INTERIM FINANCIAL REPORT

2025

SIX-MONTH PERIOD
ENDED JUNE 30, 2025

DANONE
ONE PLANET. ONE HEALTH

Contents

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THIS INTERIM FINANCIAL REPORT IS AVAILABLE ON DANONE'S WEBSITE: WWW.DANONE.COM

The English version of the 2025 interim financial report is a free translation from the original which was prepared in French. The original French version of the document prevails over this translation.

DANONE

A French *Société Anonyme* with a share capital of 170,348,620.75 euros

Registered office:
17, boulevard Haussmann, 75009 Paris

552 032 534 RCS Paris

1 Interim management report

Unless otherwise noted:

- *all references herein to the "Company" refer to Danone S.A. as issuer;*
- *all references herein to "Danone" or the "Group" refer to the Company and its consolidated subsidiaries;*
- *all references herein to "Category" or "Categories" refer to one or more of Danone's Essential Dairy and Plant-Based or "EDP", Specialized Nutrition and Waters activities;*
- *all references herein to the "Europe" zone refer to the region that includes Europe, which includes Ukraine;*
- *all references herein to the "North America" or "Noram" zone refer to the region that includes the United States and Canada;*
- *all references herein to the "China, North Asia & Oceania" or "CNAO" zone refer to the region that includes China, Japan, Australia and New Zealand;*
- *all references herein to the "Latin America" or "Latam" zone refer to the region that includes Mexico, Brazil, Argentina and Uruguay;*
- *all references herein to the "Asia, Middle East & Africa" or "AMEA" zone refer to the region that includes Asia, Middle East including Turkey, Africa and CIS (Commonwealth of Independent States);*
- *all references herein to "Consolidated financial statements" or "Notes to the consolidated financial statements" refer to the condensed interim consolidated financial statements for the six-month period ended June 30, 2025;*
- *amounts are expressed in millions of euros and rounded to the nearest million. Generally speaking, the values presented are rounded to the nearest unit. Consequently, the rounded amounts may differ slightly from the reported totals. In addition, ratios and variances are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.*

Danone discloses certain financial indicators that are not defined by IFRS, both internally (including indicators used by the chief operating decision-makers) and externally. These indicators are defined in the section Alternative performance measures not defined by IFRS*:*

- *like-for-like changes in sales;*
- *margin from operations;*
- *recurring operating income;*
- *recurring operating margin;*
- *other non-recurring financial income and expense;*
- *non-recurring income tax;*
- *recurring effective tax rate;*
- *non-recurring share of profit (loss) of equity-accounted companies;*
- *recurring net income;*
- *recurring EPS;*
- *free cash flow;*
- *net financial debt;*
- *net debt/EBITDA;*
- *ROIC.*

1.1 BUSINESS HIGHLIGHTS

2025 first-half results

- 2025 first-half sales of €13,737 million, up +4.2% on a like-for-like basis, with volume/mix up +2.6%, and price up +1.7%
- Recurring operating margin up +49 bps to 13.2% driven by further expansion in margin from operations
- Recurring diluted EPS up +5.8% to €1.91, driven by operational performance
- Free cash flow at €1.172 million
- 2025 guidance confirmed, in line with mid-term ambition: like-for-like sales growth expected between +3% and +5%, with recurring operating income growing faster than sales

Key figures

	Six-month period ended June 30			
(in € millions except if stated otherwise)	2024	2025	Reported change	Like-for-like change [a]
Sales	**13,757**	**13,737**	**(0.1)%**	**+4.2%**
Recurring operating income [a]	**1,746**	**1,811**	**3.7%**	
Recurring operating margin [a]	***12.7%***	***13.2%***	***49 bps***	
Non-recurring operating income and expenses [a]	69	(238)	(307)	
Operating income	1,814	1,573	(13.3) %	
Operating margin	13.2%	11.5%	-174 bps	
Recurring net income – Group share [a]	1,162	1,231	5.9%	
Non-recurring net income – Group share	**57**	**(191)**	**(248)**	
Net income – Group share	**1,219**	**1,040**	**(14.7)%**	
Recurring EPS *(in €)* [a]	**1.80**	**1.91**	**5.8%**	
EPS *(in €)*	*1.89*	*1.61*	*(14.8) %*	
Free cash flow [a]	***1,248***	***1,172***	***(6.1)%***	
Cash flow from operating activities	**1,504**	**1,519**	**1.0%**	

(a) See definition in the section Alternative performance measures not defined by IFRS.

Key financial transactions and events in first-half 2025

- On February 21, 2025, Danone and the NGOs ClientEarth, Surfrider Foundation Europe and Zero Waste France announced an end to the legal action concerning Danone's vigilance plan regarding plastic. This follows the mediation process ordered by the Judicial Court of Paris before which the three NGOs had brought legal proceedings against Danone on January 9, 2023. An agreement between the parties has been reached, which involves reinforcing Danone's vigilance plan.

  This agreement involves reinforcing the vigilance plan, which now gives a more detailed description of the consequences of the use of plastic packaging and sets out in detail all the actions that Danone is implementing in this respect.
- On February 26, 2025, Danone announced its intention to buy back 2.7 million shares in one or more tranches in 2025 in order to offset the dilutive impacts resulting from the capital increases reserved for employees and the long-term incentive plans to be implemented in 2025.
- On March 14, 2025, Danone completed the share buyback announced on February 26, 2025. 2.7 million shares were bought back between March 3 and March 14, 2025, for a total amount of €192 million.
- On May 12, 2025, Danone announced that it had entered into a definitive agreement to acquire a majority stake in Kate Farms, a fast-growing U.S. business and the number-one doctor-recommended plant-based brand in the U.S., offering a wide array of plant-based, organic nutrition products for both medical and everyday needs. Kate Farms' highly complementary products will enhance Danone's specialized nutrition offering.
- On June 25, 2025, Danone announced the acquisition of The Akkermansia Company (TAC), a Belgian company with nearly 20 years of history and science, specializing in biotics. Expanding deeper into gut health is a key facet of Danone's Renew strategy, as it doubles down on science and innovation, and as consumer interest in healthy products continues to rise.
- On July 1, 2025, Danone announced that it had successfully completed the acquisition of a majority stake in Kate Farms. By bringing together the Kate Farms, Nutricia, Real Food Blends, and Functional Formularies brands, the combined business will now reach more patients, consumers and healthcare providers in North America with a complementary and differentiated offering of high-quality nutritional solutions that support a wide range of health needs.

  In line with its Renew strategy, Danone's newly enhanced medical nutrition business will boost availability and improve access to specialized nutrition – whether in hospitals, at home, online, or on the shelf – meeting people wherever they are on their health journey.

  On July 1, 2025, Brett Matthews, former CEO and Chairman of Kate Farms, took over as Chairman and Chief Executive Officer of Danone's North American Medical Nutrition activities, in which Kate Farms' senior management will retain a minority stake.

1.2 REVIEW OF CONSOLIDATED RESULTS

Sales

Consolidated sales

In first half 2025, sales stood at €13,737 million, up +4.2% on a like-for-like basis, led by an increase of +2.6% from volume/mix and +1.7% from price.

On a reported basis, sales decreased by (0.1)%, mainly due to the negative impact of currencies of (2.9)%.

Reported sales were also negatively impacted by scope of (1.5)%, resulting predominantly from the sale of Horizon Organic and Wallaby on April 1, 2024, while hyperinflation contributed positively for +0.8%.

Consolidated sales by geographical area

	Six-month period ended June 30				
(in € millions except percentage)	**2024 [a]**	**2025 [a]**	**Reported change**	**Like-for-like change**	**Volume/Mix growth**
Europe [b]	4,783	4,894	+2.3%	+2.1%	+2.2%
North America	3,331	3,179	(4.6)%	+3.0%	+1.3%
China, North Asia & Oceania	1,841	2,017	+9.5%	+11.3%	+11.9%
Latin America	1,556	1,411	(9.3)%	+5.7%	(2.6)%
Asia, Middle East & Africa	2,246	2,236	(0.5)%	+3.7%	+0.2%
TOTAL	**13,757**	**13,737**	**(0.1)%**	**+4.2%**	**+2.6%**

(a) Sales to third parties.
(b) Including net sales of €1,141 million generated in France in first-half 2025 (€1,164 million in first-half 2024).

Consolidated sales by category

	Six-month period ended June 30				
(in € millions except percentage)	**2024 [a]**	**2025 [a]**	**Reported change**	**Like-for-like change**	**Volume/Mix growth**
EDP	6,785	6,632	(2.3)%	+3.3%	+1.8%
Specialized Nutrition	4,414	4,606	+4.3%	+7.0%	+5.0%
Waters	2,557	2,500	(2.3)%	+1.6%	+0.2%
TOTAL	**13,757**	**13,737**	**(0.1)%**	**+4.2%**	**2.6%**

(a) Sales to third parties.

Recurring operating income and recurring operating margin

Consolidated recurring operating income and recurring operating margin

Recurring operating income reached €1,811 million in first half 2025.

Recurring operating margin stood at 13.2%, reflecting an increase of +49 bps compared to last year. This performance was primarily driven by the solid improvement in margin from operations of +139 bps.

Reinvestments in advertising & promotion, product superiority and capabilities accounted for -92 bps. Overheads before reinvestments had a negative effect of -17 bps, while other effects had a combined impact of +19 bps.

Recurring operating income and recurring operating margin by geographical area

	Six-month period ended June 30				
	Recurring operating income		Recurring operating margin		
(in € millions except percentage and bps)	2024	2025	2024	2025	Like-for-like change
Europe	550	556	11.5%	11.4%	-14 bps
North America	355	349	10.7%	11.0%	+33 bps
China, North Asia & Oceania	563	620	30.6%	30.7%	+12 bps
Latin America	35	61	2.2%	4.3%	+206 bps
Asia, Middle East & Africa	243	226	10.8%	10.1%	-72 bps
TOTAL	**1,746**	**1,811**	**12.7%**	**13.2%**	**49 bps**

Recurring operating income and recurring operating margin by category

	Six-month period ended June 30				
	Recurring operating income		Recurring operating margin		
(in € millions except percentage and bps)	2024	2025	2024	2025	Like-for-like change
EDP	512	521	7.5%	7.9%	+31 bps
Specialized Nutrition	901	1,003	20.4%	21.8%	+136 bps
Waters	333	287	13.0%	11.5%	-152 bps
TOTAL	**1,746**	**1,811**	**12.7%**	**13.2%**	**49 bps**

Other operating income (expense)

Other operating income and expense represented a net expense of €(238) million in first-half 2025, mainly including the impairment of intangible assets, and transformation projects, primarily in Europe and Indonesia. This is compared to net income of €69 million in the first half of 2024, which included the gains on disposal related to the EDP business in Russia, Horizon Organic and Wallaby, and Michel & Augustin.

Cost of net financial debt and Other financial income (expense)

Net financial expense stood at €(185) million, up €25 million year on year, reflecting the impact of IAS 29, *Financial Reporting in Hyperinflationary Economies*. It was recognized in the income statement under "Other financial income" and "Other financial expense" as of June 30, 2025.

Recurring effective tax rate

The recurring effective tax rate came out at 27.3%, in line with the previous year.

Recurring share of profit (loss) of equity-accounted companies

The recurring share of profit (loss) of equity-accounted companies stood at €71 million, compared to €40 million last year.

Reucrring net income – Non-controlling interests

Recurring net income from non-controlling interests stood at €55 million, up from the prior year, €44 million in 2024.

Recurring net income – Group share and recurring EPS

Recurring diluted EPS rose +5.8% year on year to €1.91, and the overall diluted EPS figure decreased by -14.8% to €1.61.

Reconciliation of Recurring net income – Group share

	Six-month period ended June 30					
	2024			2025		
(in € millions except if stated otherwise)	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating income	**1,746**	**69**	**1,814**	**1,811**	**(238)**	**1,573**
Cost of net debt	(96)	–	(96)	(90)	–	(90)
Other financial income and expense	(55)	(9)	(64)	(48)	(47)	(95)
Income before taxes	**1,595**	**59**	**1,654**	**1,674**	**(285)**	**1,388**
Income tax	(429)	25	(404)	(458)	84	(373)
Effective tax rate	26.9%	–	24.4%	27.3%	–	26.9%
Net income (expense) from fully consolidated companies	**1,166**	**85**	**1,250**	**1,216**	**(201)**	**1,015**
Net income from equity-accounted companies	40	(32)	8	71	(11)	59
Net income	**1,206**	**52**	**1,259**	**1,286**	**(213)**	**1,074**
■ **Group share**	**1,162**	**57**	**1,219**	**1,231**	**(191)**	**1,040**
■ Non-controlling interests	44	(5)	39	55	(22)	34
Diluted EPS *(in €)*	**1.80**	**–**	**1.89**	**1.91**	**–**	**1.61**

Reconciliation of Recurring EPS with EPS

	Six-month period ended June 30			
	2024		2025	
	Recurring	Total	Recurring	Total
Net income – Group share *(in € millions)*	**1,162**	**1,219**	**1,231**	**1,040**
Coupon relating to hybrid financing net of tax *(in € millions)*	(2)	(2)	(2)	(2)
NUMBER OF SHARES				
■ Before dilution	642,417,472	642,417,472	642,916,473	642,916,473
■ After dilution	643,422,265	643,422,265	644,414,852	644,414,852
EPS *(in €)*				
■ Before dilution	1.81	1.90	1.91	1.62
■ After dilution	1.80	1.89	1.91	1.61

Reconciliation of like-for-like data with reported data

(in € millions except percentage)	2024	Like-for-like change	Impact of changes in scope of consolidation	Impact of changes in exchange rates and other, including IAS 29	Organic contribution from hyperinflation countries	Reported change	2025
Sales	13,757	+4.2%	(1.5)%	(3.7)%	+0.8%	(0.1)%	**13,737**

IAS 29: impact on reported data

Danone has applied IAS 29 to Argentina as from its 2018 financial statements, to Iran as from its 2020 financial statements, to Turkey as from its 2022 financial statements and to Ghana as from its 2023 financial statements.

Danone has applied IAS 29 in hyperinflationary countries as defined in IFRS. Adoption of IAS 29 in these hyperinflationary countries requires the non-monetary assets, liabilities and equity as well as income statements of countries with hyperinflationary economies to be restated to reflect the changes in the general purchasing power of their functional currency, leading to a gain or loss on the net monetary position, recorded in net income. Moreover, their financial statements are converted into euros using the closing exchange rate for the relevant period.

(in € millions except percentage)	As of June 30, 2025
Sales	(37)
Sales growth	(0.3)%
Recurring operating income	(15)
Recurring net income – Group share	(18)

1.3 FREE CASH FLOW

Free cash flow reached €1,172 million in first-half 2025, compared to the record level of €1,248 million in first-half 2024. This relative stability includes notably a solid improvement in the operating performance and tight management of financial costs.

Reconciliation of operating cash flow with free cash flow

	Six-month period ended June 30	
(in € millions)	2024	2025
Cash flow from operating activities	**1,504**	**1,519**
Capital expenditure	(319)	(373)
Disposal of property, plant and equipment and acquisition costs related to acquisitions of companies resulting in control [(a)]	63	26
FREE CASH FLOW	**1,248**	**1,172**

(a) Corresponds to acquisition costs, with control taken, effectively paid during the period.

1.4 BALANCE SHEET REVIEW

Simplified consolidated balance sheet

(in € millions)	As of December 31 2024	As of June 30 2025
Non-current assets	32,505	30,860
Current assets	12,786	12,897
Total assets	**45,292**	**43,756**
Equity - Group share	**17,795**	**15,862**
Non-controlling interests	59	58
Non-current liabilities	13,707	14,220
Current liabilities	13,732	13,616
Total equity and liabilities	**45,292**	**43,756**
Net debt	8,601	9,076
Net financial debt	8,285	8,709

Net debt and net financial debt

As of June 30, 2025, Danone's net debt stood at €9,076 million, up €474 million from December 31, 2024.

Reconciliation of net debt with net financial debt

(in € millions)	As of December 31 2024	As of June 30 2025
Net debt	**8,601**	**9,076**
Liabilities related to put options granted to non-controlling interests – non-current	–	–
Liabilities related to put options granted to non-controlling interests – current	(317)	(367)
Financial debt excluded from net debt	**(317)**	**(367)**
NET FINANCIAL DEBT	**8,285**	**8,709**

On April 1, 2025, Danone announced that it had issued an €800 million bond with an eight-year maturity and a 3.438% coupon.

On June 20, 2025, Danone successfully issued bonds worth 570 million Chinese yuan (approximately €69 million) through a private placement. The bonds have a six-year maturity and a 2.38% coupon.

1.5 OUTLOOK FOR 2025

2025 guidance

2025 guidance is in line with the mid-term ambition: like-for-like sales growth expected between +3% and +5%, with recurring operating income growing faster than sales.

Subsequent events

Major events having occurred after the end of the reporting period are detailed in Note 14 to the 2025 condensed interim consolidated financial statements.

Main risks and uncertainties

The main risks and uncertainties to which Danone believes it is exposed as of the date of this Interim Financial Report are specified in section 2.6 Risk factors of the 2024 Universal Registration Document and listed hereafter.

The below summary of the main risks specific to Danone presents the classification of the risks into three types: (1) strategic risks, (2) external environment risks and (3) operational risks.

Danone's main risks have been assessed based on the probability of their occurrence and the expected magnitude of their negative impact, after taking into account the effect of risk management measures, to give an assessment of the materiality of each risk. The most material risks are mentioned first in each type and the materiality of each risk is disclosed using a three-level rating scale (strong, medium, low), as follows:

Strategic risks	**strong**	Over reliance on principal markets and exposure to geopolitical, economical and societal instability
	strong	Packaging
	strong	Fast changes in consumer preferences
	medium	Retail shift
External environment risks	**strong**	Raw materials and energy price volatility & availability
	strong	Impact of climate change on value chain
	medium	Currency volatility
	medium	Legal & Regulatory
	medium	Sanitary crisis
Operational risks	**medium**	Cybersecurity
	medium	Food safety & product quality issues
	medium	Shortage of talent
	medium	Business transformation

1.6 ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

The following financial indicators used by Danone are not defined by IFRS:

Like-for-like changes in sales reflect Danone's organic performance and essentially exclude the impact of:

- changes in consolidation scope, with indicators related to a given fiscal year calculated on the basis of the previous year's scope;
- changes in applicable accounting principles;
- changes in exchange rates, with both previous-year and current-year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both previous and current years).

Since January 1, 2023, all countries with hyperinflationary economies are taken into account in like-for-like changes as follows: net sales growth in excess of around 26% per year (a three-year average at 26% would generally trigger the application of hyperinflationary accounting as defined in IFRS) is excluded from the like-for-like net sales growth calculation.

Margin from operations is defined as the Gross margin over Sales ratio, where Gross margin corresponds to the difference between Sales, and Industrial costs (excluding reengineering initiatives) and Logistics/Transportation costs.

Recurring operating income is defined as Danone's operating income excluding other operating income and expenses. Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thus distorting the assessment of its recurring operating performance and its evolution. These mainly include:

- capital gains and losses on disposals of businesses and fully consolidated companies;
- under IAS 36, impairment charges on intangible assets with indefinite useful lives;
- costs related to strategic restructuring operations or transformation plans;
- costs related to major external growth transactions;
- costs related to crises and major disputes;
- in connection with IFRS 3 and IFRS 10, (i) acquisition costs related to acquisitions of companies resulting in control, (ii) revaluation gains or losses accounted for following a loss of control, and (iii) changes in earn-outs subsequent to acquisitions resulting in control.

Recurring operating margin is defined as Recurring operating income over Sales ratio.

Other non-recurring financial income and expense corresponds to financial income and expense items that, in view of their significant or unusual nature, cannot be considered as inherent to Danone's recurring financial management. These notably include changes in the value of non-consolidated interests and profits or losses on the net monetary position.

Non-recurring income tax corresponds to income tax on non-recurring items as well as tax income and expense items that, in view of their significant or unusual nature, cannot be considered as inherent to Danone's recurring performance.

Recurring effective tax rate measures the effective tax rate of Danone's recurring performance and is computed as the ratio of income tax related to recurring items over Recurring net income before tax.

Non-recurring share of profit (loss) of equity-accounted companies includes items that, because of their significant or unusual nature, cannot be viewed as inherent to the companies' recurring activity and thereby distort the assessment of their recurring performance and trends in that performance. These items mainly relate to:

- capital gains and losses on disposals of investments in equity-accounted companies;
- impairment of investments in equity-accounted companies;
- non-recurring items, as defined by Danone, included in the share of profit (loss) of equity-accounted companies.

Recurring net income (or Recurring net income – Group Share) corresponds to the Group share of the consolidated Recurring net income. The Recurring net income excludes items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thus distorting the assessment of its recurring performance and its evolution. Such non-recurring income and expenses correspond to Other operating income and expenses, Other non-recurring financial income and expenses, Non-recurring income tax, and Non-recurring share of profit (loss) of equity-accounted companies. These items, excluded from Net income, represent Non-recurring net income.

Recurring EPS (or Recurring net income – Group share, per share after dilution) is defined as the ratio of Recurring net income adjusted for hybrid financing over Diluted number of shares. In compliance with IFRS, income used to calculate EPS is adjusted for the coupon related to the hybrid financing accrued for the period and presented net of tax.

Free cash flow represents cash flows provided or used by operating activities less capital expenditure net of disposals and, in connection with IFRS 3, excluding (i) acquisition costs related to acquisitions of companies resulting in control, and (ii) earn-outs related to acquisitions of companies resulting in control and paid subsequently to the acquisition date.

Net financial debt represents the net debt portion bearing interest. It corresponds to current and non-current financial debt (i) excluding Liabilities related to put options granted to non-controlling interests and earn-outs on acquisitions resulting in control and (ii) net of Cash and cash equivalents (including Short term investments) and Derivatives – assets managing net debt.

The net debt/EBITDA ratio corresponds to the ratio of net debt to operating income restated for depreciation, amortization and impairment of tangible and intangible assets.

ROIC is the ratio of net operating income in the current year to average capital invested in the current and prior years.

2 Condensed interim consolidated financial statements

The condensed interim consolidated financial statements of Danone and its subsidiaries (“the Group” or “Danone”) for the six-month period ended June 30, 2025 (“the consolidated financial statements”) were reviewed by Danone’s Board of Directors on July 29, 2025.

Unless otherwise mentioned, amounts are stated in millions of euros and rounded to the nearest million. In general, amounts presented in the consolidated financial statements and notes to the consolidated financial statements are rounded to the nearest currency unit. Consequently, the rounded amounts may differ slightly from the reported totals. Ratios and variances are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

2.1 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND EARNINGS PER SHARE

		Six-month period ended June 30	
(in € millions except earnings per share in €)	**Notes**	**2024**	**2025**
Sales	6	**13,757**	**13,737**
Cost of goods sold		(6,965)	(6,745)
Selling expense		(3,305)	(3,327)
General and administrative expense		(1,469)	(1,540)
Research and Development expense		(205)	(225)
Other income (expense)		(67)	(89)
Recurring operating income	6	**1,746**	**1,811**
Other operating income (expense)	7	69	(238)
Operating income		**1,814**	**1,573**
Interest income on cash and short-term investments		207	156
Financial interest on debt		(303)	(246)
Cost of net financial debt		(96)	(90)
Other financial income		28	21
Other financial expense		(92)	(116)
Income before tax		**1,654**	**1,388**
Income tax	8	(404)	(373)
Net income from fully consolidated companies		**1,250**	**1,015**
Share of profit of equity-accounted companies	5	8	59
NET INCOME		**1,259**	**1,074**
Net income – Group share		**1,219**	**1,040**
Net income – Non-controlling interests		39	34
Earnings per share – Group share	11	**1.90**	**1.62**
Diluted earnings per share – Group share	11	**1.89**	**1.61**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six-month period ended June 30	
(in € millions)	**2024**	**2025**
Net income – Group share	**1,219**	**1,040**
Translation adjustments	551	(1,563)
CASH FLOW HEDGE DERIVATIVES		
Gross unrealized gains and losses	72	57
Tax effects	(17)	(19)
Other gains and losses, net of tax	**–**	**–**
ITEMS THAT MAY BE SUBSEQUENTLY RECYCLED TO PROFIT OR LOSS	**607**	**(1,525)**
INVESTMENTS IN OTHER NON-CONSOLIDATED COMPANIES		
Gross unrealized gains and losses	(2)	(7)
Tax effects	3	–
ACTUARIAL GAINS AND LOSSES ON RETIREMENT COMMITMENTS		
Gross gains and losses	58	28
Tax effects	(31)	(8)
ITEMS NOT SUBSEQUENTLY RECYCLABLE TO PROFIT OR LOSS	**28**	**13**
Total comprehensive income – Group share	**1,853**	**(471)**
Total comprehensive income – Non-controlling interests	36	34
TOTAL COMPREHENSIVE INCOME	**1,890**	**(437)**

CONSOLIDATED BALANCE SHEET

(in € millions)	Notes	As of December 31 2024	As of June 30 2025
ASSETS			
Goodwill		18,062	16,765
Brands		5,390	5,014
Other intangible assets		556	556
Intangible assets	9	24,009	22,335
Property, plant and equipment		6,519	6,277
Investments in equity-accounted companies	5	583	706
Investments in other non-consolidated companies		325	303
Long-term loans and financial assets		538	596
Other financial assets		864	899
Derivatives – assets [(a)]		3	95
Deferred taxes		528	548
Non-current assets		**32,505**	**30,860**
Inventories		2,277	2,278
Trade receivables	6.3	2,922	3,220
Other current assets		1,387	1,364
Short-term loans		2	2
Derivatives – assets [(a)]		37	18
Short-term investments		4,685	4,396
Cash		1,475	1,619
Current assets		**12,786**	**12,897**
TOTAL ASSETS		**45,292**	**43,756**

(a) Derivative instruments used to manage net debt.

(in € millions)	Notes	As of December 31 2024	As of June 30 2025
EQUITY AND LIABILITIES			
Share capital		170	170
Additional paid-in capital		5,331	5,420
Retained earnings and other [(a)]		17,546	17,229
Translation adjustments		(3,134)	(4,697)
Accumulated other comprehensive income		(592)	(540)
Treasury shares		(1,527)	(1,719)
Equity – Group share		**17,795**	**15,862**
Non-controlling interests		59	58
Consolidated equity		**17,853**	**15,920**
Financing	10	9,929	10,575
Derivatives – liabilities [(b)]		246	218
Liabilities related to put options granted to non-controlling interests	4.2	–	–
Non-current financial debt		10,175	10,793
Provisions for retirement obligations and other long-term benefits		900	836
Deferred taxes		1,480	1,489
Other provisions and non-current liabilities	12	1,152	1,103
Non-current liabilities		**13,707**	**14,220**
Financing	10	4,291	3,963
Derivatives – liabilities [(b)]		19	81
Liabilities related to put options granted to non-controlling interests and earn-outs on acquisitions resulting in control	4.2	317	367
Current financial debt		4,627	4,411
Trade payables		5,147	5,384
Other provisions and current liabilities		3,957	3,820
Current liabilities		**13,732**	**13,616**
TOTAL EQUITY AND LIABILITIES		**45,292**	**43,756**

(a) "Other" corresponds to undated subordinated notes totaling €500 million.
(b) Derivative instruments used to manage net debt.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	Six-month period ended June 30 2024	Six-month period ended June 30 2025
Net income		**1,259**	**1,074**
Share of profit of equity-accounted companies, net of dividends received		(0)	(49)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		552	641
Net change in other provisions and liabilities		(11)	(29)
Change in deferred taxes		(99)	5
(Gains) losses on disposal of property, plant and equipment and financial investments		(214)	(4)
Expense related to share-based payments and Company Savings Plans		45	75
Cost of net financial debt		97	88
Net interest paid		(111)	(93)
Net change in interest income and expense		(14)	(5)
Other items with no cash impact		79	42
Cash flows provided by operating activities, before changes in net working capital		**1,596**	**1,749**
(Increase) decrease in inventories		(101)	(201)
(Increase) decrease in trade receivables		(334)	(507)
Increase (decrease) in trade payables		370	454
Change in other receivables and payables		(27)	23
Change in working capital requirements		(92)	(230)
Cash flows provided by operating activities		**1,504**	**1,519**
Capital expenditure [a]		(319)	(373)
Proceeds from the disposal of property, plant and equipment [a]		8	25
Net cash outflows on purchases of subsidiaries and financial investments [b]		(141)	(81)
Net cash inflows on disposal of subsidiaries and financial investments [b]		497	109
(Increase) decrease in long-term loans and other long-term financial assets		86	(6)
Cash flows provided by (used in) investment activities		**132**	**(326)**
Increase in share capital and additional paid-in capital		76	89
Purchase of treasury shares (net of disposals)		–	(192)
Net issuance of undated subordinated notes		–	–
Interest expense and redemption premium on undated subordinated notes		–	–
Dividends paid to Danone shareholders [c]		(1,348)	(1,379)
Buyout of non-controlling interests		–	(1)
Dividends paid to non-controlling interests		(57)	(32)
Contribution from non-controlling interests to capital increases		1	0
Transactions with non-controlling interests		(56)	(33)
Net cash flows on hedging derivatives [d]		(15)	(0)
Bonds issued during the period	10.1	700	800
Bonds redeemed during the period	10.1	(756)	(1,050)
Net cash flows from other current and non-current financial debt	10.1	(34)	631
Net cash flows from short-term investments		(552)	284
Cash flows provided by (used in) financing activities		**(1,984)**	**(850)**

		Six-month period ended June 30	
(in € millions)	**Notes**	**2024**	**2025**
Effect of exchange rate and other changes [(e)]		(88)	(233)
INCREASE (DECREASE) IN CASH		**(437)**	**110**
Net cash as of January 1	**10.2**	**1,099**	**647**
Net cash as of June 30	**10.2**	**663**	**757**

(a) Relates to property, plant and equipment and intangible assets used in operating activities.

(b) Acquisition/disposal of companies' shares. In the case of fully consolidated companies, this comprises cash and cash equivalents as of the acquisition/disposal date.

(c) Portion paid in cash.

(d) Derivative instruments used to manage net debt.

(e) Effect of reclassification with no impact on net debt.

Cash flows correspond to items presented in the consolidated balance sheet. However, these may differ from the changes shown in assets and liabilities in the balance sheet, mainly as a result of the rules for (i) converting into euros transactions in currencies other than the functional currency, (ii) converting into euros the financial statements of companies with a functional currency other than the euro, (iii) changes in the consolidation scope, and (iv) other non-monetary items.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	As of January 1, 2025	Changes during the period: Other comprehensive income	Capital increase	Other transactions involving treasury shares	Expense related to share-based payments and Company Savings Plans [b]	Dividends paid to Danone shareholders	Interest on undated subordinated notes, net of tax	Other transactions with non-controlling interests	Other changes	As of June 30, 2025
Share capital	**170**	–	0	–	–	–	–	–	–	**170**
Additional paid-in capital	**5,331**	–	89	–	–	–	–	–	–	**5,420**
Retained earnings and other [a]	**17,546**	1,040	–	–	75	(1,379)	–	(123)	70	**17,229**
Translation adjustments	**(3,134)**	(1,563)	–	–	–	–	–	–	–	**(4,697)**
Gains and losses related to hedging derivatives, net of tax	**(164)**	37	–	–	–	–	–	–	–	**(127)**
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax	**(12)**	(7)	–	–	–	–	–	–	–	**(19)**
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	**(415)**	20	–	–	–	–	–	–	–	**(395)**
Other comprehensive income	**(591)**	**51**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(541)**
DANONE treasury shares	**(1,527)**	–	–	(192)	–	–	–	–	–	**(1,719)**
Equity – Group share	**17,795**	**(471)**	**89**	**(192)**	**75**	**(1,379)**	**–**	**(123)**	**70**	**15,862**
Non-controlling interests	**59**	34	–	–	–	(32)	–	(6)	3	**58**
Consolidated equity	**17,853**	**(437)**	**89**	**(192)**	**75**	**(1,412)**	**–**	**(129)**	**73**	**15,920**

(a) "Other" corresponds to undated subordinated notes totaling €500 million.
(b) See Notes 9.4 and 9.5 to the consolidated financial statements for the year ended December 31, 2024.

(in € millions)	As of January 1, 2024	Changes during the period: Other comprehensive income	Capital increase	Other transactions involving treasury shares	Expense related to share-based payments and Company Savings Plans [b]	Dividends paid to Danone shareholders	Interest on undated subordinated notes, net of tax	Other transactions with non-controlling interests	Other changes	As of June 30, 2024
Share capital	**169**	–	–	–	–	–	–	–	–	**170**
Additional paid-in capital	**5,256**	–	75	–	–	–	–	–	–	**5,331**
Retained earnings and other [a]	**16,845**	1,219	–	–	45	(1,348)	–	(1)	(59)	**16,702**
Translation adjustments	**(4,036)**	551	–	–	–	–	–	–	–	**(3,485)**
Gains and losses related to hedging derivatives, net of tax	**(194)**	56	–	–	–	–	–	–	–	**(138)**
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax	**13**	1	–	–	–	–	–	–	–	**14**
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	**(326)**	27	–	–	–	–	–	–	–	**(299)**
Other comprehensive income	**(507)**	**83**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(424)**
DANONE treasury shares	**(1,552)**	–	–	–	–	–	–	–	–	**(1,552)**
Equity – Group share	**16,176**	**1,853**	**76**	**–**	**45**	**(1,348)**	**–**	**(1)**	**(59)**	**16,742**
Non-controlling interests	**46**	36	1	–	–	(57)	–	11	18	**55**
Consolidated equity	**16,222**	**1,890**	**76**	**–**	**45**	**(1,404)**	**–**	**9**	**(41)**	**16,798**

(a) *"Other" corresponds to undated subordinated notes totaling €500 million.*
(b) *See Notes 9.4 and 9.5 to the consolidated financial statements for the year ended December 31, 2023.*

2.2 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES

Note 1.1 Basis of preparation

The consolidated financial statements of Danone for the six-month period ended June 30, 2025 were prepared in accordance with the provisions of IAS 34, *Interim Financial Reporting*. They were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, which are available on the European Commission website (http://ec.europa.eu/finance/company-reporting/ifrs-financialstatements/index_en.htm).

The preparation of consolidated financial statements requires management to make estimates, assumptions and appraisals that affect the reported amounts in the consolidated balance sheet, consolidated income statement and notes to the consolidated financial statements. The main such estimates and assumptions relate to:

	Notes
Assessment of the effects of climate change [(a)]	
Determination of the amount of rebates, discounts and other deductions relating to agreements with customers	6
Determination of the projected effective income tax rate for the period	8
Measurement of the recoverable amount of intangible assets	9
Determination of the amount of other provisions and non-current and current liabilities	12

(a) See Note 1.5 to the consolidated financial statements for the year ended December 31, 2024.

These assumptions, estimates and appraisals are made on the basis of the information available and the conditions in force at the end of the financial period presented. Actual amounts may differ from those estimates.

In addition to the use of estimates, Danone's management uses its judgment to define the accounting treatment for certain activities and transactions, when they are not explicitly addressed in IFRS and related interpretations. This applies particularly to the recognition of put options granted to non-controlling interests.

Note 1.2 Accounting framework applied

The accounting principles used to prepare these condensed interim consolidated financial statements are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2024 (see Note 1 to the consolidated financial statements for the year ended December 31, 2024, as well as the accounting principles detailed in these notes), except for the standards, amendments and interpretations applicable for the first time as of January 1, 2025.

Main standards, amendments and interpretations whose application is mandatory as of January 1, 2025

The following amendments apply to reporting periods beginning on or after January 1, 2025:

- IAS 21, *Lack of Exchangeability*

These amendments had no material impact on the consolidated financial statements for the six-month period ended June 30, 2025.

Main standards, amendments and interpretations published by the IASB whose application is not mandatory in the European Union as of January 1, 2025

- IFRS 18, *Presentation and Disclosure in Financial Statements*

IFRS 18, published on April 9, 2024, is mandatory for reporting periods beginning on or after January 1, 2027. It will replace IAS 1, *Presentation of Financial Statements*.

The European Commission’s endorsement is still pending as of June 30, 2025. The main results and impacts of applying this standard on Danone's earnings and financial position are currently being assessed.

Note 1.3 Application of IAS 29

Accounting principles

IAS 29 *Financial Reporting in Hyperinflationary Economies* requires the non-monetary assets, liabilities and equity as well as income statements of countries with hyperinflationary economies to be restated to reflect the changes in the general purchasing power of their functional currency, thereby generating a profit or loss on the net monetary position which is recognized in net income within "Other financial income" or "Other financial expense". In addition, the financial statements of the subsidiaries in these countries are translated at the closing exchange rate for the reporting period concerned, in accordance with IAS 21.

Application and main accounting implications

Danone has applied IAS 29 to Argentina as from its 2018 financial statements, to Iran as from its 2020 financial statements, to Turkey as from its 2022 financial statements and to Ghana as from its 2023 financial statements.

Argentina

For the 2025 interim financial statements, Danone used (i) the consumer price index (CPI) to remeasure its income statement items, cash flows and non-monetary assets and liabilities, the amounts of which increased by 15% versus December 31, 2024, and (ii) a EUR/ARS exchange rate of 1391.3 (974.3 as of June 30, 2024 and 1,070.1 as of December 31, 2024) to translate its income statement. The application of IAS 29 resulted in a negative €181 million impact on consolidated equity and non-monetary assets net of non-monetary liabilities as of June 30, 2025 (negative impact of €109 million as of June 30, 2024), and had the following main impacts on the consolidated income statement for the first half of 2025:

- a €26 million decrease in consolidated sales and a €14 million decrease in recurring operating income (increase of €36 million and decrease of €43 million, respectively, in the six-month period ended June 30, 2024);
- a €9 million negative impact on the net monetary position recognized in "Other financial expense" (positive impact of €10 million in the six-month period ended June 30, 2024);
- a €35 million expense recorded in "Net income – Group share" (€94 million expense in the six-month period ended June 30, 2024).

Turkey

For the 2025 interim financial statements, Danone used (i) the consumer price index (CPI) to remeasure its income statement items, cash flows and non-monetary assets and liabilities, the amounts of which increased by 18% versus December 31, 2024 and (ii) a EUR/TRY exchange rate of 46.6 (35.1 at June 30, 2024 and 36.7 at December 31, 2024) to translate its income statement after applying IAS 29. The application of IAS 29 resulted in a positive €169 million impact on consolidated equity and on non-monetary assets net of non-monetary liabilities as of June 30, 2025 (€194 million as of June 30, 2024) and had the following main impacts on the consolidated income statement for the first half 2025:

- a €19 million decrease in consolidated sales and a €3 million decrease in recurring operating income (a €15 million increase and a €3 million increase, respectively, in the six-month period ended June 30, 2024);
- a €20 million negative impact on the net monetary position recognized in "Other financial expense" (€10 million negative impact in the six-month period ended June 30, 2024);
- a €22 million expense in "Net income – Group share" (€7 million expense in the six-month period ended June 30, 2024).

Ghana

The application of IAS 29 to Ghana did not have a material impact on the 2025 interim financial statements.

Iran

The application of IAS 29 to Iran did not have a material impact on the 2025 interim financial statements.

NOTE 2 SIGNIFICANT EVENTS OF THE PERIOD

	Notes
Agreement entered into acquire a majority stake in Kate Farms in the United States	3

NOTE 3 AGREEMENT ENTERED INTO TO ACQUIRE A MAJORITY STAKE IN KATE FARMS IN THE UNITED STATES

Note 3.1 Background

- On May 12, 2025, Danone announced it had entered into a definitive agreement to acquire a majority stake in Kate Farms.
- On July 1, 2025, Danone announced that it had successfully completed the acquisition of a majority stake in Kate Farms.

Kate Farms is a fast-growing US business offering a wide array of plant-based, organic nutrition products for both medical and everyday needs. Kate Farms is the number-one doctor-recommended plant-based brand in the United States.

By bringing together the Kate Farms, Nutricia, Real Food Blends, and Functional Formularies brands, the combined business will now reach more patients, consumers and healthcare providers in North America with a complementary and differentiated offering of high-quality nutritional solutions that support a wide range of health needs.

In line with its Renew strategy, Danone's newly enhanced medical nutrition business will boost availability and improve access to specialized nutrition – whether in hospitals, at home, online, or on shelf – meeting people wherever they are on their health journey.

Danone will partner with Kate Farms' senior management team to accelerate the growth trajectory of the combined business while continuing to deliver on Kate Farms' mission to better serve patients, families and communities in the United States and abroad.

On July 1, 2025, Brett Matthews, former CEO and Chairman of Kate Farms, took over as Chairman and Chief Executive Officer of Danone's North American Medical Nutrition activities, in which Kate Farms' senior management will retain a minority stake.

Note 3.2 Impacts on the interim consolidated financial statements for the six-month period ended June 30, 2025

On July 1, 2025, Danone announced that it had successfully completed the acquisition of a majority stake in Kate Farms, a fast-growing US business offering a wide array of plant-based, organic nutrition products for both medical and everyday needs.

The transaction constitutes an event that occurred following the end of the reporting period, within the meaning of IAS 10, *Events After the Reporting Period*, insofar as the transfer of the purchase price component occurred on July 1, 2025, which is considered the effective acquisition date. In accordance with IFRS 3, *Business Combinations*, the purchase price allocation will be carried out on a provisional basis and included in the consolidated financial statements for second-half 2025, following the effective acquisition of control on July 1, 2025. This majority stake will be consolidated in Danone's financial statements as of July 1, 2025.

As the acquisition of the majority stake in Kate Farms was completed after the end of the reporting period, it had no impact on the interim consolidated financial statements as of June 30, 2025 (see Note 14 to the 2025 condensed interim consolidated financial statements).

NOTE 4 FULLY CONSOLIDATED COMPANIES

Note 4.1 Main changes

Main changes in first-half 2025

(%)	Zone (Country)	Category	Transaction date [a]	Ownership interest as of December 31, 2024	Ownership interest as of June 30, 2025
MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE PERIOD					
The Akkermansia Company SA [b]	Europe (Belgium) and North America (United States)	Specialized Nutrition	June	–	100.0%
MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED					
MAIN COMPANIES NO LONGER FULLY CONSOLIDATED DURING THE PERIOD					

(a) Month in the 2025 fiscal year.

(b) On June 25, 2025, Danone announced it had acquired The Akkermansia Company, a leading Belgian company with nearly 20 years of expertise and scientific research, specializing in biotics. The acquisition was recognized as of June 30, 2025, on a provisional basis, as the amounts allocated to the identifiable assets acquired, liabilities assumed and goodwill may be amended during a period of one year from the acquisition date.

Main changes in first-half 2024

(%)	Zone (Country)	Category	Transaction date [a]	Ownership interest as of December 31, 2023	Ownership interest as of June 30, 2024
MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE PERIOD					
Nutritional Medicinals, LLC [b]	North America (United States)	Specialized Nutrition	May	–	100.0%
MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED					
Horizon Organic Dairy, LLC [c]	North America (United States)	EDP	April	100.0%	30.0%
MAIN COMPANIES NO LONGER FULLY CONSOLIDATED DURING THE PERIOD					
Michel et Augustin [d]	Europe and North America (France and United States)	EDP	February	100.0%	–
JSC Danone Russia [e]	Rest of the World (Russia)	EDP	May	100.0%	–

(a) Month in the 2024 fiscal year.

(b) On May 1, 2024, Danone announced the acquisition of Functional Formularies, a leading whole foods tube feeding business in the United States, from Swander Pace Capital. The acquisition was recognized as of June 30, 2024, on a provisional basis, as the amounts allocated to the identifiable assets acquired, liabilities assumed and goodwill may be amended during a period of one year from the acquisition date.

(c) See Note 4 to the 2024 consolidated financial statements.

(d) On December 6, 2023, Danone announced its intention to sell the French company Michel et Augustin. The sale of the associated assets and liabilities was completed on February 29, 2024. As of June 30, 2024, the gain on disposal amounted to €38 million and was recognized in "Other operating income (expense)" for the period (see Note 8.1 to the 2024 interim consolidated financial statements).

(e) Holding company for the EDP business in Russia (see Note 3 to the 2024 consolidated financial statements).

Note 4.2 Liabilities related to put options granted to non-controlling interests

Change during the period

(in € millions)	2024	2025
As of January 1	**356**	**317**
Options exercised [(a)]	–	–
Changes in the present value of outstanding options	(39)	50
AS OF DECEMBER 31/JUNE 30 [(b)]	**317**	**367**

(a) Carrying amount at the end of the previous reporting period for options exercised.
(b) In most cases, the strike price is determined based on operating income and discounted cash flows.

NOTE 5 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Note 5.1 Main changes

Main changes in first-half 2025

No material transactions affecting investments in equity-accounted companies were carried out in the first half of 2025.

Main changes in first-half 2024

No material transactions affecting investments in equity-accounted companies were carried out in the first half of 2024.

Note 5.2 Impairment review of investments in equity-accounted companies

Methodology

The Group reviews the measurement of its investments in equity-accounted companies when events or circumstances indicate that they may be impaired. With regard to listed shares, a significant or prolonged fall in their stock price below their historical stock price constitutes an indication of impairment.

An impairment loss is recognized within "Share of profit of equity-accounted companies" when the recoverable amount of the investment falls below its carrying amount.

Impairment review as of June 30, 2025

Following the review of other investments in equity-accounted companies, the Group did not recognize any impairment losses during first-half 2025.

NOTE 6 INFORMATION CONCERNING RECURRING OPERATING ACTIVITIES

Note 6.1 General principles

The primary operating decision-makers (Chief Executive Officer Antoine de Saint-Affrique, and Chief Financial Officer, Technology & Data Jürgen Esser) monitor and evaluate Danone's performance based on the following five geographical zones (corresponding to the five operating segments in accordance with IFRS 8):

- Europe;
- North America, comprising the United States and Canada;
- China, North Asia & Oceania;
- Latin America;
- Asia, Middle East & Africa, including Turkey and CIS.

The key indicators reviewed and used internally by the primary operating decision-makers to assess the performance of these operating segments are:

- Sales;
- Recurring operating income;
- Recurring operating margin, which corresponds to the ratio of recurring operating income to sales.

These are the only indicators monitored by category (EDP, Specialized Nutrition and Waters).

Note 6.2 Operating segments

Information by geographical zone

Sales, Recurring operating income and Recurring operating margin

	Six-month period ended June 30					
	Sales [a]		Recurring operating income		Recurring operating margin	
(in € millions except %)	2024	2025	2024	2025	2024	2025
Europe [b]	4,783	4,894	550	556	11.5%	11.4%
North America	3,331	3,179	355	349	10.7%	11.0%
China, North Asia & Oceania	1,841	2,017	563	620	30.6%	30.7%
Latin America	1,556	1,411	35	61	2.2%	4.3%
Asia, Middle East & Africa	2,246	2,236	243	226	10.8%	10.1%
GROUP TOTAL	**13,757**	**13,737**	**1,746**	**1,811**	**12.7%**	**13.2%**

(a) Sales to third parties.
(b) Including sales of €1,141 million generated in France in first-half 2025 (€1,164 million in first-half 2024).

Information by category

Sales, Recurring operating income and Recurring operating margin

	Six-month period ended June 30					
	Sales [a]		Recurring operating income		Recurring operating margin	
(in € millions except %)	2024	2025	2024	2025	2024	2025
EDP	6,785	6,632	512	521	7.5%	7.9%
Specialized Nutrition	4,414	4,606	901	1,003	20.4%	21.8%
Waters	2,557	2,500	333	287	13.0%	11.5%
GROUP TOTAL	**13,757**	**13,737**	**1,746**	**1,811**	**12.7%**	**13.2%**

(a) Sales to third parties.

Other information

Non-current assets: property, plant and equipment and intangible assets

Net book value

(in € millions)	As of December 31 2024	As of June 30 2025
Europe [(a)]	11,732	11,772
North America	10,432	9,133
China, North Asia & Oceania	5,415	4,917
Latin America	641	623
Asia, Middle East & Africa	2,308	2,167
GROUP TOTAL	**30,528**	**28,612**

(a) Includes €2,557 million for property, plant and equipment and intangible assets in France as of June 30, 2025 (€2,424 million as of December 31, 2024).

Depreciation and amortization charges of property, plant and equipment and intangible assets

	Six-month period ended June 30			
	2024		2025	
(in € millions)	Depreciation and amortization charges	*Of which right-of-use assets* [(a)]	Depreciation and amortization charges	*Of which right-of-use assets* [(a)]
Europe	(260)	*(44)*	(244)	*(52)*
North America	(94)	*(9)*	(207)	*(6)*
China, North Asia & Oceania	(35)	*(7)*	(32)	*(5)*
Latin America	(73)	*(22)*	(66)	*(21)*
Asia, Middle East & Africa	(89)	*(13)*	(92)	*(15)*
GROUP TOTAL AS OF JUNE 30	**(552)**	***(95)***	**(641)**	***(99)***

(a) Pursuant to IFRS 16, Leases.

Note 6.3 Carrying amount of trade receivables and payables to customers

(in € millions)	As of December 31 2024	As of June 30 2025
Trade and other receivables from operations	3,035	3,332
Expected credit losses	(113)	(113)
Trade receivables, net	**2,922**	**3,220**
Year-end discounts payable to customers [(a)]	(1,482)	(1,572)
TOTAL CARRYING AMOUNT OF TRADE RECEIVABLES AND PAYABLES TO CUSTOMERS	**1,440**	**1,647**

(a) Amount recognized as a current liability in the Group's consolidated balance sheet.

NOTE 7 INFORMATION AND EVENTS CONCERNING NON-RECURRING OPERATING ACTIVITIES

Note 7.1 Accounting principles

Accounting principles

Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thereby distorting the assessment of its recurring operating performance and trends in that performance.

These mainly include:

- capital gains and losses on disposals of businesses and fully consolidated companies;
- under IAS 36, impairment charges on intangible assets with indefinite useful lives;
- costs related to strategic restructuring operations or transformation plans;
- costs related to major external growth transactions;
- costs related to crises and major disputes;
- in connection with IFRS 3 and IFRS 10, (i) acquisition costs related to acquisitions of companies resulting in control, (ii) revaluation gains or losses accounted for following a loss of control, and (iii) changes in earn-outs subsequent to acquisitions resulting in control.

Note 7.2 Other operating income and expense

Other operating income (expense) in first-half 2025

Other operating income (expense) represented a net expense of €(238) million in 2025 and consisted mainly of the following items:

(in € millions)	Notes	Related income (expense)
Impairment of intangible assets	9.2	(119)
Transformation projects [a]		(108)

(a) Mainly in Europe and Indonesia.

Other operating income (expense) in first-half 2024

Other operating income (expense) represented net income of €69 million in 2024 and consisted mainly of the following items:

(in € millions)	Notes	Related income (expense)
Impact of the sale of the EDP business in Russia		227
Impact of the sale of the assets related to the US premium organic dairy activities		40
Impact of the sale of Michel et Augustin		38
Transformation projects [a]		(187)

(a) Mainly in Europe and North America.

NOTE 8 INCOME TAX

Effective tax rate

The effective income tax rate used as of June 30 is based on the projected effective income tax rate for the fiscal year.

Accordingly, the effective tax rate for the first half of 2025 came out at 26.9%, i.e., higher than in first-half 2024 (24.4%).

NOTE 9 INTANGIBLE ASSETS: IMPAIRMENT REVIEW

Note 9.1 Accounting principles and methodology

The carrying amounts of goodwill and brands with indefinite useful lives are reviewed for impairment at least annually and whenever events or circumstances indicate that they may be impaired.

When the carrying amount of all the property, plant and equipment and intangible assets of the CGUs and groups of CGUs exceeds their recoverable amount, an impairment provision is recognized and first charged against goodwill.

The recoverable amount of the CGUs or groups of CGUs to which the tested assets are allocated is the higher of (i) fair value net of costs to sell, generally estimated on the basis of earnings multiples, and (ii) value in use, assessed with reference to the expected discounted future cash flows of the CGU or group of CGUs concerned.

As of June 30, 2025, the Group reviewed whether there are any indicators of impairment that could result in a reduction in the carrying amount of goodwill and brands with indefinite useful lives.

Note 9.2 Carrying amount and changes during the period

	2024				2025			
(in € millions)	Goodwill	Brands [(a)]	Other intangible assets	Total	Goodwill	Brands [(a)]	Other intangible assets	Total
CARRYING AMOUNT								
As of January 1	**17,340**	**5,256**	**498**	**23,094**	**18,062**	**5,390**	**556**	**24,008**
Changes in consolidation scope	122	–	–	122	65	–	–	65
Capital expenditure	–	–	147	147	–	–	53	53
Disposals	–	–	(1)	(1)	–	–	–	–
Translation adjustments	600	120	4	724	(1,362)	(284)	(16)	(1,663)
Impairment	–	(51)	(8)	(59)	–	(119)	(3)	(122)
Reclassification of assets held for sale	–	–	–	–	–	–	–	–
Amortization charges	–	–	(125)	(125)	–	–	(61)	(61)
Other [(b)]	–	65	41	106	–	27	28	55
AS OF DECEMBER 31/JUNE 30	**18,062**	**5,390**	**556**	**24,008**	**16,765**	**5,014**	**556**	**22,335**
Of which amortization	–	*(7)*	*(1,178)*		–	*(7)*	*(1,206)*	

(a) Includes brands with indefinite useful lives and other brands with finite useful lives.
(b) Corresponds mainly to the effects of applying IAS 29 (see Note 1.3 to the consolidated financial statements).

Note 9.3 Impairment review

As of June 30, 2025, impairment indicators were identified for certain brands with indefinite useful lives. Following the impairment tests, the Group recognized an impairment loss on two brands with indefinite useful lives in North America, totalling €119 million.

NOTE 10 FINANCING AND NET DEBT

Note 10.1 Financing

Financing classified as debt

(in € millions)	As of December 31, 2024	Bonds issued	Bonds redeemed	Net flows from other financing arrangements	Impact of accrued interest	Impact of changes in exchange rates and other non-cash impacts (c)	Reclassification of non-current portion to current items	Changes in consolidation scope	As of June 30, 2025
FINANCING MANAGED AT COMPANY LEVEL									
Bonds – non-current portion	9,250	800	–	–	–	(196)	–	–	9,854
Bonds – current portion	2,049	–	(1,050)	–	–	1	–	–	1,000
Short-term debt instruments (a)	1,011	–	–	761	–	–	–	–	1,772
Total	**12,310**	**800**	**(1,050)**	**761**	**–**	**(195)**	**–**	**–**	**12,626**
LEASE LIABILITIES									
Non-current portion	655	–	–	–	–	112	(67)	–	700
Current portion	213	–	–	(111)	–	13	71	–	186
Total	**868**	**–**	**–**	**(111)**	**–**	**125**	**4**	**–**	**886**
OTHER FINANCING ARRANGEMENTS (b)									
Non-current portion	24	–	–	3	–	–	(6)	–	21
Current portion (d)	989	–	–	(216)	13	217	2	–	1,005
Total	**1,013**	**–**	**–**	**(213)**	**13**	**217**	**(4)**	**–**	**1,026**
TOTAL	**14,191**	**800**	**(1,050)**	**437**	**13**	**147**	**–**	**–**	**14,538**

(a) As of June 30, 2025, as at December 31, 2024, short-term debt instruments are included in current financial debt.
(b) Subsidiaries' bank financing.
(c) In terms of lease liabilities, this corresponds mainly to new financing in the period.
(d) As of June 30, 2025, bank overdrafts amounted to €861 million (€828 million as of December 31, 2024).

On January 14, 2025, Danone redeemed €750 million worth of bonds originally issued in 2015.

On March 26, 2025, Danone redeemed €300 million worth of bonds originally issued in 2018.

On April 1, 2025, Danone successfully issued an €800 million bond with an eight-year maturity and a 3.438% coupon.

Note 10.2 Net debt

(in € millions)	As of December 31 2024	As of June 30 2025
Non-current financial debt [a]	10,175	10,793
Current financial debt [a]	3,799	3,549
Short-term investments	(4,685)	(4,396)
Cash	(1,475)	(1,619)
Bank overdrafts	828	861
Derivatives – assets – Non-current [b]	(3)	(95)
Derivatives – assets – Current [b]	(37)	(18)
NET DEBT	**8,601**	**9,076**

(a) *Consists of €886 million in lease liabilities following the application of IFRS 16,* Leases.
(a) *Used solely to manage net debt.*

NOTE 11 EARNINGS PER SHARE – GROUP SHARE

Earnings per share

	Six-month period ended June 30	
(in € per share, except number of shares)	**2024**	**2025**
Net income – Group share	**1,219**	**1,040**
Coupon relating to hybrid financing, net of tax	(2)	(2)
Adjusted net income – Group share	**1,217**	**1,038**
NUMBER OF OUTSTANDING SHARES		
As of January 1	**641,871,882**	**644,157,323**
Effects of changes during the period [a]	1,783,365	(859,508)
As of June 30	**643,655,247**	**643,297,815**
AVERAGE NUMBER OF OUTSTANDING SHARES		
■ Before dilution	642,417,472	642,916,473
Dilutive impact		
Group performance shares and fidelity shares	1,004,793	1,498,379
■ After dilution	643,422,265	644,414,852
EARNINGS PER SHARE – GROUP SHARE		
■ Before dilution	1.90	1.62
■ After dilution	1.89	1.61

(a) *Corresponds mainly to the share buy-back announced on February 26, 2025 and completed on March 14, 2025.*

NOTE 12 OTHER PROVISIONS AND NON-CURRENT AND CURRENT LIABILITIES AND LEGAL AND ARBITRATION PROCEEDINGS

Note 12.1 Accounting principles

Other provisions

Other provisions consist of provisions and investment subsidies.

In accordance with IAS 37, provisions are recognized when the Group has a present obligation resulting from a past event, it is probable that this obligation will result in a net outflow of resources to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are classified as either current or non-current liabilities, depending on their nature. Provisions due for settlement within twelve months of the year-end or relating to the normal operating cycle are shown under current liabilities.

For each obligation, the amount of the provision recognized as of the reporting date reflects management's best estimate, as of that date, of the probable outflow of resources required to settle said obligation. If payment is made to settle the obligation or an outflow of resources is no longer probable, the provision is reversed to reflect the use/non-use of the provision, respectively.

Other non-current liabilities

Other non-current liabilities correspond to liabilities for uncertain income tax positions pursuant to IFRIC 23. They are recognized depending on the likelihood that they will materialize, without taking into account the probability that they will not be detected by the tax authorities. Their measurement must reflect management's best estimate as to their actual amount when they ultimately materialize. The liabilities must be recognized on the basis of their most probable value or a weighted average of the values under various scenarios.

Note 12.2 Other non-current and current provisions and liabilities

	As of December 31	As of June 30
(in € millions)	2024	2025
Other non-current provisions	710	693
Other non-current liabilities [a]	442	410
Other non-current provisions and liabilities	**1,152**	**1,103**
Other current provisions	**186**	**153**

(a) These relate to uncertain income tax positions.

Changes in Other non-current and current provisions

		Changes during the period						
(in € millions)	As of January 1, 2025	Changes in consolidation scope	Increase	Reversal of provisions used	Reversal of provisions not used	Translation adjustments	Other	As of June 30, 2025
Tax and territorial risks [a]	108	–	5	0	(1)	(5)	(1)	107
Employee-related and commercial disputes and other provisions	556	–	75	(14)	(15)	(34)	(6)	562
Restructuring provisions	232	–	5	(44)	(9)	(3)	(4)	177
TOTAL	**896**	**–**	**85**	**(58)**	**(24)**	**(41)**	**(12)**	**846**

(a) These concern risks not relating to income tax, which are presented in "Other non-current liabilities".

Changes in other provisions in first-half 2025 were as follows:

- increases resulted primarily from lawsuits arising against the Company and its subsidiaries in the normal course of business;
- reversals of used provisions were booked when the corresponding payments were made. Reversals of provisions not used related mainly to reassessments and situations where some risks ceased to exist. Several provisions were concerned, none of which is material taken individually.

As of June 30, 2025, provisions for tax risks, territorial (not related to income taxes) risks and commercial, employee-related, and other disputes included several provisions for legal, financial, tax and territorial risks as well as provisions for multi-year compensation granted to some employees (provisions accrued in the normal course of business).

Also as of this date, Danone does not consider that it is subject to known risks that could, taken individually, have a material impact on its financial position or profitability.

Note 12.3 Legal and arbitration proceedings

In 2022, a number of actions were brought by cattle farmers against various players in the dairy industry in Spain, including the Spanish subsidiary Danone SA Cattle farmers have filed claims alleging that they have suffered damages for underpriced milk sold. Danone SA firmly refutes these allegations and intends to defend its interests in each of these proceedings.

In 2021, a number of class action lawsuits were filed in the United States against the U.S. subsidiary Nurture Inc. on the basis of alleged misleading advertising regarding the presence of certain heavy metals in food products. In several parallel lawsuits, plaintiffs (who are individuals) have alleged that they have suffered personal injury resulting from having consumed these food products. Nurture Inc. formally denies all these allegations in these actions and maintains that its products are safe. Nurture Inc. is vigorously defending its interests in each of these proceedings.

In addition, following a notice issued on July 8, 2024 by the Canadian Food Inspection Agency (CFIA) of several cases of potential Listeria monocytogenes contamination linked to certain Silk refrigerated beverages, produced on a specific production line at a third-party manufacturer in Ontario and distributed in Canada, and Danone Canada's voluntary recall of these products, putative class action lawsuits have been filed against Danone Canada. Danone Canada intends to defend its interests in each of these proceedings.

No provision has been recognized in this respect in the consolidated financial statements for the six-month period ended June 30, 2025, as the Group is not currently in a position to make a reliable assessment of the potential impact of the outcome of these ongoing proceedings on its results and financial position.

In general, the Company and its subsidiaries are parties to legal proceedings arising in the ordinary course of business, in particular with competition authorities and other authorities in certain countries. Provisions are recognized when an outflow of resources is probable and the amount can be reliably estimated.

NOTE 13 MAIN RELATED PARTY TRANSACTIONS

The main related parties are the Group's equity-accounted companies, the members of the Executive Committee and the members of the Board of Directors. Danone did not identify any material impacts resulting from transactions with related parties as of June 30, 2025.

NOTE 14 SUBSEQUENT EVENTS

On July 1, 2025, Danone announced that it had successfully completed the acquisition of a majority stake in Kate Farms, a fast-growing US business offering a wide array of plant-based, organic nutrition products for both medical and everyday needs.

The transaction constitutes an event that occurred following the end of the reporting period, within the meaning of IAS 10, *Events After the Reporting Period*, insofar as the transfer of the purchase price component occurred on July 1, 2025, which is considered the effective acquisition date. In accordance with IFRS 3, *Business Combinations*, the purchase price allocation will be carried out on a provisional basis and included in the consolidated financial statements for second-half 2025, following the effective acquisition of control on July 1, 2025. This majority stake will be consolidated in Danone’s financial statements as of July 1, 2025.

To the Company's knowledge, no other significant events occurred between the end of the reporting period and the date on which the consolidated financial statements for the six months ended June 30, 2025 were authorized for issue by the Board of Directors, i.e., July 29, 2025.

3 Statutory Auditor’s report on interim financial information

This is a free translation into English of the statutory auditors' review report on the condensed interim financial statements issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group’s half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Danone, for the period from January 1 to June 30, 2025,
- the verification of the information presented in the half-yearly management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Levallois-Perret and Paris-La Défense, July 29, 2025

The Statutory Auditors

French original signed by

FORVIS MAZARS & ASSOCIES		**ERNST & YOUNG Audit**	
Achour Messas	Florence Page	Pierre-Henri Pagnon	Alexandre Chrétien

4 Statement of the person responsible for the interim financial report

"I certify that, to my knowledge, the condensed interim financial statements have been prepared in accordance with applicable accounting standards and provide a faithful representation of the assets, liabilities, financial position and results of Danone and of all companies within its scope of consolidation, and that the attached interim management report presents a faithful representation of the significant events that occurred in the first six months of the fiscal year, their impact on the interim financial statements, and the main related-party transactions, and it describes the major risks and uncertainties for the remaining six months of the year."

Paris, July 29, 2025

Chief Executive Officer,
Antoine de Saint-Affrique

About Danone (www.danone.com)

Danone is a leading global food and beverage company operating in three health-focused, fast-growing and on-trend Categories: Essential Dairy & Plant-Based products, Waters and Specialized Nutrition. With a long-standing mission of bringing health through food to as many people as possible, Danone aims to inspire healthier and more sustainable eating and drinking practices while committing to achieve measurable nutritional, social, societal and environment impact. Danone has defined its Renew strategy to restore growth, competitiveness, and value creation for the long-term. With almost 90,000 employees, and products sold in over 120 markets, Danone generated €27.4 billion in sales in 2024. Danone's portfolio includes leading international brands (*Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic*, among others) as well as strong local and regional brands (including *AQUA, Blédina, Bonafont, Cow & Gate, Mizone, Oikos* and *Silk*). Listed on Euronext Paris and present on the OTCQX platform via an ADR (American Depositary Receipt) program, Danone is a component stock of leading sustainability indexes including the ones managed by Moody's and Sustainalytics, as well as MSCI ESG Indexes, FTSE4Good Index Series, Bloomberg Gender Equality Index, and Access to Nutrition Index. Danone's ambition is to be B Corp™ certified at global level by the end of 2025.

@Danone   facebook.com/Danone   linkedin.com/company/danone

Realisation: Ruban Blanc

ONE PLANET. ONE HEALTH

DANONE

17, boulevard Haussmann – 75009 Paris
Tel. 01 44 35 20 20

Mailing address:
15, rue du Helder – 75439 Paris Cedex 09

Communications:
press@danone.com

Investors Relations:
investor.relations@danone.com

WWW.DANONE.COM