial instruments.

Royal A-ware only deals with creditworthy parties and has established procedures to determine the creditworthiness. Royal A-ware has also established guidelines to limit the extent of credit risk for each party. In addition, Royal A-ware continuously monitors its receivables and applies a strict reminder procedure. As a result of the above

measures, the credit risk for Royal A-ware is minimal. Furthermore, there are no significant concentrations of credit risk within Royal A-ware.

An analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than 90 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. For further information about Royal A-ware's impairment analysis on trade receivables refer to the provision matrix included in Note 13.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Royal A-ware monitors its risk to a shortage of funds using a recurring liquidity planning tool. Royal A-ware's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease contracts. Royal A-ware's policy is to create a balanced debt maturity profile.

Royal A-ware contracted multiple banks to have access over multiple credit facilities. When applicable, additional securities are provided to the bank for available credit facilities. The liquidity position of Royal A-ware is guarded by subsequent liquidity budgets. Management continuously ensures sufficient liquidities are available to Royal A-ware to satisfy the liabilities and to ensure sufficient liquidities are available to Royal A-ware to meet the measurements of the covenants. Royal A-ware has considered the application of the Effective Interest Rate (EIR) method in accordance with IFRS 9. However, based on an assessment of its financial instruments, the impact of using the EIR method is not material. As a result, interest income and expense are recognised on a nominal basis. Royal A-ware will continue to monitor the impact and reassess if necessary.

Available facilities:

	Availability period	Facility amount	Utilised	Available
Term loan	11/25/2027	600,000,000	600,000,000	-
Revolving credit facility	11/25/2027	400,000,000	50,000,000	350,000,000

Maturity profile

The table below summarises the maturity profile of Royal A-ware's financial liabilities based on contractual undiscounted payments. Payments related to variable interest rate financial liabilities and derivatives are included based on the interest rates and foreign currency exchange rates applicable as of 31 December 2025 and 31 December 2024, respectively.

	Within 1 year	1-3 years	3-5 years	More than 5 years	Total
31/12/2025					
Interest-bearing borrowings (other than leases)	106,486	657,111	27,007	30,282	820,885
Lease liabilities	74,032	94,120	61,740	28,588	258,479
Trade & other payable	295,528	-	-	-	295,528
Others	197,709	-	-	-	197,709
31/12/2024					
Interest-bearing borrowings (other than leases)	39,522	587,443	72,500	44,404	743,869
Lease liabilities	61,368	101,426	46,322	31,998	241,114
Trade & other payable	221,791	-	-	-	221,791
Others	250,556	-	-	-	250,556

Capital Management

For the purpose of Royal A-ware's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of Royal A-ware's capital management is to ensure that it maintains healthy capital ratios, so as to secure access to debt and capital markets at all times and maximise shareholder value. Royal A-ware manages its capital structure and makes adjustments to it in light of changes in economic conditions.

In order to achieve this overall objective, Royal A-ware's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Royal A-ware's exposure to the risk of changes in foreign exchange rates relates primarily to Royal A-ware's operating activities. Royal A-ware is mainly active in the European Union. The currency risk for Royal A-ware is mostly related to the positions and future transactions in currencies other than Euro. The management of Royal A-ware has determined, based on a risk analysis, that exposure to foreign currencies is immaterial.

31. Business combinations

2025

During the year ended 2025, Royal A-ware completed four business combinations: one material acquisition of The Dairy Food Group and three smaller acquisitions (Sinnetsiis B.V., Internationaal Transportbedrijf Dijco B.V., and CNC Grondstoffen B.V.) that were individually immaterial.

Acquisition of The Dairy Food Group

On 9 July 2024, Royal A-ware announced that it reached an agreement to acquire 100% of the share capital of the Dairy Food Group ("DFG"), a Belgian manufacturer of dairy specialties and dairy alternatives. The share purchase agreement ("SPA") was signed on 27 May 2024 and closed on 16 April 2025 after approval by the European Commission competition authorities. On 28 April 2025, the Closing Memorandum was signed and the payment for the acquisition was completed. 28 April 2025 is regarded to be the date of control in line with IFRS 3. For practical reasons, the valuation was performed as of 30 April 2025 ("Valuation Date").

DFG is a Belgian manufacturer of dairy specialties and dairy alternatives. There are four production units: Eurodesserts, Limelco, Incopack and Incorock. The company responsible for daily milk collection, Belgian Milk Company (BMC), is part of the same group. The rationale for Royal A-ware's acquisition of DFG is to expand its dairy operations in Belgium, while further strengthening its position in what has become a second domestic market. Through the acquisition, Royal A-ware can further optimise milk processing operations in Belgium and work towards greater supply chain efficiency, while offering its customer base an even broader product portfolio.

	Fair value recognised on acquisition
Assets	
Intangible fixed assets	18,017
Right of use asset	1,924
Property, plant and equipment	77,594
Financial fixed assets	2,335
Inventory	20,283
Trade receivables	57,389
Cash and cash equivalents	30,017
Other	<u>220,261</u>
Liabilities	
Trade payables	(40,805)
Lease liabilities	(4,512)
Other liabilities	(30,901)
Deferred tax liability	<u>(90,118)</u>
Total identifiable assets acquired and liabilities assumed	130,143
Goodwill arising on acquisition	<u>16,878</u>
Purchase consideration transferred	147,022
Analysis of cash flows on acquisition	
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,267)
Net cash acquired with the subsidiary	<u>30,017</u>
Purchase consideration (included in cash flows from investing activities)	117,005

As part of the purchase price allocation, the identifiable assets acquired, and liabilities assumed were recognised at their estimated fair values at the acquisition date.

Tangible fixed assets were revalued, primarily comprising land and buildings at three owned production sites in Belgium (Beringen, Dilsen-Stokkem and Zonhoven), as well as capital equipment including core production and filling lines, tanks, and supporting machinery and infrastructure across key production locations.

In addition, identifiable intangible assets were recognised, consisting of proprietary technology and procedures used to isolate milk protein and lactose, valued using the relief-from-royalty method, and customer relationships across the Limelco, Inco (Incopack and Incorock), and Eurodesserts business units, valued using the multi-period excess earnings method.

Inventory was fair valued based on estimated selling prices less costs to sell and a reasonable profit margin, resulting in a value slightly above carrying amount, while the fair values of other assets and liabilities were considered to approximate their respective net book values. A deferred tax liability of €13,900,000 was recognised at a rate of 25.0% in respect of the fair value adjustments. Please also refer to Note 28. Goodwill of €16,878,000 was recognised as the excess of the consideration transferred over the fair value of the identifiable net assets acquired and reflects expected synergies and the future economic benefits arising from the acquired manufacturing operations. The goodwill is allocated entirely to A-ware Dairy.

The acquisition date fair value of the trade receivables amounts to €57,389,000. The gross amount of trade receivables is €57,544,000 and it is expected that the full contractual amounts can be collected. The other receivables amounts to €12,704,000. It is expected that the full amounts can be collected.

Royal A-ware measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

From the date of acquisition, Dairy Food Group contributed €211,620,000 of revenue and €17,897,000 to profit before tax from continuing operations of Royal A-ware. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been €321,107,000 and profit before tax from continuing operations for Royal A-ware would have been €29,063,000.

Transaction costs of €1,267,030 (of which €1,052,667 was included in 2024) were expensed and are included in administrative expenses.

Other acquisitions

Royal A-ware completed three smaller acquisitions for a total purchase consideration of € 11,757,000 during 2025. The allocation of the fair values of the identifiable assets acquired, liabilities assumed, and goodwill arising from the acquisitions during 2025 is as follows:

	Fair value recognised on acquisition
Assets	
Customer base	750
Right of use asset	3,163
Property, plant and equipment	11,844
Inventory	467
Cash and cash equivalents	19
Other	49
	16,292
Liabilities	
Lease liabilities	(3,163)
Other liabilities	(1,372)
	(4,535)
Total identifiable assets acquired and liabilities assumed	11,757
Purchase consideration transferred	11,757
Analysis of cash flows on acquisition	
Transaction costs of the acquisition (included in cash flows from operating activities)	(58)
Net cash acquired with the subsidiary	19
Purchase consideration (included in cash flows from investing activities)	11,738

Royal A-ware measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms. The measurement of acquired assets and liabilities did not result in recognition of deferred tax assets and/or deferred tax liabilities.

Acquisition Global Dairy Ventures (2026)

On 18 February 2026 Royal A-ware acquired 100% of the shares of Global Dairy Ventures (GDV). Global Dairy Ventures is a distributor of specialty cheese and dairy products primarily in Spain, Portugal, and Italy. The Barcelona-based company connects European producers of premium cheese and dairy products with customers, among others, in retail and foodservice. The acquisition includes 60 FTE and will contribute around EUR 120 million net sales to the group. With the acquisition of GDV, Royal A-ware strengthens its market position in Southern Europe and can offer customers an even more complete product portfolio.

2024

Royal A-ware completed acquisitions for a total purchase consideration of € 5,766,000 during 2024. The allocation of the fair values of the identifiable assets acquired, liabilities assumed, and goodwill arising from the acquisitions during 2024 is as follows:

	Fair value recognised on acquisition
Assets	
Customer base	500
Right of use asset	9,860
Property, plant and equipment	6,464
Inventory	142
Cash and cash equivalents	5
Other	347
	17,368
Liabilities	
Lease liabilities	(9,860)
Other liabilities	(2,096)
	(11,956)
Total identifiable assets acquired and liabilities assumed	5,412
Purchase consideration transferred	5,766
Analysis of cash flows on acquisition	
Transaction costs of the acquisition (included in cash flows from operating activities)	14
Net cash acquired with the subsidiary	5
Purchase consideration (included in cash flows from investing activities)	5,771

Royal A-ware measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms. The measurement of acquired assets and liabilities did not result in recognition of deferred tax assets and/or deferred tax liabilities.

32. Related parties

The following table provides the total amount of transactions and relevant balances on 31 December 2025 that have been entered into with related parties for the relevant financial year:

2025	Sales to related parties	Purchases from related parties	Amounts owed by related parties*	Amounts owed to related parties*
	€ 000	€ 000	€ 000	€ 000
Associates				
Coucour N.V.	2,380	-	609	11
Investment in non-listed equity at fair value				
Trigona Dairy Trade B.V.	18,990	20,605	774	914
Boostlogix Holding B.V.	-	87	54	40
Joint ventures				
Kilkenny Cheese Ltd. (100% owned by Kilkenny Cheese Holding Ltd.)	8,943	201,060	7,483	6,330
Farmdesk B.V.	-	650	-	-
Key management personnel / Related parties (partially) owned by shareholders of Royal A-ware Food Group				
Smit CH Open C.V.	-	241	-	278
ANBO Vastgoed II B.V.	-	159	-	57
ANBO Vastgoed III B.V.	-	616	-	-
ANBO Vastgoed IV B.V.	-	318	-	-
D.F. Investments B.V.	-	44	-	26
Vastgoed Participatie Culemborg B.V.	-	3,527	-	-
Praktijkboerderij Oenkerk	-	390	-	-
International Belt Trailer Pool B.V.	-	932	-	-
E-Piim Tootmine AS (24,9% owned by Meierei B.V.)	-	142	-	-

*The amounts are classified as trade receivables and trade payables, respectively (see Notes 13 and 16).

	Interest received	Interest paid	Amounts owed by related parties*	Amounts owed to related parties*
	€ 000	€ 000	€ 000	€ 000
Joint ventures				
Kilkenny Cheese Holding Ltd.	114	-	2,500	-
Meierei B.V.	690	-	12,500**	-
Key management personnel / Related parties (partially) owned by shareholders of Royal A-ware Food Group				
Smit CH Open CV	-	278	-	4,000
Armalienke B.V.	187	-	3,000	-
E-Piim Tootmine AS (24,9% owned by Meierei B.V.)	227	-	3,750**	-

*The amounts are classified as financial liabilities and financial assets, respectively (see Notes 16 and 11).

** The loans provided to E-piim Tootmine (and indirectly through Meierei B.V.) have been credit-impaired in 2025. See note 11 for further information.

The related parties mentioned in the disclosure note consists of direct associates or investments of Royal A-ware plus related parties which are (indirectly) owned by the shareholders.

The following table provides the total amount of transactions and relevant balances on 31 December 2024 that have been entered into with related parties for the relevant financial year:

2024	Sales to related parties	Purchases from related parties	Amounts owed by related parties*	Amounts owed to related parties*
	€ 000	€ 000	€ 000	€ 000
Associates				
Coucour N.V.	5,104	1	661	215
Investment in non-listed equity at fair value				
Trigona Dairy Trade B.V.	10,833	8,146	4,905	3,776
Boostlogix Holding B.V.	-	39	54	23
Joint ventures				
Kilkenny Cheese Ltd. (100% owned by Kilkenny Cheese Holding Ltd.)	-	151,231	229	19,068
Key management personnel / Related parties (partially) owned by shareholders of Royal A-ware Food Group				
Smit CH Open C.V.	-	279	-	-
ANBO Vastgoed III B.V.	-	720	-	-
ANBO Vastgoed IV B.V.	-	382	-	-
D.F. Investments B.V.	-	26	-	-
Vastgoed Participatie Culemborg B.V.	-	4,238	-	-
V.O.F. Sinnetsiis	-	569	-	-
Sinnetsiis II B.V.	-	47	-	-
Praktijkboerderij Oenkerk	-	489	4	47
International Belt Trailer Pool B.V.	-	932	-	-
E-Piim Tootmine AS (24,9% owned by Meierei B.V.)	-	49,773	894	3,506

*The amounts are classified as trade receivables and trade payables, respectively (see Notes 13 and 16).

	Interest received	Interest paid	Amounts owed by related parties*	Amounts owed to related parties*
	€ 000	€ 000	€ 000	€ 000
Joint ventures				
Kilkenny Cheese Holding Ltd.	113	-	2,500	-
Meierei B.V.	438	-	12,500	-
Key management personnel / Related parties (partially) owned by shareholders of Royal A-ware Food Group				
Smit CH Open CV	-	321	-	4,000
Armalienke B.V.	60	-	3,000	-
E-Piim Tootmine AS (24,9% owned by Meierei B.V.)	17	-	3,750	-

*The amounts are classified as financial liabilities and financial assets, respectively (see Notes 16 and 11).

The related parties mentioned in the disclosure note consists of direct associates or investments of Royal A-ware plus related parties which are (indirectly) owned by the shareholders of Royal A-ware.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel of Royal A-ware

The members of the management board (chairman of the board, CEO and CFO) and the supervisory board are considered key management personnel of Royal A-ware.

	31/12/2025	31/12/2024
	€ 000	€ 000
Remuneration of Management board members and former Management board members	1,609	1,798
Remuneration of Supervisory board members and former Supervisory board members	211	214
	1,820	2,012

The amounts disclosed in the table above are the amounts recognised as an expense in the reporting period of the management board and the supervisory board members of Royal A-ware.

Remuneration of and loans to Management board and Supervisory board

	31/12/2025	31/12/2024
	€ 000	€ 000
Short-term benefits	1,696	1,906
Post-employment benefits	115	103
Other long-term benefits	8	4
	<u>1,820</u>	<u>2,012</u>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Bonuses determined on a one-by-one basis during the General Meeting of Shareholders are awarded to the management board members of Royal A-ware and are included in short-term benefits in the table above.

33. Standards issued but not yet effective

The following accounting standards and amendments to accounting standards had already been issued by the IASB and are subject to EU endorsement as of the time the financial statements were authorised for issue, but their adoption is not yet mandatory, and they have not yet been adopted by Royal A-ware.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Royal A-ware is currently assessing the impact of IFRS 18 on its financial statements. As the standard mainly impacts presentation and disclosure, it will not change the recognition or measurement of assets, liabilities, income, or expenses. Based on a preliminary assessment, the impact for Royal A-ware is expected to be on the

presentation of the Income Statement and the required adjustments to our IT and reporting systems. The need to classify income and expenses into the new Operating, Investing, and Financing categories requires management judgment based on our main business activities, which will require a detailed analysis to classify all income and expense items to the categories of IFRS 18.

To comply with the new presentation and disclosure requirements, adjustments to the financial reporting infrastructure are necessary. The ERP system and other reporting tools will require a modification to capture and classify income and expenses into the new defined categories. This requires a review and potential updating of the chart of accounts to support the new line item classifications, the subtotals, and the requirements for aggregation and disaggregation. Royal A-ware will identify any potential management-defined performance measures (MDPM).

Royal A-ware continues to develop a detailed implementation plan and will monitor final interpretations and guidance to fully determine the impact of IFRS 18.

Other standards

Royal A-ware has assessed the impact of new and amended standards issued by the IASB that are not yet effective. In addition to the ongoing evaluation of IFRS 18 "Presentation and Disclosure in Financial Statements", Royal A-ware has reviewed IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which permits eligible subsidiaries to apply reduced disclosure requirements. At this stage, Royal A-ware does not expect to elect the reduced disclosure framework provided by IFRS 19, and its issuance has no impact on the current financial measurement or recognition.

Management has also analysed several other minor updates, including the amendments to IAS 21 regarding the Lack of Exchangeability, amendments to IFRS 9 and IFRS 7 concerning the classification and measurement of financial instruments (including ESG-linked features), and the annual improvements to IFRS Accounting Standards (Volume 11).

Based on this review, the adoption of these updates and amendments is not expected to have a material impact on Royal A-ware's financial position, performance, or disclosures.

34. Events after the reporting period

On 18 February 2026 Royal A-ware acquired 100% of the shares of Global Dairy Ventures (GDV). Global Dairy Ventures is a distributor of specialty cheese and dairy products primarily in Spain, Portugal, and Italy. The Barcelona-based company connects European producers of premium cheese and dairy products with customers, among others, in retail and foodservice. The acquisition includes 60 FTE and will contribute around EUR 120 million net sales to the group. With the acquisition of GDV, Royal A-ware strengthens its market position in Southern Europe and can offer customers an even more complete product portfolio.

On 11 February 2026, prior to the authorisation of these consolidated financial statements, E-Piim Tootmine AS (a part-ownership through Royal A-ware's joint venture Meierei B.V.) filed for formal bankruptcy proceedings. Consequently, on 11 March 2026 the Estonian court declared E-piim Tootmine AS's official bankruptcy. This event provided evidence of conditions that existed at the balance sheet date regarding the recoverability of Royal A-ware's financing interests. As an adjusting event under IAS 10, Royal A-ware has reflected the full impairment of the related loans and interest receivables within the 2025 financial results. The total impact of these adjustments is included within impairment losses on financial assets for the reporting period (see note 11).

Company-only statement of financial position (Before distribution of result)

As at	Notes	31/12/2025 € 000	31/12/2024 € 000
Assets			
Non-current assets			
Property, plant and equipment	38	2,739	2,862
Financial fixed assets	39	963,495	782,201
Total non-current assets		966,234	785,063
Current assets			
Trade and other receivables	40	61,922	114,138
Cash and cash equivalents	41	175,476	296,773
Total current assets		237,398	410,911
Total assets		1,203,632	1,195,974
Equity and liabilities			
Issued capital	42	18	18
Share premium	42	55,443	55,443
General reserve	42	356,841	341,648
Legal and statutory reserves	42	8,732	6,508
Other reserves	42	43,843	64,722
Total equity		464,877	468,339
Provisions	43	11,666	20,414
Financial liabilities	44	657,557	676,465
Current liabilities, accruals and deferred income			
Trade and other payables	44	3,904	2,548
Current income tax payables	44	11	11,920
Short-term loans and borrowings	44	65,224	15,204
Other liabilities	44	393	1,084
Total current liabilities		69,532	30,756
Total equity and liabilities		1,203,633	1,195,974

Company-only statement of profit or loss

The Company has applied Article 2:402 of the Dutch Civil Code that pertains to the simplified presentation of the statement of profit and loss. For a detailed analysis of the financial performance and position of the company, please refer to the consolidated financial statements for the year ended 31 December 2025.

For the period	Notes	31/12/2025	31/12/2024
		€ 000	€ 000
Result of subsidiaries		48,821	67,974
Company result after tax		(4,978)	(3,252)
Net result after tax		43,843	64,722

Notes to the company-only financial statements

35. Entity information

For notes about the company's activities, reference is made to the consolidated financial statements.

36. Basis of preparation

The company financial statements for the year ended on 31 December 2025 have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with the provisions of Section 362 (8) of Book 2 of the Dutch Civil Code the accounting policies used are the same as those used in the notes to the consolidated financial statements, prepared under IFRS as adopted by the European Union, unless stated otherwise below.

The financial statements have been prepared on a going concern basis, applying a historical cost convention, unless otherwise indicated. They are prepared and reported in thousands of Euros ("€000") except where otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Under the articles of association, the year under review corresponds with the calendar year ending on 31 December 2025 (2024: 31 December 2024).

Reference is made to the accounting principles related to the valuation of the assets and liabilities and determining the result to the accounting principles in the consolidated financial statements.

37. Accounting principles

Financial assets

Investments in consolidated subsidiaries are entities over which the company has control, i.e. the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are recognised from the date on which control is transferred to the company or its intermediate holding entities. They are derecognised from the date that control ceases.

The company applies the acquisition method to account for acquiring subsidiaries, consistent with the approach identified in the consolidated financial statements. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred, liabilities incurred to the former owners of the acquiree, and the equity interests issued by the company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in an acquisition are measured initially at their fair values at the acquisition date and are subsumed in the net asset value of the investment in consolidated subsidiaries. Acquisition-related costs are expensed as incurred.

The subsidiaries are measured and presented in accordance with the equity method.

38. Property, plant and equipment

	31/12/2025	31/12/2024
	€ 000	€ 000
Other fixed assets	2,739	2,862
Total property, plant and equipment	2,739	2,862
	Other fixed assets	Total
	€ 0	€ 0
Balance as at 01/01/2024		
Purchase price or manufacturing price	254	254
Accumulated depreciation	(91)	(91)
Book value as at 01/01/2024	163	163
Movements		
Investments	3,126	3,126
Depreciation	(295)	(295)
Disposals	(211)	(211)
Depreciation on disposals	79	79
Balance movements	2,699	2,699
Balance as at 31/12/2024		
Purchase price or manufacturing price	3,169	3,169
Accumulated depreciation	(307)	(307)
Book value as at 31/12/2024	2,862	2,862
Balance as at 01/01/2025		
Purchase price or manufacturing price	3,169	3,169
Accumulated depreciation	(307)	(307)
Book value as at 01/01/2025	2,862	2,862
Movements		
Investments	196	196
Depreciation	(319)	(319)
Disposals	-	-
Depreciation on disposals	-	-
Balance movements	(122)	(122)
Balance as at 31/12/2025		
Purchase price or manufacturing price	3,368	3,368
Accumulated depreciation	(629)	(629)
Book value as at 31/12/2025	2,739	2,739

39. Financial fixed assets

	31/12/2025	31/12/2024
	€ 000	€ 000
Investment in subsidiaries	657,077	466,192
Long-term receivables from subsidiaries	299,662	308,146
Other financial fixed assets	6,756	7,864
Total financial assets	963,495	782,201

	Investment in subsidiaries	Long-term receivables from subsidiaries	Other financial fixed assets	Total
	€ 000	€ 000	€ 000	€ 000
Balance as at 01/01/2024	411,333	36,875	3,034	451,242
Investments	-	-	-	-
Provided loans	-	272,371	3,750	276,121
Movement in P&L	67,974	-	12	67,986
Fair value gains	(11,974)	-	1,069	(10,905)
Exchange rate differences	1,098	-	-	1,098
Repayments and dividends	(2,240)	(1,100)	-	(3,340)
Impairments	-	-	-	-
Other	-	-	-	-
Balance as at 31/12/2024	466,192	308,146	7,864	782,201
Investments	152,000	-	-	152,000
Provided loans	-	22,000	-	22,000
Movement in P&L	48,821	-	11	48,832
Fair value gains	2,319	-	2,632	4,951
Exchange rate differences	(2,255)	-	-	(2,255)
Repayments and dividends	(10,000)	(28,884)	-	(38,884)
Impairments	-	-	(3,750)	(3,750)
Other	-	(1,600)	-	(1,600)
Balance as at 31/12/2025	657,077	299,662	6,756	963,495

Investment in subsidiaries

	31/12/2025	31/12/2024
	€ 000	€ 000
Investments in subsidiaries		
A-ware Dairy B.V.	581,083	395,230
AB Transport Group B.V.	68,199	65,520
A-ware Automotive B.V.	7,674	4,739
B&A Asset Management Holding B.V.	121	703
Total	657,077	466,192

Long-term receivables from subsidiaries

	31/12/2025	31/12/2024
	€ 000	€ 000
Receivables from subsidiaries		
Loan A-ware Dairy B.V.	20,000	20,000
Loan A-ware Dairy and Cheese Holding B.V.	197,500	207,500
Loan A-ware Grutte Pier B.V.	45,762	55,646
Loan AB Transport Group B.V.	3,800	6,900
Loan A-ware Automotive B.V.	-	1,600
Loan A-ware Truckcenter B.V.	2,600	3,500
Loan B&A Asset Management I B.V.	8,500	-
Loan B&A Asset Management II B.V.	5,500	5,500
Loan B&A Asset Management III B.V.	16,000	7,500
Total	299,662	308,146

A loan from Royal A-ware Food Group B.V. to A-ware Dairy B.V. The principal amount is €20,000,000. The term is 6 years and due on 31 December 2030. The loan will be repaid in full at the end of the term. Interest percentage is 3%.

A loan from Royal A-ware Food Group B.V. to A-ware Dairy and Cheese Holding B.V. The principal amount is €217,500,000. The term is 4 years and due on 31 December 2028. The loan will be repaid in bi-annual instalments of €5,000,000 which is presented

as part of the short-term receivables from group companies. Interest percentage is 5.25%. In 2025 an additional repayment of €10,000,000 was received.

A loan from Royal A-ware Food Group B.V. to A-ware Grutte Pier B.V. The principal amount is €68,000,000. The term is 4 years and due on 31 December 2028. The loan will be repaid in quarterly instalments of €2,470,881 which is presented as part of the short-term receivables from group companies. Interest percentage is 5.25%.

A loan from Royal A-ware Food Group B.V. to AB Transport Group B.V. The principal amount is €10,000,000. The term is 4 years. The loan will be repaid in annual instalments of €3,100,000 which is presented as part of the short-term receivables from group companies. Interest percentage is 5.25%.

A loan from Royal A-ware Food Group B.V. to A-ware Automotive B.V. The principal amount is €1,600,000. The term of the loan was 4 years and due on 31 December 2027. On 23 December 2025 the principal loan of €1,600,000 was converted into equity. Interest percentage was 5%.

A loan from Royal A-ware Food Group B.V. to A-ware Truckcenter B.V. The principal amount is €3,500,000. The term is 6 years and due on 31 December 2028. The loan will be repaid in full at the end of the term. Interest percentage is 5%. On 23 December 2025 a repayment of €900,000 was received.

A loan from Royal A-ware Food Group B.V. to B&A Asset Management I B.V. The principal amount is €8,500,000. The term is 5 years and due on 31 December 2030. The loan will be repaid in full at the end of the term. Interest percentage is 5.25%.

A loan from Royal A-ware Food Group B.V. to B&A Asset Management II B.V. The principal amount is €5,500,000. The term is 6 years and due on 31 December 2030. The loan will be repaid in full at the end of the term. Interest percentage is 5%.

A loan from Royal A-ware Food Group B.V. to B&A Asset Management III B.V. The principal amount is €16,000,000. During 2025 an additional amount of €8,500,000 was provided. The term is 6 years and due on 31 December 2030. The loan will be repaid in full at the end of the term. Interest percentage is 5.25%.

Other financial fixed assets

	31/12/2025	31/12/2024
	€ 000	€ 000
Other financial fixed asset		
Loan E-piim Tootmine AS	-	3,750
Loan Armalienke	3,000	3,000
Cashflow hedge (note 18)	3,700	1,069
Other	56	45
Total	6,756	7,864

40. Trade and other receivables

	31/12/2025	31/12/2024
	€ 000	€ 000
Receivables from group companies	59,157	112,607
Other receivables, prepayments and accrued income	(1,397)	175
Taxes and social security charges	4,161	1,356
Total	61,922	114,138

41. Cash and cash equivalents

Cash and cash equivalents consisted of the following items as of:

	31/12/2025	31/12/2024
	€ 000	€ 000
Cash and cash equivalents at bank	175,476	296,773
Total	175,476	296,773

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are comprised of cash at bank and on hand and highly liquid investments that are readily convertible to known amounts of cash, are subject to only an insignificant risk of changes in value and have an original maturity of less than three months.

42. Equity

	31/12/2025	31/12/2024
	€ 000	€ 000
Share capital	18	18
Share premium	55,443	55,443
General reserve	356,841	341,648
Revaluation reserves	5,616	6,087
Legal and statutory reserves	3,117	421
Result for the year	43,843	64,722
Total	464,877	468,339

Movement in equity were as follows:

	Share capital	Share premium	General reserve	Revaluation reserve	Legal and statutory reserve	Result for the year	Total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Balance as at 01/01/2024	18	55,443	268,708	6,955	10,228	82,072	423,423
Result for the year	-	-	-	-	-	64,722	64,722
Appropriation of result	-	-	82,072	-	(7,527)	(82,072)	(7,527)
Realised revaluations	-	-	868	(868)	(3,378)	-	(3,378)
Currency translation differences	-	-	-	-	1,098	-	1,098
Dividends paid	-	-	(10,000)	-	-	-	(10,000)
Other	-	-	-	-	-	-	-
Balance as at 31/12/2024	18	55,443	341,648	6,087	421	64,722	468,339
Result for the year	-	-	-	-	169	43,843	44,012
Appropriation of result	-	-	64,722	-	-	(64,722)	-
Realised revaluations	-	-	471	(471)	4,951	-	4,951
Currency translation differences	-	-	-	-	(2,424)	-	(2,424)
Dividends paid	-	-	(50,000)	-	-	-	(50,000)
Other	-	-	-	-	-	-	-
Balance as at 31/12/2025	18	55,443	356,841	5,616	3,117	43,843	464,877

Share capital paid

The share capital is paid up in full. The share capital issued equals €90,000 divided in 90,000 shares of €1 each.

Share premium

The Share premium reserve was created by contribution when it was established on November 10, 2010.

Revaluation reserve

The revaluation reserve monitors revaluations made on tangible fixed assets at the time of valuing these assets at current value. The revaluation takes into account the influence of taxes on equity and results due to a provision for deferred taxes charged to form a revaluation reserve.

43. Provisions

The following table summarises the movement in provision for the years ended 31/12/2025 and 31/12/2024:

	Deferred tax	Jubilee benefits	Annuity commitments	Total
	€ 000	€ 000	€ 000	€ 000
As of 01/01/2024	20,127	20	42	20,190
Consolidation	-	-	-	-
Arising during the period	-	4	1	5
Utilised	223	-	-	223
Translation and other adjustment	-	-	(4)	(4)
As of 31/12/2024	20,350	24	40	20,414
Current	17,341	-	4	17,344
Non-current	3,009	24	37	3,070
As of 01/01/2025	20,350	24	40	20,414
Consolidation	-	-	-	-
Arising during the period	-	8	-	8
Utilised	(8,753)	-	(3)	(8,756)
Translation and other adjustment	-	-	-	-
As of 31/12/2025	11,597	32	37	11,666
Current	11,597	-	4	11,601
Non-current	-	32	33	65

44. Financial liabilities

	Interest rate	Maturity	31/12/2025	31/12/2024
	%		€ 000	€ 000
Current interest-bearing loans and borrowings				
Lease liability			224	204
Loan from credit institutions 1 (Term loan)	Euribor 3-mth + 1.75%	27/11/2028	15,000	15,000
Loan from credit institutions 1 (RCF)	Euribor 3-mth + 1.75%	27/05/2026	50,000	-
Total current interest-bearing loans and borrowings			65,224	15,204
Non-current interest-bearing loans and borrowings				
Lease Liability			2,275	2,387
Loans from shareholders	Euribor + 4.50% (min. 6.50%)	01/01/2027	4,000	4,000
Other subordinated loans	Euribor + 4.00%	N/A	1,200	1,200
Loan from credit institutions 1 (Term loan)	Euribor 3-mth + 1.75%	27/11/2028	567,582	581,378
Loan from credit institutions 2	2.19% fixed + 1.85%	28/11/2029	72,500	72,500
Other loans		01/01/2030	10,000	15,000
Total non-current interest-bearing loans and borrowings			657,557	676,465
Total interest-bearing loans and borrowings			722,781	691,669
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings				
Trade and other payables			3,904	2,548
Payables relating to taxes and social security contributions			11	11,920
Other liabilities and accrued expenses			393	1,084
Total other financial liabilities			4,308	15,552
Total current			69,532	30,756
Total non-current			657,557	676,465

For further details regarding the subordinated loans, please see the consolidated balance sheet.

45. Remuneration

The remuneration incurred in respect of the statutory directors amounted to € 1,413,000 (2024: € 1,798,000). The remuneration incurred in respect of the supervisory board members amounted to € 211,000 (2024: € 214,000).

46. Events after the reporting period

On 11 February 2026, prior to the authorisation of these financial statements, E-Piim Tootmine AS filed for formal bankruptcy proceedings. Consequently, on 11 March 2026 the Estonian court declared E-piim Tootmine AS's official bankruptcy. This event provided evidence of conditions that existed at the balance sheet date regarding the recoverability of Royal A-ware's financing interests. As an adjusting event under IAS 10, Royal A-ware has reflected the full impairment of the related loans and interest receivables within the 2025 financial results. The total impact of these adjustments is included within impairment losses on financial assets for the reporting period (see note 11 of the consolidated financial statements).

47. Other notes

Average number of FTE

Disclosure of average number of FTE during the period

There are 3 FTE during the reporting year (2024: 2). 0 FTE are working abroad.

Other Information

Basis for Profit Appropriation

In accordance with the company's articles of association and the relevant provisions of the Dutch Civil Code, the profit for the year is appropriated as follows:

Dividends:

The Board of Directors proposes a dividend of €2,222.22 per share, amounting to a total distribution of €40,000,000. This proposal is subject to approval by the general meeting of shareholders.

Reserves:

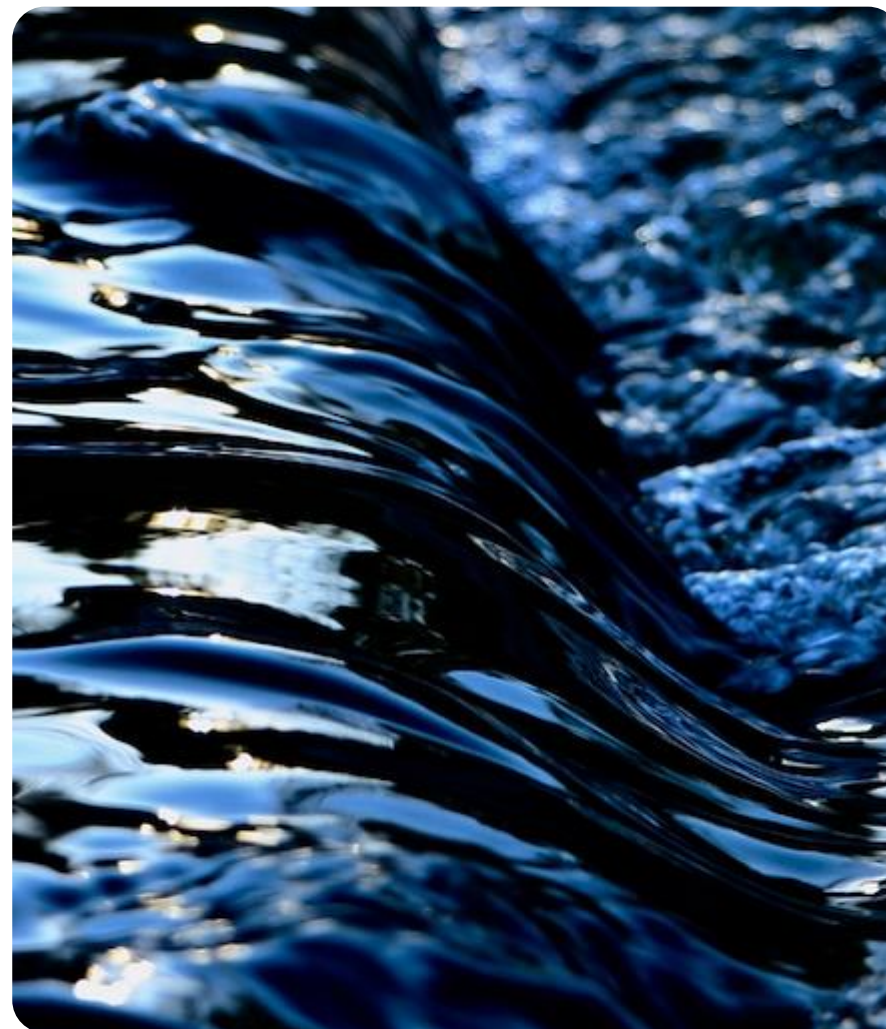
- The remaining profit of €3,843,000 is to be retained in the general reserve to strengthen the company's equity position.

Approval Process

The proposed profit appropriation is subject to approval by the general meeting of shareholders, which will be held on 20 May 2026. The financial statements do not reflect this proposed appropriation.

Legal and Contractual Restrictions

The company is subject to certain legal and contractual restrictions on the distribution of profits. As of the balance sheet date, the company complies with all such restrictions, including the minimum reserve requirements stipulated by the Dutch Civil Code and the covenants in the company's loan agreements.



Authorisation of the Financial Statements

Netherlands,

Executive Board of Royal A-ware Food Group B.V.

J.F.A. Anker

Chairman of the Board

A. Rodriguez

CEO

Supervisory Board Royal A-ware Food Group B.V.

B. Alblas (Chairman)

P. Bouter

M. Van Egmond

F. Pon

C. Wielinga

Independent Auditor's Report

To the shareholders and the supervisory board of Koninklijke A-ware Food Group B.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

We have audited the financial statements 2025 of Koninklijke A-ware Food Group B.V., based in Lopik. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Koninklijke A-ware Food Group B.V. as at December 31, 2025, and of its result and its cash flows for 2025 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Koninklijke A-ware Food Group B.V. as at December 31, 2025, and of its result for 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Consolidated financial statements comprise:

1. The Consolidated statements Financial Position as at December 31, 2025.
2. The following statements for 2025: the Consolidated Statement of Profit or Loss, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows.
3. The Notes to the consolidated financial statements.

The company financial statements comprise:

1. The company statement of financial position as at December 31, 2025.

2. The company statement of profit or loss for 2025.
3. The Notes to the company-only financial statements.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report

We are independent of Koninklijke A-ware Food Group B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct and whistle blower procedures. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

We identified a risk of material misstatement due to fraud related to management override of controls and performed the following specific procedures:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
- We considered available information and made enquiries of relevant executives.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

- We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 6 ('Significant accounting judgments, estimates and assumptions) of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.
- For significant transactions, such as the acquisition of The Dairy Food Group, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

We furthermore identified a risk of material misstatement due to fraud related to revenue recognition. The risk is pinpointed to revenue recognition in relation to cost-plus contracts with strategic partners. The risk exists that the revenue from cost-plus contracts is overstated through the inclusion of non-allowable or misclassified costs, misallocation of overheads and/or incorrect application of contractual mark-ups/fees. We performed the following specific procedures:

- We evaluated the underlying partnership contracts, including evaluating the accounting treatment thereof.
- We obtained external confirmations from the external parties (partners).
- We evaluated the accounting treatment of the one-offs recognized in relation to these contracts.
- We tested the classification of other operating expenses and allowable costs to recharge per agreement against source documentation.
- We obtained the partners' authorized budgets and compared these to the actuals for the year.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussions with relevant executives (i.e. inhouse legal counsel) and reading minutes.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the supervisory board, the management board and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii)

inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the management board, related to going concern under the prevailing standards are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed procedures including evaluating management's assessment of the company's ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern. The management board's conclusion on the company's ability to continue as a going concern is outlined in accounting policies, note 2 of the consolidated financial statements.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- The Director's report (page 10 until page 21 in the financial statements).
- The report of the supervisory board (page 22 until 24).
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code (page 2 until 9; page 215 and 216 in the financial statements).
- Independent auditor's report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Compliance requirements SBR Regulatory Technical Standard, including XBRL mark-ups, not audited

The audit includes verifying that the prepared financial statements comply with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code. Our auditor's report is

issued on the financial statements and will be included with the annual report which will be digitally filed. This means that compliance with all requirements of the SBR Regulatory Technical Standard of the SBR Trade Register domain (including the applied eXtensible Business Reporting Language (XBRL) mark-ups) was not part of the audit.

Description of responsibilities regarding the financial statements

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the supervisory/management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Utrecht, March 25, 2026

Deloitte Accountants B.V.

Signed on the original: A.J. Heitink

Limited Assurance-report of the Independent Auditor on the Sustainability Statement

To the shareholders and the supervisory board of Koninklijke A-ware Food Group B.V.

Our conclusion

We have performed a limited assurance engagement on the (consolidated) sustainability statement for the year ended 31 December 2025 of Koninklijke A-ware Food Group B.V. based in Lopik (hereinafter: the company) in the section 'Sustainability statement' (page 25 until page 116) of the accompanying annual report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to

sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Koninklijke A-ware Food Group B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Emphasis on the most significant uncertainties affecting the quantitative metrics

We draw attention to section 'General disclosures - basis of preparation' and the related accounting policies in the sustainability statement that identifies the

quantitative metrics that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgments the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section 'Stakeholder views and interests' and 'Double materiality assessment' in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of the management board and the supervisory board for the sustainability statement

Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS.

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV-KM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including

documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement, without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by management appears consistent with the process carried out by the company.
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement.
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Utrecht, March 25, 2026

Deloitte Accountants B.V.

Signed on the original: A.J. Heitink

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by taste*