OATLY FISCAL 2026 Q2 EARNINGS CALL

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Corporate Participants

John Baumgartner, CFA, Vice President of Investor Relations
Jean-Christophe Flatin, Chief Executive Officer
Daniel Ordoñez, Global President and COO
Marie-José David, Chief Financial Officer

John Baumgartner – Vice President of Investor Relations

Good morning and thank you for joining us today for Oatly's prepared remarks for our second quarter fiscal 2026 earnings. Later this morning we will conduct a live question-and-answer session regarding today's results which can be heard via webcast on our Investor Relations website. In addition, our Investor Relations website features this morning's press release communicating our second quarter 2026 financial results and the slide presentation which accompanies these prepared remarks.

Please review the Cautionary Statement regarding Forward-Looking Statements and Other Disclaimers on slide 3 of our presentation and on page 10 of this transcript. Please also refer to the documents that we have filed with the Securities and Exchange Commission for a detailed discussion of the risks that could cause actual results to differ materially from those expressed or implied in any forward-looking statements made today.

In addition, in our prepared remarks and on today's live earnings call, management will refer to certain non-IFRS financial measures including adjusted EBITDA, constant currency revenue, and free cash flow. Please refer to today's release for a reconciliation of non-IFRS financial measures to the most comparable measures prepared in accordance with IFRS.

I'd now like to turn the call over to Jean-Christophe.

Jean-Christophe Flatin – Chief Executive Officer

Thank you, John and good morning, everyone. Slide 5 features our key messages. First, our second quarter capped a very successful first half with strong volume growth and positive mix driving our revenue momentum. The results reinforce the success of our growth playbook and notably innovation that solidifies our identity and appeal as a full beverage company. The positive impact of our execution is evident in our expanded distribution in both retail and foodservice outlets.

Second, we are driving improvements in our strategic mix of channels, customers, and products to enhance our underlying profit margin. As expected, the second quarter included headwinds from cost pressure due to the conflict in the Middle East. In addition to absorbing this financial impact, we are choosing to invest for growth while continuing to improve our structural profitability.

Third, looking at our full year guidance, we are raising our revenue guidance while remaining confident in maintaining our outlook for 2026 adjusted EBITDA. With what we know today, our full-year outlook for EBITDA takes into account absorption of increased costs, including from the Middle East conflict, which remains unchanged relative to our expectations communicated in April. Our plan also reflects continued investments for further growth.

Turning to slide 6. Here, you can see our solid second quarter scorecard for important key performance indicators (KPIs). Our revenue grew by 15.2% and 12.7% in constant currency. Our gross margin reached 33.9%, which represents an improvement of 140 basis points compared to last year. Our adjusted EBITDA was positive $0.4 million and 0.2% of our net sales. This is an improvement of $4.0 million versus last year despite reinvestment and the absorption of headwinds including from the Middle East conflict. Revenue momentum and a resilient bottom line show progress in building a stronger growth model in a profitable manner.

Finally, our free cash flow in the quarter was a negative $0.6 million, which is an improvement of $4.6 million versus last year. Our business plan remains fully funded and we maintain focus on achieving positive free cash flow; a milestone that will be reached through pulling on all available levers including continued improvement in the P&L and working capital.

Slide 7 reiterates our focus areas for the rest of 2026. As Daniel will soon outline, we continue to see positive traction from our investments and brand building. As results exceed our expectations, we remain focused on executing our growth playbook.

Second, we continue to navigate the uncertainty and volatility created by the conflict in the Middle East. I am pleased to report that our proactive approach has helped us manage the related impact on our business. In the second quarter, costs matched our expectation and, based on what we know today, the pressure that we expect in the second half of 2026 remains consistent with our initial outlook communicated in April. The global cost impact has been largely fuel-related, either directly in logistics, or indirectly through areas such as packaging. As a reminder, we are utilizing this disruption, in part, to evaluate and improve the flexibility in our supply chain.

Finally, as it pertains to China, our strategic review is ongoing and we intend to complete this review prior to the end of this year. We continue to evaluate a range of options including a potential carve-out. Our goal is to accelerate growth and maximize the value of this business. We will update the market on our progress as necessary.

In closing, slide 8 summarizes our guidance. In 2026, we expect stronger conversion from the rollout of our refreshed growth playbook. We now expect to drive constant currency revenue growth of 8% to 10%; up from our prior outlook for growth of 3% to 5%. Further, we expect to maintain our ability to mitigate the cost impact of the Middle East conflict. Despite this inflationary impact and growth-fueling spending, we believe we are on course to deliver adjusted EBITDA towards the low-end of the range of $25 million to $35 million; consistent with our outlook from last quarter.

With that, Daniel, over to you.

Daniel Ordoñez- Global President and COO

Thank you, JC, and good morning, everyone. I will start my discussion on slide 10. As we enter the second half of the year, our confidence remains strong on the results brought by the methodical deployment of our growth playbook. Over the past two years, we have focused on the barriers to consumption, creating new occasions, and driving consumer relevance. We remain well-positioned to serve the lactose-intolerant community and those who are primarily environmentally conscious in their choice.

However, these segments represent only a portion of our addressable market opportunity. As shown by the success of our growth playbook across European markets, established or new, multiple new doors are opening as Oatly pivots to become a full-on beverages company. This is relevant to a much broader population, across multiple new occasions, and still anchored on the same brand uniqueness and generational relevance with taste, health, and sustainability at the core.

Our expanding portfolio of flavors and formats drives differentiation in a beverages market undergoing significant change, as customers are eagerly renovating their menus and shelves to be more relevant in meeting the rising expectations of younger generations. Closing the loop, relevance is manifested again through the brand's iconic live events and digital presence.

So first, let's discuss our thought leadership in setting global beverages trends on slide 11. As we did in Berlin with "Oatly on the Rocks" in October last year, last month we hosted 250 key players from the food and beverage industry at the "Aftertaste" event at the Flatiron district in New York. Attendance included members of the media, trend-setting leaders in coffee and beverage, key commercial partners, culture opinion leaders, and creators.

In addition to sharing some of our newest flavors and exciting drinks innovation, we hosted forums that explored how new generations are changing the coffee culture, social media's influence on beverage development, and other discussions at the forefront of this space. In the following weeks, the event generated over 70 million media impressions and reached over 9 million people online globally. The event was one of our largest brand investments in North America so far; a clear manifestation of what local relevance with global scale means for the Oatly brand.

Building on this, on slide 12 you see the latest iteration of our recipes Look Book that is hitting this summer in full. So far, we have introduced 63 new drinks and many of which have become category standard; for instance Coconut Matcha Cloud, Salty Banana Split, and the Matcha Jell-O-Shot. They are open to the public, representing the backbone for Oatly's progressive innovation, and we are highly confident in our ability to continue to surprise and set the industry's pace.

On slide 13 you can see how, prompted by the Look Book and with the recent expansion of our iconic Barista offering, notably with the launch of cold foam, Oatly becomes increasingly relevant to the growing refreshment and mixology movement significantly expanding the creativity of our foodservice partners.

The most promising drinks make it all the way into the retail space for in-home consumption, as seen on slide 14, with the recent successful launches of Popcorn-, Churros-, and Coconut-flavored barista, as well as the expanding Matcha range. This model explains why we are growing penetration most strongly with younger consumers and we view this demographic as a strong foundation for multi-year growth.

On slide 15, you see a concrete example of the cultural relevance of the Oatly brand at global scale with the recently announced second iteration of our partnership with Nespresso; present in over 220 boutiques across 26 markets during the coming months.

Next, let's turn to a discussion of our regions to link our strategic initiatives with market success. In the Europe & International segment on slide 17, second quarter constant-currency revenue grew by 18% driven by very strong volume growth. This is particularly impressive as we lapped volume growth of 9.4% in last year's second quarter. Contributions are balanced from established and expansion markets and include growth in household penetration across our longstanding markets.

At category level, growth in retail takeaway for total plant-based beverages has remained solid in absolute terms; up high single-digits driven by volume and far above the rate of GDP growth. In our case, the story is even better. Oatmilk is outgrowing other plant-based milks, and Oatly is the main driver with strong market share gains across all markets. We believe the growth opportunity across this segment is promising, and I'd like to emphasize the reasons why we are outperforming the market on slide 18.

First, we're engaging the broader beverages industry and seeing strong traction as taste, refreshment, and health combined are particularly relevant to the young. Second, we are steadily evolving our strategic choices, on channels and portfolio, to be decisively accretive to our profit margin and volume, and together with a pipeline of new retail and foodservice customers that underscores our outlook for continued strong growth. Finally, the conscious choice we made, to decisively expand our geographic footprint in multiple new markets, is paying off handsomely. They continue gaining critical mass with growth rates that keep accelerating as we see with an impressive 82% growth year-on-year for quarter two.

On slide 19, I would like to emphasize the brand's cultural relevance being part of the local communities in key cities and generating disproportionate global impact; thanks to a seamless brand playbook and efficient social media strategy. Two very concrete examples: in Mexico City, our Losers Café consoled the fans of losing World Cup teams through free drinks, such as the Lost Matcha or Dulce Defeat, and reaching so far more than 600 million people globally. In Amsterdam, our "Bike-Thru" paired some of Europe's best coffee roasters with Oatly-inspired signature drinks in one of the bicycle capitals of the world. It not only delighted the local consumers but has reached, so far, over 100 million people globally.

Slide 20 shows the power of our playbook as we now see significant market share and penetration gains in Sweden, our home market. Brand penetration in Sweden is three times higher than any other key plant-based market such as, for instance, the UK, and it is home to the most affluent plant-based consumer. Growth in Sweden had been flat since JC and I joined back in 2022, but 18 months following the execution of the beverages playbook we are now seeing increasing household penetration and notably among younger consumers. More trial and stronger velocities are driving accelerating growth in our share of the milk alternatives shelf; up 10 percentage points since 2023 and we have also gained nearly 2 percentage points of category market share in the past year. This gives us confidence that there is no such thing as a "mature" market.

Slide 21 shows how our beverages stance drives significantly bigger standout in retail display. Geared to both ambient and chilled temperatures, for at home or on-the-go consumption, this impactful presence reflects our importance to retailers to better engage shoppers.

Shifting to North America on slide 23, I am very happy to report that growth keeps accelerating. In the second quarter, the segment's constant-currency revenue grew by 5.9% year-on-year driven by positive volume growth of nearly 2%. This performance clearly exceeds the milk alternatives category and includes decisive incremental mix effect.

At a retail market level, the macro backdrop remains challenged by tight household financial conditions and the saturation of protein-fortified products. Retail takeaway of plant-based products continues to trail traditional cow's milk dairy. In this context, our growth keeps accelerating strongly thanks to the relevance of our portfolio, steady distribution gains, and improved execution.

So, as we have seen in Europe two years ago, macro category dynamics can't be explained by the retail performance alone when that doesn't yet represent the new beverages playbook. We are conscious and, at the same time, optimistic about our ability to change this dynamic.

On slide 24, we see that in retail measured channels, we have reached near record high market shares in both oat milk and plant-based beverages.

Let's look at our Out-Of-Home (OOH) channel performance on slide 25. As previously discussed, we see growing consumer and customer excitement in this space, which is way closer to consumer culture and, for us, defines more clearly the underlying category dynamics. I am very pleased to report that momentum from new and existing customers will soon eliminate the headwind from the customer who was previously our largest in this channel. At the end of the second quarter, the related year-on-year headwind to sales has substantially ended, and we have made significant progress diversifying our customer base. This will provide greater balance and resiliency for the channel in the future.

On a like-for-like basis, our go-forward foodservice portfolio continues to grow strongly, following the beverages playbook with drinks adapted to the local consumer, posting an exceptional 18% growth this quarter. As we discussed before, our confidence is not simply anchored on our growth in the channel but the fact that we see the identical evolution in the beverages space driven by preferences of the younger generations.

As you see on slide 26, we are driving significant penetration gains all stemming from capturing these younger generations of consumers. So, not enough yet to turn the category around in retail, but we are confident it is a matter of persevering in execution.

Moving forward, as you see on slide 27, we expect to gain share of category distribution and new consumers from the full expansion of the new range. We also expect to build breadth and depth across key customers in the Mass, Club, and Natural channels. This builds on already solid year-to-date volume growth in the Retail and Club channels. Our growing appeal among retailers is particularly evident in off-cycle product uptakes. Retailers will list Oatly products outside of traditional category reset windows beginning later this year – a significant sign of momentum for our brand.

Last, shifting to Greater China on slide 28, although macro headwinds persist in the foodservice channel, our second quarter growth was encouraging. Constant-currency revenue grew by 5.6% and included volume growth of 5.5% on a positive offset from the retail channel. Segment sales largely recovered from last year's decline of 6.6%. As JC mentioned, we intend to complete the strategic review this year.

To wrap my business update, I would like to focus on the trajectory of key business metrics on slide 29. Strong growth continues to drive a direct positive effect on cost absorption and profit margin. Put simply, steady progress on our model, to drive profit growth through demand generation, is essential to future value creation.

With that, I will now turn the call over to Marie-José. MJ?

Marie-José David - Chief Financial Officer

Thank you, Daniel, and good morning, everyone. Slide 31 summarizes our solid financial delivery for the second quarter. Aside from strength in Europe, this quarter marked our second consecutive period of positive volume growth in North America following declines throughout 2025. In Q2, we grew net revenue 15.2% and 12.7% on a constant currency basis. Gross margin was 33.9%; an increase of 140 basis points compared to last year's Q2, and a result of efficiencies including facility optimization, volume absorption, productivity improvements, and favorable mix.

Q2 adjusted EBITDA was a positive $0.4 million and an improvement of $4 million relative to last year's Q2. Although the magnitude of year-on-year improvement was smaller than Q1's $8.7 million, this year's Q2 absorbed incremental headwinds from a full quarter of cost pressure due to the Middle East conflict and the anticipated phasing of brand reinvestment.

As a reminder, our investments in the growth playbook have been more concentrated in Q2 than the expected average for the year. Considering the strong growth in household penetration and consumption, we are pleased with the return on our brand investment. We also remain very pleased with the underlying trajectory of structural profit improvement.

I will now provide more detail about our financial performance. Slide 32 shows the bridging items of our revenue growth. Volume grew 11.2%, price/mix increased by 1.5%, and foreign exchange was a 2.5% tailwind compared to 7.5% last quarter.

Moving to slide 33, the year-over-year gross margin bridge shows the 140 basis point improvement. This improvement is explained by 210 basis points from fixed cost absorption and supply chain efficiencies, 30 basis points from product and channel mix, 10 basis points from foreign exchange currency tailwinds, and partially offset by a negative impact of inflation for 100 basis points.

Slide 34 shows the Q2 year-over-year improvement in our adjusted EBITDA. The $4 million improvement was driven by a $13.7 million increase in gross profit, partially offset by a $9.7 million increase in SG&A and Other. The SG&A increase is driven nearly in equal parts by customer distribution costs, which are linked to sold volumes, and an increase in branding and advertising spend, in addition to foreign exchange headwinds that are offset by cost-cutting initiatives. As a volume-driven business, our cost structure scales with growth, and we remain focused on delivering profitable growth over time.

Slide 35 shows segment-level detail. Europe & International grew net sales by 18% in constant currency. However, brand reinvestment and cost inflation related to the Middle East conflict limited year-on-year growth in segment adjusted EBITDA to $0.7 million, yet still achieved a solid adjusted EBITDA margin of 17.5%. North America's revenue grew 5.9%. The segment’s adjusted EBITDA increased by $3.1 million, to $0.7 million, identical with last quarter, as we proactively managed incremental headwinds from brand investment and costs related to the Middle East conflict.

Greater China constant currency revenue increased by 5.6%. The increase was explained by growth in the retail channel that more than offset strong competition and weak macros in the out-of-home channel. The segment reported negative $1.5 million in adjusted EBITDA.

Q2 corporate expense was $1MM lower year-over-year as our continuous focus on increasing efficiencies has more than offset foreign exchange headwinds.

Turning to our cash flow on slide 36. I reaffirm that our business plan remains fully funded and we remain focused on bringing the company to positive free cash flow following the positive inflection in our adjusted EBITDA.

In Q2, free cash flow was a net outflow of $0.6 million and $4.6 million better than last year. The year-on-year improvement results from growth in EBITDA, smaller capital expenditures, and benefits from net working capital. The improvement exceeded our expectations and reflects our efforts to structurally improve profitability and cash generation.

We believe that our progress is increasingly evident and see opportunities for further improvement across all levers of cash flow. We maintain our expectation, that we do not anticipate positive free cash flow for the full year 2026, given the impact of phasing factors in the second half. These include larger inventories to support volume growth as well as capital expenditures.

Turning to our 2026 outlook on slide 37. As Jean-Christophe mentioned at the top of the call, we are raising our outlook for constant-currency revenue growth, from 3 to 5%, now to up 8% to 10%. Although our outlook implies year-on-year growth deceleration in the second half, it is a result of a harder comparison relative to the first half.

On a reported basis, considering recent FX rates and assuming no change for the rest of the year, we estimate FX to now add approximately 200 to 250 basis points to net sales; a stronger tailwind relative to our prior expectation for a benefit of 100 to 200 basis points.

For adjusted EBITDA, we maintain our outlook to deliver towards the low-end of the existing range of $25 million to $35 million including absorption of the cost impact of the Middle East conflict. Based on what we know today, our expectation for related cost pressure is unchanged from our forecast in April. We are pleased that proactive management has allowed us to maintain the EBITDA guidance range that we provided, pre-conflict, in February.

We expect support from favorable reinvestment phasing in SG&A and sustained improvement in gross profit from revenue growth and operating leverage. Our price/mix is offsetting cost pressure from the conflict in the Middle East and a tight market for freight in North America.

As a reminder, our outlook is provided in the context of what we know today and set against elevated macro volatility. Our fundamentals remain strong, and we continue to execute against our growth playbook while maintaining agility to adapt to external factors.

Last, our guidance for CapEx remains unchanged, in the range of $20 million to $30 million, for the full year.

This concludes our prepared remarks.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any express or implied statements contained in this document that are not statements of historical fact may be deemed to be forward-looking statements, including, without limitation, statements regarding our financial outlook for 2026, profitability improvement, profitable growth in 2026, long-term growth strategy, expected capital expenditures, anticipated returns on our investments, anticipated supply chain performance, anticipated impact of our improvement plans, anticipated impact of our decision to discontinue construction of certain production facilities, plans to achieve profitable growth and anticipated cost savings and efficiencies as well as statements that include the words “expect”, “intend”, “plan”, “believe”, “project”, “forecast”, “estimate”, “may”, “should”, “anticipate”, “will”, “aim”, “potential”, “continue”, “is/are likely to” and similar statements of a future or forward-looking nature. Forward-looking statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties that could cause actual results to differ materially from those projected, including, without limitation: we have a history of losses, and we may be unable to achieve or sustain profitability, including due to elevated inflation and increased costs for transportation, energy, and materials; our future business, financial condition and results of operations may be adversely affected by reduced or limited availability of oats and other raw materials and ingredients, which meet our quality standards, that our limited number of suppliers are able to sell to us; a failure to obtain necessary capital when needed on acceptable terms, or at all, may force us to delay, limit, reduce or terminate our product manufacturing and development and other operations; the primary components of all our products are manufactured in our production facilities, and damage or disruption at these facilities has in the past harmed, and may in the future harm, our business; our brand or reputation may be harmed due to real or perceived quality, food safety, nutrition or sustainability issues with our products, which could have an adverse effect on our business, reputation, financial condition and results of operations; food safety and food-borne illness incidents or other safety concerns have led to product recalls, and may materially adversely affect our business, financial condition and results of operations by exposing us to lawsuits or regulatory enforcement actions in the future, increasing our operating costs and reducing demand for our product offerings; failure by our suppliers of raw materials or co-manufacturers to comply with food safety, environmental or other laws and regulations, or with the specifications and requirements of our products, may disrupt our supply of products and adversely affect our business; we may not be able to compete successfully in our highly competitive markets; consolidation of customers, the loss of a significant customer or the decrease of sales from a significant customer, could negatively impact our sales and profitability; sales of our oatmilk varieties contribute a significant portion of our revenue and a reduction in such sales would have an adverse effect on our business, financial condition and results of operations; we continue to pursue largely an asset-light business model blending a heavy reliance on our co-manufacturing partners in addition to in-house capacity expansions where appropriate; our strategic partnerships with our co-manufacturers may not be successful, which could adversely affect our operations and manufacturing strategy; failure by our logistics providers to deliver our products on time, or at all, could result in lost sales; we may not successfully ramp up operations at any of our or our co-manufacturing partners' facilities, or these facilities may not operate in accordance with our expectations; if we fail to effectively expand our processing, manufacturing and production capacity through existing facilities or acceptable co-manufacturing partners as we continue to grow and scale our business to a steady operating level, our business, financial condition, results of operations and our brand reputation could be harmed; if we fail to develop and maintain our brand, our business could suffer; failure to develop or introduce new products or successfully improve existing products may adversely affect our ability to continue to grow; if we fail to cost-effectively acquire new customers and consumers or retain our existing customers and consumers, or if we fail to derive revenue from our existing customers consistent with our historical performance, our business could be materially adversely affected; consumer preferences for our products are difficult to predict and may change, and, if we are unable to respond quickly to new trends, our business may be adversely affected; if we fail to manage our future growth effectively, including maintenance of our workforce, our business, financial condition and results of operations could be materially adversely affected; we have recognized impairment charges for long-lived assets and other exit costs in connection with our production facilities, and we may need to recognize further costs in the future, which could adversely impact our business, financial condition and results of operations; we are subject to risks related to sustainability (including environmental, climate change and broader corporate social responsibility matters), which may materially adversely affect our business as a result of lawsuits, regulatory investigations and enforcement actions, complaints concerning our disclosures, impacts on our operations and supply chain (particularly in connection with the physical impacts of climate change), and impacts on our brand and reputation; we rely on information technology systems and any inadequacy, failure or interruption of, or cybersecurity incidents affecting, those systems may harm our reputation and ability to effectively operate our business; a cybersecurity incident or other technology disruptions could negatively impact our business and our relationships with customers; to remain competitive, we believe we will need to adopt artificial intelligence and other machine learning technologies; our customer agreements do not contain long-term commitments and do not require our customers to continue purchasing products from us and this may negatively impact our business or financial condition; we may face difficulties as we expand our operations into countries in which we have no prior operating experience; the strategic review of the Company's Greater China operations may not be successful; our operations in China could expose us to substantial business, regulatory, political, financial and economic risks; the international nature of our business subjects us to additional global economic and geopolitical risks; if we fail to comply with trade compliance and economic sanctions laws and regulations of the United States (the "U.S."), the EU and other applicable international jurisdictions, it could materially adversely affect our reputation and results of operations; some of our debt agreements contain a floating interest rate component and as a result, an increase in market interest rates will increase our future interest payments under such agreements; our international operations expose us to the risk of fluctuations in currency exchange rates; we maintain cash and cash equivalents at financial institutions, often in amounts exceeding insured limits, and the failure of one or more of these institutions could result in a loss of deposits and adversely affect our liquidity or ability to raise capital; packaging costs are volatile and may rise significantly, which may negatively impact the profitability of our business; fluctuations in our results of operations may impact, and may have a disproportionate effect on, our overall financial condition and results of operations; litigation or legal proceedings could expose us to significant liabilities or costs and have a negative impact on our reputation or business; our estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all; failure to retain our senior management or to attract, train and retain qualified employees may adversely affect our operations or our ability to grow successfully; if we cannot maintain our company culture or focus on our mission as we grow, our success and our business and competitive position may be harmed; our insurance may not provide adequate levels of coverage against claims or we may be unable to find insurance with sufficient coverage at a reasonable cost; disruptions in the worldwide economy may adversely affect our business, financial condition and results of operations; our business is affected by macroeconomic conditions, including international tariffs and trade wars, rising inflation, interest rates and supply chain constraints; we are subject to risks inherent to organizations with international operations, which could harm our business and global conflicts, including the ongoing conflict in Iran; legal claims, government investigations or other regulatory enforcement actions could subject us to civil and criminal penalties; our operations are subject to U.S., EU, China and other laws and regulations, and there is no assurance that we will be in compliance with all applicable laws and regulations; changes in existing laws or regulations, or the adoption of new laws or regulations may increase our costs and otherwise adversely affect our business, financial condition and results of operations; we are subject to stringent environmental regulation and potentially subject to environmental litigation, proceedings and investigations; we may not be able to protect, enforce or defend our intellectual property and other proprietary rights adequately, which may impact our commercial success; we have incurred substantial indebtedness that may decrease our business flexibility, access to capital, and/or increase our future borrowing costs; and the other important factors discussed under the caption “Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission (“SEC”) on March 13, 2026, and our other filings with the SEC as such factors may be updated from time to time. Any forward-looking statements contained in this document speak only as of the date hereof and accordingly undue reliance should not be placed on such statements. Oatly disclaims any obligation or undertaking to update or revise any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, other than to the extent required by applicable law.

Non-IFRS Financial Measures

We use EBITDA, Adjusted EBITDA, Constant Currency Revenue as non-IFRS financial measures in assessing our operating performance and Free Cash Flow as a non-IFRS liquidity measure, and each in our financial communications.

“EBITDA” is defined as profit/(loss) for the period adjusted to exclude, when applicable, income tax expense, finance expenses, finance income and depreciation and amortization expense.

“Adjusted EBITDA” is defined as profit/(loss) for the period adjusted to exclude, when applicable, income tax expense, finance expenses, finance income, depreciation and amortization expense, share-based compensation expense, restructuring costs, costs related to the strategic review of the Greater China business, impacts related to the closure of production facility, impacts related to discontinued construction of production facilities, expenses related to a new product launch issue and non-controlling interests.

Adjusted EBITDA should not be considered as an alternative to loss for the period or any other measure of financial performance calculated and presented in accordance with IFRS. There are a number of limitations related to the use of Adjusted EBITDA rather than loss for the period, which is the most directly comparable IFRS measure. Some of these limitations are:

- Adjusted EBITDA excludes depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future increasing our cash requirements;

• Adjusted EBITDA does not reflect interest expense, or the cash required to service our debt, which reduces cash available to us;

• Adjusted EBITDA does not reflect income tax payments that reduce cash available to us;

• Adjusted EBITDA does not reflect recurring share-based compensation expense and, therefore, does not include all of our compensation costs;

• Adjusted EBITDA does not reflect restructuring costs that reduce cash available to us in future periods;

• Adjusted EBITDA does not reflect costs related to the strategic review of the Greater China business that reduce cash available to us;

• Adjusted EBITDA excludes impacts related to the closure of production facility, although some of these may reduce cash available to us in future periods;

• Adjusted EBITDA excludes impacts related to discontinued construction of production facilities, although some of these may reduce cash available to us in future periods;

• Adjusted EBITDA does not reflect expenses related to a new product launch issue that reduced cash available to us; and

• Other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Adjusted EBITDA should not be considered in isolation or as a substitute for financial information provided in accordance with IFRS. Below we have provided a reconciliation of EBITDA and Adjusted EBITDA to loss for the period, the most directly comparable financial measure calculated and presented in accordance with IFRS, for the periods presented.

“Constant Currency Revenue” is calculated by translating the current year reported revenue amounts into comparable amounts using the prior year reporting period’s average foreign exchange rates which have been provided by a third party. Constant Currency Revenue is a non-IFRS measure and is not a substitute for IFRS measures in assessing our overall financial performance.

Constant currency revenue is used to provide a framework in assessing how our business and geographic segments performed excluding the effects of foreign currency exchange rate fluctuations and we believe this information is useful to investors to facilitate comparisons and better identify trends in our business. Above we have provided a reconciliation of revenue as reported to revenue on a constant currency basis for the periods presented.

“Free Cash Flow” is defined as net cash flows used in operating activities less capital expenditures. We believe Free Cash Flow is a useful supplemental financial measure for us and investors in assessing our ability to pursue business opportunities and investments. Free Cash Flow is not a measure of our liquidity under IFRS and should not be considered as an alternative to net cash flows used in operating activities.

Free Cash Flow is a non-IFRS measure and is not a substitute for IFRS measures in assessing our overall financial liquidity. Because Free Cash Flow is not a measurement determined in accordance with IFRS, and is susceptible to varying calculations, it may not be comparable to other similarly titled measures presented by other companies. Free Cash Flow should not be considered in isolation, or as a substitute for an analysis of our results as reported on our condensed consolidated financial statements appearing elsewhere in this document. Below we have provided a reconciliation of Free Cash Flow to net cash flows used in operating activities for the periods presented.