MLK FOODS

Report of the Board of Directors

on operations in the first half of 2026

All amounts are in thousands of Euro, unless otherwise stated

Auditor's review status

The condensed consolidated interim financial statements for the first half of 2026 have not been audited or reviewed by the Company's independent auditors.

The figures for the six months ended 30 June 2026 were derived from the Group's consolidation package as at 30 June 2026. The comparative information for the six months ended 30 June 2025 is consistent with the Half-Yearly Financial Report for the first half of 2025. The annual financial statements for 2025 have not been audited and, accordingly, comparative figures as at 31 December 2025 were not presented in this report.

Contents

Overview of Operations in H1 2026 and Outlook for the Year 2026

Strategy and Operations

In the first half of 2026 the MLK Foods Group operated through its Ukrainian production and trading subsidiaries, its Cypriot trading company and its Polish subsidiary, Milkiland EU sp. z o.o. The former Russian subsidiaries were not a part of the Group: control over them was lost in February 2022 and, thus, they were excluded from the consolidation perimeter. All financial information in this report and the related comments relate to the companies within that perimeter.

The Ukrainian economy continued to operate during the reporting period under conditions of war, elevated uncertainty and constraints on electricity supply. Annual consumer inflation stood at 7.9% in March 2026; in July 2026 Inflation Report the National Bank of Ukraine revised the 2026 inflation forecast to approximately 10% and its real GDP growth forecast to approximately 1.8% on y-o-y basis.

The raw material base of the industry underwent a structural shift. According to the State Statistics Service of Ukraine, approximately 3.0 million tons of raw milk were produced in Ukraine in January–June 2026, 12.2% less than in the corresponding period of 2025: agricultural enterprises increased output by 4.3% (to 1.65 million tons), while household farms reduced output by 26.5% (to 1.34 million tons). At the same time, industrial milk processing volumes in the first half of 2026 grew by approximately 6% year-on-year, according to the Union of Dairy Enterprises of Ukraine. This reflects the continuing migration of the raw material base from household farms to commercial dairy farms — a trend favorable to processors in terms of the quality and stability of supply, but one which intensifies competition for raw milk.

Key financial results

The Group's consolidated revenue for the six months ended 30 June 2026 amounted to EUR 7.2 million (H1 2025: EUR 16.7 million) and was generated almost entirely by the Ukrainian subsidiaries. The 56.8% year-on-year decline in revenue was attributable principally to lower volumes in the "Ingredients and other" category, which remains the dominant component of the Group's revenue (97.0% share in revenue in the reporting period).

Cost of sales amounted to EUR 6.0 million, resulting in a gross profit of EUR 1.2 million and a gross margin of 17.1% (H1 2025: EUR 12.8 million, EUR 4.0 million and 23.6% respectively).

The Group recognized an operating profit of EUR 0.7 million, corresponding to an operating margin of 9.1% (H1 2025: EUR 2.8 million and 16.6%). Depreciation for the period amounted to EUR 68 thousand, EUR 63 thousand out of which was included in the cost of sales (H1 2025: EUR 49 thousand). EBITDA amounted to EUR 726 thousand, or 10.1% of revenue (H1 2025: EUR 2,822 thousand, or 16.9%).

Finance income for the period amounted to EUR 225 thousand and finance expenses to EUR 12 thousand. No interest accrues on the Company's principal indebtedness for the duration of martial law in Ukraine, pursuant to an arrangement with the current lender, Y, Inc. Property B.V. A net foreign exchange gain of EUR 126 thousand was recognized (H1 2025: net loss of EUR 1.7 million, recognized principally at the level of the parent company).

Profit before tax amounted to EUR 1.0 million (H1 2025: EUR 1.2 million). After an income tax charge of EUR 0.2 million, the net profit for the period amounted to EUR 0.8 million (H1 2025: EUR 0.6 million). The result attributable to the owners of the Company was a profit of EUR 0.4 million (H1 2025: loss of EUR 0.3 million); the profit attributable to non-controlling interests amounted to EUR 0.3 million. Earnings per ordinary share were 1.39 EUR cents (H1 2025: loss per share of 0.86 EUR cents).

As at 30 June 2026 the Group's total assets amounted to EUR 102.7 million (30 June 2025: EUR 117.1 million), total liabilities stood at EUR 91.9 million (EUR 108.8 million) and total equity amounted to EUR 10.8 million (EUR 8.3 million). In the reporting period the receivable from Galila Trade LP has been offset against the loans received from the same counterparty and is presented on a net basis; comparative figures are presented on a gross basis (Note 6).

Operating activities consumed EUR 494 thousand of cash during the period (H1 2025: EUR 1,447 thousand). There were no cash flows from investing or financing activities in the reporting period. The cash balance decreased from EUR 3,661 thousand at the beginning of the period to EUR 3,167 thousand at 30 June 2026.

The Polish component

Since September 2019 the Group's Polish subsidiary Milkiland EU sp. z o.o. has held only a 20% non-controlling interest in the production company Ostrowia sp. z o.o. and does not control it. Control over 80% of Ostrowia is held indirectly by

Crema Vita sp. z o.o., a company outside the consolidation perimeter whose ownership structure was the subject of litigation concluded by the judgment of the Court of Appeal in Rzeszów dated 17 February 2026 in case I AGa 56/25 (see "Material Factors and Events" and Note 8). The Polish component is not an operating base of the Group, generates no operating cash flow for it, and its carrying amount is at risk of material impairment.

The Ukrainian operating base

The Ukrainian operating entities remain the operating core of the Group and continue to generate substantially all of its revenue, EBITDA and operating cash flow, notwithstanding war-related risks affecting all aspects of the business, including energy supply, access to a skilled labor force and raw material supply.

Dairy Markets

Ukraine

Ukraine is the key market of the Group. According to the State Statistics Service of Ukraine, total raw milk output in January–June 2026 amounted to approximately 3.0 million tons, 12.2% lower than in the corresponding period of 2025. The decline was attributable entirely to household farms (−26.5% year-on-year), while agricultural enterprises increased output by 4.3%. For the five months of 2026 total raw milk output amounted to 2.42 million tons (−12% year-on-year), with industrial output growing.

Industrial milk processing volumes in Ukraine in the first half of 2026 grew by approximately 6% year-on-year according to the Union of Dairy Enterprises of Ukraine; the industry exceeded pre-war processing levels (2021: approximately 3.2 million tons; 2025: 3.6 million tons).

At the same time, imports of higher value-added products increased: according to the Association of Milk Producers, in the first half of 2026 Ukraine imported 23.4 thousand tons of cheese for USD 141.3 million, more than 20% above the corresponding period of 2025. Converted into raw milk, this volume is equivalent to almost 250 thousand tons.

EU markets

EU markets determine the Group's export prices. In the first half of 2026 price movements differed by product category.

EU butter prices fluctuated during the reporting period within a range of approximately EUR 386–405 per 100 kg (at the end of June 2026: approximately EUR 386 per 100 kg, or EUR 3,860 per ton) and at that point exceeded the level of the corresponding period of 2025 by approximately 14%. That advantage was subsequently lost: in August 2026 EU butter quotations fell below the prior-year level.

EU SMP prices were substantially lower year-on-year throughout the first half of 2026: at the end of June 2026 approximately EUR 273 per 100 kg, some 48% below the level a year earlier. Cheese prices also declined: at the end of June 2026 Gouda stood at approximately EUR 394 per 100 kg (−21% year-on-year), Edam at approximately EUR 375 per 100 kg and Cheddar at approximately EUR 316 per 100 kg (−31%).

The combination of lower SMP and cheese prices with increased volatility in the butter market is unfavorable for the export component of the Group's revenue and, together with lower volumes, explains the decline in gross margin in the reporting period.

As regards export markets, in the first half of 2026 the Group exported its products to the Republic of Kazakhstan and the United States. The resumption of cooperation with partners in the Kyrgyz Republic is planned before the end of 2026.

Russia is no longer a market of the Group, thus, no review of the Russian dairy market is presented in this report.

MLK Foods' Financial Performance and Financial Position

The table below provides selected financial data for the six months ended 30 June 2026 and 2025 in thousands of euros.

Selected financial data

	6 m 2026	6 m 2025
I. Revenue	7,226	16,722
II. EBITDA	726	2,822
III. Operating profit	658	2,773
IV. Profit before tax	996	1,213
V. Net profit	775	645
VI. Cash flows used in operating activities	(494)	(1,447)
VII. Cash flows used in investing activities	–	(633)
VIII. Cash flows from financing activities	–	–
IX. Net movement in cash	(494)	(2,080)
X. Total assets	102,684	117,078
XI. Current liabilities	22,848	27,033
XII. Non-current liabilities	69,056	81,725
XIII. Share capital	3,125	3,125
XIV. Total equity	10,780	8,320
XV. Weighted average number of shares, ths	31,250	31,250
XVI. Profit / (loss) per ordinary share, EUR cents	1.39	(0.86)

Items X–XIV are presented as at 30 June 2026 and 30 June 2025 respectively. Minor differences in totals are due to rounding.

Revenue

The Group's consolidated revenue for the six months ended 30 June 2026 amounted to EUR 7,226 thousand against EUR 16,722 thousand for the six months ended 30 June 2025. Revenue was generated almost entirely by the Ukrainian subsidiaries of the Group; the Cypriot and Polish subsidiaries did not recognize external revenue in the reporting period.

Breakdown of consolidated revenue by product group:

EUR ths	6 m 2026	Share, %	6 m 2025	Share, %
Cheese & butter	32	0.4	412	2.5
Whole milk products	182	2.5	804	4.8
Ingredients and other	7,012	97.0	15,506	92.7
Total	**7,226**	**100.0**	**16,722**	**100.0**

Minor differences in totals are due to rounding.

Cost of sales and gross profit

Cost of sales for the six months ended 30 June 2026 amounted to EUR 5,991 thousand, or 82.9% of consolidated revenue (H1 2025: EUR 12,770 thousand, or 76.4%). Gross profit amounted to EUR 1,235 thousand, corresponding to a gross margin of 17.1% (H1 2025: EUR 3,952 thousand and 23.6%).

Breakdown of cost of sales by cost element:

EUR ths	6 m 2026	Share, %	6 m 2025	Share, %
Raw and other materials	5,306	88.6	12,386	97.0
Wages and salaries	328	5.5	128	1.0
Depreciation	63	1.1	26	0.2
Transportation costs	–	–	51	0.4
Gas	102	1.7	102	0.8
Other	191	3.2	77	0.6

EUR ths	6 m 2026	Share, %	6 m 2025	Share, %
Total	**5,991**	**100.0**	**12,770**	**100.0**

Shares are calculated on total cost of sales. Total depreciation for the period amounted to EUR 68 thousand, of which EUR 63 thousand is included within cost of sales and the remainder within other operating expense lines.

Profit from operations and EBITDA

Operating expenses for the period amounted to EUR 577 thousand in aggregate, comprising selling and distribution expenses of EUR 106 thousand, administrative expenses of EUR 276 thousand and other expenses, net, of EUR 195 thousand (H1 2025: EUR 1,179 thousand in aggregate). The Group recognized an operating profit of EUR 658 thousand, corresponding to an operating margin of 9.1% (H1 2025: EUR 2,773 thousand and 16.6%). Including depreciation of EUR 68 thousand, EBITDA amounted to EUR 726 thousand, or 10.1% of revenue (H1 2025: EUR 2,822 thousand, or 16.9%).

Profit before tax and net profit

Finance income for the period amounted to EUR 225 thousand (H1 2025: EUR 131 thousand); finance expenses amounted to EUR 12 thousand (H1 2025: nil). No interest accrues on the Company's principal indebtedness for the duration of martial law in Ukraine, pursuant to the arrangement with the lender Y, Inc. Property B.V. (Note 6). A net foreign exchange gain of EUR 126 thousand was recognized (H1 2025: net loss of EUR 1,692 thousand).

As a result, the Group recognized a profit before tax of EUR 996 thousand (EUR 1,213 thousand). After an income tax charge of EUR 221 thousand (EUR 568 thousand), the net profit for the period amounted to EUR 775 thousand (EUR 645 thousand), of which a profit of EUR 435 thousand is attributable to the owners of the Company and a profit of EUR 340 thousand to non-controlling interests.

Financial Position

As at 30 June 2026 the Group's total assets amounted to EUR 102,684 thousand (30 June 2025: EUR 117,078 thousand). Current assets of EUR 27,112 thousand comprised principally trade and other receivables of EUR 21,677 thousand, cash of EUR 3,167 thousand and inventories of EUR 2,239 thousand. Non-current assets of EUR 75,571 thousand consisted almost entirely of property, plant and equipment of EUR 73,803 thousand, together with deferred income tax assets of EUR 1,556 thousand and non-current financial investments of EUR 208 thousand.

Total liabilities amounted to EUR 91,904 thousand (30 June 2025: EUR 108,758 thousand). Current liabilities of EUR 22,848 thousand comprised mainly trade and other payables of EUR 20,933 thousand and current income tax liabilities of EUR 1,769 thousand. Non-current liabilities of EUR 69,056 thousand consisted principally of long-term loans and borrowings of EUR 68,573 thousand.

The Group's aggregate loans and borrowings amounted to EUR 68,688 thousand (30 June 2025: EUR 81,674 thousand); net debt amounted to EUR 65,521 thousand. The principal part of the indebtedness is owed to Y, Inc. Property B.V., a related party of the Group (Note 6). The Board of Directors is pursuing refinancing, deferral and standstill arrangements with the relevant creditors.

Net cash used in operating activities for the period amounted to EUR 494 thousand (H1 2025: EUR 1,447 thousand). The reduction in the outflow compared with the prior period reflects the release of working capital in receivables and inventories, which partly offset the decrease in trade and other payables. There were no cash flows from investing or financing activities in the reporting period, and no property, plant and equipment was acquired. The cash balance decreased from EUR 3,661 thousand at the beginning of the period to EUR 3,167 thousand at 30 June 2026.

Total equity amounted to EUR 10,780 thousand (30 June 2025: EUR 8,320 thousand), comprising equity attributable to the owners of the Company of EUR 8,235 thousand and non-controlling interests of EUR 2,545 thousand. Accumulated losses amounted to EUR 31,033 thousand.

Basis of Preparation

The condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and with IAS 34 "Interim Financial Reporting", except for the departures disclosed in Note 2. The consolidation perimeter comprises MLK Foods PCL, the Cypriot trading company Milkiland Intermarket (CY) Ltd, the Polish Milkiland EU sp. z o.o. and the Ukrainian operating sub-groups (LLC Milkiland N.V., LLC Milkiland Ukraine, LLC Moloko-Kraina, LLC 7-Ya). MLK Finance Limited was part of the perimeter until its liquidation on 26 June 2026 (Note 3). The former Russian subsidiaries are outside the perimeter, since control over them was lost.

Material Factors and Events

Material Factors and Events during the Reporting Period

Indebtedness under the former Syndicated Loan Facility and non-accrual of interest

As at 30 June 2026 the Company's lender under the former syndicated indebtedness remains Y, Inc. Property B.V., a company under common control with the principal shareholder of the Group and a related party of the Group within the meaning of IAS 24 (Note 7).

From the date on which Y, Inc. Property B.V. bought out the Company's indebtedness to the banks, the parties agreed that no interest accrues on that indebtedness for the entire duration of martial law in Ukraine. Accordingly, finance expense on that indebtedness for the six months ended 30 June 2026 is nil, and the amount of interest accrued up to the buy-out date is fixed and does not increase. Accrued interest is included within trade and other payables. The accounting implications of this arrangement are disclosed in Note 6.

The Group's management continues negotiations on the settlement of the indebtedness with the current lender, as well as negotiations on the settlement of the indebtedness to JSC OTP Bank (Ukraine).

The Group's aggregate loans and borrowings decreased from EUR 81,674 thousand as at 30 June 2025 to EUR 68,688 thousand as at 30 June 2026 in the absence of cash flows from financing activities. The movement is attributable to the offsetting of the receivable from Galila Trade LP against the loans received from that same counterparty (EUR 6,294 thousand), to changes in the composition of the debt portfolio and to exchange differences. The composition of the indebtedness by principal creditor as at 30 June 2026 is set out in Note 6.

The Polish component: judgment of the Court of Appeal in Rzeszów dated 17 February 2026

By a judgment of the Regional Court in Rzeszów dated 31 March 2025 in case VI GC 231/22, all six resolutions of the extraordinary general meetings of the shareholders of Crema Vita sp. z o.o. dated 28 April 2021 and 16 June 2021 were held to be non-existent. The court found that the commercial proxy (prokurent) had no authority to convene the meetings and to vote on behalf of the shareholder, and that Kentix sp. z o.o. was not yet a shareholder of Crema Vita as at the voting date of 16 June 2021, since an increase of share capital takes effect only upon registration.

By a judgment of the Court of Appeal in Rzeszów dated 17 February 2026 in case I AGa 56/25, the defendant's appeal was dismissed. The judgment of the court of first instance became final. Kentix sp. z o.o. is in bankruptcy proceedings and participated in the proceedings through its trustee in bankruptcy.

The Group is not a party to these proceedings: the claimant was a shareholder of Crema Vita acting in a personal capacity. Milkiland EU's 20% interest in Ostrowia was not the subject of the dispute and was not disposed of. The Group recognizes neither an asset nor a liability as a result of these proceedings. No contingent asset under IAS 37 arises for the Group.

Changes in the composition of the Group

On 26 June 2026 the Cypriot subsidiary MLK Finance Limited was liquidated (organization status in the Registrar's records: "Dissolved", status date 26 June 2026). MLK Finance Limited had a loan received from MLK Foods PCL and a loan granted to entities under the control of LLC Milkiland Ukraine. Upon liquidation, the claim against the entities under the control of LLC Milkiland Ukraine passed directly to MLK Foods PCL. Accordingly, the liquidation of MLK Finance Limited had no effect on the consolidation perimeter or on the consolidated figures.

On 11 March 2026 LLC Rylsky Cheese Maker (Russia) was terminated. That company had been outside the consolidation perimeter since February 2022 and its termination had no effect on the consolidated figures.

Material Factors and Events after the Reporting Date

As at the date of approval of this report the Board of Directors has not identified any events after the reporting date requiring adjustment to, or disclosure in, the condensed consolidated interim financial statements.

Principal risks and uncertainties for the remainder of the financial year

- War-related risks in Ukraine related to: shortage of energy supply, availability of a skilled labor force, raw material supply, and the physical security of production sites.
- Contraction of the raw material base in the household farm segment (−26.5% year-on-year) and intensified competition for raw milk.

- Price risks on EU export markets, in particular low SMP and cheese prices and high volatility in butter prices.
- The risk of material impairment of the Polish component and uncertainty as to control over Ostrowia sp. z o.o.
- Overdue indebtedness under the former Syndicated Loan Facility and non-compliance with financial covenants.
- Residual recourse risks in respect of the former Russian entities: parent guarantees, cross-default provisions and the recoverability of intragroup receivables.
- Foreign currency risk at the level of the parent company.
- Negative operating cash flow (EUR 494 thousand outflow for the reporting period) against a limited cash balance (EUR 3,167 thousand) and the absence of proceeds from financing activities.

Strategic Plans and Initiatives for H2 2026

The Group's management plans to implement in the second half of 2026 and thereafter the following measures, which are directed at preserving liquidity, protecting the Group's assets and maintaining the Ukrainian operating base.

Finance and liquidity

- Continue negotiations with the current lender under the former Syndicated Loan Facility, Y, Inc. Property B.V., on the manner of settling the indebtedness; document the interest non-accrual arrangement in writing and complete its accounting assessment under IFRS 9.
- Complete negotiations on the settlement of the indebtedness to JSC OTP Bank (Ukraine).
- Pursue refinancing, deferral arrangements and temporary standstill agreements, and obtain written confirmations from intragroup, related-party and friendly creditors that they will not demand immediate repayment during the going concern assessment period.
- Generate cash inflows through equity financing, including the possible sale of shares; secure shareholder financial support.
- Complete the cash flow forecast covering at least twelve months from the date of approval of the financial statements, together with base and severe-but-plausible stress scenarios, and the schedule of liabilities distinguishing external debt, intragroup balances and balances with related parties.
- Stabilize operating cash flow, in particular through working capital management and by containing the outflow on trade and other payables.

Production and markets

- Maintain the continuity of production at the Ukrainian dairy plants, with particular attention to the availability of energy and other critical supplies.
- Support sales in the Ukrainian dairy market and exports of butter, cheese and dry milk products to the EU within the free trade agreement.
- Expand the raw material base through cooperation with commercial dairy farms, given the structural decline in output from household farms.

Assets and legal proceedings

- Complete the impairment analysis of the investment in Milkiland EU sp. z o.o. and the related Polish assets under IAS 36 and IFRS 9.
- Determine the date of the loss of control over Ostrowia sp. z o.o. and the classification of the 20% interest; account for the retrospective effect, if any, in accordance with IAS 8.
- Monitor the Ukrainian operating entities for impairment indicators arising from the war.

Going Concern

Basis of the assessment

The Board of Directors assesses going concern at the level of the reporting entity — the consolidated Group and the parent on a standalone basis — rather than for each subsidiary in isolation. Individual subsidiaries are relevant only through their effect on the cash flows and obligations of the reporting entity.

Circumstances relevant to the going concern assumption

Russia — the loss of control over Russian subsidiaries. It has been accounted for by deconsolidation under IFRS 10.25 and B97–B99, with recycling of the foreign currency translation reserve under IAS 21; the investments have been written down in full, through a reserve of approximately EUR 40.56 million, to nil. These entities are outside the consolidation perimeter; only residual recourse risks remain relevant.

Poland — Milkiland EU sp. z o.o. (100%) and Ostrowia sp. z o.o. (20%). Since September 2019 Milkiland EU has held a 20% non-controlling interest in the production company Ostrowia and does not control it. Control over 80% of Ostrowia is held indirectly by Crema Vita sp. z o.o., a company outside the consolidation perimeter whose ownership structure was the subject of litigation concluded on 17 February 2026. The carrying amount of the Polish component was approximately EUR 10.92 million and is at risk of material impairment. The Polish component generates no operating cash flow for the Group, and the Board of Directors does not rely on it in its going concern assessment.

Ukraine — full consolidation of the operating entities. They are fully consolidated under IFRS 10 and constitute the operating core of the Group. Their aggregate carrying amount is approximately EUR 0.72 million. They are a source of potential material uncertainty arising from war-related risks, in particular in respect of energy and other critical suppliers.

Cyprus — Milkiland Intermarket (CY) Ltd (100%). The company performs holding and intragroup functions; its carrying amount is negligible.

The Board of Directors draws attention to a principle it has applied: carrying amount is not a measure of operational significance. The Ukrainian entities carry a negligible aggregate amount yet, as production entities, generate substantially all of the Group's revenue, EBITDA and operating cash flow. Conversely, the Polish carrying amount, although the largest, corresponds to a non-controlling interest in a company which the Group has not controlled since 2019, is itself at risk of impairment and may not be recoverable.

Mitigating factors and management actions

The Company has the ability to generate cash inflows through equity financing, including the possible sale of shares. The Board of Directors considers this an important source of potential liquidity.

An arrangement has been reached with the principal shareholder, 1, Inc. Coöperatief U.A., for the provision of loans to the Company to support its liquidity. The Board of Directors intends to obtain written confirmation of the amount, terms and timing of such support for the going concern assessment period.

A substantial part of the Company's liabilities consists of intragroup balances or balances with related or friendly parties. The Board of Directors considers that the going concern risk associated with such liabilities is materially lower than in the case of immediately enforceable third-party debt, and intends to obtain from such creditors written confirmations that they will refrain from demanding immediate repayment and from enforcement action during the assessment period.

The Company's principal financial creditor is Y, Inc. Property B.V., a company under common control with the principal shareholder of the Group, which acquired the rights under the former syndicated indebtedness and agreed not to accrue interest for the entire duration of martial law in Ukraine. This materially reduces the cash outflow on debt service during the assessment period. At the same time, this arrangement does not constitute a deferral of the maturity of the principal.

The Board of Directors is considering refinancing, deferral arrangements and temporary standstill or moratorium agreements with the relevant creditors. Apart from Y, Inc. Property B.V., the Group's external financial creditor is JSC OTP Bank (Ukraine), with which settlement negotiations are ongoing (Note 6).

At the same time, the Board of Directors draws attention to the fact that the Group's operating activities remain a source of cash outflow: for the six months ended 30 June 2026 they consumed EUR 494 thousand (H1 2025: EUR 1,447 thousand), and the cash balance decreased from EUR 3,661 thousand to EUR 3,167 thousand. Notwithstanding the substantial reduction in the outflow compared with the prior period, the cash flow forecast must demonstrate the sufficiency of liquidity having regard to this trend.

The Board's preliminary assessment

Outside Ukraine the Group has no operating base. The Polish component has provided the Group with neither control nor operating cash flow since September 2019, and its carrying amount is at risk of material impairment. The Ukrainian operating entities, which generate substantially all of the Group's revenue, EBITDA and operating cash flow, operate under war-related risks, in particular in respect of energy and other critical suppliers. The central question the Board of Directors is addressing is securing the Group's ability to continue in operation for at least twelve months from the date of approval of the financial statements, relying on the Ukrainian operating base, shareholder support and the arrangements with the lender under common control, and without relying on the Polish component.

The Board of Directors is preparing a cash flow forecast covering at least twelve months from the date of approval, excluding the deconsolidated Russian operations and any reliance on the Polish component, together with base and severe-but-plausible stress scenarios, and is securing shareholder financial support.

Statement of the Board of Directors

on compliance of the condensed consolidated interim financial statements

The Board of Directors of MLK Foods PCL hereby represents that, to the best of its knowledge:

(a) the condensed consolidated interim financial statements of MLK Foods PCL for the period ended 30 June 2026 have been prepared in accordance with the applicable accounting standards — having regard to the departures disclosed in Note 2 — and give a true, fair and clear view of the assets, liabilities, financial position and financial results of MLK Foods PCL and of the undertakings included in the consolidation taken as a whole;

(b) the interim report of the Board of Directors for the six months ended 30 June 2026 gives a fair review of the material events of the reporting period and their impact, together with a description of the principal risks and uncertainties for the remainder of the financial year.

This half-yearly financial report has neither been audited nor reviewed by an audit firm.

Board of Directors of MLK Foods PCL

Kyiv, 8 September 2026

A. Yurkevych, Chairman of the Board of Directors

REPUBLIC OF CYPRUS ★ REPUBLIC OF CYPRUS ★
MLK FOODS PUBLIC COMPANY LTD
HE 413091

Condensed consolidated interim financial statements

Condensed consolidated interim statement of financial position

EUR ths	Note	30 June 2026 (unaudited)	30 June 2025 (unaudited)
ASSETS			
Current assets			
Cash and cash equivalents		3,167	3,043
Trade and other receivables	6	21,677	28,566
Inventories		2,239	3,615
Other taxes receivable		29	29
Total current assets		**27,112**	**35,253**
Non-current assets			
Property, plant and equipment		73,803	80,246
Non-current financial investments	8	208	–
Deferred income tax assets		1,556	1,576
Other non-current assets		3	3
Total non-current assets		**75,571**	**81,825**
TOTAL ASSETS		**102,684**	**117,078**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		20,933	26,213
Current income tax liabilities		1,769	338
Other taxes payable		32	32
Short-term loans and borrowings	6	115	449
Total current liabilities		**22,848**	**27,033**
Non-current liabilities			
Loans and borrowings	6	68,573	81,225
Deferred income tax liabilities		407	412
Other non-current liabilities		75	88
Total non-current liabilities		**69,056**	**81,725**
Total liabilities		**91,904**	**108,758**
Share capital		3,125	3,125
Revaluation and other reserves		36,144	35,091
Retained earnings (accumulated losses)		(31,033)	(31,586)
Total equity attributable to the owners of the Company		**8,235**	**6,630**
Non-controlling interests		2,545	1,691
Total equity		**10,780**	**8,320**
TOTAL LIABILITIES AND EQUITY		**102,684**	**117,078**

Comparative figures are presented as at 30 June 2025. The annual financial statements for 2025 have not been audited and, accordingly, figures as at 31 December 2025 are not presented in this report (Note 2). As at 30 June 2026 trade and other receivables and non-current loans and borrowings are presented net of the offset balances with Galila Trade LP (Note 6). Minor differences in totals are due to rounding.

Condensed consolidated interim statement of comprehensive income

EUR ths	Note	2026 (unaudited)	2025 (unaudited)
Revenue	5	7,226	16,722

EUR ths	Note	2026 (unaudited)	2025 (unaudited)
Cost of sales		(5,991)	(12,770)
Gross profit		**1,235**	**3,952**
Selling and distribution expenses		(106)	(375)
Administrative expenses		(276)	(552)
Other income / (expenses), net		(195)	(251)
Operating profit / (loss)		**658**	**2,773**
Finance income		225	131
Finance expenses	6	(12)	–
Foreign exchange gain / (loss), net		126	(1,692)
Profit / (loss) before tax		**996**	**1,213**
Income tax		(221)	(568)
Net profit / (loss) for the period		**775**	**645**
Other comprehensive income / (loss)		–	–
Total comprehensive income / (loss)		**775**	**645**
Attributable to the owners of the Company		435	(270)
Attributable to non-controlling interests		340	915
Profit / (loss) per share, basic and diluted (EUR cents)		**1.39**	**(0.86)**

Minor differences in totals are due to rounding.

Condensed consolidated interim statement of cash flows

EUR ths	6 m 2026	6 m 2025
Profit before tax	**996**	**1,213**
Adjustments for:		
Depreciation and amortization	68	49
(Gain) / loss from disposal and write-off of inventories	(64)	(64)
Change in provision and write-off of trade and other receivables	(114)	(114)
Change in provision and write-off of unrealised VAT	(48)	(48)
Foreign exchange result, net	(126)	(114)
Finance income	(213)	(131)
Finance expenses	–	–
Operating cash flow before movements in working capital	**500**	**791**
Decrease / (increase) in trade and other receivables	580	(390)
Decrease / (increase) in inventories	652	72
Increase / (decrease) in trade and other payables	(3,578)	(1,494)
(Increase) / decrease in other taxes receivable	(16)	(16)
Increase / (decrease) in other taxes payable	1,377	26
Net cash used in operations	**(485)**	**(1,011)**
Income taxes paid	(221)	(568)
Interest received	213	131
Interest paid	–	–
Net cash used in operating activities	**(494)**	**(1,447)**
Acquisition of property, plant and equipment	–	(633)
Net cash used in investing activities	**–**	**(633)**
Net cash from financing activities	**–**	**–**

EUR ths	6 m 2026	6 m 2025
Net decrease in cash and cash equivalents	**(494)**	**(2,080)**
Cash and equivalents, beginning of the period	3,661	5,123
Cash and equivalents, end of the period	**3,167**	**3,043**

Comparative information for the six months ended 30 June 2025 is consistent with the published Half-Yearly Financial Report for the first half of 2025. Minor differences in totals are due to rounding.

Condensed consolidated interim statement of changes in equity

EUR ths	Share capital	Revaluation and other reserves	Retained earnings	Total owners	NCI	Total
Balance at 1 January 2026	**3,125**	**35,864**	**(31,468)**	**7,521**	**2,204**	**9,725**
Profit for the period	–	–	435	435	340	775
Other comprehensive income, net of tax	–	279	–	279	–	279
Total comprehensive income for the period	**–**	**279**	**435**	**714**	**340**	**1,054**
Balance at 30 June 2026	**3,125**	**36,144**	**(31,033)**	**8,235**	**2,545**	**10,780**

Other comprehensive income of EUR 279 thousand represents the movement in the revaluation reserve for the period. This amount is not reflected in the condensed consolidated interim statement of comprehensive income. Minor differences in totals are due to rounding.

Notes to the condensed consolidated interim financial statements

1 The Group and its operations

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union for the six months ended 30 June 2026 for MLK Foods PCL (the "Company") and its subsidiaries (together referred to as the "Group" or "MLK Foods").

The Company is a public company incorporated in the Republic of Cyprus under registration number HE 413091. The principal place of business of the Group is 9 Boryspilska Str., 02090, Kyiv, Ukraine. Commencing from 6 December 2010 the shares of the Company have been listed on the Warsaw Stock Exchange.

The principal shareholder is 1, Inc. Coöperatief U.A. (Amsterdam, the Netherlands, registration number KVK 34293975), which as at 30 June 2026 holds 19,655,897 shares, or 62.90% of the Company's share capital (30 June 2025: 21,676,930 shares, or 69.37%).

The ultimate beneficial owner of both 1, Inc. Coöperatief U.A. and Y, Inc. Property B.V. is recorded in the ultimate beneficial owner registers of the Netherlands Chamber of Commerce (KVK) as Anatoliy Yurkevych, with an interest of more than 75%. The Board of Directors regards Anatoliy Yurkevych as the ultimate controlling party of the Group.

The Company primarily acts as a holding company. "MLK Foods" is a dairy processing group producing and distributing dairy products. Following the loss of control over the Russian subsidiaries, the Group's production facilities are located in Ukraine. Since September 2019 the Polish subsidiary Milkiland EU sp. z o.o. has held only a 20% non-controlling interest in the production company Ostrowia sp. z o.o. and is not an operating base of the Group (Note 8). As at 30 June 2026 the Group employed 242 people (30 June 2025: 250 people).

The consolidation perimeter comprises the Company, the Cypriot trading company Milkiland Intermarket (CY) Ltd, the Polish Milkiland EU sp. z o.o. and the Ukrainian operating sub-groups (LLC Milkiland N.V., LLC Milkiland Ukraine, LLC Moloko-Kraina, LLC 7-Ya). The Cypriot subsidiary MLK Finance Limited was part of the perimeter until its liquidation on 26 June 2026 (Note 3).

These financial statements were approved by the Board of Directors on 8 September 2026.

2 Basis of preparation and accounting policies

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting", except for the departures disclosed below.

The accounting policies applied in this interim period are consistent with those of the annual financial statements for the year ended 31 December 2025. New or revised standards and interpretations effective from 1 January 2026 had no material impact on this financial information. Income taxes in interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

Departures. IAS 34 requires the presentation of a statement of financial position as at the end of the preceding annual reporting period. As the annual financial statements for 2025 have not been audited, the comparative figures in the statement of financial position are presented as at 30 June 2025. The figures as at 31 December 2025 have been used solely as opening data for the preparation of the statement of cash flows and the statement of changes in equity.

The euro exchange rates used in the preparation of this financial information are as follows:

	USD	UAH	PLN
As at 30 June 2026	1.1394	51.1669	4.2955
Average for the six months of 2026	1.16695	51.0284	4.2418
As at 31 December 2025	1.1750	49.8565	4.2210
As at 30 June 2025	1.1720	48.7823	4.2423

Seasonality of operations. The Group's sales volumes and revenue are affected by seasonal fluctuations in demand: demand for the Group's cheese products and butter usually peaks in late autumn and in winter. Raw milk production in Ukraine peaks in the summer months; the Group manages the summer surplus by drying milk for use or sale in the winter periods.

Critical accounting estimates and judgements. The principal sources of estimation uncertainty at the reporting date are: impairment of property, plant and equipment and of the investment in the Polish component (IAS 36); the allowance for doubtful debts in respect of receivables; the measurement of provisions and contingent liabilities relating to pending legal proceedings; and the accounting assessment of the interest non-accrual arrangement (Note 6).

3 Changes in the composition of the Group

Control over the Group's Russian subsidiaries (JSC Ostankino Dairy Plant, LLC Ostankino Dairy Plant, LLC Milkiland RU, LLC Novomoskovsk Dairy Plant, LLC Rylsky Cheese Maker, LLC Ostankinskoye) was lost in February 2022. The loss of control has been accounted for by deconsolidation in accordance with IFRS 10.25 and B97–B99, with recycling of the foreign currency translation reserve in accordance with IAS 21. The related investments have been written down in full, through a reserve of approximately EUR 40.56 million, to nil.

These entities are outside the consolidation perimeter. Only residual recourse risks remain relevant to the Group, namely parent guarantees, cross-default provisions and the recoverability of intragroup receivables.

On 11 March 2026 LLC Rylsky Cheese Maker (Russia) was terminated. That company had been outside the consolidation perimeter since February 2022 and its termination had no effect on the consolidated figures.

On 26 June 2026 the Cypriot subsidiary MLK Finance Limited was liquidated. The company had a loan received from MLK Foods PCL and a loan granted to entities under the control of LLC Milkiland Ukraine. Upon liquidation, the claim against the entities under the control of LLC Milkiland Ukraine passed directly to MLK Foods PCL. Intragroup balances are eliminated on consolidation and, accordingly, the liquidation of MLK Finance Limited had no effect on the consolidation perimeter or on the consolidated figures.

4 Segment information

Substantially all of the Group's revenue for the period was generated by the Ukrainian operating sub-group; the Cypriot and Polish entities did not recognize external revenue.

5 Revenue

Revenue for the six months ended 30 June 2026 amounted to EUR 7,226 thousand (H1 2025: EUR 16,722 thousand). The disaggregation of revenue by product group is set out in the section "MLK Foods' Financial Performance and Financial Position"; substantially all revenue was generated by the Ukrainian operating sub-group.

6 Loans and borrowings

EUR ths	30 June 2026	30 June 2025
Short-term loans and borrowings	115	449
Non-current loans and borrowings	68,573	81,225
Total borrowings	**68,688**	**81,674**

The major part of the Group's borrowings is the Company's indebtedness under the Facility Agreement with a syndicate of international banks dated 16 December 2011. The full amount is overdue. The lender's rights under both tranches were transferred from the syndicate banks in 2019.

Principal creditors

As at 30 June 2026 the principal financial creditors of the Group are:

Creditor	Currency	Amount, ths	Equivalent, EUR ths
Y, Inc. Property B.V.	USD	74,346	65,250
JSC OTP Bank (Ukraine)	USD	3,787	3,324
Total			**68,573**

The amounts above represent the non-current portion of loans and borrowings. Short-term loans and borrowings of EUR 115 thousand are held at the level of Milkiland EU sp. z o.o. For reference: as at 30 June 2025 the indebtedness to Y, Inc. Property B.V. amounted to USD 87,948 thousand (equivalent to EUR 75,169 thousand) and to JSC OTP Bank to USD 3,787 thousand (equivalent to EUR 3,237 thousand).

Offsetting of balances with Galila Trade LP

As at 30 June 2026 the receivable from Galila Trade LP of EUR 6,294 thousand (PLN 27,035 thousand) has been offset against the loans received from that same counterparty and is presented on a net basis. Accordingly, trade and other receivables and non-current loans and borrowings in the statement of financial position are each reduced by that amount, and total assets and total liabilities are each reduced by EUR 6,294 thousand. The offsetting had no effect on equity, on the result for the period or on cash flows. Comparative figures as at 30 June 2025 are presented on a gross basis.

The lender

As at 30 June 2026 the lender under the principal indebtedness is Y, Inc. Property B.V. (the Netherlands, registration number KVK 89366913), which acquired the lender's rights under an Asset Transfer Agreement dated 20 November 2023. 100% of the shares in Y, Inc. Property B.V. and 100% of the membership interests in the Group's principal shareholder, 1, Inc. Coöperatief U.A., are held by one and the same trust, the Y Inc. Irrevocable Trust (Note 1). Accordingly, the lender is a company under common control with the principal shareholder of the Group and a related party of the Group (Note 7).

The carrying amount of the claim in the lender's accounts does not affect the amount of the Company's liability. The liability is recognized at amortized cost in accordance with IFRS 9 and is reduced only upon settlement or legal release from the obligation (IFRS 9.3.3.1).

Non-accrual of interest

Pursuant to the arrangement with Y, Inc. Property B.V., from the date on which it bought out the Company's indebtedness to the banks, no interest accrues on that indebtedness for the entire duration of martial law in Ukraine. Accordingly, finance expense on that indebtedness for the six months ended 30 June 2026 is nil. The amount of interest accrued up to the buy-out date is fixed, does not increase and is included within trade and other payables.

Accounting assessment of the arrangement

The interest non-accrual arrangement is a modification of the contractual terms of a financial liability. Management is assessing, in accordance with IFRS 9, paragraphs 3.3.1–3.3.2 and B3.3.6, whether that modification is substantial and whether it results in derecognition of the existing liability and recognition of a new one. As the duration of martial law in Ukraine is indefinite, the measurement of the revised contractual cash flows requires significant judgement.

In addition, the lender and the Group's principal shareholder are under the common control of a single trust. The waiver of interest accrual has been granted on terms that are not at arm's length and, in the absence of such a relationship, would be economically unjustified. Management considers that in these circumstances the economic benefit of the interest non-accrual is most likely to be recognized directly in equity as a transaction with an owner in its capacity as owner, rather than in profit or loss. An alternative treatment is the recognition of the modification result in profit or loss in accordance with IFRS 9.B3.3.6.

7 Balances and transactions with related parties

Parties are considered to be related if one party has the ability to control the other, is under common control, or can exercise significant influence over the other party in making financial or operational decisions, as defined by IAS 24. During the reporting period the Company had transactions with related parties — the ultimate shareholders, key management personnel and entities under common control.

Short-term employee benefits paid or payable to key management personnel for the six months ended 30 June 2026 amounted to EUR 20 thousand (H1 2025: EUR 85 thousand).

Principal shareholder: 1, Inc. Coöperatief U.A. (the Netherlands), interest of 62.90%. Common owner of the principal shareholder and of the lender: Y Inc. Irrevocable Trust (State of Florida, USA). Ultimate controlling party: Anatoliy Yurkevych (Note 1).

A substantial part of the Company's liabilities consists of intragroup balances and balances with related parties.

8 Contingent assets and liabilities

The Polish component

Since September 2019 the Group's Polish subsidiary Milkiland EU sp. z o.o. has held a 20% non-controlling interest in the production company Ostrowia sp. z o.o. The reduction of the interest from 100% to 20% resulted from an increase in the share capital of Ostrowia under the Investment Agreement dated 20 September 2019, whereby 8,400 new shares (80% of the capital) were acquired by Crema Vita sp. z o.o. in exchange for a non-cash contribution of know-how valued at PLN 420,000.

The resolutions of the general meetings of the shareholders of Crema Vita sp. z o.o. dated 28 April 2021 and 16 June 2021, by which the ownership structure and the composition of the management board of that company were changed, have been held by the courts to be non-existent (Regional Court in Rzeszów, case VI GC 231/22, judgment dated 31 March 2025; Court of Appeal in Rzeszów, case I AGa 56/25, judgment dated 17 February 2026 dismissing the appeal; the judgment became final during the reporting period). The Group is not a party to these proceedings and recognizes neither an asset nor a liability in connection with them. No contingent asset under IAS 37 arises for the Group.

The investment in Milkiland EU sp. z o.o. and the claims related to the Polish component are being tested for impairment in accordance with IAS 36 and IFRS 9; a material write-down is considered likely. The carrying amount of the Polish component was approximately EUR 10.92 million. The date of the loss of control over Ostrowia sp. z o.o. and the classification of the 20% interest are under review; the retrospective effect, if any, will be accounted for in accordance with IAS 8.

Non-current financial investments

In 2026 LLC STM-Invest (Ukrainian sub-group) acquired corporate rights from a third party for EUR 208 thousand. The interest acquired is below 20% and does not give the Group significant influence; accordingly, the investment is not an investment in an associate and is accounted for as a financial asset in accordance with IFRS 9. This item does not relate to the Polish component.

During the reporting period investment property of EUR 308 thousand was reclassified to property, plant and equipment.

The Group is from time to time involved in other legal proceedings. None of them, individually or in the aggregate, has had a material adverse effect on the Group.

9 Events after the reporting date

As at the date of approval of these financial statements the Board of Directors has not identified any events after the reporting date requiring adjustment to, or disclosure in, these financial statements.