



LOTUS BAKERIES: 2021 ANNUAL RESULTS

- Lotus Bakeries realises turnover of EUR 750.3 million and more than 13% growth.
- Lotus Biscoff® and Lotus Natural Foods™ both grow strongly, by 15% and 20% respectively.
- Lotus Bakeries continues to invest heavily in the growth of both category and brands.
- Recurrent EBITDA rises by more than EUR 15 million or 11.3% to EUR 151 million.
- Net financial debt brought back to EUR 82 million or 0.6 times REBITDA.
- Proposal to increase the gross dividend by 13% to EUR 40 per share.
- In 2022, EUR 100 million will be invested in the expansion of production capacity.

1. 2021 RESULTS

Income statement ⁽¹⁾ (in thousands of EUR)	2021	2020	Evolution %
Turnover	750,251	663,289	+13.1
Recurrent operating result (REBIT) ⁽²⁾	123,805	111,114	+11.4
Recurrent operating cash flow (REBITDA) ⁽³⁾	150,967	135,683	+11.3
Non-recurrent operating result	(4,135)	(4,593)	-10.0
Operating result (EBIT) ⁽⁴⁾	119,670	106,521	+12.3
Financial result	(2,373)	(3,004)	-21.0
Profit for the year before taxes	117,297	103,517	+13.3
Taxes	(26,554)	(20,972)	+26.6
Net result	90,743	82,545	+9.9
Recurrent net result	93,942	86,208	+9.0
Total number of shares on 31 December ⁽⁵⁾	811,903	810,471	+0.2
Key figures per share (in EUR)			
Recurrent operating result (REBIT)	152.49	137.10	+11.2
Recurrent operating cash flow (REBITDA) ⁽³⁾	185.94	167.41	+11.1
Balance sheet (in thousands of EUR)			
Balance sheet total	992,092	844,227	+17.5
Equity	519,532	433,744	+19.8
Investments ⁽⁶⁾	65,720	47,971	+37.0
Net financial debts ⁽⁷⁾	81,826	110,457	-25.9
Gross dividend ⁽⁸⁾ (in EUR per share)	40.0	35.5	+12.7

(1) The balance sheet and income statement for 2021 are appended to this Press Release.

(2) REBIT is defined as the recurrent operating result, consisting of all the proceeds and costs relating to normal business.

(3) Recurrent operating cash flow is defined as recurrent operating result + depreciations + provisions and amounts written off + non-cash costs valuation option and warrant plan.

(4) EBIT is defined as recurrent operating result + non-recurrent operating result.

(5) Total number of shares on 31 December, excluding treasury shares.

(6) Investments in tangible fixed assets, intangible fixed assets and participating interests.

(7) Net financial debts are defined as interest bearing financial debts - investments - cash and cash equivalents - treasury shares, and are reported excluding the 'lease liability' that results from the implementation of the new IFRS 16 Leases standard. Including this 'lease liability', the net financial debts amount to kEUR 94,602.

(8) For 2021: dividend will be proposed to the Ordinary General Shareholders' Meeting of 13 May 2022.

The statutory auditor, PwC Bedrijfsrevisoren, represented by Lien Winne, has confirmed that its audit work on the consolidated balance sheet and consolidated income statement, which has been substantially completed, has not revealed the need for any material deviations to the accounting information contained in this press release.



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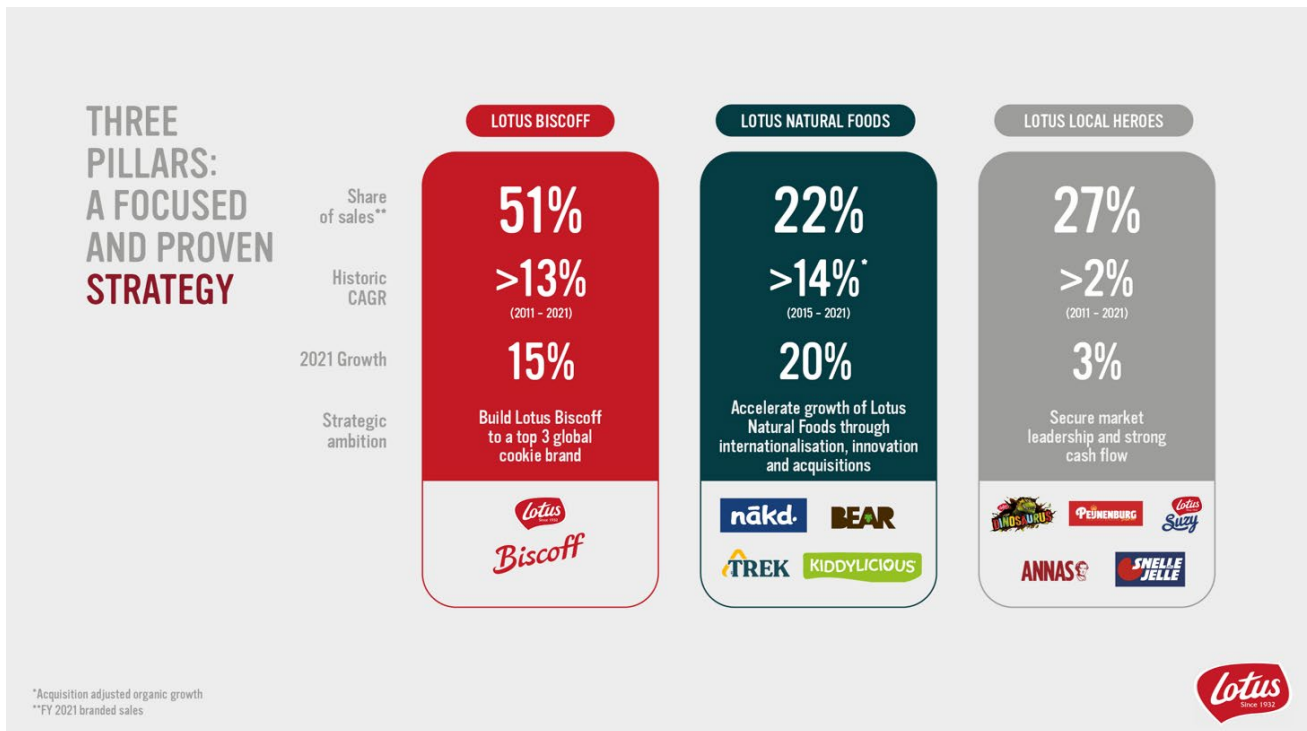
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2. MANAGEMENT EXPLANATION

2.1 Group turnover increases by 13.1% or EUR 87 million

In 2021, Lotus Bakeries Group's consolidated turnover increased by EUR 87 million to EUR 750.3 million, representing 13.1% growth. The 13% growth in the first half of the year therefore continued unabated in the second half. Positive exchange rate effects amount to 0.6%.

The three strategic pillars, Lotus Biscoff®, Lotus Natural Foods™ and Lotus Local Heroes, all made a positive contribution to this strong growth. Such consistently high growth confirms once more that the focused strategy is working and reinforces Lotus Bakeries' conviction in the international growth ambitions set for both Lotus Biscoff® and Lotus Natural Foods™.

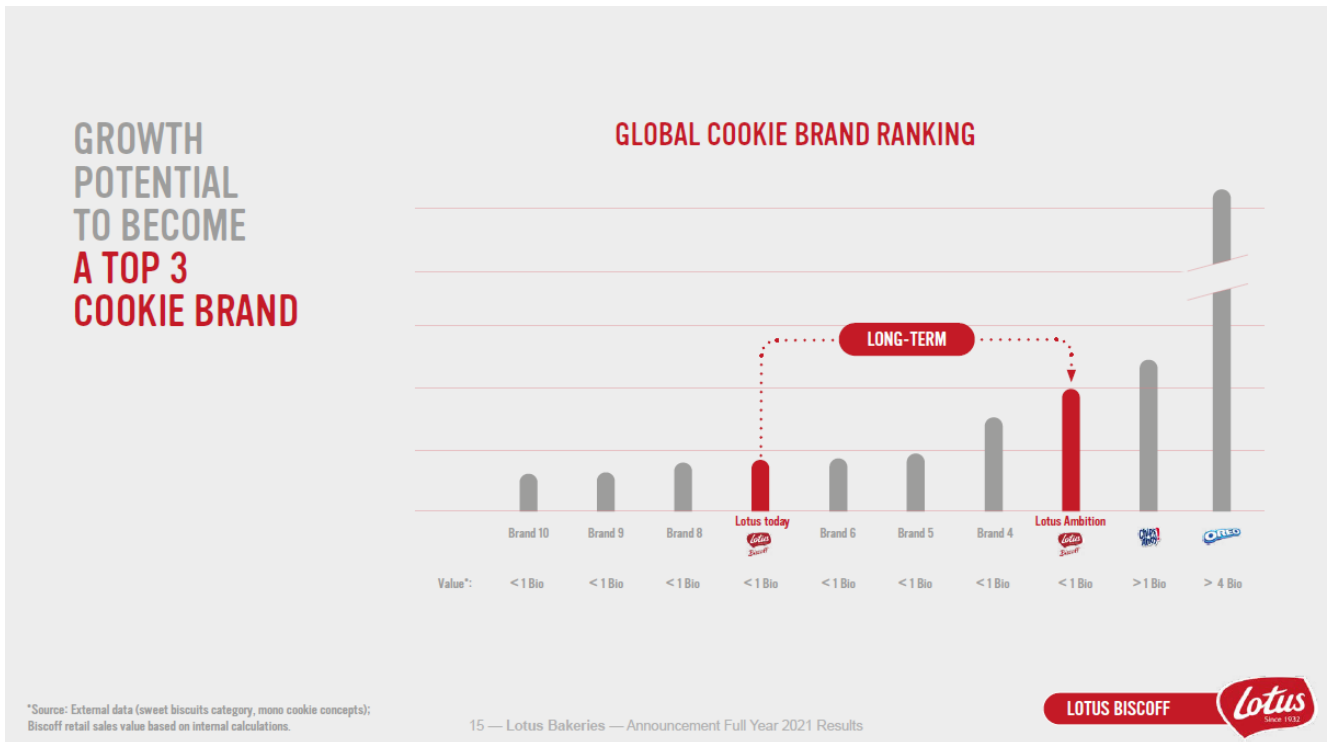




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Lotus Biscoff®, the Group's first and largest strategic pillar, grew by 15% this year. The first half of the year was influenced by the positive impact of the reopening of the hospitality sector and the partial recovery of air traffic in the US. In the second half of the year, the international expansion of Lotus Biscoff® Cookies, Lotus Biscoff® Spread and Lotus Biscoff® Ice Cream continued unabated. This year saw double digit growth in the large consumer markets of the United States (US), the United Kingdom (UK), China, Korea, Germany, Spain, Italy, Canada and Australia, among other areas. Lotus Biscoff® Cookies were the strongest riser in the top ten of the global Cookie Brand ranking in 2021, rising to 7th place.



Following an initial launch in four countries in 2020, the Lotus Biscoff® Sandwich Cookie has been rolled out further internationally over the past 12 months. This innovation is highly successful and the cookie has become a firm favourite in the assortment over the past two years. It is currently sold in 25 countries and is a major booster for Lotus Biscoff®'s incremental penetration in each country. In the second half of 2022, a new production line will become operational in the Belgian factory in Lembeke, to support the strong growth of the Lotus Biscoff® Sandwich Cookie.

Lotus Biscoff® Spread and Lotus Biscoff® Ice Cream also experienced strong growth in 2021. The success of Lotus Biscoff® Ice Cream is due to the unique Lotus Biscoff® taste and associated experience enjoyed by consumers. This makes the ice cream a good ambassador for Lotus Biscoff® Cookies. Following the initial launch of Lotus Biscoff® Chocolate in Belgium, this will also be internationalised from 2022. The first countries where the chocolate will be introduced are the United Kingdom (UK), the United States (US), France and the Netherlands.

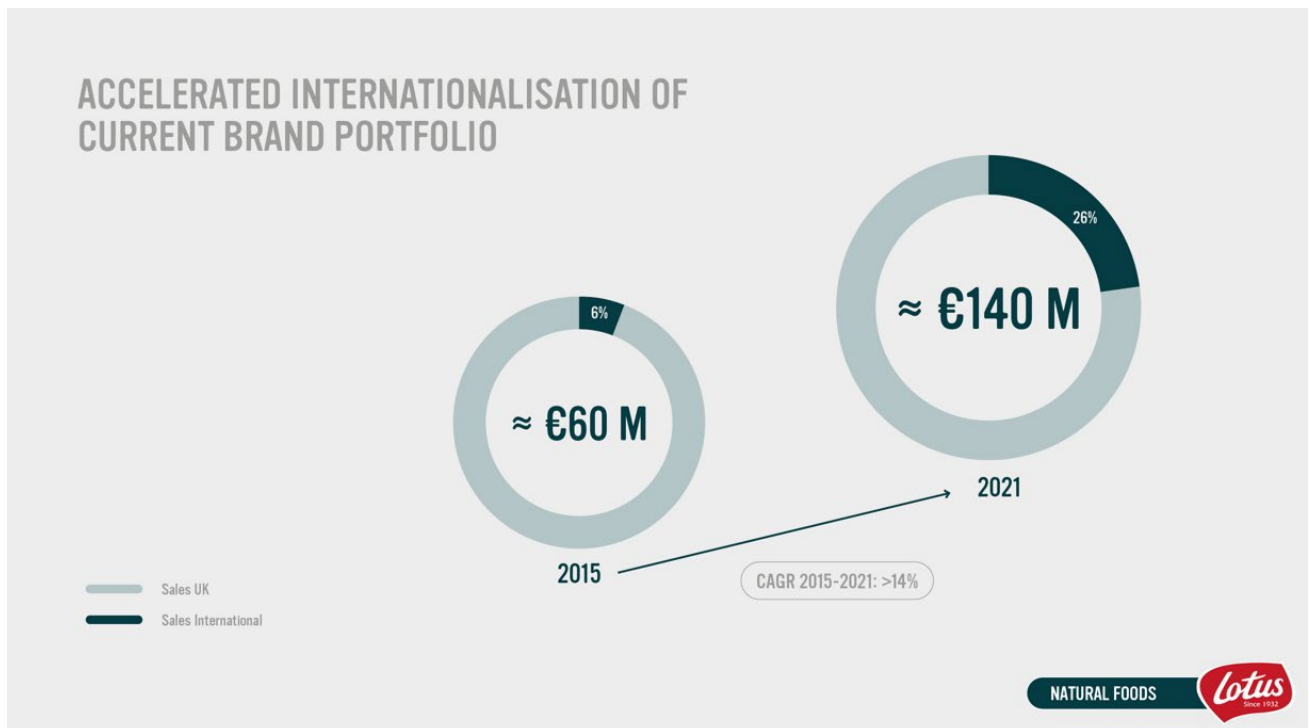


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Lotus Bakeries' second strategic pillar is natural snacking within Lotus Natural Foods™. While slightly negative growth was still recorded in the first two months of 2021 due to the tightening of lockdowns, combined with a pre-COVID-19 basis for comparison, from March onwards more growth was achieved systematically month by month. This positive trend continued in the second half of the year, with growth of 25%. Thus, Lotus Natural Foods™ realised a turnover of more than EUR 140 million in 2021. Moreover all brands grew strongly last year.

This strong recovery after the COVID-19 pandemic reinforces Lotus Bakeries' conviction in the strategy adopted for Lotus Natural Foods™. A strategy based on further expansion of market-leading brands and focus on innovations in the UK on the one hand and accelerated international growth on the other. The international Lotus Natural Foods™ business outside the UK has grown by around 40% and now represents 26% of total Lotus Natural Foods™ sales.





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The third pillar of the Lotus Bakeries strategy is the focus on 'local heroes' in the home markets of Belgium, the Netherlands, France and Sweden. This pillar realised growth of more than 3% in 2021.

The waffle assortment grew strongly once more in both Belgium and France. The Liège waffle is performing particularly well, supported by media campaigns in both countries. In addition to this, double digit growth was achieved with Dinosaurus, partly thanks to the successful introduction of the new Filled Dinosaurus cookies. Following growth of more than 20% last year, Annas Pepparkakor grew once again in 2021, remaining the undisputed market leader for the pepparkakor cookies category in Sweden.



In the Netherlands, turnover for the 'local heroes' remained stable. In the gingerbread segment, following the negative impact of the lockdowns in the first quarter, the on-the-go gingerbread brand Snelle Jelle recovered significantly. Koninklijke Peijnenburg saw its market share increase slightly in the gingerbread category. Following the stabilisation of Peijnenburg's turnover, investments to re-energise the gingerbread category and ensure growth again for Peijnenburg, continued consistently. Thus, in the final quarter, a new media campaign was launched with the baseline 'Van Happen word je Happie' (Eating Peijnenburg makes you happy).

2.2 Recurrent operating cash flow rises by more than 11%

In 2021, Lotus Bakeries achieved a recurrent operating result (REBIT) of EUR 123.8 million and a recurrent operating cash flow (REBITDA) of EUR 151 million. Both profitability parameters rose by more than 11% or EUR 12.7 million and EUR 15.3 million respectively.

The turnover and volume growth bring about a positive sales and operating margin contribution. Depreciations increased in line with investments in additional capacity. Alongside this, the Group continues to invest in organisation and people. The growth ambitions and expansion plans can only be realised by reinforcing and expanding sales teams, operational teams and support roles which need to develop to keep pace with the Group's growing international footprint. For instance, this year saw the establishment of the new Lotus Natural Foods™ headquarters in Switzerland, where all international activities, brands and Global Accounts are centralised. More than 30 colleagues now work there.

While marketing and media support remained below pre-COVID-19 levels in the first half of the year, turnover growth was more heavily supported by marketing and media investments in the second half of the year. Over 2021 as a whole, marketing and media-related costs increased by more than EUR 5 million compared to 2020.

The non-recurrent operating result amounts to EUR -4.1 million. This stood at EUR -4.6 million last year and was then primarily made up of direct COVID-19 costs in order to guarantee continuity and safety in the factories. This year, expenses mainly comprise one-off costs resulting from the relocation and merger of two Lotus Natural Foods™ offices in the UK and preparation and start-up costs for further capacity expansions in the US.



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The financial result of EUR -2.4 million consists primarily of interest expenses. There are limited foreign exchange gains on balance sheet positions held in foreign currencies.

The tax expense amounts to EUR 26.6 million or 22.6% of the profit before taxes. There is a one-off negative impact on deferred taxes in 2021 as a result of the corporate income tax rate increase to 25% in the UK from April 2023. This is an accounting and non-cash effect. The release from deferred tax on the foreign exchange result arising on the repayment of an intercompany debt accompanied by the one-off positive impact of the realised exemption from double taxation had a positive impact to reduce the tax expense in 2020.

The recurrent net profit increased to EUR 93.9 million and stands at 12.5% of the turnover. The recurrent net result consists of the reported net result minus non-recurrent costs. The net profit amounts to EUR 90.7 million, representing a 10% increase year on year. The profit before taxes rose proportionately more than the net profit due to the exceptionally low effective tax expense in 2020.

2.3 Net financial debt falls by EUR 48 million compared to mid-2021.

Over the last 12 months, Lotus Bakeries generated a new record operating cash flow of EUR 151 million. Investments during the last 12 months exceeded EUR 65 million. The net financial debt fell to EUR 82 million at the end of 2021, a decrease of EUR 48 million compared to the end of June 2021. As a result, the net financial debt/REBITDA ratio fell to 0.6 compared to 0.9 at the end of June 2021.

Including the EUR 13 million additional debt which must be expressed in accordance with the IFRS 16 Leases standard, the reported debt totals EUR 95 million.

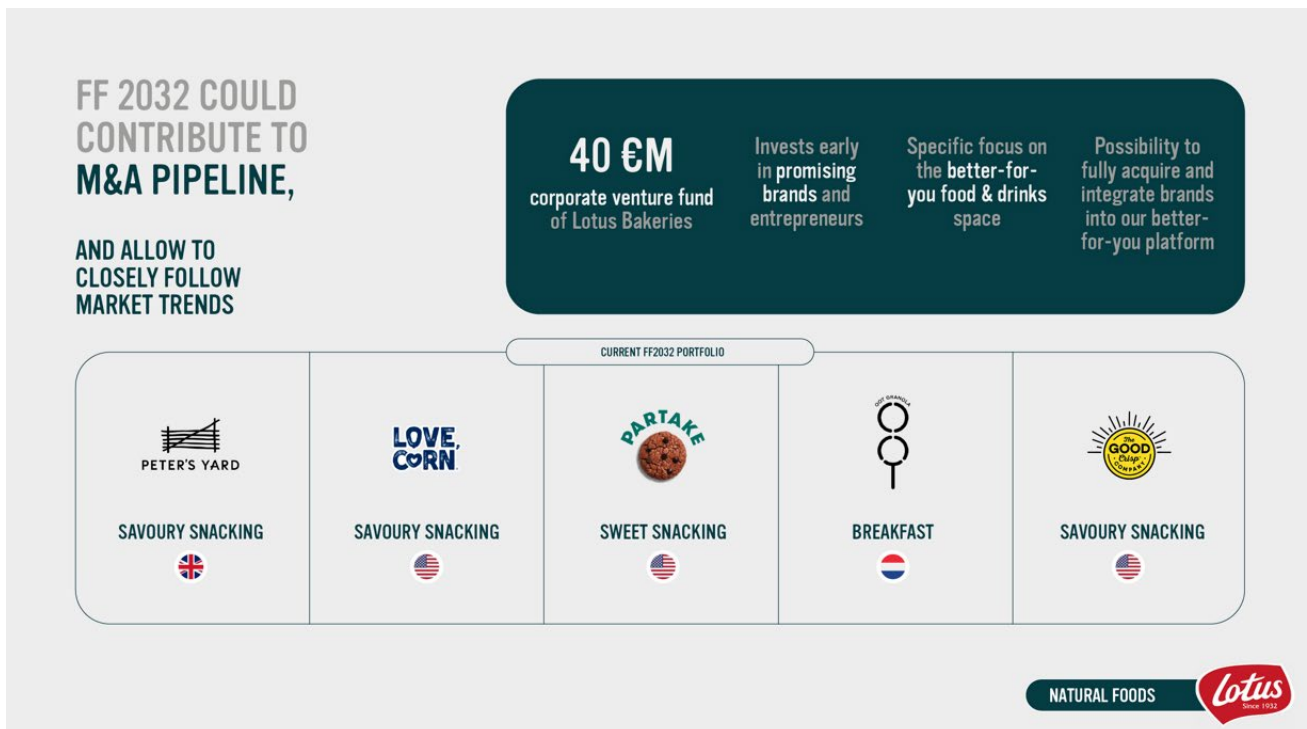


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3. FF2032 CONTRIBUTES TO M&A PIPELINE AND ENABLES THE CLOSE FOLLOWING OF MARKET TRENDS

FF2032, Lotus Bakeries' corporate venture fund, announced the closing of a minority investment in US brand 'The Good Crisp Company' in December 2021. The Good Crisp Company is a Better-For-You chips brand. The company offers a range of natural, gluten-free, clean-label, non-GMO and allergen friendly chips that are entirely free of artificial flavourings, colorants and taste enhancers. Making its way into grocery stores all over the US, The Good Crisp Company already has over 13.000 points of distribution, including major retailers such as Walmart, Whole Foods, Kroger and Wegmans. The Good Crisp Company is the fifth company to join the FF2032 investment portfolio.



4. MAJOR INVESTMENTS IN CAPACITY IN BELGIUM AND THE US TO COME ONSTREAM IN 2022

Lotus Biscoff®'s faster than anticipated growth in the last two years, combined with the ambitions and plans for the future necessitate a further urgent capacity expansion for Lotus Biscoff®. For this reason, as announced last year, Lotus Bakeries has decided to invest further in both Belgium and the US.

In Belgium, the expansions will come onstream in the third quarter of 2022. This mainly involves a second dough preparation room. This investment is necessary to provide additional dough preparation capacity to support the further growth of both Lotus Biscoff® Cookies and Lotus Biscoff® Spread. This also reduces the operational risk of dependency on a single dough room on the Lotus Biscoff® site at Lembeke. Also in Belgium, beside the dough room, a new Lotus Biscoff® Sandwich Cookie line will be started up.

In the US, the new investments will be put to use by the fourth quarter of 2022. Capacity will be doubled there, with two new Lotus Biscoff® production lines.

In 2022, an investment budget of EUR 100 million is intended for all of these Lotus Biscoff® and other expansions.



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07/02/2022 - 7.45 AM

5. CONCLUSION AND OUTLOOK

Lotus Bakeries recorded very strong growth of more than 13% once again in 2021. Thus, the growth in the first half of the year continued unabated in the second half. The strategic growth pillars of Lotus Biscoff® and Lotus Natural Foods™ both contributed to this growth.

Lotus Biscoff® realised growth of 15% in 2021, due partly to the reopening of the out-of-home channels but mainly to the further international expansion of Lotus Biscoff® Cookies, Lotus Biscoff® Spread and Lotus Biscoff® Ice Cream. The geographically dispersed growth of Lotus Biscoff® in the last few years – in both large consumer markets and the more than 50 other countries in which Lotus Biscoff® is sold – reinforces our conviction that this double digit growth will continue for Lotus Biscoff® in the coming years. The capacity expansions necessitated by this will be completed in the second half of 2022. At the same time, evaluations and preparations are underway for longer term expansions of capacity.

In 2020, the foundations of the growth strategy for Lotus Natural Foods were reinforced with a strong focus on further internationalisation. These investments already bore fruit in 2021. After a strong second quarter, the second semester was the best ever in the history of Lotus Natural Foods™ showing a growth of 25%. The international Lotus Natural Foods™ business grew by around 40% and represents 26% of total Lotus Natural Foods™ sales. Lotus Natural Foods™ strengthened its position in several important international markets and confirmed its position as category captain in the home market of the UK.

CEO Jan Boone looks back on 2021:

“At the end of 2021 we are able to present another very good report. Lotus Bakeries realised historic turnover growth of EUR 87 million and Lotus Biscoff® has climbed to 7th place in the global Cookie Brand Ranking. The enormous growth of Lotus Natural Foods™ has even exceeded my expectations, particularly the continued growth in the second half of the year. This has further reinforced my conviction that there is still plenty of potential for the Lotus Natural Foods™ brands. Investing in the future will remain crucial. For Lotus Biscoff®, this means first and foremost making sure that the capacity expansions are delivered in 2022 and that opportunities for further longer-term expansion are identified.”

DELIVERING STRONG FULL YEAR 2021 RESULTS





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07/02/2022 - 7.45 AM

To date, the factories are still experiencing an operational impact from increased absenteeism due to COVID-19 related self-isolation measures in the various countries. The supply chain partners are experiencing similar problems. This negative impact on the Company's global supply chain remains manageable in terms of efficiencies and business operations. The possibility cannot be ruled out that absenteeism will increase sharply once more on one or more sites in the coming months, which could have a significant impact on capacity and product availability.

As stated above, due to the large increases in volume, a further expansion of capacity is urgently necessary in Belgium and the US for Lotus Biscoff®. Combined with a permanent risk of increased absenteeism in our factories due to COVID-19, a very careful management of deliveries of Lotus Biscoff® orders to customers during the past period was ensured. By fair and proportionate allocations across all customers, Lotus Bakeries aims to guarantee maximum in-store availability of Lotus Biscoff® for consumers with minimum stock levels at each customer. In the first half of 2022, this modus operandi will continue to apply. Nevertheless, Lotus Biscoff® is expected to continue its double digit turnover growth in this half, partly due to systemic improvement of efficiencies in the factory in Mebane and further optimisations in the factory in Lembeke.

From the second half of 2021, there has been generalised cost inflation at levels not seen for a long time. This includes significant increases for raw materials, packaging, energy, transport and labour. For now, this trend seems to continue in 2022. Through longer-term fixing of purchase prices of raw materials and packaging with suppliers, it was possible to lessen the inflationary impact during the second half. In recent months, Lotus Bakeries has already announced general price increases for all of its products. The implementation of a fair but adequate price increase is intended to offset cost inflation in 2022. In this way, Lotus Bakeries aims to guarantee the group's profitability and maintain development opportunities for the group.

CEO Jan Boone looks forward to 2022:

"2022 looks set to be challenging. As a manufacturer, we're faced with unprecedented increases in costs and at the same time we want to continue to offer consumers their favourite cookies or healthy snacks at an affordable price. For this reason, we aim for a fair price increase for our products. In the end, this is crucial if we are to meet our targets for margins and – above all – continue to invest in the growth of our brands. The consistent implementation of these necessary price increases may lead to disruption with certain customers in the short term but this is the only way to ensure that our business continues to grow and remains successful in the long term. That is also why we will continue to work hard to increase capacity in 2022, with a record investment budget for expansions of EUR 100 million."

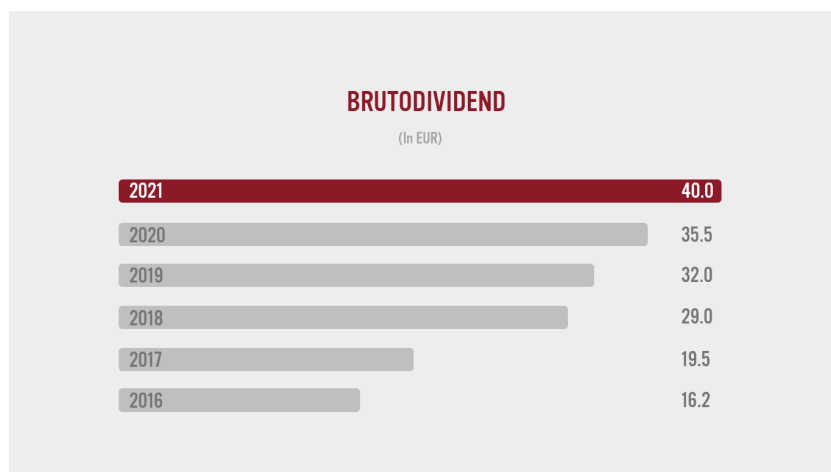


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6. DIVIDEND

The Board of Directors will propose to the Ordinary Shareholders Meeting of 13 May 2022 to pay a gross dividend of EUR 40 per share for 2021 compared with EUR 35.5 per share in 2020. This maintains the dividend policy in recent years, whereby at least one third of the recurrent net profit is paid out.



7. FINANCIAL CALENDAR

Financial analysts' meeting:	7 February 2022
2021 Annual Report available on www.lotusbakeries.com :	13 April 2022
Regular General Meeting of Shareholders:	13 May 2022
Dividend payable from:	18 May 2022
Announcement of 2022 half-year results:	12 August 2022

Lotus Bakeries in a nutshell

Lotus Bakeries began in the village of Lembeke in 1932 and is now active worldwide in the indulgent and natural snacking segment with the Lotus, Lotus Biscoff®, Dinosaurus, Peijnenburg, Annas, Näkd, TREK, BEAR and Kiddylicious brands, among others. Lotus Bakeries, with headquarters in Belgium, is a dynamic, internationally oriented company with production facilities in Belgium, the Netherlands, France, Sweden, South Africa and the US, and twenty-one own sales organisations in Europe, America and Asia. Lotus Bakeries also works with commercial partners in approximately fifty countries worldwide. Lotus Bakeries has around 2,400 employees. By maintaining a healthy balance between tradition and innovation, the Lotus brand indulges consumers with a unique range of high-quality, tasty products. The secret of Lotus Biscoff® lies in the cookie's unique flavour, distinctive design and delightful crispiness. The unique caramelised cookie flavour has meanwhile also been incorporated into a spread and ice cream. A wide range of cake specialties and waffles are furthermore offered under the Lotus brand name. Koninklijke Peijnenburg is the market leader for gingerbread in the Netherlands and Annas is a typical Swedish speciality of pepparkakor biscuits: thin, crunchy biscuits flavoured with ginger and cinnamon. Under the Näkd, TREK and BEAR brands, Lotus Bakeries offers tasty snacks, manufactured from all-natural, unprocessed ingredients, with no added sugar. Kiddylicious focusses on healthy snacking for babies, toddlers and pre-schoolers. In 2021 the Group achieved a turnover of EUR 750 million. The shares of Lotus Bakeries are listed on Euronext Brussels. The majority of the shares are owned by the Boone and Stevens families.

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Further information on Lotus Bakeries can be found on www.lotusbakeries.com



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07/02/2022 - 7.45 AM

CONSOLIDATED BALANCE SHEET

in thousands of EUR	31/12/2021	31/12/2020
ASSETS		
Non-current assets	690,120	622,840
Property, plant and equipment	307,725	258,182
Goodwill	224,846	216,485
Intangible assets	144,745	139,966
Investment in other companies	9,755	4,403
Deferred tax assets	2,182	3,351
Other non-current assets	867	453
Current assets	301,972	221,387
Inventories	57,901	46,827
Trade receivables	94,549	82,856
VAT receivables	10,079	5,930
Income tax receivables	5,276	3,142
Other amounts receivable	536	256
Cash and cash equivalents	132,160	81,261
Deferred charges and accrued income	1,471	1,115
TOTAL ASSETS	992,092	844,227
EQUITY AND LIABILITIES		
Equity	519,532	433,744
Share Capital	16,388	16,388
Retained earnings	539,590	476,724
Treasury shares	(9,514)	(11,474)
Other reserves	(26,932)	(47,961)
Non-controlling interests	-	67
Non-current liabilities	289,450	261,841
Interest-bearing liabilities	218,837	198,156
Deferred tax liabilities	64,243	57,195
Pension liabilities	4,020	3,748
Provisions	116	282
Derivative financial instruments	371	717
Other non-current liabilities	1,863	1,743
Current liabilities	183,110	148,642
Interest-bearing liabilities	17,439	12,552
Pension liabilities	333	317
Provisions	21	21
Trade payables	125,315	87,370
Employee benefit expenses and social security	26,515	26,508
VAT payables	402	145
Tax payables	5,850	12,701
Other current liabilities	2,144	4,624
Accrued charges and deferred income	5,091	4,404
TOTAL EQUITY AND LIABILITIES	992,092	844,227



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CONSOLIDATED INCOME STATEMENT

in thousands of EUR	2021	2020
Turnover	750,251	663,289
Raw materials, consumables and goods for resale	(250,617)	(216,376)
Services and other goods	(192,231)	(176,804)
Employee benefit expense	(152,857)	(137,116)
Depreciation and amortization on intangible and tangible assets	(23,115)	(21,001)
Impairment on inventories, contracts in progress and trade debtors	(3,384)	(2,710)
Other operating charges	(8,253)	(5,919)
Other operating income	4,011	7,751
Recurrent operating result (REBIT) ⁽¹⁾	123,805	111,114
Non-recurrent operating result	(4,135)	(4,593)
Operating result (EBIT) ⁽²⁾	119,670	106,521
Financial result	(2,373)	(3,004)
Interest income (expense)	(2,766)	(2,726)
Foreign exchange gains (losses)	886	51
Other financial income (expense)	(493)	(329)
Profit for the year before taxes	117,297	103,517
Taxes	(26,554)	(20,972)
Result after taxes	90,743	82,545
NET RESULT	90,743	82,545
attributable to:		
Non-controlling interests	(24)	(48)
Equity holders of Lotus Bakeries	90,767	82,593
Other comprehensive income:		
Items that may be subsequently reclassified to profit and loss	21,419	(27,191)
Currency translation differences	21,160	(27,299)
Gain/(Loss) on cash flow hedges, net of tax	259	108
Items that will not be reclassified to profit and loss	(333)	22
Remeasurement gains/(losses) on defined benefit plans	(333)	22
Other comprehensive income	21,086	(27,169)
Total comprehensive income	111,829	55,376
attributable to:		
Non-controlling interests	33	(104)
Equity holders of Lotus Bakeries	111,796	55,480



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07/02/2022 - 7.45 AM

	2021	2020
Earnings per share		
Weighted average number of shares	811,550	809,664
Basic earnings per share (EUR) - attributable to:		
Non-controlling interests	(0.03)	(0.06)
Equity holders of Lotus Bakeries	111.84	102.01
Weighted average number of shares after effect of dilution	813,677	811,184
Diluted earnings per share (EUR) - attributable to:		
Non-controlling interests	(0.03)	(0.06)
Equity holders of Lotus Bakeries	111.55	101.82
Total number of shares ⁽³⁾	816,013	816,013
Earnings per share (EUR) - attributable to:		
Non-controlling interests	(0.03)	(0.06)
Equity holders of Lotus Bakeries	111.23	101.22

(1) REBIT is defined as the recurrent operating result, consisting of all the proceeds and costs relating to normal business.

(2) EBIT is defined as recurrent operating result + non-recurrent operating result.

(3) Total number of shares on 31 December, including treasury shares.