



ANNUAL REPORT 2022



**OUR MISSION IS TO CREATE SMALL MOMENTS
OF JOY AND HAPPINESS. WE DO THAT BY OFFERING
A VERSATILE RANGE OF BRANDED SNACKS
WITH SUPERIOR TASTE EXPERIENCE.
TO EVERY CONSUMER. FOR EVERY OCCASION.
IN EVERY COUNTRY.**



Jan Boone - CEO and Jan Vander Stichele - Chairman

A MESSAGE FROM OUR CEO AND CHAIRMAN

It is not outlandish to say that the entire world is looking back on 2022 as a turbulent year. The Russian invasion of Ukraine, the global energy crisis and increasing inflation are just a few notable aspects that have characterised 2022.

COVID-19 may be gradually slipping into the background, but other challenges crossed our path. The availability of packaging and raw materials remains under pressure around the globe, resulting in exploding prices. There was also an unforeseen rise in energy and transport costs within a short period of time and labour costs are following this increasing trend.

We are therefore very proud that Lotus Bakeries, despite all the global challenges, was able to flourish in 2022 and that once again we have seen double-digit growth as a group.

QUALITY FOR EVERYONE

As an organisation, we must be vigilant about maintaining our healthy financial position. Not only for today, but also for tomorrow and further ahead into the future. At Lotus Bakeries, we strive to keep our products accessible and affordable for all.

In 2023, we will continue to look for efficiency improvements and savings to combat the cost of inflation and ensure that consumer price adjustments are fair and responsible. Finding efficiency improvements is crucial, but obviously without ever compromising on the quality of our products.

LOTUS® BISCOFF® ON EVERY TABLE AROUND THE WORLD

Lotus® Biscoff® has grown by double digits again, in all major consumer markets, from North America to Europe, the Middle East and Asia. Collaborations with global players such as Nestlé or Häagen-Dazs have contributed to this and only serve to fuel the fire of our international ambition.

We are therefore very proud that Lotus® Biscoff® cookies are once again the strongest riser in the top ten of the global 'Cookie Brand Ranking'. Lotus® Biscoff® cookies rose from seventh to sixth place. The ambition for Lotus® Biscoff® to become a top 3 cookie brand in the longer term rings truer than ever before.

DOUBLE-DIGIT GROWTH FOR LOTUS™ NATURAL FOODS BRANDS

All our Lotus™ Natural Foods brands also continued to grow strongly in 2022. Not only in the United Kingdom, their home country, but also internationally, as consumers are developing more and more of a taste for our natural foods brands!

A key contributor to the international growth of Lotus™ Natural Foods in recent years is the success of BEAR in the United States. The brand was introduced there in 2018 and has become a huge success. Today, BEAR is already a leading brand in the United States in the 'Kids Fruit Snacking' category.

Our BEAR plant in South Africa is now, after Lembeke, the second largest plant within the Lotus Bakeries Group with more than 500 employees. That makes us one of the largest employers in the Ceres Valley (Western Cape province). Flemish Minister-President Jan Jambon symbolically broke the first ground during his working visit, when work on our new factory hall was started. It was a festive event, and it was heart-warming to feel the support of all local stakeholders out there.

nākd is also a strong contributor to international growth and delivered strong results in continental Europe, including France, Spain and the Netherlands.

LOCAL INVESTMENTS

The more international our company becomes, the more important it is to invest locally. This is for economic, logistical, as well as environmental reasons. We would like to express our pride in the investments we have made over the past year.

In 2022, we invested in no less than four continents. We built additional production facilities and lines for Lotus® Biscoff® in Belgium and in the United States, and we also announced our plans to start up a production facility in Thailand to further support the growth ambitions for Lotus® Biscoff® in Asia Pacific. It is quite clear that we will have to expand our capacity even further in the coming years to be able to supply this growing volume of Lotus® Biscoff® products to the growing number of markets worldwide.

In addition, we also invested in capacity expansion for Lotus™ Natural Foods in South Africa to keep up with BEAR's international success. We will also continue to invest in the production facilities of our Local Heroes in 2022, including in Sweden, France, the Netherlands and Belgium. Investments that are needed to continue to meet consumer demand today and tomorrow.

ONE LOTUS FAMILY

2022 has shown a lot of positive energy and dynamism. We will remember it as a year in which important steps were taken in our growth story, as well as an incredible sense of inter-connectivity, engagement and belonging among our employees. In the past year, it has once again been abundantly clear just what a unique family we are at Lotus Bakeries. The daily commitment, dedication, contagious enthusiasm and passion of all employees define our fantastic culture and winning mindset.

CRYSTAL CLEAR STRATEGY AND AMBITIONS

Although it may remain unclear how geopolitics and macroeconomics will evolve over the coming period, the Lotus objectives are crystal clear. As a company, we keep setting the bar higher every single year. Not only for our growth ambitions, but also in our pursuit of finding operational and logistical efficiency improvements.

Despite all the global challenges, we are investing more than ever. Why? Because we firmly believe in our strategy, in our products and in our employees who are committed day in and day out. We are already convinced that 2023 will yet again have a lot in store for us, which we will be able to look back on with a great sense of satisfaction.



Jan Boone
CEO



Jan Vander Stichele
Chairman

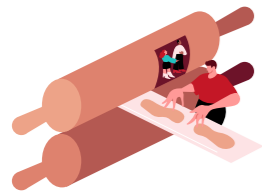


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HIGHLIGHTS 2022

SIMON MIGNOLET BECOMES NEW BRAND AMBASSADOR FOR TREK

In 2022, Red Devil and Club Bruges goalkeeper raises the brand awareness of TREK. Advertisements can be seen all year round on Belgian TV, in Belgian supermarkets and on social media.

PUBLICATION OF VERY STRONG 2021 ANNUAL RESULTS

As a group, Lotus Bakeries grew by double digits once again in 2021 and achieved a revenue of 750.3 million EUR, a growth of more than 13%.



JANUARY

NÄKD GETS NEW LOOK

Thanks to the new branding strategy and communication on the packaging, näkd's unique features come more clearly to the fore. Consumers can now see at a glance that näkd is a tasty, healthy snack made with 100% natural ingredients.

FEBRUARY

CAPACITY OF SPREAD EXPANDED IN LEMBEKE

In order to keep up with ever-growing demand, the production capacity for spread was expanded in Lembeke. This investment was necessary to support the further growth of Lotus® Biscoff®.



MARCH

VISIT FROM FLEMISH MINISTER-PRESIDENT JAN JAMBON AT LOTUS SOUTH AFRICA MANUFACTURING

The first ground for the construction of the new factory hall in South Africa is broken in the presence of Minister-President Jambon.

The ongoing investments make Lotus Bakeries one of the largest employers in the Ceres Valley (Western Cape province).

APRIL

ACQUISITION OF KUNG OSCAR BY ANNAS PEPPARKAKOR

Kung Oscar Pepparkakor is a premium, traditional Swedish Pepparkakor brand with a history dating back to 1888. The R&D and production teams have been working hard to ensure that this cookie, which is a little spicy and has a softer texture than the Annas Pepparkakor, can be produced and packaged in its own Annas factory.

HOSTING THE SUSTAINABLE ENTREPRENEURS FAIR

Employees have the opportunity to engage in dialogue with various organisations that are active in the field of sustainability. The fresh insights and possible collaborations that emerge from this will strengthen the company's sustainable mission.

ANNOUNCEMENT OF COMPLETE TAKEOVER OF ARTISANAL SOURDOUGH CRACKER COMPANY PETER'S YARD

Lotus Bakeries acquires 100% of the shares of Peter's Yard, a British artisanal sourdough company that produces a wide range of unique, delicious sourdough-based crackers, which are great as a cheese cracker or toast.



MAY

BOARDROOM CHANGE AND A FAREWELL TO MR JOHAN BOONE

After 26 years, Mr Johan Boone steps down from the Board of Directors. PMF NV, represented by Mr Emanuel Boone, is appointed as new non-executive director.

JUNE



JULY

LOTUS BAKERIES UNVEILS PRODUCTION PLANS IN ASIA

Besides investments in Europe (Belgium) and North America (US), Lotus Bakeries unveils its plans to start a Lotus® Biscoff® manufacturing facility on a third continent – Asia. The Thai ambassador to Belgium congratulated Lotus Bakeries on the plans during his visit to their headquarters.

AUGUST

STRONG 2022 HALF-YEAR RESULTS ARE PUBLISHED

In the first semester of 2022, Lotus Bakeries continued to build on last year's growth with consolidated revenue growth of 14.1%.

COURCELLES MANUFACTURING SITE EXPANDS AND GETS ADDITIONAL WAFFLE LINE

In order to also be able to follow the increasing demand for waffles, a second production hall was built in Courcelles on the same site. The extra production line increased its capacity for Liège waffles.

NEW DOUGH PREPARATION ROOM OPERATIONAL IN LEMBEKE

Lotus Bakeries also continued to invest in innovation and capacity in Belgium. This second dough room is necessary to provide additional dough preparation capacity to support the further growth of both Lotus® Biscoff® cookies and Lotus® Biscoff® spread.



NEW PRODUCTION HALL AND TWO LOTUS® BISCOFF® PRODUCTION LINES BECOME OPERATIONAL IN MEBANE

Significant investments are also made in Mebane (US) in order to follow the great success of Lotus® Biscoff® worldwide. Two new production lines are already operational in the new building and there is room to add two more in the near future.

IQBAR BECOMES THE LATEST ADDITION TO THE FF2032-PORTFOLIO

Lotus Bakeries, through its corporate venture fund FF2032, acquires a minority stake in IQBAR, an American producer of a plant-based nutrition bars containing six ingredients with benefits for the body and the mind.

SEPTEMBER

MARIE-LOUISE RAYMOND, THE HEADMASTER OF KUSASA SCHOOL, VISITS LOTUS BAKERIES OFFICE IN ST. ALBANS

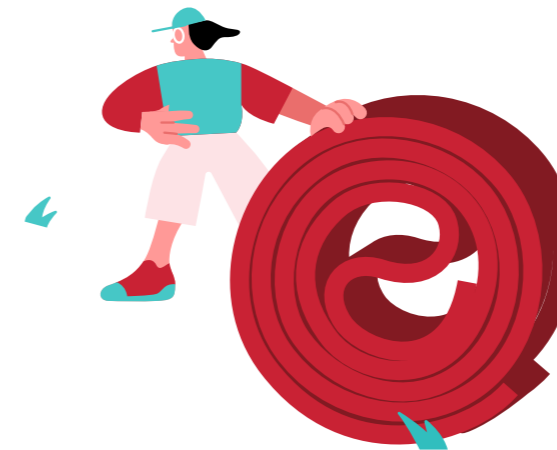
During her visit, Mrs Raymond explains to all the employees how the Kusasa Project, a South African initiative that Lotus Bakeries has supported since 2018, allows children from the region to be offered top-level education, and from there helps increase their chances of a better future.

OCTOBER

'HOUSE OF BISCOFF' GRAND OPENING

The current headquarters in Lembeke were expanded with a brand-new building called the 'House of Biscoff'. The 'House of Biscoff' offers extra space for around 40 employees, the entire ground floor is furnished with meeting rooms.

NOVEMBER



DECEMBER

16% YEAR-ON-YEAR GROWTH FOR LOTUS™ NATURAL FOODS SINCE THE FIRST ACQUISITION IN 2015

In 2022, Lotus™ 'Natural Foods' brands all continued to grow strongly and generated revenue of 175 million EUR. This represents a 24% increase from last year and a 16% year-on-year growth since acquisitions in 2015.

KEY FIGURES 2022

REVENUE: **877.5 €M** (2021: 750.3 €M)

+ 17.0%

REBIT: **140.2 €M** (2021: 123.8 €M)

+ 13.2%

NET RESULT **103.3 €M** (2021: 90.7 €M)

+ 13.8%

NET FINANCIAL DEBT **153.6 €M** (2021: 81.8 €M)

GROSS DIVIDEND **45.0 €** (2021: 40.0 €)

+ 12.5%

2,698 Employees
(2,398 in 2021)

12 Production facilities
in 6 countries

21 Sales Offices in
15 countries

50+ Countries with
commercial partners

100% External
quality certification

90% Lotus Bakeries' Palm Oil Policy
signed by palm oil suppliers¹

99.9% Code of conduct
signed by the current employees²

90.5% Code of conduct
signed by key suppliers³

¹ Palm oil producers who have signed up to the Lotus Bakeries palm oil policy or have their own palm oil policy in force that includes at least equal standards and who supply ingredients or raw materials containing at least 50% palm oil.

² An internal employee is an employee who is connected to Lotus Bakeries with an employment contract, either of unlimited duration or of limited duration.

³ Key suppliers are all of our suppliers of end products (external production), raw materials, packaging and machinery, with whom Lotus Bakeries has entered into a written contract.

IN 2022, A TOTAL OF **1,757 TONNES** OF PACKAGING WAS SAVED

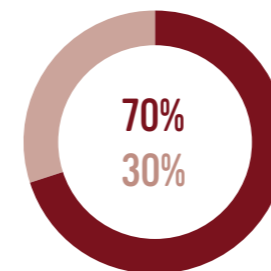
100% OF OUR OWN SITES HAVE EARNED THE CO₂-NEUTRAL LABEL

97% OF ALL LOTUS BAKERIES PACKAGING IS RECYCLABLE⁴

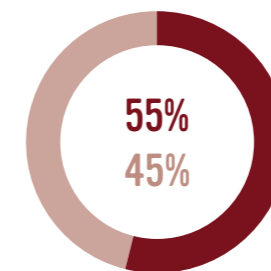
⁴ The recyclability rate is the average technical recyclability of the packaging of all Lotus Bakeries brands at the end of 2022. It takes into account consumer packaging, distribution packaging and transport packaging. The technical recyclability rate is determined per packaging component on the basis of state-of-the-art design guidelines for recyclability (Ceflex, Recyclass). The average technical recyclability is a weight average, based on the packaging weight of each packaging component.

GENDER DIVERSITY

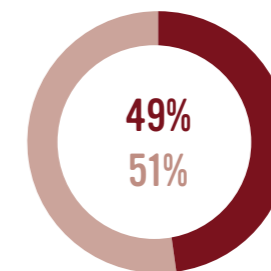
Board of Directors



Leadership Team⁵



All employees



Men
Women

⁵ The group comprising the Executive Committee, the General Managers and the Corporate Directors.

01

OUR STRATEGY

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Lotus Bakeries aims to offer every consumer a versatile range of responsible and tasty snacks for every consumption moment. The cookies, ice cream, spread, chocolate, waffles, cakes, gingerbread and natural snacks our company offers create a moment of pure joy for consumers. Lotus Bakeries wants to be an established part of consumers' daily lives, in as many countries as possible.

In order to climb to the top among global brands and achieve sustainable growth, Lotus Bakeries has a clear strategy in place. Building brands is central to this. Lotus Bakeries is active worldwide in the snacking segment with the Lotus, Lotus® Biscoff®, nākd, TREK, BEAR, Kiddylicious, Dinosaurus, Peijnenburg and Annas brands, among others. To give each of these brands, each of which has its own DNA and its own target group, sufficient focus and attention, the strategy is shaped via three pillars.

MISSION

Our mission is to create small moments of joy and happiness. We do that by offering a versatile range of branded snacks with superior taste experience. To every consumer. For every occasion. In every country.



SUPERIOR

Each of our products offers a unique taste experience. We never compromise on taste!



BRANDED

We focus on developing brands, globally and locally. Our products are recognisable due to strong brand ownership.



OMNIPRESENT

We strive to offer every consumer worldwide a snack for every occasion.



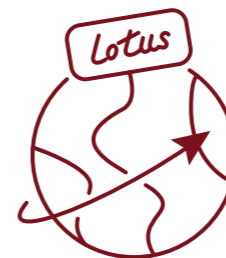
JOYFUL

With our brands, we aim to bring a (small) moment of pleasure and happiness to the lives of our consumers.



SUSTAINABLE

We focus on sustainable growth and are committed to maximising opportunities for future generations.



LOTUS® BISCOFF®

Globalisation of Lotus® Biscoff® products with Lotus® Biscoff® – ultimately – at the top of global brands.



LOTUS™ NATURAL FOODS

Investment in a strong healthy snacking business, both in our home market, the United Kingdom, and internationally.



LOTUS® LOCAL HEROES

Development of strong market positions in our home markets by continuous investments in our broad range.

VISION

Realising sustainable profitable growth by offering a versatile range of branded snacks for every consumption occasion, while maximising opportunities for generations to come via our programme

CARE FOR TODAY,
RESPECT FOR TOMORROW

> Read more on page 72



Colleagues inspect freshly baked Lotus® Biscoff® cookies

LOTUS® BISCOFF® STRATEGY

The globalisation of Lotus® Biscoff® is the first pillar of Lotus Bakeries' strategy. Lotus® Biscoff® has a highly unique but accessible flavour, with a subtle caramel touch. Lotus Bakeries believes in the universal character of its Lotus® Biscoff® cookie, and consequently its Lotus® Biscoff® spread, Lotus® Biscoff® ice cream and its own range of chocolate with Lotus® Biscoff® pieces and cream filling. The Lotus® Biscoff® taste is appreciated across national borders and cultural differences, which is quite unique in the food sector.

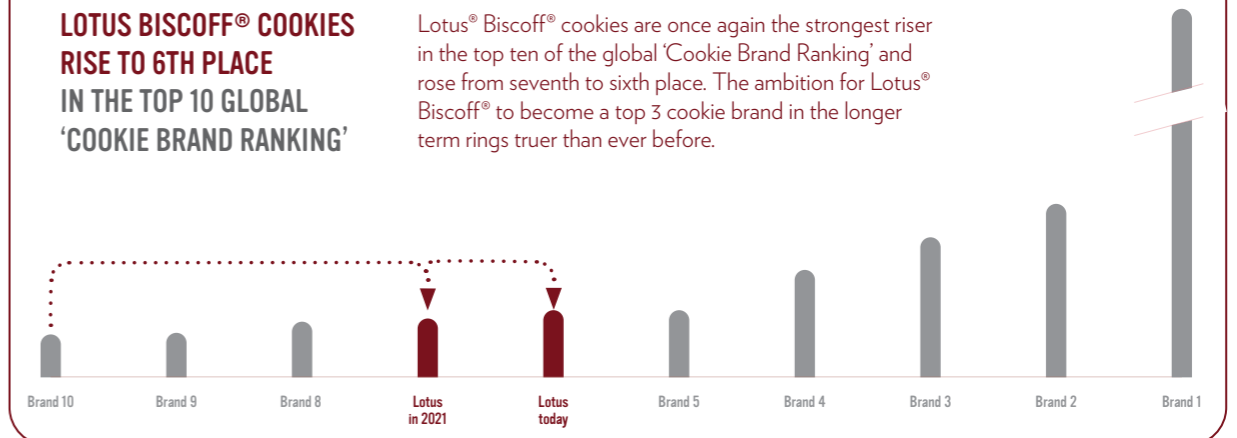
Lotus® Biscoff® is now enjoyed in about seventy countries. In years gone by, Lotus Bakeries achieved strong growth with Lotus® Biscoff® in large consumer markets such as the United States, the United Kingdom, China, South Korea, Germany, Spain, Italy, Canada, Japan and Australia. This success supports the ambition of globalisation. The geographical expansion of Lotus® Biscoff® is the primary growth area, with plenty of

further potential. To support the further internationalisation of Lotus® Biscoff®, Lotus Bakeries operates in fifteen countries with twenty-one entities with sales activities. Cooperation also takes place with local commercial partners in some fifty countries.

The main sales potential lies in supermarkets, where we highlight our products via displays and promotions. E-commerce is also gaining momentum, focusing on traditional retailers with an online channel, as well as pure online retailers such as Amazon. We are also trying to introduce Lotus® Biscoff® to consumers via the out-of-home channels (restaurants, hotels, airlines, etc.). The more households are familiar with our products, the better. Once a substantial percentage of households within a particular region consume our products, we can start advertising online and on TV to continue to grow steadily.

LOTUS BISCOFF® COOKIES RISE TO 6TH PLACE IN THE TOP 10 GLOBAL 'COOKIE BRAND RANKING'

Lotus® Biscoff® cookies are once again the strongest riser in the top ten of the global 'Cookie Brand Ranking' and rose from seventh to sixth place. The ambition for Lotus® Biscoff® to become a top 3 cookie brand in the longer term rings truer than ever before.





Pack shot United Kingdom

LOTUS® BISCOFF® COOKIE

Lotus® Biscoff® is a surprisingly crunchy cookie loved the world over for its unique, caramelised taste. A great match for a cup of coffee, a tasty treat or kitchen ingredient. It starts from the right combination of carefully selected natural ingredients. But the true magic happens in the oven, during the well-mastered caramelisation process. In fact, it is all a matter of craftsmanship.



Pack shot United Kingdom

LOTUS® BISCOFF® SANDWICH COOKIE

Lotus® Biscoff® sandwich cookie is made of two crunchy original Biscoff® cookies with a deliciously creamy chocolate, vanilla or Biscoff® filling. Launched in April 2020 in Belgium, France, the United Kingdom and the United States, this cookie is now available in more than 25 countries worldwide. And the internationalisation continues in 2022!



Pack shot United Kingdom

LOTUS® BISCOFF® SPREAD

The Lotus® Biscoff® spread is a, sweet spread with the familiar, unique taste of Lotus® Biscoff®. There are two variants: with and without crunchy Biscoff® pieces. Both variants offer a delicious alternative to traditional spreads or can be used as an ingredient in homemade pastries and desserts, such as brownies, mousses, cakes ... delicious and surprising!

For our professional customers, in 2019 we introduced Lotus® Biscoff® topping, a more liquid Lotus® Biscoff® spread in a convenient squeeze bottle. The ideal and easy finish for ice cream, pancakes, waffles ... in the out-of-home channel. Because Lotus® Biscoff® spread is also enjoyed as a snack, we added Lotus® Biscoff® ' & Go ' to the range, a combination of our delicious Lotus® Biscoff® spread and mini-breadsticks in a handy pack to eat on the go.



Pack shot United Kingdom

LOTUS® BISCOFF® ICE CREAM

The combination of Lotus® Biscoff® and ice cream is enough to make everyone melt. The Lotus® Biscoff® ice cream sticks are the driving force behind our international success. Crafted from delicious Lotus® Biscoff® ice cream, covered with a thin layer of Lotus® Biscoff® spread and finally coated in Belgian chocolate with pieces of crispy Lotus® Biscoff® cookies, they come in different versions and sizes, including both milk and white chocolate, as well as standard and mini sizes.



Pack shot United Kingdom

LOTUS® BISCOFF® CHOCOLATE

Lotus® Biscoff® chocolate enjoyed a highly successful launch in the Belgian market in 2020. It is already available in several other markets, including the Netherlands, France and the United Kingdom.

In addition to milk chocolate with crunchy Lotus® Biscoff® pieces and milk chocolate with crunchy Lotus® Biscoff® cream filling, the same variants now exist in dark and white chocolate versions.

We're sure you'll agree they taste sensational.

SPEAKING

New overarching Lotus® Biscoff® team to accelerate expansion

Jean-Paul Van Hoydonck
GLOBAL DIRECTOR BISCOFF ENGINEERING, PLANNING & CAPACITY

Eddy Thijs
GLOBAL BISCOFF ENGINEERING MANAGER

Bert Nosedá
GLOBAL BISCOFF PLANNING & LOGISTICS MANAGER

The taste of Lotus® Biscoff® is enjoyed all around the world and is now available in about 70 different countries. Around eight billion Lotus® Biscoff® biscuits come rolling out of the ovens every year, both in Mebane, the United States and in Lembeke, Belgium. With 25% global revenue growth, Lotus® Biscoff® was one of the key drivers of Lotus Bakeries' growth in 2022.

As a fast-growing company, Lotus Bakeries has a clear strategy in place with a focus on sustainable growth. For example, expansion in production capacity is crucial to keep up with the ever-increasing demand for Lotus®

Biscoff®. In that sense, Lotus Bakeries has invested heavily in production capacity in 2022. In addition to investments in Europe (Belgium) and America (United States), it also announced that it will open up a Lotus® Biscoff® manufacturing facility on a third continent – Asia – by 2026.

Since July 2022, the newly created overarching Global Biscoff Engineering, Planning & Capacity team ensures that all capacity expansions on the different continents are organised efficiently and that strategic planning provides a good understanding of the potential future capacity challenges and investment opportunities for Lotus® Biscoff®. A logical step in the growth story, given the ambitious future plans.

PRODUCTION CAPACITY LOTUS® BISCOFF® ON THREE CONTINENTS

To support further internationalisation, significant investments were made in 2022 at both the Belgian Lembeke manufacturing facility and the US Mebane facility. "In Mebane, a second production hall was built in 2022 that provides space for four Lotus® Biscoff® production lines. Two lines were also installed in that same year and have been operational since October and December. This has doubled the production capacity in the United States.

In Lembeke, the brand-new dough room was commissioned in 2022 and the production buildings were further expanded. For example, a new Lotus® Biscoff® sandwich line, a new Lotus® Biscoff® crumble filling line and an installation to expand the production capacity of the spread were introduced. Additional offices and social spaces were also provided.



Jean-Paul Van Hoydonck – Global Director Biscoff Engineering, Planning & Capacity

Despite the raw material scarcity and supply chain challenges, our colleagues managed to finalise the construction and installation of all equipment and technology at a lightning-fast pace,” says Jean-Paul Van Hoydonck, Global Director Biscoff Engineering, Planning & Capacity.

In August 2022, Lotus Bakeries announced that a new production plant for Lotus® Biscoff® will also be built in Thailand. “The Asia Pacific region has become increasingly important over the years. Both Lotus® Biscoff® cookies and Lotus® Biscoff® spread have established a growing presence in the region. At the same time, raising awareness about Lotus® Biscoff® and its availability to the hundreds of millions of consumers in this region is still in full swing. The growth potential in this region is therefore still immense,” says Jean-Paul.

GLOBAL APPROACH

“The rapid growth that Lotus® Biscoff® has achieved worldwide in recent years already encouraged our management to better identify that growth potential in the various consumer markets a few years ago. What markets do we want to tap into in the near future if we want to achieve our ambition on the different continents? With which products? And what do we actually need for this, both in terms of material and workforce? This growth trajectory is very ambitious and includes plans to achieve both the short-term and long-term objectives,” explains Jean-Paul.

“Our expansion is occurring at a fast rate and on several continents at the same time. It quickly became clear that there was a need for a centralised team that could provide support. This in terms of technical know-how

“Our expansion is occurring at a fast rate and on several continents at the same time. It quickly became clear that there was a need for a centralised team that could provide support in terms of technical know-how, in terms of planning and logistics and in terms of operational support.”

– Jean-Paul Van Hoydonck

to manage all expansion projects, in terms of planning and logistics in order to be present in about 70 countries with Lotus® Biscoff® and in terms of operational support, given the variety of product lines in the different plants.”

CENTRAL ENGINEERING TEAM

“To date, our Engineering Services department has been organised within Area Belgium and colleagues have worked on both technical systems and processes for Lotus® Biscoff® and other Lotus® products,” says Eddy Thijs, Global Biscoff Engineering Manager. “Historically, the geographic focus was on the Belgian plants. With the expansion in America, ever-increasing volumes of Lotus® Biscoff® in both production facilities, and planned start-up in Thailand, the need for a global approach and focus on Biscoff® kept increasing. The development and implementation of the technical systems and processes on the various continents will now be supported from one central team, which operates internationally.”

EFFICIENT PLANNING AND SMOOTH LOGISTICS WORLDWIDE

As a fast-growing company, it is also of vital importance to ensure a well-organised supply chain and an efficient planning. “The logistics

chain of a global player such as Lotus Bakeries spans more and more countries and continents. This also makes its management more complex. The rapid growth over the last decade, both in terms of the volume of Lotus® Biscoff® products to be produced and the number of markets to be supplied, has led to the need for even more intensive collaboration between the planning and logistics teams, our various sales offices and the production teams,” explains Bert Nosedá, Global Biscoff Planning & Logistics Manager.

“Supply and demand must be very well aligned, and this in all our different local markets. If we notice a potential imbalance, then we look at what measures we can take. This can be done, for example, by temporarily expanding shift systems in production, by optimising the timing of promotions or launches of new products or moving inventories around,” says Bert.

“The new technology applied in the recently installed packaging lines in Mebane is also periodically evaluated by the engineering team, together with the colleagues in Mebane. These insights will enable us to implement this technology in the new Thailand production facility in the future, where relevant.”

– Eddy Thijs

STRUCTURAL KNOWLEDGE EXCHANGE AND SYNERGIES

“An additional benefit of this new team is that the knowledge, expertise and skills across the continents can be shared more easily. This will improve the productivity and overall performance of our production facilities and drive efficiency gains in the future,” says Jean-Paul. “Our engineering team and the local engineering teams have virtual meetings on a regular basis to exchange information and thus continuously improve the performance of the production lines.”

“Lembeke operators and technicians will also regularly provide training to the colleagues in Mebane,” Eddy adds. “Colleagues from production with years of expertise and extensive knowledge in processing, in automation, in packaging, obviously know the ‘tricks of the trade’. But the exchange of experience is certainly a two-way street.

The new technology applied in the recently installed packaging lines in Mebane is also periodically evaluated by the engineering team, together with the colleagues in Mebane. These insights will enable us to implement this technology in the new Thailand production facility in the future, where relevant,” Eddy said.

“Consumers can already be 100% sure. No matter what continent Lotus® Biscoff® is produced on, its quality and unique, delicious taste will be identical everywhere,” concludes Jean-Paul.



Eddy Thijs – Global Biscoff Engineering Manager and Bert Noseda – Global Biscoff Planning & Logistics Manager



Colleague from the Research & Development team participates in a taste panel

LOTUS™ NATURAL FOODS STRATEGY

The internationalisation of our Lotus™ Natural Foods brands forms the second pillar of our strategy. Since 2015, Lotus Bakeries has invested in the natural and healthy snacking category with the focus on the strong brands of nākd, BEAR, TREK and Kiddylicious. As of July 2022, Peter's Yard, with a range of healthy sourdough crackers, has also become part of Lotus Bakeries.

Our aim is to create constant growth in the home market for these brands, the United Kingdom. We do so firstly through the activation of our own hero products, both at the point of sale and through targeted online marketing activities. Secondly, we make use of an ambitious innovation programme by which we strive to bring innovative products to the market in and outside the existing categories.

The geographical expansion of our Lotus™ Natural Foods brands outside the United Kingdom is another major growth area. In 2016, the first steps were taken towards further internationalisation. Today, 30% of the revenue comes from outside the United Kingdom. In 2020, Lotus Bakeries decided to accelerate this growth by centralising all international activities, brands and Global Brands at Lotus™ Natural Foods' international headquarters. Organisationally, the whole international Natural Foods team has been brought together at new offices in Baar, Switzerland.

This allows an abundance of synergies to be achieved. On the one hand, in terms of strategy, development and protection of the international brands. On the other hand, regarding the optimisation of the supply chain and sales strategies for Lotus™ Natural Foods products. Since 2021, a central E-commerce Acceleration Team and regional Amazon teams have been accelerating the group's e-commerce operations, also including Lotus™ Natural Foods, around the world. This will help drive the continuing international growth of these brands.

The nākd, BEAR, TREK, Kiddylicious and Peter's Yard brands bring healthy snacks to the market that are often disruptive in existing categories. That is the reason for the strong focus on communication to consumers about the advantages of these healthy and tasty snacks. This takes place on the packaging, at the point of sale and via video campaigns on tv and social media.



Pack shot United Kingdom

NĀKD.

nākd bars only contain fruit and nuts. Nothing else!

The nākd bars are made from 100% natural ingredients. We mix the fruits and nuts and press them together into a delicious raw bar. They contain no added sugars or other unnecessary additives and are the perfect snack for anyone who wants to eat better, healthier and more consciously, without compromising on taste. nākd comes in a wide range of surprising flavours including 'Blueberry Muffin', 'Peanut Delight' and 'Salted Caramel'. Whether you are looking for the perfect morning or afternoon snack, there is a tasty nākd bar for every occasion.



Pack shot United Kingdom

TREK

TREK is the ideal snack for people with an active lifestyle. They have an extra dose of protein and all ingredients are 100% plant-based. Moreover, they are rich in fibre. Our bars come in a variable range of 9 grams and 15 grams of protein to meet different consumer needs.

TREK Flapjacks contain 9 grams of plant-based protein. A flapjack is a tasty cereal bar made with a delicious topping. Our TREK Flapjack are available in a variety of flavours, such as 'Cacao Oatmeal', 'Salted Caramel', and 'Peanut Butter'.

TREK Power are our delicious protein bars, made with 15 grams of plant-based protein and coated in vegan chocolate. We offer these bars in a variety of flavours, such as 'Peanut Butter Crunch' and 'Millionaire Shortbread'.

Looking for a great, delicious energy boost? Then TREK is the perfect solution.



Pack shot United States

BEAR

The philosophy of the brand BEAR is simple: to offer healthy snacks that children enjoy and their parents can trust. BEAR's healthy and innovative range comprises snacks made with real fruit. BEAR only uses gently baked, freshly picked seasonal fruits to ensure that as much as possible of the fruity goodness such as fibre, minerals and vitamins is kept in the end product. The products are free from added sugars¹, concentrate, preservatives and stabilisers.

All BEAR products are not only delicious, they are fun for kids too. They are available in a variety of fun shapes, including rolls (BEAR Fruit Rolls) and paws (BEAR Fruit Minis and BEAR Paws). Each BEAR Fruit Rolls packet contains a free collectable card, so the enjoyment continues after eating a fruit roll.

¹ No low calorie food, see nutrition info for calorie and sugar content.



Pack shot United Kingdom

KIDDYLICIOUS

Delicious, nutritious snacks for the little ones are sold under the Kiddylicious brand. Snacks are an important part of the little ones' diet to help bridge the periods between meals. Offered in a variety of shapes to teach little ones how to eat independently, they come in a variety of flavours that babies and toddlers love. This allows parents to get their little ones used to all sorts of flavours and textures. Furthermore, the portion-controlled packaging increases ease of use for parents.

Kiddylicious is the first brand to expand the range of snacks to 3+ years within babyfood.



Pack shot United Kingdom

PETER'S YARD

Peter's Yard was founded in 2008 and is a bakery brand inspired by Swedish baking tradition, offering a broad range of unique, delicious sourdough-based crackers that can be enjoyed as a cheese cracker or toast.

All products in the Peter's Yard range are baked following the traditional Swedish recipe using a 45-year-old sourdough starter. Peter's Yard is fully part of the Lotus Bakeries family since the summer of 2022.

INNOVATIONS 2022

TREK PROTEIN BARS

TREK Flapjacks contain 9 grams of plant-based protein. This bar is a mixture of textures and flavours with a delicious topping. Our latest flavour among the popular Flapjacks has a delicious 'Peanut Butter' topping, a flavour that is highly sought after by people with an active lifestyle. This flavour is available in the United Kingdom as well as in the Netherlands.

TREK Power are our delicious protein bars, made with 15 grams of plant-based protein and coated in vegan chocolate. The two flavours, 'Peanut Butter Crunch' and 'Millionaire Shortbread', are on the march internationally.



Pack shot United Kingdom

**BEAR SMOOTHIE YOYO:
NOW ALSO WITH STRAWBERRY AND BANANA FLAVOUR**

For our iconic fruit rolls, we've drawn inspiration from classic smoothie flavours. The result is a deliciously soft and tasty fruit roll, mixed with gluten-free oat milk powder, with no added sugar¹ and rich in fibre. This product line is available in the United Kingdom in three flavours: peach and banana smoothie, blueberry and banana smoothie and finally strawberry and banana smoothie as the newest flavour. It's the perfect smoothie experience, but now in a fruit roll.



Pack shot United Kingdom

¹ No low calorie food, see nutrition info for calorie and sugar content.

KIDDYLICIOUS 3+ RANGE

Kiddylicious has successfully introduced snacks for toddlers within babyfood. The latest addition to the 3+ year range is the Quinoa Squares concept. These are perfect for little fingers. They are 'air-popped' to achieve the perfect crispy texture and are available in two flavours: tomato-basil and cheese flavour.

With our Kiddylicious 3+ year product line, we support retailers' ambitions to offer a broader range for toddlers and meet the demands of parents who want to give healthier alternatives to their children for a longer period of time.

Children at that age often want to decide for themselves what they eat – we are therefore keen to be able to offer them our range of healthy options from now on, to which they will wholeheartedly say “Yes!”.

The Kiddylicious 3+ year range is sold in portion-controlled packaging, making them the perfect snack for kid's lunchboxes. It also offers fun packaging to keep toddlers interested and offers a healthier alternative to traditional snacks for adults.



Pack shot United Kingdom



2022, a record year for Lotus™ Natural Foods

The strategic choice to both focus on continued growth in the home market of the Lotus™ Natural Foods brands and also on international growth outside the United Kingdom is clearly paying off. In 2022, Lotus™ Natural Foods recorded a growth in revenue of no less than 24%.

In the United Kingdom, the Lotus™ Natural Foods brands achieved double-digit growth. International operations, outside the United Kingdom, grew by more than 40% in 2022 and already represent more than 30% of Lotus™ Natural Foods' total revenue.

BEAR has had an extraordinary year in both the United States and the United Kingdom with significant growth in both revenue and market share. nākd has also achieved success in a number of countries outside its home country, including Spain.

SPEAKING

BEAR's success story in the United Kingdom

Joanna Agnew
MARKETING DIRECTOR URBAN FRESH FOODS & NATURAL BALANCE FOODS

Derren Plows
SALES DIRECTOR URBAN FRESH FOODS

In the United Kingdom, the category of healthy snacks has been on the rise for years. Lotus Bakeries has been active in the healthy snacks category since 2015 through acquisitions of strong brands such as nākd, TREK and BEAR, and adding Kiddylicious in 2018. Peter's Yard crackers were also added to the portfolio in 2022. The ambition is to strengthen the strong positions of these brands within the United Kingdom.

DOUBLE-DIGIT GROWTH FOR THE SECOND YEAR IN A ROW

BEAR achieved double-digit growth in revenue again by the end of 2022. That means BEAR has grown faster than the category and has also strengthened its market share in the 'Kids Fruit Snacking' category. The penetration rate of the BEAR products in the United Kingdom, i.e. the number of households that purchase a BEAR product at least once a year, is also growing. "One of the key factors behind the successful year for BEAR is the clear focus we set in 2022," says Joanna Agnew, Marketing Director Urban Fresh Foods & Natural Balance Foods. "This means that we have focused on the strong activation of our 'core products', anticipating post-COVID trends and investing in product innovation."



Derren Plows – Sales Director Urban Fresh Foods

WELL-THOUGHT-OUT ONLINE AND IN-STORE ACTIVATION STRATEGY

"The growth achieved is partly due to the well-thought-out 'in-store activation strategy', in which we deliberately mapped out in which stores we wanted to activate BEAR at what time of the year. Our activations and promotions with key retail partners have helped to increase the visibility of our products, both on and off the regular shop shelves. Visibility at the retail point remains the main driver for raising brand awareness.

But also the strong interaction with online activation has maximised the effectiveness of our marketing efforts over the past year. For example, our extensive online and offline plan for the 'Back to School' moment in the months of January and September was particularly successful. Our focus on young parents, who are looking for healthy and tasty lunchbox snacks, created an unprecedented sales spike of our BEAR fruit rolls (known as 'yoyos' in the United Kingdom)," continues Joanna.

"We look back on 2022 with great satisfaction regarding our 'on pack' partnership with the outdoor adventure company Go Ape!. The on pack consumer promotion on the popular BEAR fruit rolls, whereby shoppers could win tickets for the Go Ape! adventure parks with every purchase, was supported by online campaigns, on the one hand, and an extraordinarily high visibility in the stores, on the other hand. We found that this edition worked even better than the previous year." The key to success? "The timing of this campaign was also crucial. The visibility around this cooperation was intentionally planned for the summer months. Parents with young children get out and about, and so our healthy snacks are the perfect snack during such outdoor activities." says Joanna.

"It has led to increased sales of our BEAR products, even at a time of year when sales of our BEAR products have historically remained stable," adds Derren Plows, Sales Director Urban Fresh Foods. "Our net revenue in June and the summer period has never been higher!"

“We also continue to invest in BEAR by launching innovations. On the one hand, expanding our range ensures that existing consumers continue to be pleasantly surprised. On the other hand, it also tempts new consumers into trying out our products. The latter is important to us, as consumers who have tasted our BEAR products continue to buy our brand.”

– Joanna Agnew

RESPONDING TO POST-COVID TRENDS

The ways in which consumers buy and shop have changed due to COVID-19. That definitely caused them to start shopping online. A trend that has been on the rise for several years, but which the pandemic has only accelerated. “Young parents with children often have little time to go to the store or wait at the checkout. They clearly prefer to buy our BEAR products online,” says Derren.

The year 2022 is considered the first post-COVID year, and Lotus Bakeries have definitely noticed that. “Finally, there have been opportunities to see and speak to customers, partners, as well as our colleagues in person!” says Derren enthusiastically. “That is why over the past year we have put our focus on maintaining and strengthening our good relationships with both large and smaller retailers and supermarkets. While the pandemic led to a significant increase in online sales, we find that some of the consumers are also going back to their old buying habits and again finding their way to physical stores. That is why we have made every effort over the past year to properly align our plans with our retail partners and ensure that our joint initiatives were in line with the actual needs of both the category and the consumers.”

CONTINUING TO SURPRISE WITH SUCCESSFUL INNOVATIONS

“We also continue to invest in BEAR by launching innovations,” says Joanna. “For example, we launched a number of new products in 2022, including BEAR smoothie fruit rolls, inspired by classic smoothie flavours. In 2022, our iconic BEAR fruit rolls also came in new packaging formats as well as new flavours, which consumers clearly appreciated. On the one hand, expanding our range ensures that existing consumers continue to be pleasantly surprised. On the other hand, it also tempts new consumers into trying out our products. The latter is important to us, as consumers who have tasted our BEAR products continue to buy our brand.”

NEW GROWTH POTENTIAL TO UNLOCK

At the same time, there is still a lot of unexplored terrain. “The United Kingdom has around 5.5 million families with children between the ages of zero and nine. We know that around 1.5 million of these already consume our BEAR products today. But that also means that there is still a lot of potential for us to reach other families with our tasty products!”, Joanna smiles.



Joanna Agnew – Marketing Director Urban Fresh Foods and Natural Balance Foods

How exactly will that be achieved? “Among other things, by expanding the distribution points even further across different sales channels. There is certainly still potential to further expand our presence outside our already existing customer base. It is important that we offer the BEAR products no matter where the consumers are. Just look at our current retail partners, smaller supermarkets, discounters or neighbourhood stores,” says Derren.

“If we want to reach our target group effectively, we will also have to focus even more on strengthening our presence on social media in the coming years. For example, we find that parents with young children watch less TV, but are active on Facebook and Instagram. It is crucial that we are present on the media channels they spend their time on,” says Joanna.

“Most parents care about healthy nutrition for their children, so we need to inform them about the benefits of our range, in a clear way. Similarly, in the future, we should continue to draw sufficient attention to the fact that our natural BEAR products are made with real fruit and do not contain added sugars*. By providing clear information, we can help parents make better-informed choices and encourage healthy lifestyles for both them and their children,” she concludes.

*No low calorie food, see nutrition info for calorie and sugar content.

Heading to the top: nākd. wants to become Spain's biggest cereal bars brand

Els De Smet

GENERAL MANAGER SALES OFFICES EUROPE

Ton Kooi

COUNTRY MANAGER SPAIN

The situation is different in Spain. With the launch of nākd, a completely new category of healthy snacks had to be created. *"Although there is an increasing awareness of healthy food in Spain, the category of healthy snacks does not really exist yet. The classic candy category as well as the category for cereal bars can easily be found in the retail market, but until recently the range of healthy snacks was very limited,"* Els De Smet, General Manager Sales Offices Europe begins.

SUCCESS THROUGH REAL NEED

"That made it a real challenge for us in 2019 to launch the nākd brand in these markets," she explains. *"An additional challenge in Spain is that the retail market is very fragmented. Unlike some other countries, you don't have just a handful of large retailers with many outlets. But rather many different chains, with a more limited number of stores selling A brands. That meant it was not easy for us to get a foothold quickly."*

And yet, in 2022, they can look back on an incredibly good year for nākd in Spain. *"Four years ago, we sensed well that there was a real need for healthy snacks in Spain. We were the first to launch a healthy bar onto the market with nākd in 2019. We now know that it is extremely important to be the 'first mover' and to build this new category together with our out-of-home customers and retailers,"* says Els.

EXTRA BOOST THROUGH REALFOODING

But also Realfooding in Spain, also known as 'movimiento de comida real', really helped to boost our sales. This movement, whereby the supporters focus on eating food that is as natural as possible, is mainly spread through social media and particularly on Instagram. One nutritionist was so enthusiastic about the nākd bars that he started to serve as a real ambassador for the brand which has greatly boosted sales in Spain.

"From the moment this influencer promoted our nākd bars, the ball really started rolling. He spontaneously explained the composition of our natural snacks and even led his followers by the hand, so much so that he started filming in retail outlets to show them exactly where they could find our products. In a few short years, his Instagram page has become one of the most popular healthy food accounts in Spain. His account now has more than 1.7 million followers," says Ton Kooi, Country Manager Spain.

"If you know Spain has around 47 million people, you can understand how many people he is reaching with this account!" Els adds. *"Now it's a matter of, on top of those supporters who are obviously 'early adopters', taking it a step further and also reaching the greater masses with our story."*



Els De Smet – General Manager Sales Offices Europe

"Four years ago, we sensed well that there was a real need for healthy snacks in Spain. We were the first to launch a healthy bar with nākd in 2019. We now know that it is extremely important to be the 'first mover' and to build this new category together with our out-of-home customers and retailers."

– Els De Smet

SYNERGY BETWEEN ONLINE AND IN-STORE ACTIVATION

The good progress made in 2022 is certainly also due to the synergy between the online visibility and the activation in the shopping points. *"Because people had often heard about our brand online before, our strong 'second placements' also made it easy for them to find our products in the store. It was a good way to also get other shoppers to discover our products, and it certainly helped to increase our market penetration. Thanks to a strong promotional plan, together with our retail partners, we managed to close the year with particularly good sales figures. Which in turn opens doors to be included in the product range of other Spanish retailers as well,"* explains Ton.



Ton Kooi – Country Manager Spain

EXPANDED RANGE

In 2019, the nākd range in Spain consisted of three different flavours. Two new flavours were added in 2020 and in the summer of 2022, the product range was further expanded with two additional flavours. “We have found that expanding our range has each time led to more sales and has therefore been a real driver of more sales in Spain. Consumers clearly appreciate variety,” says Ton.

In the past year, in addition to the introduction of new flavours, Lotus Bakeries has also made significant efforts to expand its distribution channels, particularly in the airports and major train stations in Spain. “These are high-traffic locations, not only for Spaniards, but also for tourists. As a result of the recovery of the tourism sector, our sales increased significantly. nākd is now being sold at all major Spanish airports, such as Mallorca, Madrid or Barcelona, at various shopping points,” says Ton. “Particularly in the Canary Islands, sales of our nākd bars are disproportionately high. The large proportion of British tourists, who already know our brand well, probably plays a role in this,” explains Els.

SPAIN'S LARGEST CEREAL BARS BRAND

“We were really only able to glimpse this year what a huge potential nākd still has in Spain,” says Els. “This has only added more fuel to our ambition. We want to become the largest cereal bars brand in Spain. There is certainly still a lot of work to be done, but we are well launched and are heading for continued success in the future!”

PETER'S YARD, THE NEWEST MEMBER OF THE LOTUS™ NATURAL FOODS FAMILY

Twan Thorn
MANAGING DIRECTOR KIDDYLICIOUS
Jean-Baptiste Robert
MANAGING DIRECTOR PETER'S YARD

Peter's Yard, a brand of tasty sourdough crackers based exclusively on natural ingredients, has been part of Lotus Bakeries since July 2022. Meet our newest addition to the Lotus™ Natural Foods portfolio.

Swedish tradition meets British craftsmanship, 100% natural quality ingredients and time. These are the secret elements that make Peter's Yard's artisanal sourdough crackers so unique.

“All products in the Peter's Yard range are prepared according to the traditional Swedish recipe using a 45-year-old sourdough starter, which is slowly fermented for 16 hours. That is exactly what brings out the taste and crispiness,” starts Jean-Baptiste Robert, Managing Director of Peter's Yard, enthusiastically. “Peter's Yard has a wide range of crackers and flatbreads that can be used as toast, as an alternative to bread or just as a healthy snack. The crackers and flatbreads come in different flavours and sizes and there is also a ‘Selection Box’ on the market, which offers consumers a mix of all Peter's Yard products.”

PROMISING GROWTH COMPANY

The potential of Peter's Yard is beyond question; a unique product proposition in a large category, the revenue growth of recent years, supplemented by the expertise Lotus Bakeries adds in terms of distribution, marketing and production.

“The market penetration rate of Peter's Yard in the United Kingdom is still modest at this point, but the potential is enormous,” says Jean-Baptiste. “Over the past year, Peter's Yard has been the fastest growing brand in its category in the United Kingdom. We are at the start of an incredibly beautiful growth story. There are already some strong players, such as Jacobs, Carrs or Ryvita, who have built up the category of savoury snacks. But this category is particularly large in the United Kingdom and continues to grow.”

“The strength of the Peter's Yard brand mainly lies in the superior taste and crispiness of the products. Building on the brand's strong foundation, we believe we can leverage Lotus Bakeries' expertise and experience to further accelerate Peter's Yard's growth,” adds Twan Thorn, Managing Director of Kiddylicious. “And the ambitions are particularly high. With Peter's Yard, we want to be United Kingdom's best-known and best-rated sourdough cracker brand.”

MORE DISTRIBUTION CHANNELS

In order to achieve these objectives, a sustainable growth plan was drawn up. This plan focuses on increasing brand awareness on the one hand and strengthening the distribution channels for Peter's Yard on the other.

“Specialist shops have always been important sales channels for Peter's Yard,” says Jean-Baptiste. “We are well represented in the best cheesemongers and farm shops in the United Kingdom. They are among the most powerful ambassadors for our brand and we will certainly continue to strengthen these relationships in the future. But if we want to make it quicker and easier for new customers to find our products, we will have to use more and also different distribution channels.”

“Over the past year, Peter’s Yard has been the fastest growing brand in its category in the United Kingdom. We are at the start of an incredibly beautiful growth story.”

– Jean-Baptiste Robert

“Peter’s Yard experienced strong growth in the retail channel in 2022. Retailers like Sainsbury and Waitrose offer a wide range of Peter’s Yard products and the brand has particularly good rotations. These successful steps, in such a short time, confirm our belief in the brand,” Twan adds.

In addition, it is precisely in the area of distribution that Lotus Bakeries can add value. *“We are confident that the distribution network, contacts and experience of the Lotus teams will help take the brand to the next level,”* says Jean-Baptiste. *“Our goal now is to expand the distribution for our ‘hero’ products, being the crackers, flatbreads and the ‘Selection Box’, in the short term.”*

“The initial focus will mainly be on the further acceleration of the growth of Peter’s Yard products in the United Kingdom. Should steps be taken to the international markets in time, the network and experience of Lotus Bakeries will also be of great added value,” says Twan.

Management is already confident in the cooperation between the two teams. In the past three years, Twan and Jean-Baptiste, as Managing Director Kiddylicious and Commercial Director Kiddylicious, respectively, have succeeded in growing the Kiddylicious brand to become the largest

‘Baby Finger Food’ brand category in the United Kingdom. It is up to them to now also continue to write the success story of the Peter’s Yard brand.

OPTIMISING PRODUCTION CAPACITY

In view of this growth story, further investment will also have to be made in production capacity. *“We currently have one production line, but we are looking at how we can optimise the production on this line. In addition, we are mapping out what additional capacity will be needed to track and support future growth,”* says Jean-Baptiste. *“Optimising the current production capacity on the one hand and investing in additional capacity on the other are both important aspects to ensure Peter’s Yard’s future growth and success.”*

GREAT ADDITION TO LOTUS™ NATURAL FOODS PORTFOLIO

Lotus Bakeries wants to offer every consumer a diverse range of healthy and tasty snacks for every moment of the day. Peter’s Yard is therefore a great addition to the existing portfolio of Lotus™ Natural Foods.

Lotus Bakeries had already acquired an interest in Peter’s Yard through the Fast Forward 2032 investment fund. FF2032 invests in promising brands and growth companies that develop innovative products,



Twan Thorn — Managing Director Kiddylicious and **Jean-Baptiste Robert** — Managing Director Peter’s Yard

technologies or market approaches in the broader food and beverage sector, focusing heavily on the ‘better-for-you’ segment. Peter’s Yard was the first minority holding and has been owned by Lotus Bakeries since summer.

“This has given us the opportunity to first work with the founders for multiple years and get to know the brand really well before being at the wheel ourselves,” says Jean-Baptiste. *“It was a real pleasure to be able to work with them throughout those years. Our team is now all set to continue writing Peter’s Yard’s beautiful story for the future!”*

“With Peter’s Yard, we want to be United Kingdom’s best-known and best-rated sourdough cracker brand.”

– Twan Thorn



Meticulous verification of the Lotu Madeleine dimensions

LOTUS® LOCAL HEROES STRATEGY

The local 'hero' products or 'Lotus® Local Heroes' form the third pillar of Lotus Bakeries' strategy. We are present in Belgium, the Netherlands, France and Sweden with a wide range of local 'hero' products: biscuits, waffles, cakes and gingerbread. We want to develop these already strong market positions by investing continuously in this wide range. In this way, Lotus Bakeries strengthens its position as market leader in the relevant subsegments.

Our belief in 'hero' products is great. It is no coincidence that, when making acquisitions, Lotus Bakeries has always focused on companies with a strong brand, exceptional products and a strong market position in the home market of the company concerned. We are firmly convinced that, by paying attention to these local 'hero' brands in their home market, we can make these products even more successful.



Pack shot Belgium

LOTUS® CAKE

The Lotus® cake range comprises a wide range of cake specialties, including the hero concepts Frangipane, Madeleine, Tartélice and Zebra. They are all fabulous quality products to enjoy at home or on the go.



Pack shot Belgium

DINOSAURUS

Don't we all know the deliciously crunchy cookies shaped like different dinosaurs. Lotus® Dinosaurus cookies inspire young and old to explore the world, try new things and let their imagination run wild.

The basic version of the popular Dinosaurus cookies comes in three flavours – milk chocolate, dark chocolate and whole wheat. They are available in a mini-version too. The range also includes Lotus® Dinosaurus filled, a crunchy round cookie with a light filling of Belgian milk or dark chocolate. Since 2021, the round stuffed Dinosaurus cookies are also available in a smaller version and with a vanilla or milk chocolate filling.



Pack shot Belgium

LOTUS® WAFFLES

In Belgium and France, Lotus Bakeries continues to offer an extensive range of waffles. In Belgium, the waffles are marketed under the brand name Lotus® Suzy, with as its figurehead the young lady of the same name who promotes the waffles from her retro van, winning many hearts in the process. Suzy is the brand name of the divine Liège Waffles, Vanilla Waffles, and since 2020 also Soft Waffles from Lotus®.

In any case, the members of the Lotus® waffle family have one thing in common: they all stand out thanks to their high quality, taste and texture.



Pack shot the Netherlands

PEIJNENBURG

As a brand, Peijnenburg stands for simple enjoyment every day.

Peijnenburg gingerbread has been baked at Geldrop in the Netherlands since 1883. Over the years, the bakery grew into a fully-fledged factory. In 1983, one hundred years of craftsmanship were crowned with the title 'Koninklijke' or Royal. With its unique flavour, traditional baking and preparation process using nutritious ingredients, Peijnenburg is reliable choice.

Peijnenburg Zero is made without added sugars, with specially selected and nutritious rye, making it high in fibre and low in fat. A delicious snack with a special blend of only a few natural ingredients, a unique spice mix and a soft structure.



Pack shot the Netherlands

SNELLE JELLE

Snelle Jelle stands for energy, adventure and challenges.

The brand has marketed delicious gingerbread since 2002. This tasty rye gingerbread snack that's handy to eat on the go is packed full of energy. A spicy gingerbread with a unique twist that inspires young and old to keep going.

The brand houses a range of filling bars, packed with energy, also available in several flavours. There are also bars in handy formats for snacking on the go and a no added sugar version, Snelle Jelle Zero.



Pack shot Sweden

ANNAS

The Annas brand dates from 1929, the year in which Anna and Emma Karlsson opened their bakery near Stockholm (Sweden). There they baked the typical Swedish speciality, of Pepparkakor biscuits: thin, crunchy biscuits flavoured with ginger and cinnamon.

In the home markets of Sweden and Finland, Annas is the most beloved Pepparkakor brand, but it is also sold to more than 20 other countries worldwide.

Today there are several traditional taste variations as well as limited editions. Annas also markets special Annas Pepparkakor houses, which are traditionally assembled and decorated by the whole family. Although Annas Pepparkakor cookies are available all year round, in Scandinavia they are especially popular during the Christmas period.

INNOVATIONS 2022

LOTUS® TARTÉLICE LEMON

In 2022, Lotus® Tartélice lemon, a soft cake with a deliciously refreshing note, was added to the range. Treat yourself to this smooth cake tart with a delicate lemon aroma and a nice layer of lemon marmalade. The perfect snack or dessert to enjoy at home or on the go.



Pack shot Belgium

ANNAS STRENGTHENS MARKET POSITION WITH ACQUISITION OF KUNG OSCAR

To further strengthen its position as ginger cookie market leader in Scandinavia, Annas acquired the Kung Oscar brand in 2022, a beloved brand in Sweden since 1923. Kung Oscar Pepparkakor is well seasoned with its characteristic taste of ginger, cinnamon and cloves. Together with Annas, the two brands complement each other perfectly, targeting different consumers.



Pack shot Sweden

ANNAS NOW ALSO AVAILABLE WITH BELGIAN CHOCOLATE

In 2022, Annas expanded its range and launched Annas Original Milk Chocolate. This new product combines high-quality Belgian chocolate with crispy pieces of Annas Pepparkakor. A true taste sensation that consumers love!



Pack shot Sweden

ANNAS LIMITED EDITION 2022 WITH APPLE PIE FLAVOUR

For eight years in a row, Annas has always launched one new and 'Limited Edition' flavour. In 2022, the taste of äppelpaj (apple pie) was developed. A delicious combination of Pepparkakor with apple and vanilla to create a real taste sensation of freshly baked apple pie. A delicious winter classic!



Pack shot Sweden

Expansion of Courcelles production site to keep up with demand for waffles

Hervé Springael PLANT MANAGER OF COURCELLES

Lotus Bakeries offers an extensive range of waffles: Liège waffles, vanilla waffles, soft waffles, filled waffles and crispy galettes. The production facility where these Lotus® waffles are baked is located in Courcelles, situated in the Belgian province of Hainaut. Hervé Springael, the Plant Manager at Courcelles, proudly looks back on the completed expansion at the manufacturing site.

STRENGTHEN MARKET POSITION

Since the end of 2016, the entire production of waffles has been centralised at the Courcelles site. In order to build on the already strong market position, continuous investments are also made in this range. Lotus® waffles have seen solid growth in recent years, so it's the optimum timing for the expansion.

"In the current building, we were simply at our limit if we wanted to continue to serve our customers on time and to be ready to face the future," says Hervé Springael, Plant Manager Courcelles. *"We are seeing our sales increasing further every year, especially those of the Liège waffles. Thanks to previous adjustments to the work organisation, it was still possible to boost the production. For example, the usage of the*

"Only an extra production line would ensure that we could increase capacity and produce additional volumes of Liège waffles."

– Hervé Springael

production lines was optimised to the maximum, as was the deployment of the teams. But all the lines are now running continuously, 24/7, partly thanks to the weekend shifts. So only an extra production line would ensure that we could increase capacity and produce additional volumes of Liège waffles."

NEW PRODUCTION HALL AND ADDITIONAL LINE

Work on the new production hall commenced at the end of 2021. By September 2022, the main works on the hall had been completed, and the installation of the additional production line could get underway.

The brand-new expansion, measuring more than 6,000 m² in total, is located on the same plot as the existing production site and makes it a third larger than its existing surface area. The new hall includes space for new production lines, a new warehouse to store raw materials, a technical space for all utilities, as well as a storage area for packaging materials. *"At present, one additional line for Liège waffles has been installed in the new production area, but there is space for at least a second one. This additional line brings the total to four production lines for Liège waffles in Courcelles,"* Hervé continues.



Hervé Springael – Plant Manager of Courcelles

A lot of emphasis was placed on pleasant and energy-efficient LED lighting and maintenance-friendly materials.

SOLUTIONS TO MEET DEADLINES

However, the expansions experienced their fair share of setbacks. The ongoing global supply chain problems and limitations in the supply of parts and materials, including the unexpectedly quick recovery of the global economy after the pandemic and the ongoing war in Ukraine, created challenges.

“The delivery times of building materials were longer than initially promised and we had to wait for specific electronic components for our equipment. Components that were critical in order to start the new line. These external factors did not always make it easy to follow the predetermined schedule. Fortunately, both the Engineering department colleagues, the Courcelles team and our suppliers were always able to find solutions and we managed to deliver on our promises to our commercial colleagues and to our customers,” Hervé explains.

SYNERGIES THROUGH TEAMWORK

What was the big secret to the success of this impressive piece of work? *“The tremendous flexibility that our colleagues in the organisation have demonstrated and the excellent collaboration between the different teams,”* Hervé answers without hesitation. Installing advanced and high-tech equipment for waffle production and packaging lines requires a lot of expertise and experience. And that is exactly what the various teams put in to achieve this project together.

“The colleagues from Courcelles have the knowledge and experience with the equipment and processes at the site, while the Engineering colleagues offered added value thanks to their specific expertise on the product, energy or packaging. Each problem or challenge could be approached from multiple angles and therefore could be solved much more quickly. We can really say that the synergy between the two teams has had a very positive effect. The fact that, despite everything, they succeeded in getting the line operational is the best proof of that. Well done for this achievement!”

“The capacity expansion offers numerous new opportunities to be able to attract new consumers and to continue to inspire existing ones.”

– Hervé Springael

READY FOR THE FUTURE

In addition to a new building and machinery, manpower has also increased. The workforce in Courcelles has more than doubled in the course of seven years. The Lotus team in Courcelles now has more than 220 employees, who together ensure that the high-quality waffles are in high demand, in particular in Belgium and France.

“We very much welcome the future of Courcelles! The capacity expansion offers numerous new opportunities to be able to attract new consumers and to continue to inspire existing ones,” concludes Hervé.

02

OUR SUSTAINABILITY PROGRAMME CARE FOR TODAY, RESPECT FOR TOMORROW

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OUR SUSTAINABILITY AMBITION

Lotus Bakeries plans to grow by offering a varied range of branded snacks for every moment of the day. Lotus Bakeries' vision is that the Group must not only be profitable, but also sustainable, maximising opportunities for the next generations.

Our 'Care for Today, Respect for Tomorrow' sustainability strategy is an integral part of our vision and of our business strategy, which is based on three pillars: environment, employees and community.

In 2022, we took another great step towards realising our concrete ambitions within each of the pillars:

1. OUR ENVIRONMENT

We are committed to the environment and to help fight against global warming. We aim to reduce our ecological footprint in everything we do.

We have further developed our commitment to market only recyclable packaging for all our brands and are well on our way to achieving our goals. Furthermore, we have again made efforts to significantly reduce the weight of packaging we bring to the market.

Regarding CO₂ emissions, all sites under our management are carbon neutral. We also signed the Commitment Letter of the Science Based Target initiative (SBTi), with which we are committed to formulating science-based reduction objectives in line with the SBTi Criteria and Recommendations, in order to limit global warming to 1.5 degrees Celsius above pre-industrial levels.

2. OUR EMPLOYEES

We have an inclusive and non-discriminatory recruitment policy aimed at attracting a diversified and talented group of people who like us share and cherish our TOP values. We aim for long-term employment and offer our employees a pleasant, challenging, inspiring and safe working environment.

In 2022, we achieved excellent additional job creation. We use development, constant challenge and training to ensure our employees feel at home at Lotus Bakeries and can continue to develop themselves.

3. OUR COMMUNITY

We also actively accept our social responsibility. By implementing our internal Code of Conduct and the Supplier Code of Conduct, we guarantee ethical business practices throughout the organisation. This is always a given and embedded in our business processes. For example, considering the geopolitical situation in 2022, there was an increased focus on being mindful of our existing export policy in light of the international restrictions.

With our Foundation for Education we contribute to prospects for future generations through carefully chosen education and training projects. In 2022, Lotus Bakeries expanded its initiatives, with support to, among others, Gammol, a non-profit organisation in Gambia focused on education and healthcare, and to the Youth Talent Atelier TAJO, aimed at socially vulnerable young people in the region of Ghent and Kortrijk (Belgium).

In March 2021 we underlined our sustainability ambition by endorsing the UN Global Compact. Since then, we have renewed this commitment annually. In June 2022, Lotus Bakeries reported for the first time on the progress of its efforts in the 'Communication on Progress Report 2021'.



Jan Boone – CEO



Cycling to work

OUR SUSTAINABILITY STRATEGY

Lotus Bakeries' sustainability strategy rests on three pillars: our environment, our employees and our community. We aim for good corporate governance in each pillar and set specific targets and priorities that will contribute to the realization of our sustainability objectives.

AMBITIONS

ENVIRONMENT

We are committed to the environment and to help fight against global warming. In everything we undertake, we strive to reduce our ecological footprint.



EMPLOYEES

We have a recruitment policy aimed at attracting a diversified and talented group of people who share our TOP values. We aim for long-term employment and offer our employees a pleasant, challenging, inspiring and safe working environment.



COMMUNITY

We actively take up our social responsibility. We guarantee ethical business practices throughout the organisation. With our Foundation for Education we support educational projects and help build a future for generations to come.



GOVERNANCE AND REPORTING

Lotus Bakeries' 'Care for Today, Respect for Tomorrow' sustainability strategy is the responsibility of the Executive Committee (EXCO).

The EXCO reports regularly to the Board of Directors on the different priorities and actions. In addition to various HR topics and the cybersecurity strategy, given the geopolitical and macroeconomic developments, the availability of raw materials and the energy policy were also high up on the agenda.

In order to increase transparency in our reporting, we have been publishing a GRI report since 2021 that can be found on our website:

<https://www.lotusbakeries.com/reporting-disclosure>

The GRI report is part of the ESG compilation report. This full report can also be found on the Lotus Bakeries website:

<https://www.lotusbakeries.com/reporting-disclosure>

TOP 20 SUSTAINABILITY PRIORITIES

A materiality assessment helps determine which topics are important to both the company and its stakeholders. It is important to also involve our stakeholders in our sustainability ambition and programme and to give them input. Lotus Bakeries conducts a full review of sustainability priorities on a periodic basis to ensure that all developments are reflected both inside and outside the company. The starting point was a questionnaire that was based on the pillars and existing priorities of our sustainability programme on the one hand and, on the other hand, was inspired by developments and priorities within the broader sustainability domain. These questions were submitted to a relevant group of stakeholders and the EXCO.

The materiality assessment thus defined the following top 20 sustainability priorities. The relevance and importance of these topics are confirmed on a periodic basis and updated as necessary.

Top 20 sustainability priorities

ENVIRONMENT

- Procurement and traceability
- Energy consumption
- Waste reduction
- Climate change
- Water consumption and treatment

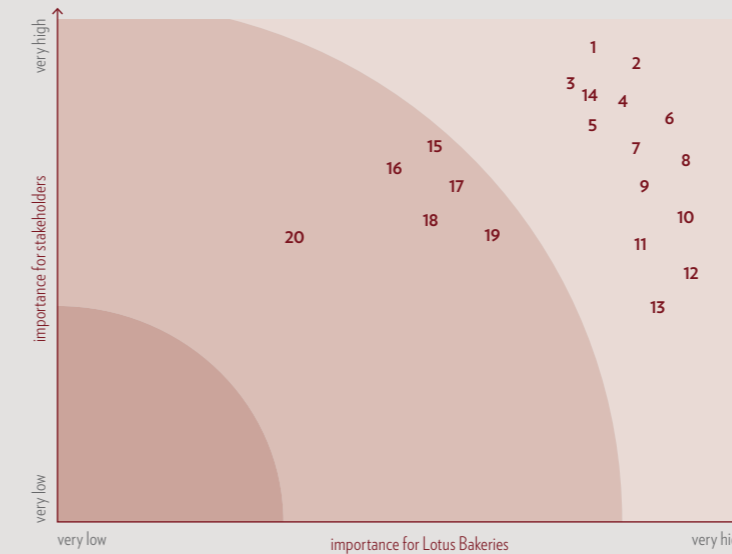
EMPLOYEE

- Corporate culture
- Diversity
- Employee well-being

COMMUNITY

- Food safety
- Financially sound company
- Long-term strategy
- Taste experience
- Balanced product portfolio
- Nutritional aspects
- Consumer packaging
- Corporate governance
- Education for all
- Sustainability reporting
- Code of Conduct
- Local involvement

Our materiality matrix



- 1 Food safety
- 2 Financially sound company
- 3 Long-term strategy
- 4 Procurement and traceability
- 5 Taste experience
- 6 Balanced portfolio of products
- 7 Nutritional aspects
- 8 Consumer packaging
- 9 Corporate governance
- 10 Corporate culture
- 11 Diversity
- 12 Education for all
- 13 Employee well-being
- 14 Energy consumption
- 15 Waste reduction
- 16 Climate change
- 17 Sustainability reporting
- 18 Code of Conduct
- 19 Local involvement
- 20 Water consumption and treatment

UN GLOBAL COMPACT OF THE UNITED NATIONS

In March 2021 Lotus Bakeries was accepted as a member of the UN Global Compact of the United Nations. The UN Global Compact is a global sustainability initiative for businesses set up by the United Nations. As a result, Lotus Bakeries is committed to upholding the Ten Principles¹ of the United Nations in the area of human rights, working conditions, environment and anti-corruption and to ensure they form part of its strategy, culture and daily activities. Lotus Bakeries is also committed to supporting projects that promote the broader development goals of the United Nations, in particular the 17 sustainable development goals or SDGs. Our participation in the UN Global Compact also means that we renew our commitment annually and report on the progress of our efforts to implement the Ten Principles.

¹ Businesses must support and respect the internationally proclaimed human rights; Businesses must ensure they are not complicit in human rights abuses; Businesses must uphold freedom of association and the right to collective bargaining; The elimination of all forms of forced or compulsory labour; The effective abolition of child labour; The elimination of discrimination in respect of employment and occupation; The supporting of a precautionary approach to environmental challenges; Undertaking initiatives to promote greater environmental responsibility; Encouraging the development and diffusion of environmentally friendly technologies; Businesses should work against all forms of corruption, including extortion and bribery.

Sustainable Development Goals of the United Nations

Lotus Bakeries uses the Sustainable Development Goals (SDGs) of the United Nations as a framework and guide in determining its sustainability strategy, its priorities and its action plans. The SDGs were adopted by the General Meeting of the United Nations in 2015 and consist of 17 goals, to be achieved by 2030.

As a business our contribution focuses on those goals on which we as Lotus Bakeries can have the greatest and most direct impact. The SDGs that are directly supported by the priorities we have set in our sustainability strategy are set out in the discussion of the three pillars further in this chapter.



OUR SUSTAINABILITY IN ACTION

In the report below, Lotus Bakeries aims to communicate transparently what the Group actually achieved in 2022 within its three sustainability pillars: environment, employee and community.

This 'Care for Today, Respect for Tomorrow' chapter contains a set of indicators related to our three pillars of sustainability. A selection of indicators has been validated by PwC Bedrijfsrevisoren BV. The validation was carried out in accordance with the International Standard on Assurance Engagements (ISAE) 3000, a model developed to provide assurance for non-financial data.

The assurance indicators are marked throughout the text by

For the assurance report relating to the attested indicators for the year as per 31 December 2022, please refer to p. 140 of this annual report.

For the assurance report relating to the attested indicators for the year as per 31 December 2020 and 2021 please refer to p. 99 of the 2020 annual report and p. 138 of the 2021 annual report.

LOTUS BAKERIES IS PART OF THE EURONEXT BEL® ESG

The new BEL®ESG index was launched on February 15, 2023. This new index consists of companies from the BEL®20 and the BEL®Mid that have demonstrated strong ESG practices. For index market data, Euronext has partnered with Sustainalytics, a leading global provider of ESG research, ratings and data. The ESG rating of companies by Sustainalytics is the basis of the composition of the index. The Euronext BEL® ESG is designed to fully comply with the 'Towards sustainability' label of the Central Labelling Agency, a high-quality standard for sustainable financial products, such as indices and funds.

Lotus Bakeries was one of 20 companies that were part of the Euronext BEL®ESG on the launch date.

LOTUS BAKERIES IN TOP 5% OF 'PACKAGED FOOD COMPANIES'

In Sustainalytics' rating, an independent company specialising in ESG research and ratings, Lotus Bakeries is ranked among the top 5% of the 'packaged food companies' they rated. For more information: <https://www.sustainalytics.com/>.





ENVIRONMENT: 2022 AMBITIONS & ACHIEVEMENTS

Lotus Bakeries is committed to the environment and the fight against global warming. We aim to reduce our ecological footprint in everything we do.

LOTUS BAKERIES' AMBITIONS WITHIN THE ENVIRONMENT PILLAR FOCUS ON TWO DOMAINS THAT IT CONSIDERS MOST RELEVANT WITHIN ITS ACTIVITIES:

SUSTAINABLE PACKAGING



CARBON FOOTPRINT



PACKAGING	UNIT	2022	2021	2020
Packaging-to-Product Ratio	g/kg product	166	179	175
Reduction of plastic	tonnes/year	62	22	19
Reduction of glass	tonnes/year	1,120		
Reduction of cardboard	tonnes/year	526		
% SKUs with 100% recyclable packaging	%	81	73	70
% of packaging of all Lotus Bakeries brands that is recyclable ¹	%	97 ✓	97 ✓	97
Use of recycled cardboard	%	80	75	77
Use of cardboard with the 'sustainable managed forest' guarantee	%	78	76	77

CARBON FOOTPRINT	UNIT	2022	2021	2020
% of our owned sites that have earned the CO ₂ -neutral label	%	100 ✓	100 ✓	100 ✓
Output of scope 1 & 2 CO ₂ equivalent emissions per tonne produced on our owned sites ³	kgCO ₂ e/tonne	170 ✓	163 ✓	145 ⁴ ✓
Output of scope 1 & 2 CO ₂ equivalent emissions per tonne produced on our owned sites, excluding own transport ³	kgCO ₂ e/tonne	161 ✓	156 ✓	139 ⁴ ✓
Energy consumption per tonne	kWh/tonne	1,074	1,064	1,071 ⁴
Kg of waste per tonne generated ²	kg/tonne	60 ✓	63 ✓	54 ✓

¹The recyclability rate is the average technical recyclability of the packaging of all Lotus Bakeries brands by the end of 2022. It takes into account consumer packaging, distribution packaging and transport packaging. The technical recyclability rate is determined per packaging component on the basis of state-of-the-art design guidelines for recyclability (Ceflex, Recyclclass). The average technical recyclability is a weight average, based on the packaging weight of each packaging component.

²This concerns residual waste, production waste, grease, paper and cardboard at our owned sites. Tonnes produced includes the produced volumes of margarine plant.

³As from 2022, this includes company vehicles from the site in Comines.

⁴Following an analysis within the ESG project, the calculation of the external consultant was refined. The additional CO₂e emissions were compensated with additional certificates so that 100% CO₂ neutrality was maintained.



SUSTAINABLE PACKAGING

LOTUS BAKERIES' VISION OF PACKAGING

1. We only want to offer our consumers products of the highest product quality and with a superior taste experience.
2. That is why we must protect our products: packaging allows us to combat food waste and guarantee food safety.
3. We aim to make our packaging as sustainable as possible and are committed to reducing our packaging carbon footprint.

In this context, Lotus Bakeries has formulated a packaging strategy that focuses on the reduction of packaging, using innovative design and investment in circularity.

Our commitment

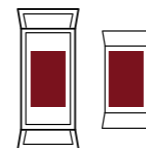
Lotus Bakeries is committed to designing all its packaging for all its brands to be technically recyclable by 2025.

The purpose of our packaging is to protect the product and guarantee food safety. Both en route to the retailer and from the shop shelf to the consumer's pantry, up to the time of consumption. To guarantee the taste experience and product quality, we must package our product to create a barrier against external influences.

High-quality packaging also ensures that Lotus Bakeries' products have a longer shelf life and therefore helps prevent food waste, an issue as

equally concerning as packaging waste. It is estimated that 1/3rd of food products produced globally is lost through food waste, mainly at the point of sale and once it reaches the consumer.

At the same time Lotus Bakeries recognises the problems relating to the use of packaging, including marine pollution, carbon emissions and the use of non-renewable resources. Lotus Bakeries shares this concern and is keen to accept its responsibility in making the transition from the current linear economy, where packaging is produced, used and thrown away, to a circular economy, in which materials are kept in circulation.



REDUCE WHAT WE USE



DESIGN FOR TOMORROW



AIM FOR CIRCULARITY

Reduce what we use

The ideal packaging contains as little packaging material as possible, without loss of flavour or freshness. In 2022, Lotus Bakeries continued its efforts to innovate its packaging, with the goal of using as little material as possible. In so doing we pay the utmost attention to ensuring a superior taste experience for the consumer while minimising food waste. There is a delicate balance between using as little material as possible for the environment and yet enough material to be able to fully protect our products.

In 2022, Lotus Bakeries was able to realise a number of projects to further limit the packaging weight it brings to the market.

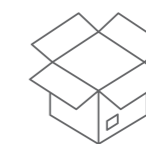
Through various reductions, across the entire product portfolio, a total of approximately **1,757 tonnes of packaging was saved in 2022 compared to 2021** in the different material types and packaging categories. Less material also means less weight and volume, which in turn has a positive effect on reducing container transport and the related CO₂ emissions.



PLASTIC
-62 TONNES



GLASS
-1,120 TONNES



CARDBOARD
-526 TONNES



OTHER
-49 TONNES

PLASTIC



Reduction in thickness and size of plastic packaging

In 2022, we also continued to look for ways to minimise the packaging weight placed on the market.

For example, Lotus Bakeries succeeded in making the Lotus® Biscoff® 2-piece packaging even thinner in 2022, without compromising on quality. After extensive research, a suitable method was found to implement a similar reduction on the larger packages as well. The roll-out for this is scheduled for 2023. The bundle packaging around the Lotus® Biscoff® chocolate was also made even thinner in 2022.

In 2022, Lotus Bakeries was able to make the nākd bar wrappers sit even tighter around the bars. Such a measure also ensures that less packaging material is required per bar.

The BEAR wrappers were also changed to recyclable material in 2022, which significantly reduces the amount of packaging brought onto the market.

CARDBOARD



Thinning of cardboard packaging

Besides plastic, Lotus Bakeries also tries to use as little cardboard as possible. Where possible, recycled paper fibres are used. In 2021, thinner materials were already being used for the cardboard packaging of the Lotus® Biscoff® 300-piece box. Based on that success, the cardboard packaging containing the Lotus® Biscoff® 250gx10 was also optimised in 2022. This cardboard also now contains thinner materials, which means it weighs less and a larger number of boxes can be put on a transport pallet. As a result, significantly fewer tonnes of cardboard are placed on the market every year and 31 less trucks are needed to transport the cardboard to the factory, which has a positive impact on both CO₂ emissions and water consumption.

GLASS



Reduction of glass per jar

After extensive research, Lotus Bakeries succeeded in using thinner materials for the glass jars of Lotus® Biscoff® spread in 2022, without compromising on taste and freshness.

This optimised packaging has a positive impact on CO₂ emissions and energy consumption thanks to its lighter weight.

Design for tomorrow

All packaging recyclable by 2025

The recyclability of packaging starts with its design. We constantly explore sustainable and innovative packaging materials to increase the recyclability of our packaging and at the same time support the recycling process. We use objective eco-design guidelines to make our packaging recyclable, including CEFLEX and RecyClass.

The technical recyclability rate is calculated as follows: the ratio of the total weight of the technically recyclable packaging is compared to the total weight of packaging of all our brands that we bring to the market as per the end of 2022.

This takes into account consumer packaging, distribution packaging as well as transport packaging. This technical recyclability rate is determined per packaging component on the basis of state-of-the-art design guidelines for recyclability (Ceflex, Recyclclass). The weight of each packaging component is taken into account.

All efforts that contribute to reducing the packaging weight we bring to market affect this percentage. This also includes reducing the weight of glass, a recyclable packaging.

Therefore, the technical recyclability rate has remained stable at 97%, despite the fact that a switch was made for a number of additional products from non-recyclable packaging to recyclable packaging. The significant reduction in the weight of the Lotus® Biscoff® spread glass jar explains this stable percentage.

Recyclable BEAR wrappers

A significant achievement for 2022 is related to the brand BEAR from the Lotus™ Natural Foods product portfolio. The BEAR wrappers were changed from a non-recyclable packaging to a recyclable material.

Projects to close the gap to 100% recyclability

In 2022, a Close-the-GAP-action plan was drawn up to close the gap and achieve the 100% technical recyclability of all product packaging in the Lotus® Biscoff® range, the Lotus™ Natural Foods range, and for the Local Heroes.

This action plan identifies all the steps to be taken to achieve the set objective by 2025.

Aim for circularity

Since we design with recyclability in mind, we believe it is vitally important to evolve into a circular economy.

Use of recycled material

We contribute to this by using recycled content wherever possible, without losing sight of the requirements of quality and functionality.

We always strive for what is technically the maximum possible:

- For glass, we use 58% recycled material, the maximum achievable without visual side effects.
- For cardboard packaging this is 80%.

Circular economy partnerships

Lotus Bakeries also supports various collection and recycling systems, including Ceflex, The Flexible Plastic Fund. Lotus Bakeries contributes to 'Extended Producer Responsibility' systems in various European countries.

Raising awareness among our consumers; together we are reducing the plastic waste mountain

Lotus Bakeries has informed consumers more explicitly about its packaging recyclability since 2021. This is done by means of a custom icon that reads 'recycle me', combined with the slogan 'Let's care for our planet together'. That is how Lotus Bakeries wants to create even more awareness and encourage consumers to sort the packaging correctly so that it can actually be recycled.

This icon will appear on every recyclable packaging, in the countries where that packaging can effectively be recycled.

This 'recycle me' icon is an initiative undertaken by Lotus Bakeries and is not related to any official government authority or certification body.





CARBON FOOTPRINT

CO₂-NEUTRALITY

Our scope 1, 2, 3 emissions

Climate change is one of our greatest global challenges.

SCOPE 1 EMISSIONS

For the calculation of our **scope 1 emissions** we take into account all GHG.

The major part of our Scope 1 emissions relates to the use of natural gas.

SCOPE 2 EMISSIONS

In 2022, our **scope 2 emissions** only included purchased electricity.

SCOPE 3 EMISSIONS

In 2021-2022, we conducted a screening of our upstream and downstream **scope 3 emissions**.

The scope of the screening exercise covered 90% of all our upstream and downstream activities.

The result of the screening exercise of scope 3 indicated that more than 90% of our total emissions comes from scope 3. Analysis showed that more than 80% of our scope 3 emissions relate to raw materials.

Partnership with CO₂logic, South Pole Group

For more than 10 years, Lotus Bakeries has been working with CO₂logic, the Belgian pioneer in climate action, to monitor our scope 1 and 2 emissions. Since 2021, CO₂logic has been part of the South Pole Group, the international leader in climate and environmental services based in Switzerland.

Lotus Bakeries is carbon neutral

Lotus Bakeries' own sites are carbon neutral. This has been the case since 2015 and remains so in 2022.

All our scope 1 and 2 emissions are offset with certificates.

For 2022, we received a CO₂-neutral label from CO₂logic, a South Pole Company, for all our own sites.

SBTi COMMITMENT: NET-ZERO BY 2050

Lotus Bakeries signed the Commitment Letter from the Science Based Target initiative (SBTi). A copy of the letter is published in the ESG compilation report.



The ESG compilation report can be found on the Lotus Bakeries website:

<https://www.lotusbakeries.com/reporting-disclosure>

Science Based Target initiative (SBTi)

The SBTi is a collaboration between Carbon Disclosure Project (CDP), UN Global Compact, the World Resources Institute (WRI) and WWF.

SBTi has developed the first global science-based standard for organisations to set reduction targets to limit global warming to 1.5 degrees Celsius above pre-industrial levels and achieve net-zero CO₂ emissions by 2050.

Reduction objectives must include all GHG (greenhouse gases) emissions from scope 1, scope 2 and scope 3.

Scope 3 includes emissions from all our upstream and downstream activities.

For Lotus Bakeries, the upstream activity mainly comes from the purchase of raw materials. Since our raw materials come from agriculture, the FLAG Target-setting Guidance also applies to the raw materials and ingredients we purchase, which requires us to set both a specific FLAG target and a general scope 3 target for the emissions associated with our purchasing activity.

In order to achieve the reduction of scope 3 emissions, we will work closely with our suppliers.

CARBON FOOTPRINT REDUCTION

Lotus Bakeries is aware of the need to look critically at its carbon footprint in the fight against global warming and climate change in general.

Transition to more sustainable energy sources

Further investments were also made in solar panels at all Lotus Bakeries sites in Belgium and at the site in South Africa.

The expansion of the headquarters in Lembeke, the 'House of Biscoff', inaugurated in October 2022, was designed according to climate-friendly standards and is a so-called 'BEN building' (Bijna-Energie-Neutraal = Almost-Energy-Neutral) with an E-level under 50. The new building includes a geothermal heat pump, LED lights, intelligent energy monitoring, its own PV production of green electricity on the roof and façade and variable ventilation flows according to CO₂ measurements per room. Rainwater is also captured and optimal seepage of water into the ground is ensured.

Transition to more sustainable logistics

Reduction of container transport through local production

In 2022, the North Carolina plant in the United States was expanded to include a new production hall. That second hall now has two operational Lotus® Biscoff® production lines. The capacity increase in the United States will make the continent more self-sufficient for local demand of Lotus® Biscoff® cookies. The plant in the United States is also sourcing its own raw materials and packaging locally and hence more responsibly and sustainably. This capacity expansion brings significant ecological benefits by avoiding container transport and the related CO₂ emissions. The total capacity invested to date in the United States avoids 1,500 containers per year travelling from Belgium to the United States.

In August 2022, it was announced that Lotus Bakeries has plans to start a Biscoff® production facility in Asia to further support its growth ambitions for Lotus® Biscoff®. The rationale for a third Lotus® Biscoff® plant is straightforward. The new plant will provide the necessary additional capacity for the Group, bring fresher cookies to the consumers, allows to respond more quickly and better to local opportunities and aside from transport costs also reduces the environmental footprint of the company.

Multimodal transport in Europe

In 2022, in cooperation with the Vlerick Business School, it was investigated which alternative means of transport could be used in Europe to get Lotus Bakeries products to end customers. A combination of rail, ship and truck often offers a more environmentally friendly solution than only road transport.

All logistics flows for Lotus Bakeries in Europe were mapped out in the study. Based on this analysis, alternative and more sustainable routes and modes of transport were identified.

Both its effectiveness and feasibility as well as its cooperation with potential partners were evaluated. The first pilot projects were tested in the Czech Republic, Italy and the United Kingdom.

These tests and new collaborations proved to be very successful. After the positive results, implementation of the multimodal system was started in the three aforementioned countries. The next steps are to further expand the multimodal transport plan to other European countries where possible.

Greening of employee mobility

Company cars

The transition to a greener fleet has already been implemented in various countries via the car lease policy.

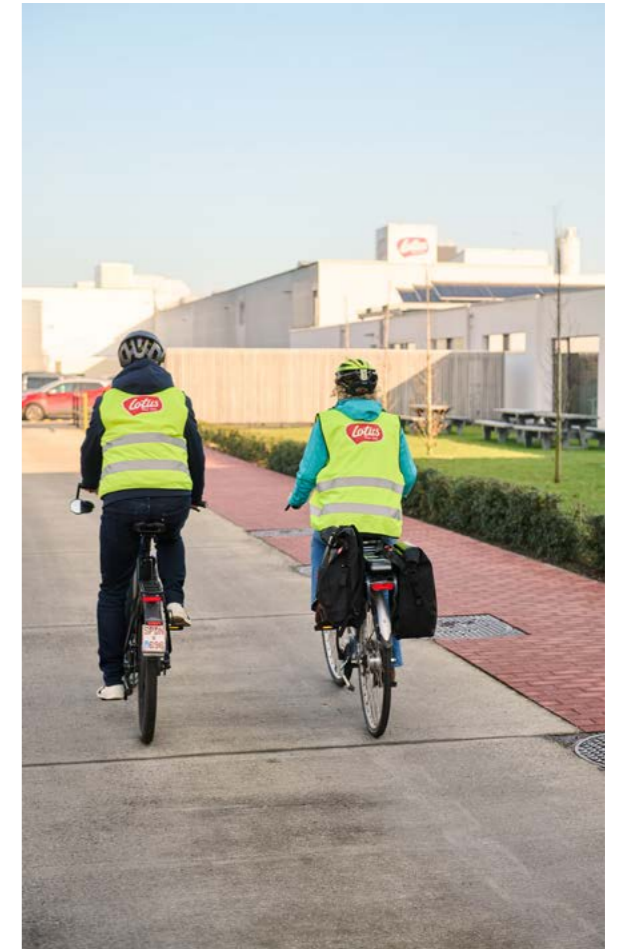
The largest fleet is located in Belgium. Since 2022, our employees in Belgium can only choose a fully electric vehicle as company car and electric charging stations are provided to further facilitate this use. Today, 15% of the Belgian fleet are electric cars. This percentage will increase significantly once the outstanding orders in 2023 will be delivered.

In anticipation of this, additional charging stations were installed on the Belgian sites and in-home charging points were installed.

Bicycle lease

Furthermore, there is a bicycle leasing scheme in place for Lotus Bakeries employees in Belgium and the Netherlands. In Belgium, this programme has been up and running for several years. Employees who sign up for this bicycle leasing scheme are committed to coming to work by bicycle for a minimum number of days a year.

More and more enthusiastic employees are choosing to purchase a bicycle through this program. This is not only good for the employees' health, but also has a positive effect on CO₂ emissions.



AVOIDING DEFORESTATION AND SUSTAINABLE SOURCING

Combating deforestation

Lotus Bakeries is committed to avoiding deforestation as much as possible by purchasing its raw materials and ingredients sustainably. This reduces deforestation in our supply chain. We believe that avoiding deforestation and conserving local ecosystems are of great importance in the fight against climate change. Farmers need to cultivate their raw materials in a sustainable way.

Sustainable sourcing

Lotus Bakeries is aware of the negative impact certain crops can have on the environment as well as on the communities living in the areas where those crops are grown.

Palm oil

All palm oil that Lotus Bakeries uses in its products is sustainably sourced. All Lotus Bakeries sites that use palm oil have also obtained the RSPO certificate.

Cocoa

100% of the cocoa butter and cocoa mass used in our Lotus® Biscoff® chocolate has been certified by the Rainforest Alliance. This is a recognised quality mark for working conditions, the environment and nature conservation for products sourced from rainforest regions.

Wood and paper

Today, 78% of the cardboard packaging of our brands are FSC, PEFC, or SFI-certified with the guarantee that the products come from sustainably managed forests. This preserves biological diversity and combats deforestation.

Local sourcing

We also purchase our raw materials and packaging materials locally to a maximum extent. This means we purchase the greater part of our raw materials on the same continent as where we use these in our production. We continuously strive to keep the distance between grower and our production site as short as possible.

WATER MANAGEMENT

Climate change and industrialisation put pressure on the availability of water, which increases the importance of efficient water management. Lotus Bakeries recognises that the sustainable use thereof is crucial. Water is a major source of health and well-being worldwide.

Monitoring

As part of its internal operational reporting, Lotus Bakeries reports on its water consumption.

Since 2022, water consumption has been among the standard KPIs that all production facilities report monthly. Based on these reported figures, Lotus Bakeries monitors the water usage across the various facilities.

Lotus Bakeries used in its production sites 89,578 m³ water.

In the new 'House of Biscoff' in Belgium, technology is provided to collect rainwater and a well water filtration system has been installed. This well makes it easier for water to seep into the ground, meaning it is more evenly and better moisted. This contributes to a good groundwater balance.

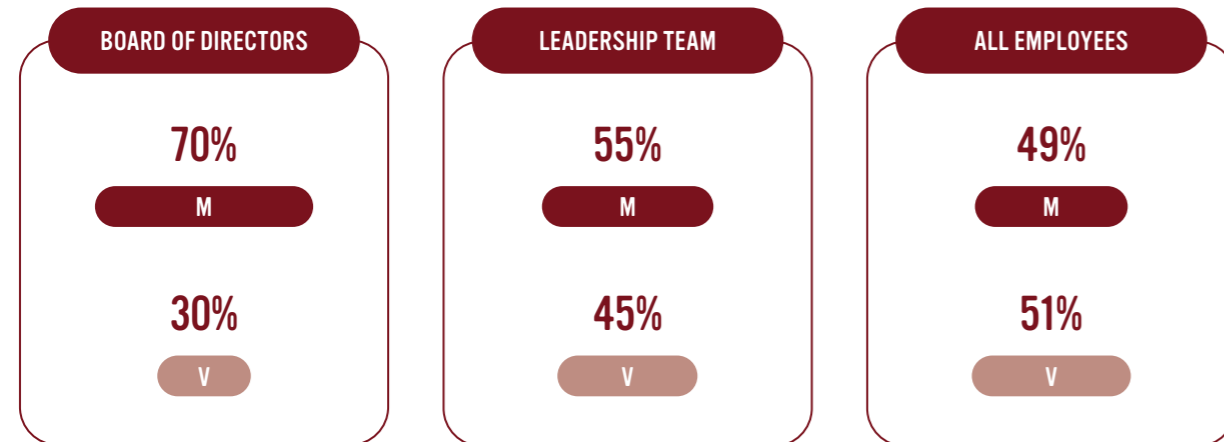


EMPLOYEES: 2022 AMBITIONS & ACHIEVEMENTS

We have a recruitment policy aimed at attracting a diversified and talented group of people who share our TOP values.

Lotus Bakeries targets long-term employment and offers our employees a pleasant, challenging, inspiring and safe working environment.

GENDER DIVERSITY



GENDER DIVERSITY ¹	UNIT	2022	2021	2020
Board of Directors	%	70 M 30 F ✓	70 M 30 F ✓	70 M 30 F
Leadership Team ²	%	55 M 45 F ✓	54 M 46 F ✓	58 M 42 F
All employees	%	49 M 51 F ✓	48 M 52 F ✓	48 M 52 F

GEOGRAPHICAL ¹	UNIT	2022 ✓	2021 ✓	2020
Belgium	#	1,378	1,233	1,073
	%	703 M 675 F 51 M 49 F	597 M 636 F 48 M 52 F	
South Africa	#	518	443	314
	%	221 M 297 F 43 M 57 F	191 M 252 F 43 M 57 F	
The Netherlands	#	222	229	258
	%	122 M 100 F 55 M 45 F	129 M 100 F 56 M 44 F	
United Kingdom	#	119	120	152
	%	46 M 73 F 39 M 61 F	50 M 70 F 42 M 58 F	
France	#	142	139	140
	%	76 M 66 F 54 M 46 F	72 M 67 F 52 M 48 F	
United States	#	156	92	97
	%	89 M 67 F 57 M 43 F	49 M 43 F 53 M 47 F	
China	#	33	28	29
	%	14 M 19 F 42 M 58 F	14 M 14 F 50 M 50 F	
South Korea	#	19	19	21
	%	9 M 10 F 47 M 53 F	8 M 11 F 42 M 58 F	
Sweden	#	27	23	22
	%	19 M 8 F 70 M 30 F	18 M 5 F 78 M 28 F	
Other (AT, CHE, CZ, DE, ES, IT, HK)	#	84	72	49
	%	33 M 51 F 39 M 61 F	35 M 37 F 49 M 51 F	
TOTAL	#	2,698	2,398	2,155
	%	1,332 M 1,366 F 49 M 51 F	1,163 M 1,235 F 49 M 52 F	

SAFETY IN THE WORKPLACE ¹	UNIT	2022	2021	2020
Amount of occupational fatalities	#	0	0	0
Total occupational accidents per average headcount	%	3.2	2.3	2.8
Total occupational accidents involving ≤ 7 days absence from work	#	43		
Total occupational accidents involving > 7 days absence from work	#	42		
Total occupational accidents involving absence from work	#	85 ✓	52 ✓	62 ✓

¹ The scope of the KPI includes our internal employees.

² The group comprises the Executive Committee, the General Managers and the Corporate Directors.

PLEASANT, CHALLENGING, INSPIRING AND SAFE WORKING ENVIRONMENTS

Our corporate values are TOP

Team spirit: every link in the process is equally important, from marketing over production to packaging. It is essential to work as a well-oiled team. We work together every day to make Lotus Bakeries a success, in an inspiring working environment.

Open dialogue: a listening, open attitude, proactive communication and respectful feedback are priorities in dealing with and between employees. This is put into practice via regular departmental meetings, use of internal communication platforms and promotion of two-way communication between colleagues.

Passion: our employees' commitment is evident on a daily basis in the workplace. In their justified pride in our products and in our company. Investing in our employees benefits the whole company.

Recruitment policy

A key challenge for Lotus Bakeries is to attract competent employees who reflect the TOP values. When selecting new employees, the applicant's competences and the TOP corporate values are paramount. During the selection process, applicants meet with several Lotus Bakeries employees to gain a good understanding of our company values and culture. Depending on the position, the selection also includes objective testing or an external assessment tailored to the position for which the candidate is applying. Our recruitment is an intensive process where we consciously invest a lot of time to ensure the optimal fit between the future employee and Lotus Bakeries.

Diversity policy and inclusion

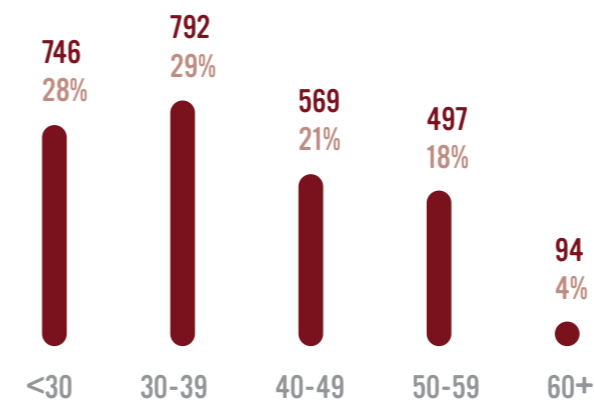
For Lotus Bakeries, diversity is a value to be cherished. It also clearly incorporates in its Code of Conduct under Principle II: respect for people.

Therefore, through its recruitment policy, Lotus Bakeries creates a foundation to attract a diverse and talented group of people. Attention to diversity is a key part of this strategy, in which we aim to select candidates with the best range of skills and competences for the role. We also look at the knowledge and experience available in the existing teams and the desired competences, knowledge and/or experience of the candidate.

In this way we know we are employing a diverse group of employees, with balanced gender diversity across all employees. We see a nice balance of 49% men and 51% women within the Lotus Bakeries Group. Also, if we take a closer look at the Leadership team (55% men, 45% women) and the Board of Directors (70% men, 30% women), the gender diversity in the Group is maintained.

We also see a high level of diversity in age categories in Lotus Bakeries, and associated experience: 28% in their twenties, 29% in their thirties, 21% in their forties, 18% in their fifties and 4% in their sixties.

Lotus Bakeries is committed to rewarding all colleagues equally for their work based on the value they create. This regardless of gender, race, or other factors unrelated to performance.



Diversity in age

Young Graduate Programme

The Lotus Bakeries 'Young Graduate Programme' is an intensive two-year programme designed specifically for graduated masters or MBA students. For two years, these recent graduates participate in one of the departments within Lotus Bakeries. In addition, they are given the opportunity to participate in a cross-departmental strategic project. The programme is unique in that it is a function-specific programme in which the Young Graduate enters a certain function domain (e.g. marketing). For two years, the Young Graduate is immersed in the various aspects of this domain by a combination of operational activities and projects.

The programme was first launched on 1 September 2020. Five Young Graduates started at the time. Year after year, the programme is growing, with the 2021 edition consisting of seven Young Graduates and in 2022 the third wave included ten promising starters. Based on the intake of candidates and the feedback from the job market, the programme is highly coveted by students.

Onboarding

Once on board, Lotus Bakeries aims for thorough onboarding, in which new Lotus Bakeries employees are immersed in the company, the products, brands and the culture. Special induction days are organised for new employees. From the management level, new employees are invited to the 'Group Wide Onboarding days' that are organised in Belgium. During an intense two-day programme, they receive more information about the strategy, the different brands, the organisational structure and the different departments. A tour of the Lembeke plant is the cherry on the cake. In the case of acquisitions too, we ensure that employees are quickly integrated into the Lotus Bakeries Group.

Each new office employee will also be asked to complete a survey after several months of service and will be offered a follow-up interview. In this survey the employee is asked about the course of the recruitment and onboarding process, and is polled about how the first few months have gone in the position, about how the job and the organisation meet expectations and how the collaboration with the manager and with colleagues is going. In countries with a large workforce, such as Belgium, a specific questionnaire is provided. This is a very valuable tool and provides useful insights about what is going well and what can be improved.

Training & development

Once on board, it is important to retain these engaged and motivated TOP talents in the company. Areas of attention in this regard are the continuing development of our employees, the provision of training opportunities and constant challenge. Employees are encouraged to work with their supervisor to seek appropriate development initiatives.

It is intended that all processes, from recruitment to onboarding, to development and succession, are centrally monitored and managed. To facilitate this, the MyLotus platform was launched.

Performance process in MyLotus

In 2022, the performance process was fully integrated into the global HR platform MyLotus (SuccessFactors) where feedback between manager and employee can occur several times a year. Instead of annual reviews, this process provides ongoing opportunities to give and receive feedback and more frequently reflect on the employee's career path. By gaining more insight into the strong qualities, areas for improvement and ambition, the right development and guidance can be given. This performance process will contribute positively to the employee's personal growth, development and commitment.

International connectivity

MyLotus, the global HR platform, also encourages the connectivity between employees who therefore, despite the further internationalisation and continuing growth of the Group, can remain closely connected.

Staff organisation and representation

Team spirit belongs to our TOP values. As a group, we believe in an organisation that works with all employees, employee representatives, employee organisations and external social stakeholders. We believe that good collaboration contributes to our success.

New career website

In 2022, Lotus Bakeries launched a brand-new career site. This website strengthens the employer identity and provides a complete overview of all career opportunities within the Group worldwide.

The new, easy-to-use site highlights the unique aspects of Lotus Bakeries as an employer and shows how the organisation distinguishes itself from other employers.



Cosy coffee moment between colleagues

New career site strengthens Lotus Bakeries' employer identity

Stéphanie De Lange
GROUP HR DIRECTOR

Evy Van den Brande
HR TECHNOLOGY & REPORTING MANAGER



Stéphanie De Lange — Group HR Director

Since early 2022, interested candidates have easily been able to find all possible job opportunities at Lotus Bakeries, in all countries worldwide, on the new site www.lotusbakeriesjobs.com, the perfect spot to get acquainted with the unique Lotus Bakeries family.

UNAMBIGUOUS EMPLOYER BRAND

"Scarcity in the labour market is a challenge that also crosses our path," starts Stéphanie De Lange, Group HR Director at Lotus Bakeries. "In the past, this scarcity was limited to specific bottleneck professions, but now we see that the War for Talent is prevalent in all markets and that a wide range of profiles in the labour market is now desired."

This created the need to define and profile Lotus Bakeries even more as an employer brand. After all, within the employer landscape, Lotus

Bakeries has unique characteristics because it combines multiple worlds. "An international player with towering ambitions, grand expansion plans and yet still the warmth and humanity of a family business. Open-minded and inclusive, with room for personal impact. Professional and personal. Solid and adventurous. You won't easily find those interesting combinations anywhere else," says Stéphanie.

"We also notice that in countries where our products already enjoy high brand awareness, our employer awareness can also ride this wave. In countries where we are not yet so well-established, this still has to be worked on. For example, attracting talent in Thailand, a new country for Lotus Bakeries, will require more effort."

"Where in the past only a limited number of countries in which Lotus Bakeries operates had their own job website, we wanted to centralise our wide range of career opportunities in response to our global growth on the same clear platform."

– Stéphanie De Lange

WIDE RANGE OF CAREER OPPORTUNITIES

An attractive career site is therefore the perfect place to highlight both the employer identity and the career opportunities. "Where in the past only a limited number of countries in which Lotus Bakeries operates had their own job website, we wanted to centralise our wide range of career opportunities in response to our global growth on the same clear platform," continues Stéphanie.

That way, visitors also immediately understand the international character and scope of Lotus Bakeries and also get to know Lotus Bakeries' diversity of brands and products in an original way. "Our differentiated portfolio, which on the one hand consists of the Lotus® Biscoff® indulgences but also of the attractive range of natural and healthy snacks within Lotus™ Natural Foods, only serves to fuel further interest in our company. It often turns out to be an important motivator for new colleagues."

CULTURAL MATCH

A good career site is more than just providing an overview of open positions. "It's also a full on-brand introduction to Lotus Bakeries as a company, to our company culture and our TOP values. For example,

passion is a very strong guiding and present value that all Lotus Bakeries colleagues have in common. We also wanted that to be reflected on the career site. And what better way to do that than having our own employees speak in testimonials," says Stéphanie.

Videos and photos of employees, taken at various locations around the world, give an authentic view of the organisation, giving interested parties a first look at what it is like to work at Lotus Bakeries. "We notice that if potential colleagues get to know our culture, combined with our personal approach and *modus operandi*, this ensures from the very beginning that they themselves also immediately feel whether or not they would be a good fit for our company."

SMOOTHER PROCESS FOR CANDIDATE AND EMPLOYER

Create a fun, smooth and efficient experience from the moment a candidate arrives on the new website. That was the goal. Information needed to be intuitive and quick to find. When creating the site, a great deal of attention was paid to the smooth navigation and to making it as easy as possible to apply.

All experiences are critical in forming an opinion about the workplace. Starting from the first contact, followed by recruitment and onboarding. "We have therefore ensured that the career site connects seamlessly with MyLotus, the global HR platform in which all HR data from the different countries is centralised and available in real time," explains Evy Van den Brande, HR Technology & Reporting Manager. "This integration delivers efficiency gains and ensures that much of the recruitment process, ranging from processing the applications to the administrative start-up and onboarding, is all digital and streamlined. Scanning documents, emailing back and forth with candidates all disappear thanks to our integrated tools. New employees often tell us that they really appreciate being onboarded in such a professional manner."

SHARING IS CARING

The career site has been designed to look good on a laptop, tablet and mobile phone. An additional benefit is that jobs can also be shared on social media channels such as LinkedIn with just a few clicks. "The shift from traditional job platforms to social media as an employer channel is nothing new, so that sharing functionality on our website was a must-have," says Evy.

Besides 'efficiency' and 'digitalisation', 'personalisation' and 'fun' were also important elements for the new site. "When visitors navigate our site, they are asked what their name and their favourite brand is.

What follows next is a highly personalised and therefore unique experience, which fully matches our employer brand," adds Stéphanie.

IT DOES NOT STOP THERE

The new website already received a very enthusiastic welcome. "We are getting hugely positive reactions from our HR colleagues from other countries, as well as from new colleagues who recently joined," says Evy. According to the first statistics, on average 10,000 people visit the website every month. "We clearly see a higher inflow of new candidates since the launch of our new website, especially in countries such as the United States, Italy, Spain, Germany and Switzerland."

"Not only is the inflow important, but of course the number of effective hires we make through the job site is as well. We can present the first great results for this as well," says Stéphanie. "We will invest even further in the future in optimising the techniques to make our career site score high in the search engines (SEO) and in developing authentic video material for specific recruitment campaigns," she concludes.



Evy Van den Brande – HR Technology & Reporting Manager

"We clearly see a higher inflow of new candidates since the launch of our new website, especially in countries such as the United States, Italy, Spain, Germany and Switzerland."

– Evy Van den Brande

SAFE WORKING ENVIRONMENT

Every accident is one too many. Lotus Bakeries will therefore continue to make extra efforts to ensure the risk of accidents at work is as low as possible.

Strict occupational safety laws apply in all the countries in which Lotus Bakeries operates. Lotus Bakeries adheres strictly to this workplace safety legislation. Thus there are different procedures in place, tailored to the specific risks at each of the production sites and in our offices.

We try to limit the risks within the following four key areas as much as possible:

- Occupational health
- Personal safety
- Process safety
- Rolling material safety

The starting point in each case is a risk assessment, which is used as a basis for measures to be taken to limit the risks as far as possible.

In practice

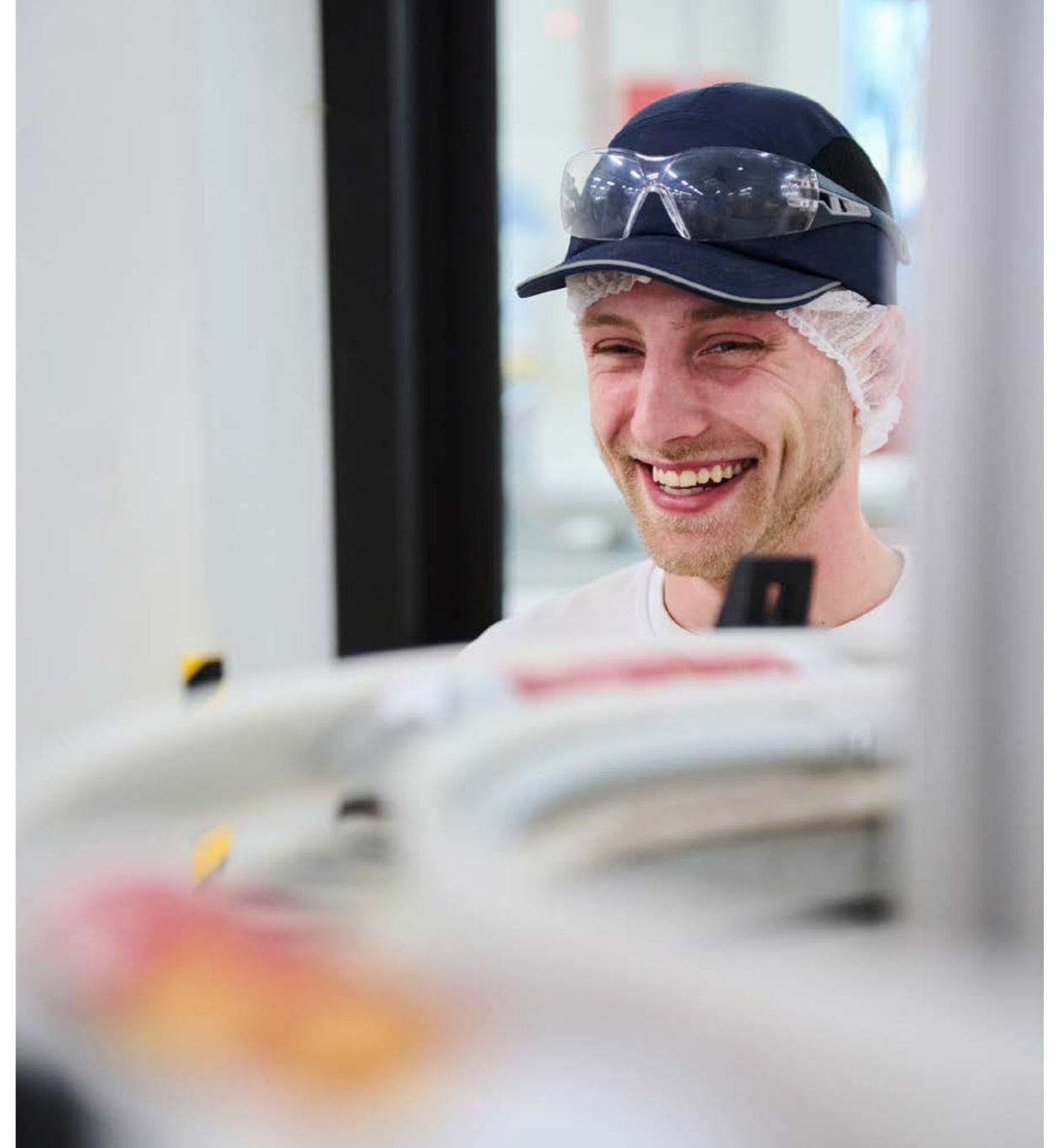
New machinery is designed to the latest safety standards and undergoes an extensive Site Acceptance Test by our own safety officers. Machinery is adapted where necessary to meet our high safety standards.

Safety procedures to make working in the production environment as safe as possible are available. These procedures are transformed into work instructions for each workstation. Adapted work clothing also contributes to a safe work situation.

There is constant focus on training, awareness and prevention:

- Safety in the workplace is a fixed part of the onboarding programmes of new employees who start to work in the factory.
- At each production site there is a programme in place for detecting and reporting unsafe situations. In Belgium this is an SOS (Safety Observation Stop) procedure.
- Different actions illustrate this policy:
 - Belgium has the VAM (VeiligheidsActieMoment = Safety Action Moment) awareness-raising process and the ZAP (See and Address Prevention) prevention programme, in which training sessions are used to show people how they can approach someone about safety.
 - In South Africa, a health and safety questionnaire is completed each quarter, after which the existing risk assessments are evaluated and the existing procedures are tightened up.
 - In the Netherlands, the Geldrop and Enkhuizen production entities have the occupational health and safety vignette.
 - In the United States, a monthly safety walk is set up by an external partner.
 - All the sites report monthly on the number of accidents at work with absence.

No fatalities occurred in the year 2022. Despite various safety programmes and initiatives, the number of accidents at work increased in 2022. In the majority of the cases, the incidents were not severe and employees could return back to work within 7 days. After each incident, the necessary measures were taken immediately to raise awareness of the employees in the departments concerned. Internal motivational campaigns were also set up to reward accident-free months.



Colleague supervises the fully automated line in the production plant



Afternoon break in the recreation area

PLEASANT WORKING ENVIRONMENT

Lotus Bakeries aims to provide a pleasant working environment, with a range of facilities such as standing desks to encourage working standing up, showers to make it easier for employees to cycle to work and sufficient expanses of glass to create light and airy offices.

New and more spacious office buildings

Given its ever growing workforce, Lotus Bakeries continues to invest in new pleasant workplaces. In 2022, for example, various departments within Lotus Bakeries moved to new and more spacious offices.

In Belgium, the brand new, modern extension of Lotus Bakeries' headquarters, called the 'House of Biscoff', was inaugurated in October 2022. With its great expanse of glass, the 'House of Biscoff' is an oasis of light and space. The green garden to the rear of the building and the broad terraces on the building's first and third floors make a major contribution to the sense of space.

In the brand-new Natural Balance Foods and Urban Fresh Food office in St. Albans, United Kingdom, a deliberate choice was made for spacious, bright, open spaces rather than separate desks. These offices have both large and small meeting rooms for our employees to use. Here too light and space are of paramount importance and again there are cosy lunch areas for people to meet.

Due to the growing number of colleagues, there was also a need for more office space for the Lotus Bakeries UK team in the United Kingdom. They moved to a new building, located in Cheshire. All employees now have more space, more meeting facilities and a pleasant lunch area in the office.

In Germany, the growing team moved to a new, larger and much more modern office in Dusseldorf, with more meeting facilities and more comfort. Here, too, a nice lunch area is provided, where employees can drink coffee and enjoy a bite to eat together.



Exercising in the 'House of Biscoff' gym

Both the sales office of Spain and the sales office of the Czech Republic also continued to expand their teams. The current offices in Madrid and Prague were thoroughly renovated and significantly expanded in terms of surface area. In Madrid, the available area was even doubled. This extra space creates a more comfortable and pleasant working environment which promotes employee satisfaction and well-being.

Fitness and health

A lot of attention has been paid to fitness and sports at all Lotus Bakeries locations. Different initiatives are taken depending on the site. For example, the 'House of Biscoff' in Belgium and the offices in the United States and Sweden have a gym with showers, which employees are eager to use. In the Netherlands, the annual padel tournament was organised in October 2022.

Other locations are also seriously involved in sports: the option of signing up to a bicycle lease programme, weekly boot camps, joint cycling or walking tours, or other sports activities.

Health and mental well-being are also themes that are put on the agenda across all sites within the Group. In September 2022, a working group in Belgium lent its support to a campaign to raise awareness about a healthy lifestyle. The week of 10 October was all about mental well-being with a daily activity to highlight positivity. In France, another workshop on the theme of 'healthy nutrition' was organised in 2022. In the Netherlands, several vitality workshops took place in 2022, such as: 'How do I reach 100?', 'Shift work sleeping, fitness and 10 things to do and not to do', 'Work-life balance', 'Health under control'. And in China, there was a visit from a health expert who provided guidance on healthy lifestyles and tips on ergonomic work postures. There are weekly healthy lunches or free pieces of fruit available at many sites.

TEAM SPIRIT

All Lotus Bakeries sites also make time to strengthen the belonging and team spirit. In Korea, a real baking competition took place in the month of May, at the time the coronavirus numbers had started to drop again, as well as a 'welcome back to the office' event. Barbecues were organised in France and Belgium for the whole internal workforce. In the Netherlands, the entire plant team got together for a cosy Christmas dinner and in China, the team bonded over a cosy Thanksgiving team event. In the United States, they celebrate colleagues who have been working at Lotus Bakeries for a year with a little gift: a highly personalised mug, which shows characteristic qualities of the person in question.

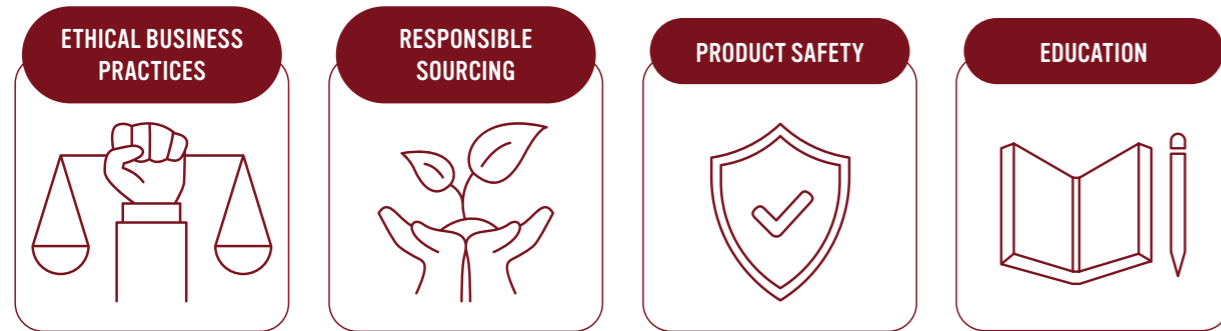


Baking competition with Lotus® Biscoff® products



COMMUNITY: 2022 AMBITIONS & ACHIEVEMENTS

THE AMBITIONS OF LOTUS BAKERIES WITHIN THE COMMUNITY PILLAR ARE FOCUSED ON FOUR DOMAINS THAT IT CONSIDERS MOST RELEVANT:



STATUS

ETHICAL BUSINESS PRACTICES	UNIT	2022	2021	2020
% of internal employees who have signed the Code of Conduct ¹	%	99.9 ✓	99.8 ✓	99
% of key suppliers which have signed the Code of Conduct ²	%	90.5 ✓	90.1 ✓	62
% of our key palm oil suppliers which have signed Lotus Bakeries' Palm Oil Policy ³	%	90 ✓	90 ✓	96

RESPONSIBLE SOURCING	UNIT	2022	2021	2020
% of our production sites which process palm oil and have achieved the RSPO certificate	%	100 ✓	100 ✓	100 ✓
% of our Lotus® Biscoff® chocolate products with the Rainforest Alliance quality mark	%	100	100	100

PRODUCT SAFETY	UNIT	2022	2021	2020
Lotus Bakeries production sites where our products are produced with external quality certification (BRC, IFS)	%	100 ✓	100 ✓	100 ✓

¹ An internal employee is an employee who is connected to Lotus Bakeries with an employment contract, either of unlimited duration or of limited duration.

² Key suppliers are all of our suppliers of end products (external production), raw materials, packaging and machinery, with whom Lotus Bakeries has entered into a written contract.

³ Palm oil suppliers who have signed up to the Lotus Bakeries palm oil policy or have their own palm oil policy in force that includes at least equal standards and who supply ingredients or raw materials containing at least 50% palm oil, and in so far these products represent more than 5% in any recipe.



ETHICAL BUSINESS PRACTICES

Lotus Bakeries actively assumes its social responsibility. We guarantee ethical business practices throughout the organisation. With our Foundation for Education, we support educational projects and contribute to the prospects of future generations.

ETHICAL BUSINESS PRACTICES IN OUR OWN ORGANISATION

The Code of Conduct was approved by the Board of Directors on April 2, 2020 and was implemented in 2020. As of 2021, every new employee who is recruited must sign this. This Code forms an integral part of the employment contract.

The Code of Conduct

Lotus Bakeries sets out at all times to act with integrity, honesty and fairness and in full compliance with the applicable laws, rules and regulations. It has developed a Code of Conduct containing six main principles that its employees must respect at all times:

 **The full Code of Conduct is available in 10 different languages on our website:** <https://www.lotusbakeries.com/governance-practices-and-policies>

1. Transparency:

Lotus Bakeries aims for clear and accurate communication with its customers, suppliers, consumers and business partners and encourages open communication with all its stakeholders. Lotus Bakeries also refrains from non-conforming, dishonest, fraudulent or misleading marketing practices.

Practical example 2022

Lotus Bakeries also wishes to inform the consumer transparently about verified claims that were made with regard to the product. In 2021 a revamped database was developed to manage this information and the

conversion into product specifications and customer information in a more efficient way. This database was taken into use at the first site in 2022. The further roll-out to other sites and production partners will take place in 2023.

2. Respect for fellow human beings:

Lotus Bakeries is responsible for a safe working environment and places great importance on integrity and respect for fellow human beings. Respecting human rights and labour regulations, including the freedom of association of employees and combating child labour, are important objectives. All personal data are treated with respect at all times and in accordance with the relevant rules and regulations.

Practical example 2022


- In 2022, Lotus Bakeries has first of all standardised its recruitment process unified at a global level in order to further streamline equal treatment of all potential candidates. By centralising the career opportunities, the company has to offer globally on a single, uncluttered platform – <https://www.lotusbakeriesjobs.com> – all candidates have access to the same information and each application follows a standard process that, in case of a successful match between the applicant and Lotus Bakeries, continues through to contract negotiations and onboarding.
- In addition, Lotus Bakeries took further steps in its GDPR policy in 2022 as a result of the publication of the new standard contractual clauses by the European Commission for data transfers in 2021. For example, the international data transfers have been reviewed, a data transfer impact assessment has taken place for all intercompany data flows in and out of the EU and a qualitative intercompany data transfer agreement has been entered into.

3. Trading fairly & compliant:

Lotus Bakeries ensures fair competition, respect for export regulations and the prevention of insider trading.

Practical example 2022

- Since the war started in Ukraine in February 2022, also within Lotus Bakeries more focus has been put on tightened export regulations in order to ensure that in an ever-changing and evolving situation all applicable import and export laws and regulations continue to be complied with.
- In 2022, Lotus Bakeries further rolled out the 'Competition Compliance Programme'. All new employees in the marketing, sales and purchasing departments were invited to an initial two-and-a-half-hour interactive workshop at which eight issues are explained using real case studies. The existing teams in the United States, Asia and International Distributors Natural Foods also participated in this training, if they had been unable to join in 2021, partly due to travel restrictions as a result of COVID-19. 293 employees have now joined the programme. All of them are sent an online training programme six times a year in which a competition law topic is explained once more, and they are invited to participate in a quiz.

 **And lastly, reference is made to the Dealing Code which is available on our website:** <https://www.lotusbakeries.com/governance-practices-and-policies>

4. Combating corruption:

Lotus Bakeries has a policy of zero tolerance of bribery and corruption and oversees a clear process for conflict of interest and accurate accounts and records, reporting and bookkeeping.

5. Securing information:

Lotus Bakeries does all it can to protect its own confidential information and the confidential information of third parties.


Practical example 2022

Last year, Lotus Bakeries reviewed and further tightened up its Trade Secret Policy. Focusing on the trade secrets in the plants, now spread across three and soon across four continents, responsibilities, procedures, policies as well as access matrixes have been revised.

6. Respect for the environment & responsible sourcing policy:

Lotus Bakeries closely monitors the impact of its activities on the environment and constantly strives to reduce its ecological footprint.

For our concrete 2022 operations, reference is made, among other things, to the 2022 ambitions and achievements for the environment on p. 84 and to the implementation of the Supplier Code of Conduct on p. 118 of this annual report.

 **The full Code of Conduct is available in 10 different languages on our website:** <https://www.lotusbakeries.com/sustainability-policies>

Responsibilities

Each employee of Lotus Bakeries has a responsibility to comply with the principles of the Code of Conduct.

The responsibility for implementing the Code of Conduct lies with the Compliance Officer, supported by the local HR departments.

Whistleblowing

All employees of Lotus Bakeries are encouraged to report concerns about the Code of Conduct to the Compliance Officer. Lotus Bakeries prohibits retaliation against individuals who report problems in good faith and is committed to investigating such reported problems.

In the context of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 on the protection of persons reporting breaches of Union law (the Directive) and laying down the minimum standards for whistleblowing protection, Lotus Bakeries has revised its whistleblowing system. The Directive has now been implemented in part of the European Member States, including in Belgium, by the law of November 28, 2022 transposing the EU Whistleblowing Directive for the private sector. The law was published in the Belgian Official Journal on December 15, 2022 and enters into effect on February 15, 2023. In order to comply, Lotus Bakeries has selected a platform in which, among other things, anonymous reporting is possible, confidentiality is guaranteed, and accurate follow-up of the legal obligations is guaranteed. Further implementation will take place in early 2023.

In 2022, the Compliance Department received a range of queries through the reporting line referred to in the Code of Conduct. In addition, three complaints were received from employees, which were all investigated and resolved. These complaints were able to be handled locally.

Reporting

Where necessary, the Compliance Officer reports to the Board of Directors once a year on the enforcement of the Code of Conduct, covering any breaches and concerns raised and also the action points formulated to prevent repetition.

In 2022, the Board of Directors was informed about the nature of the complaints received.

Implementation

The Code of Conduct has been translated into the official languages of those countries in which Lotus Bakeries has a sales office or a factory. The document is available in ten languages.

The Code of Conduct has been added to the onboarding pack for new employees at all our sites and the onboarding programme includes a presentation on it.

The employees of Lotus Bakeries were asked to sign the Code of Conduct and have all received a brief explanation of the six principles it contains. At the end of 2022, 99.9% of employees had signed the Code of Conduct.

RESPONSIBLE PURCHASING & ETHICAL BUSINESS PRACTICES AT OUR SUPPLIERS

Supplier Code of Conduct

The principles set out in the Lotus Bakeries Code of Conduct are also imposed on our suppliers of packaging, raw materials, equipment and finished products. In 2022, 90.5% of our key suppliers of finished products (external production), raw materials, packaging and machinery with which Lotus Bakeries has concluded a written contract had signed the Supplier Code of Conduct.

The principles to which these suppliers must commit can be summarised as follows:

1. Lawful and ethical business practices

- Respect for human rights
- Child labour will not be accepted under any circumstances
- Treating people with dignity, honesty, fairness and respect
- Refraining from any form of discrimination, harassment, verbal or physical abuse
- Implementation of thorough health and safety procedures
- Compliance with the occupational laws and regulations in the workplace

2. Fair business practices

- Compliance with the relevant competition laws
- Use of fair and transparent price mechanisms and other contractual provisions in respect of suppliers
- Zero tolerance of bribery and corruption
- Protection of Lotus Bakeries' confidential information
- No falsification, smuggling or other related crimes

3. Respect for the environment

- Obtaining and documenting all necessary environmental permits, licences and registrations.
- Setting up an environmental management system, including:
 - Processes aimed at waste reduction, lower energy consumption, lower emissions and the prevention of pollution
 - Preservation of biodiversity, including threatened flora and fauna (no deforestation) and focusing on soil protection
 - Respect for water sources and ensuring good water and (waste) water management
 - No use of illegal products and limitation of the use of pesticides and other legal chemicals

4. Traceability

- The supplier must keep adequate records of its direct suppliers

We expect these suppliers to implement the Supplier Code of Conduct and to inform their employees, agents and subcontractors in a careful and transparent manner.

Responsibilities

The purchasing department is responsible for implementing the Supplier Code of Conduct, supported where necessary by Legal & Compliance.

Whistleblowing

Suppliers are asked to bring any concerns to the attention of their contact at Lotus Bakeries. From 2023, they will also be able to report any complaints via the online whistleblowing platform selected by Lotus Bakeries, in which, among other things, anonymous reports are possible, confidentiality is guaranteed, and accurate follow-up of the legal obligations is guaranteed.

Monitoring

The Supplier Code of Conduct includes an obligation for the supplier to provide documentation that Lotus Bakeries can use as a basis for verifying compliance with the Supplier Code of Conduct.

Lotus Bakeries already carries out audits at its suppliers, but they mainly focus on quality and food safety. It is looking at ways it can monitor proper enforcement by the suppliers of other principles in the Code of Conduct and if possible integrate them into the existing audits.

Lotus Bakeries expects suppliers to take all the limiting action required as a result of any gaps found.



RESPONSIBLE SOURCING

Implementation

The Supplier Code of Conduct was implemented in 2020, is supplied in the language of the contract and is available in ten languages. The suppliers of packaging, raw materials, equipment and finished products with which Lotus Bakeries had a framework agreement at the time of implementation were asked to sign the Code of Conduct separately. Since then, this code has been an integral part of the standard contracts with our new suppliers. Moreover, all our general purchase conditions contain a reference to the Supplier Code of Conduct, which is available on our website.

In 2022, 90.5% of key suppliers had signed the Code of Conduct.

Lotus Bakeries is aware of the negative impact certain crops can have on the environment and also on the communities living in the areas where they are grown.

PALM OIL RSPO certificate

It is important to Lotus Bakeries that the palm oil it uses in its products has been produced sustainably and does not contribute to deforestation or the destruction of vulnerable areas. That is why Lotus Bakeries only buys RSPO certified palm.

In 2022, Lotus Bakeries was a member of, among others, the RSPO (Roundtable on Sustainable Palm Oil) and the Belgian Alliance for Sustainable Palm Oil and was committed to purchasing only sustainable palm oil.

Moreover, all Lotus Bakeries' sites that use or purchase palm oil also have an RSPO certificate.

Palm Oil Policy: investment in sustainable agriculture and reforestation

Lotus Bakeries selects its key palm oil suppliers carefully on the basis of the NDPE principle (No Deforestation, No Peat, No Exploitation) in its purchasing standards.

In addition, Lotus Bakeries requires its key palm oil suppliers to also invest in a number of projects to, among other things, rejuvenate forests and help farmers switch to sustainable cultivation.

Lotus Bakeries has endorsed this in its palm oil policy. At the end of 2022, 90% of key palm oil suppliers had endorsed Lotus Bakeries' palm oil policy.



PRODUCT SAFETY



The full text of the Sustainable palm oil policy is available on our website: <https://www.lotusbakeries.com/sustainability-policies>

COCOA Rainforest Alliance

The cocoa butter and cocoa mass used in our Lotus® Biscoff® chocolate has been certified by the Rainforest Alliance.

SOY IP certificate

The soybean flour in the Lotus® Biscoff® products is IP certified ('Identity Preserved'). This means that the soy flour we use in our products can be traced to the sustainable plantation from which this raw material originates.

Responsible Soy Association

In 2022, Lotus Bakeries was also a member of the RTRS (Round Table on Responsible Soy Association – Switzerland).

QUALITY MANAGEMENT SYSTEM

The Lotus Bakeries quality policy is an integral part of its strategy aimed at building on strong, reliable brands. The strength of our brands is after all highly dependent on the quality of our products.

To assure this quality Lotus Bakeries has a quality policy in force, which can also be viewed on the website.



The full text of the quality policy is available on our website: <https://www.lotusbakeries.com/sustainability-policies>

Responsibility

The Corporate Quality Assurance department is responsible for auditing the quality of our products, under the direction of the Corporate QA Director, who has final responsibility for ensuring that the terms and conditions of Lotus Bakeries' quality management system are met at all our production sites and in all Lotus Bakeries' offices. The Area QA Managers have the same responsibilities for their region.

Scope of product safety and quality

Lotus Bakeries' quality management system covers the entire value chain. From the purchase of raw materials and packaging, to production, labelling and delivery of the finished products to the customer. External production is also covered by the quality management system.

Quality control of suppliers

Supplier selection

Our suppliers are selected according to predetermined criteria, including the availability of an effective quality and food safety management system, assured by an independent food safety certification body. An effective tracing system forms part of this, so that Lotus Bakeries knows where the raw materials come from at all times.

Specifications

In addition, Lotus Bakeries has also drawn up specifications with product safety requirements to be met for raw materials and packaging materials that are critical for product safety, such as flour, eggs, fats, margarines, chocolate and printed packaging with direct product contact.

Inbound controls

The products supplied by our suppliers are also subject to an inbound control. We assess the analysis report supplied by the supplier and check it with regular counter analyses by our own specialist internal laboratories. In July 2022, the project for uniform registration of the acceptance sampling in SAP was successfully completed. In 2023, the inbound controls will be further tightened in collaboration with the sites.

The screening of suppliers

Supplier screenings are also supplemented by supplier visits and audits, which are conducted annually on the basis of performance measurements, and also at new suppliers. In 2022, eleven audits were carried out at suppliers of raw materials and three audits were carried out at suppliers of packaging materials. In addition, another four visits took place at raw material suppliers.

Only on the basis of these detailed performance measurements can we ensure that we continue to work with the best suppliers at all times.

Quality assurance of our production processes and finished products HACCP

Production processes are available for all production sites that are designed to assure the quality and the safety of our products. Detailed HACCP plans (product safety risk studies) have been produced. They are updated at least annually or with every major adjustment of the process or machinery. In 2021, the framework for the HACCP plans was thoroughly revised and the production sites started working with this in 2022.

Quality assurance finished products

Finished products are first examined critically at our production sites in the form of self-assessment by the production department. The quality of our finished products is also assured by analyses in our internal laboratories. The results of these laboratory analyses are reported to management monthly.

Training

In 2022, a thorough HACCP training course was organised by the Corporate Quality department for all local HACCP teams. There is also a food defence plan, aimed at preventing deliberate contamination, in place at each site. Every employee attends the necessary training on these processes.

Internal audits

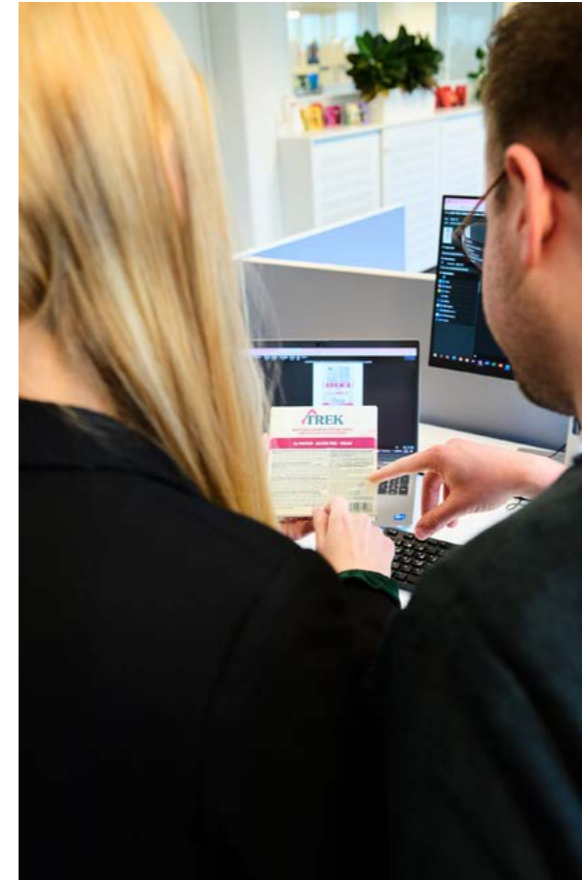
Verification takes place on the basis of internal audits. In 2022 there were 96 internal audits. Each production site has been audited at least five times.

External audits

External certification is a major support in the continuous improvement of both processes and products. Every Lotus Bakeries production site is BRC or IFS certified. The quality management system undergoes an annual assessment on the basis of different criteria and corrective and preventive action is taken as a result.

Quality processes for our production partners (co-manufacturing)

Our external production partners are monitored in an identical way by our Corporate Quality Assurance department. There were eight physical audits last year, 41 in-person visits and six digital quality meetings over the past year. The requirements we set for our external production partners are laid down contractually in a clear schedule of requirements. Products of production partners are assessed in the same way as our own products.



Thorough packaging inspection by colleagues from the QA team

Quality processes for our customers

First and foremost, our finished products, both the product itself and the packaging, must comply with the relevant food legislation. The labelling of products and the processing of raw materials and packaging according to the regulations of the country of commercialisation are monitored by the Corporate Quality Assurance.

We also wish to inform the consumer transparently about verified claims made with regard to the product. In 2021 a revamped database was developed to manage this information and the conversion into product specifications and customer information in a more efficient way. The database was put into use in 2022 and the further roll-out to other sites and production partners will take place in 2023.

We receive, register and handle product complaints systematically and, since 2020, they have been registered in a central database for all the sales offices in the group. The number of complaints and their seriousness are monitored very closely and a monthly report is made to management.

Annual testing and continuous monitoring of our quality management system

Lotus Bakeries has specific product withdrawal and recall procedures. There is a trained crisis management team in each of our sites and sales offices. Each year, the procedures are tested unannounced in collaboration with external parties.

Learning points are identified and adjusted from the results of this test, and monitoring and action plans are drawn up.

In 2022, Lotus Bakeries organised two recalls, one in Belgium and one in Germany, following a thorough risk analysis. The necessary steps were taken in a timely manner and preventive measures were taken immediately to prevent recurrence in the future.


The various components of our quality management system are adequately safeguarded thanks to these various steps.



Colleague performs microbiological control

NUTRITIONAL POLICY

Lotus Bakeries has a clear nutritional policy, focusing on five specific objectives.

 **The full text of the nutritional policy is available on our website:** <https://www.lotusbakeries.com/sustainability-policies>

The R&D department wants to contribute to better products through new insights into characteristics and interactions between raw materials and ingredients. To this end, it draws not only on its own expertise but also on that of well-known university knowledge institutions, as well as on existing innovation platforms set up by the food industry.

Our efforts in the field of innovation are also translated into an extensive and innovative product range. The five objectives of our nutritional policy are always paramount.

Superior taste experience

Lotus Bakeries wants to be able to offer its consumers delicious, high-quality snacks at any time of the day. A superior taste experience is key to this, both in the range of biscuits and pastries and in the range of natural snacks. We only use high-quality ingredients and we monitor production and supply chain processes from beginning to end. Ensuring the quality, origin, composition and safety of our products is vital. Our R&D department plays an important part in this: it has the task of developing products with attention to constantly improving quality and taste.

Diverse range

Lotus Bakeries aims to offer every consumer a quality range of snacks at every moment of consumption. It does this through a portfolio of products with a variety of nutritional compositions.

With the acquisition of brands such as nākd, TREK, BEAR and Urban Fruit, the focus has expanded to fruit and nut-based snacks. Moreover, the takeover of Kiddylicious has meant an expansion of our range with

snacks and meals for little ones. These Natural Foods brands provide the consumer with the option to choose a healthy or healthier alternative to existing snacks in the food category.

No artificial flavours or colours

To exclusively offer our consumers healthy and high-quality products, we aim not to use any artificial flavours or colours in our products. We have considered it important as a business to use pure and natural ingredients since our foundation in 1932.

Variety in portion sizes

It is our ambition to offer consumers responsible snacks. Not just with our range of natural snacks, but also by making several of our top products available in large and small packs, that contain less than 150 Kcal a portion.

Clear information and responsible marketing

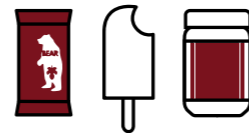
In order to support consumers in their nutritional choices, we believe it is important to give them accurate product information, including the nutritional values.

Lotus Bakeries also takes an unequivocal position with regard to responsible advertising towards children.

For example, Lotus Bakeries Belgium signed the Belgian Pledge 3.0, which expands its commitment to responsible advertising for children compared to its existing commitment under the Belgian Pledge 2.0. This revised version extends the guidelines to social media channels when communicating via influencers.



SUPERIOR TASTE EXPERIENCE



DIVERSE RANGE



NO ARTIFICIAL FLAVOURS OR COLOURS



VARIETY IN PORTION SIZES



CLEAR INFORMATION & RESPONSIBLE MARKETING



Colleague measures out the exact doses and verifies the viscosity

LOTUS BAKERIES FOUNDATION FOR EDUCATION

Mission: Lotus Bakeries aims to make a substantial contribution to carefully selected education projects with a focus on high-quality education for vulnerable or disadvantaged children and young people.

At Lotus Bakeries we contribute to the well-being of our fellow human beings by providing support to education. The reason is simple: education is the key to breaking the vicious circle of poverty.

Anyone with access to high-quality education can learn a trade and thus also gain access to the labour market, earn an income and support a family, share knowledge and continue to develop.

Education is a universal human right to which every child is entitled for good reason. Education provides future prospects. Education helps the child become an independent and self-reliant human being. Someone who can contribute to the economy. In this way education is the key to success of the child and society.

Our underlying principles are clear:

- We want to give vulnerable or disadvantaged children and young people in various regions access to high-quality education.
- We do this by supporting projects aimed at elementary and secondary education, but also aimed at technical skills and out-of-school cultural or sporting activities.
- We select a limited number of projects to which we can make a substantial contribution.



In 2022 Lotus Bakeries supported 8 development projects within the framework of the Lotus Bakeries Foundation for Education:



Kusasa Academy

The Kusasa Academy is an education project in the Western Cape province of South Africa for which Lotus Bakeries has been the main sponsor since 2018. Every year, some 150 children, 75 girls and 75 boys, receive a good basic education and are supported in their continued development. As a result, they can look forward to a better future, which also benefits society in the region.

In 2022, this non-profit celebrated its 15th anniversary, and has a proven, lengthy track record of having a meaningful impact on education and the community.

The annual graduation ceremony took place in November 2022. The ceremony was a combination of a school party, the graduation ceremony and the rebranding of the school. The name of the school was changed from 'Early Learning Centre' to 'The Kusasa Academy'.

As tradition would have it, all students took the floor and explained what The Kusasa Academy means to them and the dreams they cherish for the future. "No easy task to speak to an audience of 450," explains Marie-Louise Raymond, Headmaster of The Kusasa Academy. "But all the students have done a great job! We are extremely grateful to Lotus Bakeries for the annual financial donations, which play an important role in the future of these children."



Lotus Bakeries child sponsorships

This project was set up in conjunction with Cunina at the school in Reichenau, Underberg, South Africa. Since 2017, the employees of Lotus Bakeries Corporate have been given the opportunity to become sponsors. All sponsored children are offered an education from the first year of primary to the final year of secondary. This is a long-term commitment of 12 years for around 140 children.



TAJO

By lending its support to the Ghent Talent Studio for Young People (TAJO), Lotus Bakeries is choosing to provide socially vulnerable young people in the Ghent region (Belgium), and as of 2022 also in Kortrijk (Belgium), with new opportunities and to fuel their motivation to start studying.

This geographical expansion means that the non-profit organisation will reach even more vulnerable young people and will be able to make an even greater impact. That's why Lotus Bakeries has decided to raise the financial support in 2022, which should give this expansion an extra boost.

TAJO introduces young people to the most diverse professions and the associated competencies and talents through interactive workshops every Saturday. These workshops are provided by experienced guest teachers. For example, young people can experience which disciplines appeal to them and are encouraged to study in a direction that takes them further, at school and in life.

In order to maintain the connection with the young people over the summer of 2022, TAJO organised summer activities for all TAJO youths in July and August. A trip to the beach, to the Blaarmeersen, an artful tour in Ostend, a day of discovery of technology or nature in the Technology Park-Zwijnaarde, the Bourgoyen and the University of Applied Sciences West Flanders (Howest), went down a treat.



City Pirates

Through City Pirates, a social football project in the Antwerp area (Belgium) that uses football to give young people a chance and to learn skills, we want to give young people from the Antwerp area a chance of training, a diploma and a job. The youths learn, among other things through sport, what teamwork, perseverance, effort and discipline is, with a focus on equality, respect and commitment. And all this in view of a stable and balanced future. City Pirates also provides social and financial guidance for parents, after-school activities and homework tutelage for the children. The non-profit organisation now has 200 volunteers and 1,500 players, has a first team in second amateur division and receives logistical support from Club Brugge KV.

In 2022, among other things, a tournament for foreign-language newcomers was organised in collaboration with the Federal Agency for the reception of asylum seekers (Fedasil), International Organisation for Migration – UN Migration and CAW group, the Peace Run from the Stadspark to Schoonselhof took place and there was participation in the #properebuurten ('clean neighbourhoods') initiative. Ketnet wrapper Héritier Tipo visited City Pirates in December as part of De Warmste Week (a Belgian solidarity campaign).



Gammol

Gammol is a non-profit organisation committed to the needs of education and healthcare in Gambia.

In 2021, they built a new school in Sanchaba, but additional construction projects were planned in 2022. For example, in 2022, they worked on additional classrooms, a teacher room and the playground was also levelled. Decent sanitary facilities, which were missing before, were provided in 2022. Classes now have both new and used tables and chairs to accommodate the ever-increasing number of students.



Gooikenshoeve

VZW Gooikenshoeve was set up to provide psychologically and socially vulnerable young people and young adults from 17 to 25 with a worthwhile daytime activity in a small-scale, safe and warm environment. In this way they want to nurture the hope and the ability of their guests to find a way into normal social integration and interaction with themselves and others. Lotus Bakeries is keen to do its bit in this regard.



Entrepreneurs for Entrepreneurs

Literacy training for women

The 'Literacy for women as a weapon for their emancipation' project has been supported by Lotus Bakeries since 2021 and was continued in 2022.

The emancipation of women and their social and economic emancipation in the Democratic Republic of the Congo and Benin depend on education. Leuven Coopération and its local partners organise literacy courses for women and girls in these countries. These courses have a direct and significant impact on the emancipation of these women and the image they have of themselves and their families.

A future for disadvantaged young people in Walungu thanks to training in sustainable agriculture and economy

In 2022, Lotus Bakeries also supported the project 'Future for disadvantaged young people in Walungu'. Unemployment is particularly high in the Congolese region of Walungu. Even young people who have completed their studies are struggling to find work.

On the one hand, this project aims to support young Congolese in their vocational training and on the other hand to strengthen the technical and entrepreneurial skills of their teachers. After graduation, the young people receive individual guidance on starting an independent activity within agriculture or a craft. The teachers are trained by experienced partners. The focus is on agricultural schools and crafts, because the Walungu area is mainly an agricultural area and there are many opportunities in that sector. The young people are taught exactly what sustainable agriculture is.

In total, four agricultural schools receive intensive guidance, 150 teachers receive additional training, 350 students receive support, 50 vulnerable young people receive an individualised programme and 60 young people receive support in the development of their professional or entrepreneurial activities. The families of all these young people also benefit from the better opportunities they receive.

The four participating schools are: Maka Technical Institute – Karhagwa Technical Institute – Muku Technical Institute – Ciherano Technical Institute.

A few projects in 2022:

- As part of the social-professional integration of young people from agricultural schools in the Walungu region, last-year students from the various agricultural schools visited a micro farm. The students learned about the different farming methods, the horticultural crops grown using agroecological technology and were able to talk to the veterinarian. This visit introduced the young people to the profession and showed that it is possible to set up a sustainable and cost-effective agricultural project, even with little resources.
- 33 teachers and technical teachers, including four school headmasters, got trained on how to set up a continuous upskilling plan. Another two visits also took place to exchange experiences between technical teachers from the same disciplines.

EU TAXONOMY

OVERVIEW OF THE EU TAXONOMY

This section contains the EU Taxonomy disclosures required by Article 8 of Regulation 2020/852 (the EU Taxonomy Regulation).

The EU Taxonomy Regulation identifies the following six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The EU has published a catalogue of economic activities that can be considered for the first two environmental objectives: the Climate Delegated Regulations.

The sectors currently covered include energy, selected manufacturing activities, transport and buildings.

The manufacturing of food products and beverages is not yet covered by the Climate Delegated Regulations.

APPLICATION OF THE EU TAXONOMY REGULATION

We have concluded that our core economic activities related to the production and selling of indulgent and natural snacking products are not covered by the Climate Delegated Act and consequently are at present not considered Taxonomy-eligible.

As none of our revenue-generating activities are described currently in the Climate Delegated Regulations, our reporting under the EU Taxonomy Regulation is limited.

CURRENT OTHER ACTIVITIES AND OUTLOOK ON OUR POTENTIAL FOR TAXONOMY-ELIGIBILITY GOING FORWARD

It is important to note that 'non-eligible' under the EU Taxonomy Regulation refers to the fact that the activities at present remain outside the scope of the economic activities for which technical screening criteria have been developed under the current Delegated Regulations.

We will continue to assess our Taxonomy-eligible and aligned activities considering the evolving legal framework of the EU Taxonomy Regulation and to continue to integrate the requirements of the EU Taxonomy in our business model and reporting policies and procedures.

In the meantime, we keep exploring ways to reduce our emissions.

For a qualitative description of our CapEx and OpEx relating to climate change mitigation and adaptation we refer to Chapter 2 of our Annual Report.

DEFINING OUR KPIS

The definition of the key performance indicators (KPIs) is determined in accordance with Annex I of the Art. 8 Delegated Act.

Turnover KPI

The turnover KPI is defined as the proportion of Taxonomy-eligible economic activities in our total turnover (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated revenue as presented in our Consolidated Income Statement.

With regard to the numerator, we have not identified any Taxonomy-eligible activities as explained above.

CapEx KPI

The CapEx KPI is defined as Taxonomy-eligible CapEx divided by our total CapEx.

Total CapEx (denominator) consists of additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator includes also additions to tangible and intangible assets resulting from business combinations and leases.

With regard to the numerator, as we have not identified Taxonomy-eligible economic activities, we do not record CapEx related to assets or processes that are associated with Taxonomy-eligible economic activities.

OpEx KPI

The OpEx KPI is defined as Taxonomy-eligible OpEx divided by our total OpEx.

Total OpEx (denominator) includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of asset of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

With regard to the numerator, as we have not identified Taxonomy-eligible economic activities, we do not record OpEx related to assets or processes that are associated with Taxonomy-eligible economic activities.

TAXONOMY KPI'S FOR THE PERIOD ENDING DECEMBER 31, 2022

As our economic activities are not covered by the Climate Delegated Act, the share of Taxonomy-eligible economic activities in our total revenue is 0%. Consequently, the related CapEx and OpEx are also 0%.

We acknowledge that the Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 (hereafter referred as Regulation) requires to disclose the information referred to in Article 8, paragraphs 1 and 2, of Regulation (EU) 2020/852 as specified in Annex I to the Regulation, presented in a tabular form by using the templates set out in Annex II to the Regulation.

However, as most fields would be empty or nil, for the sake of clarity for our readers, we present all required information as in the simplified tabular form hereunder.

IN MILLION EUR	TOTAL	PROPORTION OF TAXONOMY-ELIGIBLE (NON-ALIGNED) ECONOMIC ACTIVITIES (IN %)	PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (IN %)	PROPORTION OF TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (IN %)
Revenue	877.5	0%	0%	100%
Capital expenditure (CapEx)	149.6	0%	0%	100%
Operating expenditure (OpEx)	26.5	0%	0%	100%



R&D colleague places sensor to measure the temperature of the dough

LIMITED ASSURANCE REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUBJECT MATTER INFORMATION OF THE CARE FOR TODAY SECTION IN THE ANNUAL REPORT 2022 OF LOTUS BAKERIES NV

To the Board of Directors of Lotus Bakeries NV

This report has been prepared in accordance with the terms of our engagement contract dated 1 February 2023 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with a selection of sustainability KPIs included in the Annual Report as of and for the year ended 31 December 2022 of Lotus Bakeries NV (the "Report"), as listed in the Appendix of this assurance report.

THE DIRECTORS' RESPONSIBILITY

The Directors of Lotus Bakeries NV ("the Company") are responsible for the preparation and presentation of the selection of sustainability KPIs for the year 2022 included in the Report, as listed in the Appendix of this assurance report (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance

of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance

that would have been obtained had a reasonable engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria.

The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2022 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information for the year 2022. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management n°1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Related Services Engagements], and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information within your Annual Report as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the criteria disclosed in the Report.

OTHER ESG RELATED INFORMATION

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

OTHER MATTER - RESTRICTION ON USE AND DISTRIBUTION OF OUR REPORT

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2022 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Gent, March 30, 2023

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
represented by

Lien Winne¹
Registered auditor

¹ Lien Winne BV, member of the Board of Directors, represented by its permanent representative Lien Winne

APPENDIX – SUBJECT MATTER INFORMATION

In section “02 our sustainability programme - care for today, respect for tomorrow”:

On page 85:

Environment	Packaging	% of packaging of all Lotus Bakeries brands that is recyclable
	Carbon footprint	% of our owned sites that have earned the CO ₂ -neutral label
		Output of scope 1 & 2 CO ₂ equivalent emissions per tonne produced on our owned sites
		Output of scope 1 & 2 CO ₂ equivalent emissions per tonne produced on our owned sites, excluding own transport
		Kg of waste per tonne generated

On page 99:

People	Gender diversity	% men-%female for Board of Directors, Leadership team and all employees
	Geographical coverage	Geographic distribution: total headcount per country and split between men/female (absolute and in %)
	Safety in the workplace	Total occupational accidents involving absence from work

On page 115:

Community	Ethical business practices	% of internal employees who have signed the Code of Conduct
		% of key suppliers which have signed the Code of Conduct
		% of our key palm oil suppliers which have signed Lotus Bakeries' Palm Oil Policy
	Responsible sourcing	% of our production sites which process palm oil that has achieved the RSPO certificate
	External quality certificates	Lotus Bakeries production sites where our products are produced with external quality certification (BRC, IFS)

03

OUR ORGANISATION

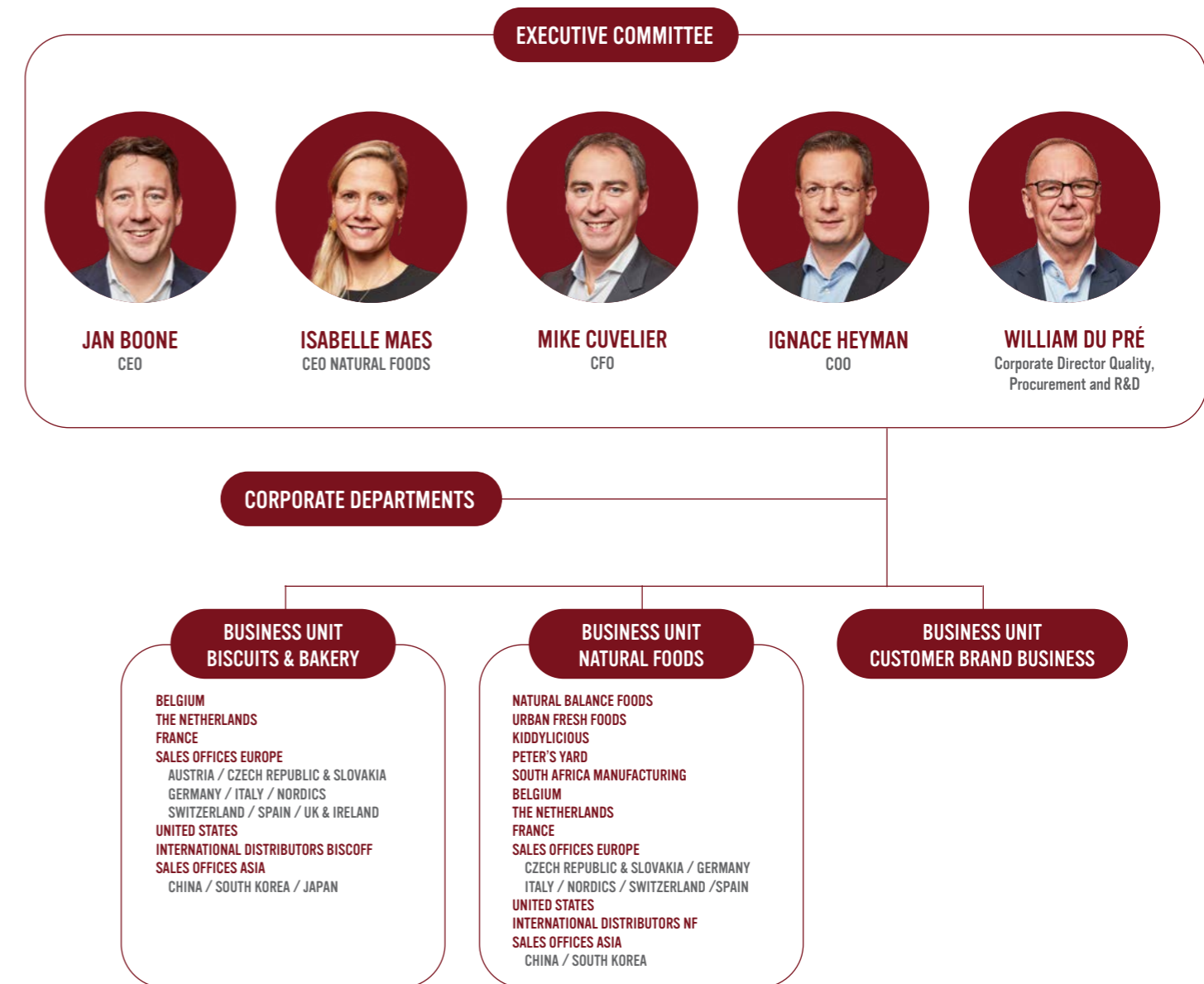
Group structure and
day-to-day management

146



GROUP STRUCTURE AND DAY-TO-DAY MANAGEMENT

The Executive Committee ('EXCO') determines Lotus Bakeries Group's strategy and objectives and submits them to the Board of Directors for approval. This strategy is implemented by the country and regional organisations ('areas') in the different business units, supported by the various corporate departments.



Jan Boone has been CEO of Lotus Bakeries Group since 2011 and leads the members of the EXCO on a day-to-day basis. He began his career in the audit department of PwC. From 2000-2005, he was responsible for corporate controlling, reporting and M&A at pharmaceutical company Omega Pharma. He sat on the Executive Committee and Board of Directors there. Jan joined Lotus Bakeries as General Manager and Director in May 2005.

Jan Boone is Chairman of the Board of Directors of Animalcare Group and sits on the Board of Directors of FC Bruges.

Isabelle Maes is CEO Natural Foods within the Lotus Bakeries Group. She began her career as an auditor for PwC. In May 2001, she moved to the Barry Callebaut chocolate company. Having fulfilled various roles and been involved in various projects in Finance and SAP, she was appointed Finance Officer of Barry Callebaut Belgium in 2006. Between 2014 and 2017, Isabelle fulfilled the role of CFO at Lotus Bakeries Group. So as to be able to dedicate herself fully to the internationalisation and growth of the natural snacking segment, she has fulfilled the role of CEO Natural Foods since September 2017.

Isabelle Maes sits on the Board of Directors of Van de Velde NV.

Mike Cuvelier has been CFO of Lotus Bakeries Group since September 2017. Mike began his career in 1996 as an auditor for PwC. Between 2000 and 2013 he fulfilled various controlling roles at Bekaert in the United States, Asia and finally as Vice President Control Global Business Platforms in Belgium. From 2013 to 2017, Mike was CFO of the Unilin Group, part of Mohawk Industries.

Ignace Heyman is COO of Lotus Bakeries Group. He pursued a career in marketing in both Belgium and France, first at Procter & Gamble, PAB Benelux (Panzani-Amora-Blédina) and then at Reckitt Benckiser. In 2008, Ignace joined Lotus Bakeries as Marketing Director Belgium, before going on to become Corporate Director Marketing in 2011. From mid-2012 to the end of 2015 he was General Manager France. He has been COO since 2016.

William Du Pré has been Corporate Director Quality, Procurement and R&D since 2016, and is in charge of these corporate departments. William's career with Lotus Bakeries began in 1982. Over the years, he has occupied a variety of sales roles. He was General Manager Belgium for almost ten years (2007-2015).

Together with the general managers from the various areas within the business units, the EXCO members form the Group Management Team (GMT). Each area implements the Lotus Bakeries strategy according to a clearly defined business model. The corporate services departments advise and support the Group across all business units and areas and report directly to the EXCO.



GENERAL MANAGEMENT



JOHN VAN DE PAR
General Manager Belgium



JEROEN HARKS
General Manager The Netherlands



JEAN-PHILIPPE KLOUTZ
General Manager France



ELS DE SMET
General Manager Sales Offices
Europe



MARGO JORIS
General Manager US



RONALD DRIEDUITE
General Manager SOF Asia



BART BAUWENS
General Manager ID Biscoff®



LEON BROER
General Manager ID Natural Foods



PAUL HUNTER
Managing Director UFF



GARETH DUNNE
Managing Director NBF



TWAN THORN
Managing Director Kiddylicious

CORPORATE DIRECTORS



ELENA BAYOD
R&D Director



MICHEL BLOEMEN
Corporate Director Finance
Biscuits & Bakery



KATHLEEN BUYST
Global Brand Director
Lotus® Biscoff®



STÉPHANIE DE LANGE
Group HR Director



SOFIE DE LETTER
ICT Director



SASKIA DE PAEPE
Corporate Finance & Supply Chain
Director Lotus™ Natural Foods



SABIEN DEJONCKHEERE
Global Brand Director
Lotus™ Natural Foods



FOUAD ELOUCH
Reporting &
Consolidation Director



BRECHTJE HAAN
Corporate Legal, IP &
Communication Director



KATJA MAERSCHALCK
Corporate Controlling &
Auditing Director



ELS RUTSAERT
Corporate QA Director



ANNELIES SANTENS
Director Treasury &
Risk Management



JEAN-PAUL VAN HOYDONCK
Global Director Lotus® Biscoff®
Engineering, Planning & Capacity



ELS VAN PARYS
Programme Manager Strategic
Projects



WOUTER VERSTRINGE
FF 2032 Investment Fund Director

SALES STRUCTURE

Lotus Bakeries has a total of 21 entities with sales activities, spread across Belgium, France, the Netherlands, the United Kingdom, Spain, Germany, Italy, Sweden, Switzerland, the Czech Republic, Austria, the United States, Hong Kong, China and South Korea. Lotus Bakeries has brought together the four commercial organisations within Lotus™ Natural Foods – being BEAR, nākd, TREK, Kiddylicious and Peter’s Yard – in an office in St. Albans, just outside London, to create additional synergies in the organisations of these teams. The team of Peter’s Yard and the team of Kiddylicious will move into the new office in St. Albans in February 2023.

In approximately fifty other countries, we work closely with commercial partners. These partnerships are combined into the areas of International Distributors Lotus® Biscoff® and International Distributors Lotus™ Natural Foods.

PRODUCTION SITES

Lotus Bakeries has a total of twelve production sites. They are spread across Belgium, France, the Netherlands, Sweden, the United States and South Africa. We also have our own distribution centre in Lokeren (Belgium).

With the exception of nākd, TREK, Kiddylicious and Peter’s Yard, all products are manufactured at our own production sites. To guarantee the typical characteristics of our extensive product range, we deploy various production technologies. Mastering, managing and developing these technologies represent a permanent challenge for our Group. We therefore try to limit the number of products and technologies for each production site and to centralise production processes in specialised plants.

INVESTMENTS AND EXPANSIONS

In April 2022, the symbolic ground breaking took place in the presence of Flemish Minister-President Jan Jambon, to kick off the construction of the third production hall in Wolseley, South Africa. The continuous investments in South Africa make Lotus Bakeries one of the largest employers in the Ceres Valley (Western Cape province).

2022 also saw substantial investments in production capacity for Lotus® Biscoff®. 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®. Accordingly, Lotus Bakeries has decided to invest and expand further in both Belgium and the United States.

In Belgium, this primarily concerns 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. It also reduces the operational dependency on a single dough room on the Lotus® Biscoff® site at Lembeke. The production buildings were also expanded in Belgium. The building also received a new Lotus® Biscoff® sandwich cookie line, which has been operational since January 2023, a new Lotus® Biscoff® crumble filling line and an installation to expand the production capacity of the spread as from 2023. Additional offices and social areas were also provided at the site.

In the United States, the construction of the second production hall was finalised and capacity was doubled with two new Lotus® Biscoff® production lines. Four production lines are now operational in the factory in the United States.

As announced on 3 August 2022, Lotus Bakeries plans to start a production facility in Asia for Lotus® Biscoff® to further support its growth ambition for Lotus® Biscoff®.

Over the years, the Asia Pacific region has become increasingly important to Lotus® Biscoff®. In China and South Korea, Lotus Bakeries has had sales offices with its own teams for many years, while the Lotus Bakeries team in Hong Kong is responsible for the other countries in the region, for which it collaborates with distribution partners. Revenue has increased significantly over the past five years with a double-digit CAGR. At the same time, the awareness of Lotus® Biscoff® and its availability to the hundreds of millions of consumers in this region is still limited and raising awareness is now in full swing. The growth potential for Lotus® Biscoff® in these large, growing consumer markets is therefore still immense.

The rationale for a third Lotus® Biscoff® plant is evident. The production facility must provide the necessary, additional capacity for the Group, bring the products to consumers more freshly, make it possible to respond more quickly and better to regional opportunities, and not only reduces transport costs, but also the environmental footprint. In addition, the project risk has been greatly reduced since Lotus Bakeries has already gained experience in the construction of the second Lotus® Biscoff® plant in the United States, which means that a project canvas already exists.

The site was formally purchased at the end of November 2022. The project team is in the process of determining the scope of the investment. According to the current schedule, the first line will be operational in 2026. The total budget for the first phase, including dough room, first production hall and infrastructure, production lines and offices, is estimated to be between 125 and 150 million EUR.

OUR WORLDWIDE PRESENCE

2,698

Employees
(2,398 in 2021)

12

**Production facilities
in 6 countries**

21

**Sales Offices
in 15 countries**

50+

**Countries with
commercial partners**

OUR WORLDWIDE PRESENCE

OVERVIEW PRODUCTION SITES



Mebane



Wolseley



Tyresö



Lembeke
Courcelles
Oostakker
Eeklo



Enkhuizen
Geldrop
Sintjohannesga



Comines
Briec-de-L'Odét

-  BISCOFF PRODUCTION SITES
-  BEAR PRODUCTION SITES
-  LOCAL HEROES PRODUCTION SITES

OUR WORLDWIDE PRESENCE

OVERVIEW SALES OFFICES



Comines



Manchester
St. Albans (4)



San Francisco



HQ

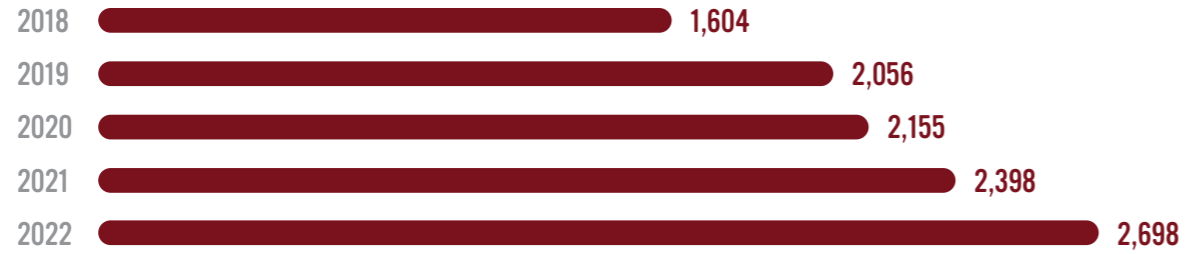


SALES OFFICE

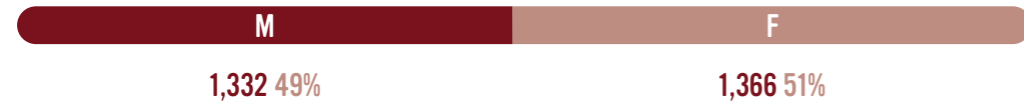


PERSONNEL

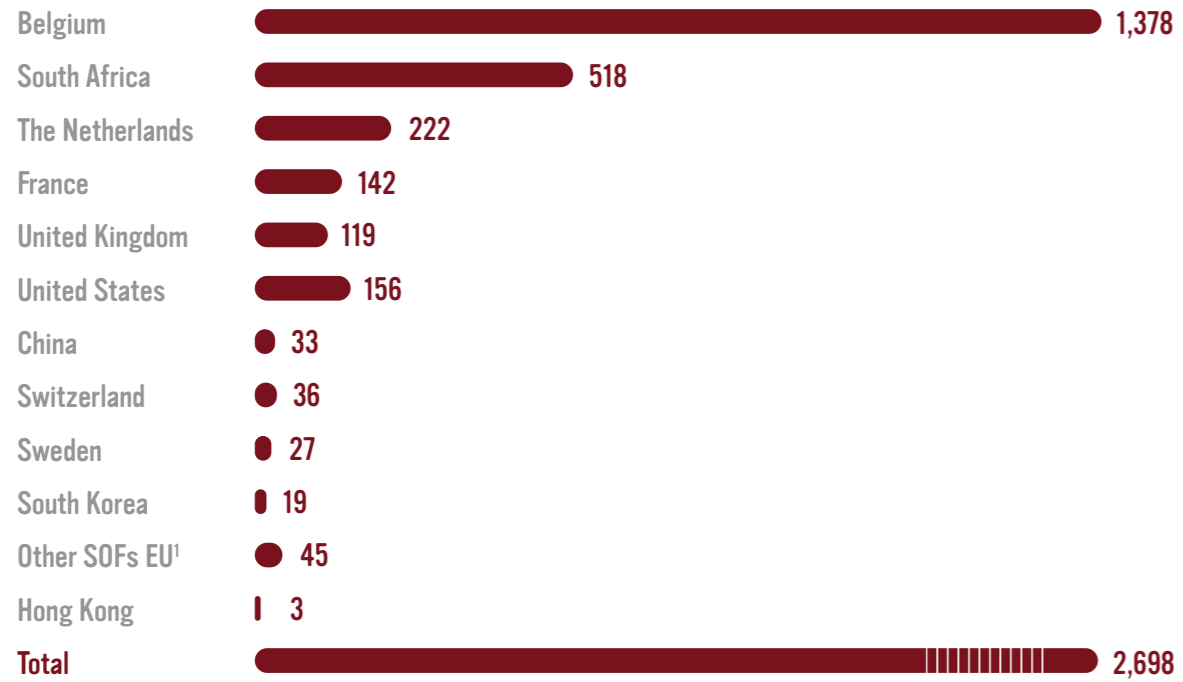
EVOLUTION



NUMBER OF EMPLOYEES BY GENDER



NUMBER OF EMPLOYEES PER COUNTRY



¹ Sales Offices EU: Germany, Spain, Czech Republic, Austria, Italy



04

REPORT OF THE BOARD OF DIRECTORS

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ACTIVITIES IN 2022

REVENUE 2022 INCREASES BY A RECORD EUR 127.2 MILLION

In 2022, Lotus Bakeries' consolidated revenue grew by 17% or by EUR 127.2 million to EUR 877.5 million. The 14.1% revenue growth shown in the first six months further strengthened to almost 20% in the second half of the year, underpinned by strong pricing execution and solid volume growth. In the second half of the year, volumes increased by almost 10% ending with a full year volume growth of 8.1%. Price increases, including positive exchange rate effects, represent 8.9% of the full year growth.

The two strategic pillars, Lotus® Biscoff® and Lotus™ Natural Foods, are the drivers of this high-quality organic growth with revenue increases of 25% and 24% respectively. The strong growth in both pillars confirms that the international expansion strategy is working, that the brands are strong and that the portfolio of affordable products is resilient against the global challenges of high inflation worldwide.

Lotus® Biscoff®, the Group's first and largest strategic pillar, reported a revenue of EUR 415 million in 2022. The pillar achieved an accelerated growth rate of more than 30% in the second half of the year, ending the full year of 2022 with a revenue increase of 25%. Ten years ago, in 2012, revenue amounted to EUR 100 million equating to 15% year-on-year growth in the past decade. With this stellar growth rate, Lotus® Biscoff® has significantly outperformed the Consumer Products industry and in particular, the 'Sweet Biscuits' category in this period.

In 2022, double-digit growth was again broad-based across many countries and all continents. This is the case in North America, both in the US and Canada. In Europe, there is double-digit growth in the Netherlands, Germany, Spain, Italy, the Czech Republic, Switzerland, Slovakia, Austria and Sweden. This is also the case for several countries in the Middle East and Asia-Pacific regions, including China, the UAE, Saudi Arabia, South Korea, Malaysia, Turkey, Egypt, Singapore, Japan, Australia and New Zealand.

Lotus® Biscoff® cookies and Lotus® Biscoff® spread continued to recruit more consumers across the world. Lotus® Biscoff® cookies were again the strongest riser in the top ten of the global Cookie Brand ranking, moving up from 7th to 6th position. The ambition to become a top 3 cookie brand in the longer term with Lotus® Biscoff® remains valid more than ever.

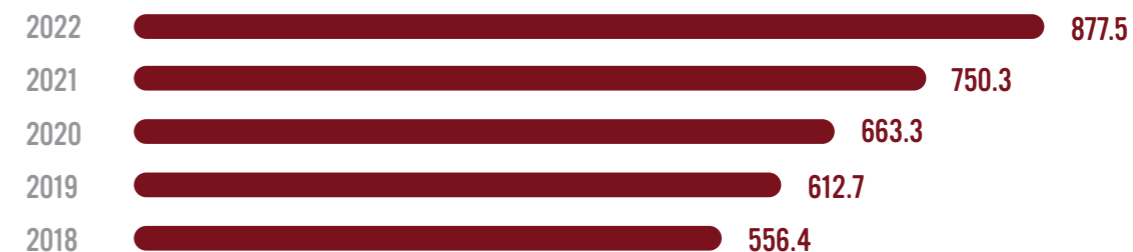
Good productivity and availability of personnel in the factories on the one hand, and a reliable and solid supply chain of raw materials on the other, have been crucial to achieving the 2022 growth. Moreover, all previously announced investments in Belgium and the US were delivered and installed on time and successfully commissioned by the beginning of 2023.

In 2022, the **Lotus™ Natural Foods** brands all continued to grow strongly, reporting a revenue of EUR 175 million. This is a year-on-year increase of 24% and a year-on-year growth of 16% since the acquisitions in 2015. The strength of the brands and the distinctiveness and affordability of the products in the respective categories supported continued growth and proved resistant to the implemented price increases. In terms of revenue, the Lotus™ Natural Foods pillar is now as large as the Lotus® Local Heroes.

Lotus™ Natural Foods builds further on its strategic growth poles with a focus on accelerated international growth on the one hand and maintaining market leadership, combined with strong innovation in the UK, on the other. Lotus™ Natural Foods' international activities outside the UK grew by almost 40% this year and already represent more than 30% of total Lotus™ Natural Foods revenue. Also in the UK, the Lotus™ Natural Foods brands achieved double-digit growth.

An important contributor to the international growth of Lotus™ Natural Foods in recent years is the success of BEAR in the US. BEAR

EVOLUTION OF TURNOVER IN €M



was introduced there in 2018 in both the out-of-home channel —via its presence in more than 4,000 coffee shops— and the specialty retail channel, as a newcomer in an already developed 'Kids Fruit Snacking' destination aisle. BEAR was an immediate success and convinced conscious parents of its category-distinctive healthy attributes for their kids, it being made with real fruit. BEAR has further capitalised on these distinctive qualities to convince more and more consumers. Today BEAR is a leading brand in the Kids Fruit Snacking category in the US, has a broad, nationwide distribution and is present across all channels.

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. Revenues for Local Heroes remained stable in 2022. Lotus Bakeries will continue to invest in the brands and the products and is confident that constructive plans with retailers will support a positive evolution for Local Heroes going forward. The pillar is strategically important, it offers market leadership with a diversified assortment of products and generates strong cash flows.

IMPORTANT PROJECTS AND INVESTMENTS

Lotus® Biscoff®'s faster than anticipated growth in recent years, combined with the ambitions for the future necessitates several capacity expansion projects.

In 2022 the company invested a record amount in capacity expansion, mainly for Lotus® Biscoff®. Limiting the net impact of shortages of building materials, machine parts and technical components on the delivery of the planned investments allowed the new capacity to come into operation by the beginning of 2023 and within the predefined investment budgets.

Belgium

In the Lotus® Biscoff® plant in Belgium, a second dough preparation room became operational as foreseen by the end of September 2022. This significant step-up investment is crucial to support the further growth of Lotus® Biscoff® cookies and Lotus® Biscoff® spread.

In addition, a new Lotus® Biscoff® sandwich cookie production line started up in January 2023. The Lotus® Biscoff® sandwich cookie was first launched in 2020 and is very successful across markets. It has become a hero SKU in the assortment and an important driver of incremental penetration in the 27 countries where it was already introduced. The new, second line in the plant in Lembeke allows for the scaling up of internationalisation and distribution. This will also be supported commercially both in-store and via online and TV media support.

United States

In the Lotus® Biscoff® plant in the US, a second production hall with two new Lotus® Biscoff® production lines became operational as of the start of 2023. The US plant has now four production lines in operation.

The capacity increase in the US will make the continent more self-sufficient for the local demand of Lotus® Biscoff® cookies and will provide the US consumer with the freshest possible product. Moreover, the investment has both financial and ecological benefits. Financial benefits because of the natural currency hedge and savings on expensive ocean transport. An ecological return because of the avoidance of container transport and related CO₂ emissions. The current capacity that was invested in the US avoids 1,500 containers per year travelling from Belgium to the US. The US plant is also sourcing its raw materials and packaging locally and hence more responsibly and sustainably.

Thailand

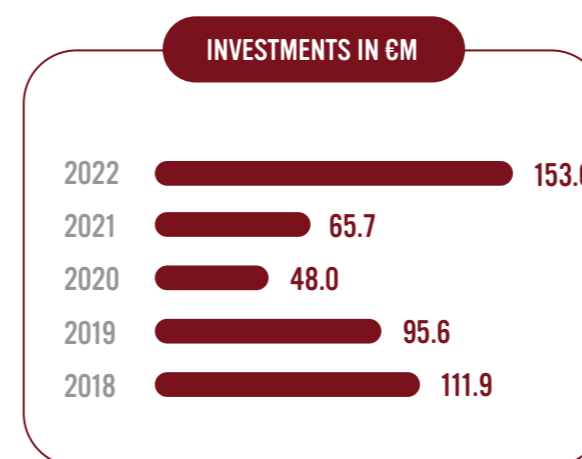
As announced on August 3, 2022, Lotus Bakeries has plans to start up a production facility for Lotus® Biscoff® in Asia to further support its growth ambition for Lotus® Biscoff®.

The Asia-Pacific region has become increasingly important for Lotus® Biscoff® over the past few years. For many years already, Lotus Bakeries has had sales offices and its own teams in China and South Korea, while the Lotus Bakeries team in Hong Kong manages the other countries in the region in partnership with its distributors. Revenues have increased significantly with a double-digit CAGR over the past 5 years. On the other hand, awareness of Lotus® Biscoff® and its availability to the hundreds of millions of consumers in this region is still limited and evolving. The growth potential for Lotus® Biscoff® in these large, growing consumer markets thus remains immense.

The rationale for a third Lotus® Biscoff® plant is straightforward. The new plant will provide the necessary additional capacity for the Group, bring fresher cookies to the consumer, will be able to respond faster and

better to local opportunities, and will save transport costs, thereby further reducing the environmental footprint of the company. Recent experience with the construction and start-up of the second Lotus® Biscoff® plant in the US provides the Group with a project framework and strongly reduces the project risk.

The land was formally purchased at the end of November 2022. The project team is currently scoping the investment. According to the current timescale, the first line will be operational in 2026. The total budget for the first phase including dough room, first production hall and infrastructure, production lines and offices is estimated between EUR 125 and 150 million.



FINANCIAL INFORMATION

PROFITABILITY AND OPERATING CASH FLOW

The recurring operating result REBIT (EUR 140.2 million or 16.0% of revenue) and the recurring operating cash flow REBITDA (EUR 169.9 million or 19.4% on revenue) increased respectively by EUR 16.4 and 18.9 million compared to last year.

The rise of the recurring operating result REBIT and recurring operating cash flow REBITDA of 13.2% and 12.5% respectively, with cost inflation accelerating through the end of 2022, confirms the resilience of the Group and robustness of the business. A 17.0% increase in revenue is the result of strong volume increases of 8.1% on the one hand and price increases, including positive currency effects, of 8.9% on the other. Volume growth allows for the leveraging of the sustained investments in organisation and people needed to maintain the pace of growth. Logistical costs and, in particular, ocean freight costs remained at a high level throughout 2022. Media support continues to be maintained in a disciplined and selective manner. Non-cash costs which mainly consist of depreciation increased by EUR 2.6 million.

The non-recurring operating result of EUR -3.8 million relates mainly to organisational restructuring, office relocation, acquisition costs, start-up costs for capacity extensions and product range restructuring.

The financial result of EUR -2.4 million is in line with the previous year and consists mainly of interest expenses. Realised and unrealised exchange rate results on balance sheet positions in foreign currencies are limited.

The tax expense amounts to EUR 30.7 million or 22.9% of the profit before tax. The tax charge is in line with the Group's guided effective tax rate.

Net profit increased by almost 14% or EUR 12.5 million and amounts to EUR 103.3 million or 11.8% of revenue. Earnings Per Share (EPS) increased by 14% to EUR 127.4 per share. The recurring net result increased to EUR 106.2 million or 12.1% of revenue. The recurring net result is the reported net result for the period excluding non-recurring income and expenses.

Over the past 12 months Lotus Bakeries has generated another record operating cash flow (REBITDA) of EUR 169.9 million, allowing the net financial debt to remain low at less than one times REBITDA.

Total investments amounted to EUR 153 million including both capital expenditures, the acquisition of 100% of the shares of Peter's Yard and the investments via the corporate venture fund FF2032. The large majority of investments relates to capacity expansion projects reaching a 12-month high of EUR 120 million. Maintenance capex remained stable at 1.6% of revenue or EUR 14 million.

Despite volume growth and inflationary pressure on all components of working capital, the net increase was limited to EUR 8 million.

SIGNIFICANT EVENTS AFTER DECEMBER 31, 2022

No significant events have occurred since December 31, 2022 which have a material impact on the 2022 financial statements.





Jan Boone - CEO

PROSPECTS FOR 2023

The macro-economic environment and company-specific conditions in 2022 were challenging. There are unprecedented increases in costs and accompanying necessary price increases, large and urgent capacity investments that needed to come onstream and increased risk of disruptions and delays in the supply chain. On top of that, the war in Ukraine led to increased uncertainties in energy and raw material markets and further rising input costs for raw materials, packaging materials, utilities, transport and labour as a consequence.

Notwithstanding the challenges, Lotus Bakeries showed resilience in 2022 and reports a strong performance in terms of high-quality top-line growth, margin management, cash flow protection and investment execution.

The company achieved a record growth rate of 17% or EUR 127 million in 2022. Lotus® Biscoff® and Lotus™ Natural Foods, the two strategic pillars focused on internationalisation, have again been the key drivers to attaining this exceptional growth. The revenue increase is underpinned with responsible price increases to reflect inflation of costs and continued high single-digit volume growth. The company is navigating through these challenging and unpredictable times focusing on its strategic priority to realise its growth potential and ambitions. At the same time, this also requires margin and profitability support through savings, improved operational and logistical efficiencies, product mix and responsible pricing actions.

In 2022, the company invested a record amount mainly in capacity expansion projects. These projects are crucial to support the short and medium-term growth of Lotus® Biscoff® and Lotus™ Natural Foods. A strong belief in future growth warrants the continuation of this investment programme. The capital expenditures for 2023 are estimated in the

range of EUR 100 million unless the greenfield investment in Thailand is progressing faster than expected. The other investments in the corporate venture fund provide the seeds for more long-term future growth.

CEO JAN BOONE:

"We raised the bar for ourselves once again. EUR 127 million of organic growth is unprecedented. The 17% growth is almost evenly split between responsible price increases to reflect inflation and solid volume growth. The broad-based progression in the large majority of countries is important and crucial to maintain. The macro-economic environment is challenging and inflation is impacting many people's purchasing power. That's why the price increases need to be fair and responsible because, ultimately, we want to keep our products affordable. Affordability is key for all our products across the three pillars. Lotus® Biscoff® and Lotus™ Natural Foods are the strongholds in terms of growth but also our Local Heroes have been able to keep revenue stable, something which deserves a lot of credit in extremely difficult circumstances."

Going into 2023, the macro-economic outlook remains unclear and volatile and the inflationary pressures are still omni-present. All cost categories are subject to significant inflation with labour and energy being more pronounced in comparison to 2022. The challenge is therefore no less significant than it was 12 months ago but the medicine remains the same: a balanced approach of implementing responsible price increases, realizing volume growth by continuing to invest in the brands and the organisation and cost optimisations within operations, supply chain and overheads.

RESULTS AND PROPOSAL FOR APPROPRIATION OF RESULTS

CONSOLIDATED

The consolidated net profit for 2022 amounted to EUR 103.3 million as compared to EUR 90.7 million in 2021.

STATUTORY

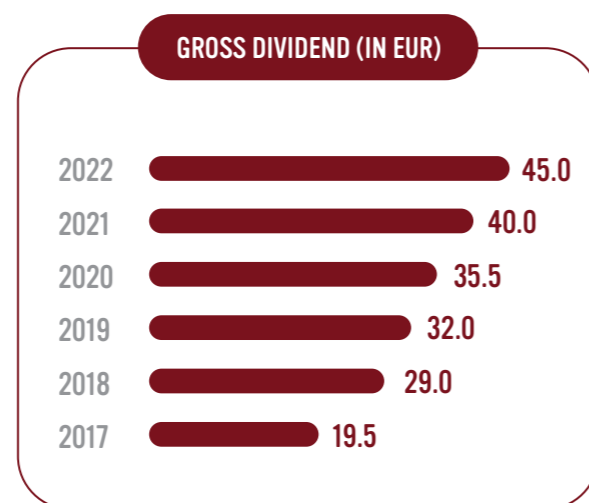
The 2022 results for the parent company Lotus Bakeries NV are as follows:

IN EUR	
Profit for the year	130,145,781.77
PROFIT FOR THE YEAR AVAILABLE FOR APPROPRIATION	130,145,781.77

The Board of Directors proposed to appropriate the profit as follows:

IN EUR	
Allocation to legal reserves	0
Allocation / (Transfer) to other reserves	93,175,196.77
Distribution of a gross dividend ¹	36,720,585.00
Distribution of emoluments to directors	250,000.00
TOTAL	130,145,781.77

The Board of Directors will propose at the Ordinary Shareholders Meeting of May 12, 2023 that a gross dividend of EUR 45 per share for 2022 be paid compared with EUR 40 per share in 2021. This maintains the dividend policy of recent years, whereby at least one third of the recurring net profit is paid out.




¹ The dividends on the purchased Lotus Bakeries shares will be paid to Lotus Bakeries NV and, as a consequence, will not be suspended.

CORPORATE GOVERNANCE DECLARATION

Lotus Bakeries adopts the Corporate Governance Code 2020 as a reference code, in accordance with Article 3:6(2) of the CAC and the Royal May 12, 2019 laying down the corporate governance code to be complied with by listed companies.

Lotus Bakeries' Corporate Governance Charter, which outlines our corporate governance policy and the internal rules of procedure of the Board of Directors, the Committees and the Executive Committee, was discussed by the Board of Directors and approved on April 2, 2020.

 **More information about our Corporate Governance Charter can be found on our website:** <https://www.lotusbakeries.com/governance-practices-and-policies>

In this annual report, we report factual applications of the Corporate Governance Charter.

ADOPTION OF CORPORATE GOVERNANCE CODE 2020

As set out below, Lotus Bakeries follows all principles contained in the Corporate Governance Code 2020, except for Article 7.12 concerning the possibility of clawing back variable remuneration paid to the members of the executive management, or withholding the payment of variable remuneration.

The Board of Directors is not convinced of the enforceability of a claw-back clause in employment contracts or service agreements with management companies, which cannot be amended unilaterally. Nor does it see the need for such a claw-back clause since, according to the remuneration policy, the variable remuneration is allocated solely on the basis of verified, audited and published results.

GOVERNANCE STRUCTURE

The Board of Directors chose to consolidate its current single-tier governance model as referred to in Article 7:85 et seq of the CAC, since the functioning of the Board is highly effective and transparent. The powers relating to day-to-day management versus supervision/control are clearly defined, the Board is kept thoroughly informed at all times by the CEO and the EXCO and all necessary decisions are approved and/or ratified.

SHARE CAPITAL AND SHARES

Share capital

The share capital of Lotus Bakeries NV amounts to EUR 3,591,183.65.

Notices with respect to Art. 34 of the Royal Decree of November 14, 2007 - anti-takeover measures

The Board of Directors of Lotus Bakeries NV was authorised by the Extraordinary General Meeting of May 8, 2020 to increase issued capital one or more times up to a maximum amount of four million seven hundred and eighty-eight thousand two hundred and forty-four euros and eighty-seven cents (EUR 4,788,244.87). This authorisation was granted for a period of five years starting on the date of the publication of the resolution of the Extraordinary General Meeting of May 8, 2020 in the Supplements to the Belgian Official Journal.

Within the limits of the aforementioned authorised capital, the Board of Directors of Lotus Bakeries NV was furthermore authorised by the Extraordinary General Meeting of May 8, 2020, within a period of three years commencing with the Extraordinary General Meeting of Shareholders of **May 8, 2020**, following notification from the Financial Services and Markets Authority of a public takeover bid for the Company's stock, to increase the Company's capital subject to fulfilment of the legal requirements.

Shares

Since the beginning of January 2002, Lotus Bakeries NV shares have been listed on the continuous trading market of Euronext (Brussels). Previously, the shares were listed on the spot market.

On December 31, 2022 there were 816,013 shares of Lotus Bakeries NV, in registered or dematerialised form.

Share options

In the context of the Lotus Bakeries NV share option scheme, 792 new share options were issued in 2022. As at December 31, 2022 the total number of unexercised share options was 3,695.

GRANTED IN	2017	2018	2019	2020	2021	2022
Number granted	1,846	1,179	1,199	962	660	792
Number exercised	(1,593)	(798)	(60)	(50)	(33)	-
Number expired	(253)	(40)	(50)	(40)	(26)	-
Available options	-	341	1,089	872	601	792

Purchase of treasury shares

The Extraordinary General Meeting of May 8, 2020 authorised the Board of Directors of Lotus Bakeries NV as follows regarding the buying and selling of treasury shares:

- For a period of five years, within legal limits, whether via the stock exchange or otherwise, whether directly or indirectly, whether by purchase or exchange, whether by contribution or any other form of acquisition, to acquire shares, profit-sharing certificates or certificates related thereto, with as compensation the average closing share price of the Company over the last thirty calendar days prior to the date of purchase, reduced by twenty percent as a minimum price and increased by ten percent as a maximum price. This authorisation applies also to the acquisition of shares of the Company, carried out,

directly or indirectly, by direct subsidiaries of the Company within the meaning of Article 7:221 CAC.

- To dispose of shares, profit-sharing certificates or other certificates acquired by the Company, whether via the stock exchange or otherwise, through sale, exchange, contribution, conversion of bonds or any other form of transfer (whether or not for consideration), to offer them to the staff, to offer them to one or more specified persons other than staff, or to otherwise exercise control over them, always in accordance with the legal provisions, or to cancel these shares or profit-sharing certificates, without requiring further approval or other intervention of the General Meeting of Shareholders and without any time restrictions.
- To acquire, whether via the stock exchange or otherwise, whether directly or indirectly, the Company's stock, when such acquisition is necessary to prevent the Company from suffering serious imminent damage. This authorisation is granted for a period of three years.

2,500 treasury shares were purchased over the course of 2022. The total number of treasury shares in the portfolio at the end of the financial year is 5,072 shares. They represent an accounting par value of EUR 22,316.80 or 0.62% of the issued share capital.

SHAREHOLDERS AND SHAREHOLDERS STRUCTURE

The shareholding structure of Lotus Bakeries NV on December 31, 2022:

	NO. OF SHARES	NO. OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS
Stichting Administratiekantoor van Aandelen Lotus Bakeries ¹	408,007	816,014	50%	65.03%
Lotus Bakeries NV ²	5,072	5,072	0.62%	0.40%
Publicly held	402,934	433,802	49.38%	34.57%
Total	816,013	1,254,888	100%	100%

¹ Stichting Administratiekantoor van Aandelen Lotus Bakeries is not controlled. The interest of Stichting Administratiekantoor van Aandelen Lotus Bakeries in Lotus Bakeries NV appears in the transparency notification that Lotus Bakeries NV received on September 29, 2021¹.

² The voting rights attached to the shares held by Lotus Bakeries NV have been suspended. The dividends have not been suspended and will be distributed to Lotus Bakeries NV.

¹ Pursuant to article 6 of the Law of May 2, 2007 on disclosure of participating interests.

Communication according to Article 14(1) of the Law of May 2, 2007 on disclosure of major holdings

Lotus Bakeries NV did not receive a transparency notification in 2022.

Communication according to Article 74(7) of the Law of April 1, 2007 on public takeover bids

Lotus Bakeries NV is not aware of any updates to any communication according to article 74 of the Law of 1 April 2007.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD OF DIRECTORS

Board of Directors

Composition

On May 13, 2022, the Ordinary General Meeting of Shareholders reappointed Lema NV (represented by its permanent representative, Michel Moortgat) as director of Lotus Bakeries NV. However, as a result of a demerger which took place on June 8, 2022, Lema NV was dissolved without liquidation and this management mandate was cancelled. In light of this, the Board of Directors decided to provisionally fill the vacancy in accordance with Article 13 of the Articles of Association of Lotus Bakeries NV and Lema BV (represented by its permanent representative Michel Moortgat) was co-opted as director. The next General Meeting of Shareholders will decide on the final appointment.

Furthermore, on May 13, 2022, the Ordinary General Meeting also accepted the resignation of PMF NV, represented by its permanent representative Johan Boone, as well as the appointment of PMF NV, represented by its permanent representative, Emanuel Boone.

The current composition of the Board of Directors:

Chairman:

Vasticom BV, represented by its permanent representative
Jan Vander Stichele
Current term of office ends: 2025 General Meeting

Managing director:

Mercuur Consult BV, represented by its permanent representative
Jan Boone
Current term of office ends: 2025 General Meeting

Non-executive directors:

- Beneconsult BV, represented by its permanent representative
Benedikte Boone
Current term of office ends: 2024 General Meeting
- PMF NV, represented by its permanent representative
Emanuel Boone
Current term of office ends: 2026 General Meeting
- Concellent NV, represented by its permanent representative
Sofie Boone
Current term of office ends: 2024 General Meeting
- Anton Stevens
Current term of office ends: 2025 General Meeting

Independent directors:

- Palumi BV, represented by its permanent representative
Peter Bossaert
Current term of office ends: 2025 General Meeting
- Benoit Graulich BV, represented by its permanent representative
Benoit Graulich
Current term of office ends: 2025 General Meeting
- Lema BV, represented by its permanent representative
Michel Moortgat
Current term of office ends: 2026 General Meeting
- Sastraco BV, represented by its permanent representative
Sabine Sagaert
Current term of office ends: 2023 General Meeting

Secretary:

- Brechtje Haan

Benedikte Boone

Non-Executive Director

- Master's degree in Applied Economics (KU Leuven)
- She has held positions at Creyf's Interim and Avasco Industries
- Director in various family companies (Bene Invest BV, Holve NV and Harpis NV) and also director at Deceuninck NV
- Member of the Board of Directors at Lotus Bakeries since 2012

Jan Boone

CEO / Managing Director

- Master's degree in Applied Economics (KU Leuven);
Master in Audit (UMH)
- Started his career in the Audit department of PwC
- Between 2000 and 2005 Head of Corporate Controlling, member of the Executive Committee and Board of Directors at Omega Pharma
- Since 2005, active at Lotus Bakeries as Managing Director and since 2011 as CEO
- Member of the Board of Directors at FC Bruges and FF2032
- President of the Board of Directors of Animal Care, a listed company in the veterinary sector
- Since 2005, member of the Board of Directors at Lotus Bakeries and Managing Director since 2011

Emanuel Boone

Non-Executive Director

- Master's degree in Bioengineering (KU Leuven)
- 2003-2012 technical and operational positions at several breweries (Heineken/Alken-Maes and Van Steenberghe)
- Since 2012, business and process consultant for multiple breweries and maltster
- Since 2022, director at HerbaFrost NV
- Member of the Board of Directors at Lotus Bakeries since 2022

Sofie Boone

Non-Executive Director

- Master's degree in Pharmaceutical Sciences (KU Leuven), postgraduate degree in Business Economics (Vlekho) and Business Management for pharmacists (Vlerick Business School)
- 1996 – 2001: deputy pharmacist and titular pharmacist
- Since 2002, owner and titular pharmacist of Boone pharmacy in Tervuren
- Since 1999, active as volunteer departmental pharmacist at the Red Cross Tervuren
- Member of the Board of Directors at Lotus Bakeries since 2016

Peter Bossaert

Independent Director

- Commercial engineer (University of Antwerp)
- 1989 - 1997: various marketing and sales roles at Unilever and Campina
- Between 1989 and 2018 active at Medialaan (today DPG Media), from 2012 as CEO
- Since 2018, CEO at KBVB
- Member of the Board of Directors at Lotus Bakeries since 2017

Benoit Graulich

Independent Director

- Master's degrees in Law, Business and Finance (KU Leuven)
- Began his professional career at PwC and then at Paribas Bank/Artesia Bank. In 2000 he became a partner at EY. Currently he is a managing partner at Bencis Capital Partners
- Various directorships at Cofinimmo and FF2032, among other organisations
- Member of the Board of Directors, Audit Committee and Remuneration and Nomination Committee at Lotus Bakeries since 2009

Michel Moortgat

Independent Director

- Master's degree in Business and Finance (Icheb Brussels) and MBA (Vlerick Business School)
- Since 1991, active at Duvel Moortgat and since 1998 as CEO
- Member of the Board of Directors and Chairman of the Audit Committee at Lotus Bakeries since 2018

Sabine Sagaert

Independent Director

- Master's degree in Commercial Engineering (KU Leuven), Master in Economic Legislation (UCL) and MBA (KU Leuven), graduate degree in Taxation (Fiscale Hogeschool Brussel)
- Has held various positions at CBR Cementbedrijven and AB Inbev, for instance as Business Unit President Belux. Subsequently, she led the Dental Division at Arseus
- Since 2011, employed by Cargill as General Manager Malt Business Europe. As of 2015, Global Managing Director Malt Business and since June 2018, Managing Director Oils and Seeds Emea
- Since 1 October 2020, Managing Director Bakery Products at Vandemoortele
- Member of the Board of Directors and Chairman of the Remuneration and Nomination Committee at Lotus Bakeries since 2011

Anton Stevens

Non-Executive Director

- Master's degree in Law (UGent) and in Notarial law (UGent)
- Member of the Board of Directors at Lotus Bakeries since 2002

Jan Vander Stichele

Chairman of the Board of Directors

- Master's degree in Civil Engineering (KU Leuven) and Candidate degree in Applied Economics (KU Leuven)
- Was technical director of the Verlipack Group
- Since the end of 1996, active in the Lotus Bakeries Group as General Manager Lotus Bakeries France, thereafter as General Manager Operations and between 2011 and 2016 as Executive Director
- Member of the Board of Directors of Ardo Group, B.I.G., Connect+, Frigilunch and OLV Ziekenhuis Aalst (hospital)
- Chairman of the Board of Directors at Fost Plus and Flanders' FOOD
- Member of the Board of Directors, the Audit Committee and the Remuneration and Nomination Committee at Lotus Bakeries since 2005

Activities of the Board of Directors

The Board of Directors met six times in 2022. All directors were present at all meetings, except PMF NV, represented by Mr Johan Boone, on February 4, 2022 and Lema BV, represented by Michel Moortgat, on 22 March and 24 May 2022.

Within the Board of Directors, the following matters were discussed in detail:

- Investment budget and global budget
- Financial results
- Growth plans
- Sales results and channels
- Organisational changes
- Evolution of prices and availability of raw materials and packaging
- Evolution of energy prices and labour costs
- Price negotiations with customers
- Results at 31/12 and 30/06 and proposed press release
- General Meeting:
 - Agenda
 - (Re)appointments
 - Dividend proposal
- Capex investments and expansions of capacity:
 - Europe, Belgium
 - Americas, United States
 - Asia, Thailand
 - Africa, South Africa
- Strategy Lotus® Biscoff®
- Product developments and innovations
- Redesign projects:
 - Lotus® Biscoff®
 - nākd
- Lotus® Biscoff® partnerships

- Recruitment policy
- Post-acquisition results Kiddylicious
- Reports and recommendations from the Committees
- Cyberstrategy

Over the course of 2022, there were no incidences within the Board of Directors which led to the application of the conflict of interest procedure as set out in Articles 7:96 and 7:97 CAC.

Audit Committee

The Audit Committee consists of two independent directors and one non-executive director. The two independent directors are Lema BV, represented by its permanent representative Michel Moortgat (Chairman) and Benoit Graulich BV, represented by its permanent representative Benoit Graulich. The non-executive director is Vasticom BV, represented by its permanent representative Jan Vander Stichele. All members have accounting and audit experience.

In 2022, the Audit Committee met three times. All directors were present at all meetings. The Auditor participated in all three meetings, at which he presented his findings to the Audit Committee.

The subjects examined were:

- Discussion of report and internal controls / recommendations of the Statutory Auditor
- Discussion of annual and interim results
- Risk management – priorities and evolutions
- Audit plan 2022

Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of two independent directors and one non-executive director. The independent directors are Sastraco BV, represented by its permanent representative Sabine Sagaert (Chairman) and Benoit Graulich BV, represented by its permanent representative Benoit Graulich. The non-executive director is Vasticom BV, represented by its permanent representative Jan Vander Stichele. All members have both HR management and remuneration policy experience.

The Committee met twice in 2022, with all members present.

The subjects examined were:

- Remuneration policy and its application
- Remuneration of CEO and Executive Committee

Evaluation of the Board of Directors and its Committees

The operation of the Board of Directors and of the Committees is evaluated every three years. The evaluation of the effectiveness of the Board of Directors is undertaken by the Board itself under the leadership of its Chairman. This evaluation covers the size of the Board, the general functioning of the Board of Directors, the way meetings are prepared, the contribution of each individual director to the work of the Board, the presence and involvement of each individual director at meetings and decision-making, the composition of the Board of Directors and the interaction with the Executive Committee.

This assessment makes it possible to constantly optimise the management of Lotus Bakeries. Where appropriate, based on this review, and eventually in consultation with external experts, the Remuneration and Nomination Committee presents a report on the strengths and weaknesses of the Board of Directors and, where necessary, a proposal for the appointment of a new director or the non-prolongation of a directorship. The non-executive directors evaluate annually the interaction of the Board of Directors and the Executive Committee and when appropriate, submit proposals for improving cooperation. The CEO and the Remuneration and Nomination Committee also together evaluate annually the operation and performance of the Executive Committee. The CEO is not present at his own evaluation.

EXECUTIVE COMMITTEE

Composition of the Executive Committee:

- Jan Boone, permanent representative of Mercur Consult BV, CEO
- Isabelle Maes, permanent representative of Valseba BV, CEO Natural Foods
- Mike Cuvelier, permanent representative of Cumaco BV, CFO
- Ignace Heyman, permanent representative of Heycom BV, COO
- William Du Pré, Corporate Director Quality, Procurement and R&D

The members of the Executive Committee are appointed by the Remuneration and Nomination Committee.

The Executive Committee held 24 official meetings in 2022. All members were present at all meetings.

DIVERSITY POLICY

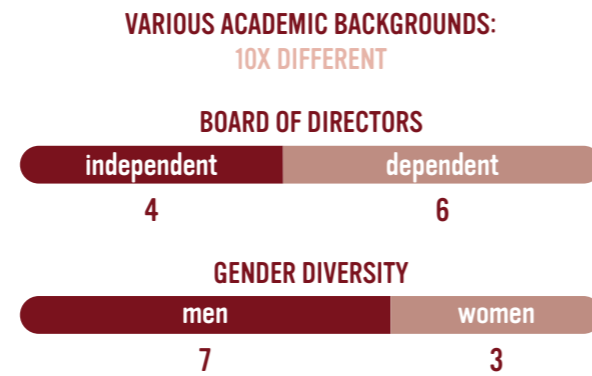
Lotus Bakeries ensures the presence on the Board of Directors, the Committees and the Executive Committee of critical members with specialist knowledge of the various areas relevant to Lotus Bakeries. Certain diversity criteria are imposed by law and are naturally adopted by Lotus Bakeries. Moreover, skills, competencies and diversity are paramount in the selection of members of the Committees, the Executive Committee, and in the selection of candidates for the Board of Directors proposed to the General Meeting.

First and foremost, Lotus Bakeries fulfils the diversity criteria regarding the number of independent directors and the number of directors of a different gender. In this respect, Lotus Bakeries declares that the composition of its Board complies with the requirement for at least one third of directors to be of a different gender than that of the other members. The aforementioned obligation is contained in Art. 7:86 CAC. It also wishes to point out in this connection that the abovementioned independent directors fulfil the independence criteria of Article 7:87 of the CAC and the Corporate Governance Code 2020. However, concerning Benoit Graulich BV, it is noted that the Ordinary General Meeting of Shareholders of May 18 2021 reappointed Benoit Graulich BV as independent director, since all of the specific independence criteria of Article 3.5 of the Belgian Corporate Governance Code 2020 were fulfilled but one, i.e. the criterion that a director must have held the position of non-executive director for no longer than 12 years. This was not considered to detract from the independence of Benoit Graulich (and Benoit Graulich BV), who in carrying out his duties as director always demonstrates an independent and critical attitude and has confirmed that he has no relationship whatsoever with the Company, the executive management, the reference shareholder or other shareholders owning more than 10% of the shares which could jeopardise his independence.

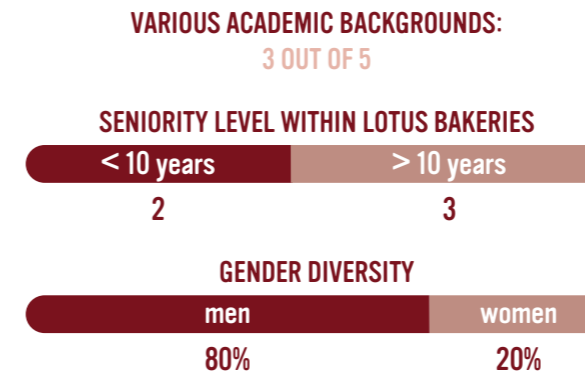
Besides these diversity criteria enshrined in law, Lotus Bakeries also aims for diversity in knowledge and experience and, when selecting candidates, performs a thorough assessment based on competencies which would additionally benefit the company in view of the existing competencies among the members of the Board of Directors. In defining the appointment procedure and selection criteria for candidates for the Board, the following principles are always applied:

- The candidate must be expert in a field pertaining to the Company's activities.
- The competencies, knowledge and/or experience which the candidate possesses must complement the competencies already present in the Board.
- In the interests of diversity on the Board, the Board shall consider different nominations, taking into account diversity in terms of gender, age and background, for example.
- Each candidate must have sufficient availability to fulfil his/her obligations properly, while non-executive directors must hold no more than five directorships in listed companies.

The results of this policy are illustrated in the CVs described above. This means Lotus Bakeries has a balanced Board of Directors in which the majority shareholder, the independent directors and the executive board are sufficiently represented. Some diversity parameters within the **Board of Directors**:



Moreover, the Remuneration and Nomination Committee selects the members of the Executive Committee on the basis of knowledge, competencies, experience, background and skills and aims for diversity in these areas so as to have all knowledge in house to manage Lotus Bakeries with a team specialising in all relevant areas. Within the Executive Committee, there is currently a good balance between members with a financial background and members with a marketing and/or sales background. A good proportion of members with a long history in the company and members with a fresh view on matters is also ensured. Some diversity parameters within the **EXCO**:



INVESTOR RELATIONS

Lotus Bakeries aims for transparent communication about financial and non-financial results to all of its shareholders. This information is communicated to existing and potential shareholders on various platforms. For example, Lotus Bakeries publishes an investor relations presentation every six months, the most recent of which was published on February 7, 2023. It also organises analyst presentations, which can be consulted by interested parties on the Lotus Bakeries website.



More information about our investor relations can be found on our website: <https://www.lotusbakeries.com/ir-presentation>



More information about the diversity policy and diversity ratios within Lotus Bakeries can be found on page 100 of this Annual Report.


REMUNERATION REPORT

Introduction

The purpose of the 2022 remuneration report is to provide transparent information about the specific remuneration policy adopted by Lotus Bakeries for directors and executive managers. It will be submitted to the Ordinary General Meeting of May 12, 2023 for approval. The 2021 remuneration policy was adopted by 94.13% of the votes at the Ordinary General Meeting of May 13, 2022.

The works council has also been informed in accordance with the provisions of the Act. The report has also been reviewed by the Auditor.

This 2022 remuneration report explains how the remuneration corresponds to the remuneration policy approved by the Board of Directors on April 16, 2021 and which was adopted on May 18, 2021 by the General Meeting with 97.27% of the votes, in accordance with provision 7.3 of the Corporate Governance Code and Article 7:89(1) of the Belgian Companies Code. The remuneration policy remains unchanged since then.

 **More information about our remuneration policy can be found on our website:** <https://www.lotusbakeries.com/governance-practices-and-policies>

Statement on remuneration policy applied in 2022

Non-executive and executive directors

The remuneration policy for directors of the Company approved at the Ordinary General Meeting of May 18, 2021 comprises a fixed remuneration, paid partly in cash and partly in shares in the Company and set based on the responsibilities of and time spent by the director and the latter's specific role as Chairman of the Board of Directors or Chairman or member of a Committee. Specifically:

- Each director, except the Chairman, receives an annual remuneration of (i) EUR 20,000 and (ii) 4 shares in the Company.
- The Chairman of the Board of Directors receives an annual remuneration of (i) EUR 40,000 and (ii) 10 shares in the Company. The Chairman receives additional remuneration of EUR 100,000 for representing the Company with respect to interest groups.
- The members of the Audit Committee and the Remuneration and Nomination Committee receive an annual remuneration of EUR 5,000 per mandate.

The non-executive directors must keep the shares they receive by way of remuneration for at least one year after leaving the Board and for at least three years after the awarding of these shares. The non-executive directors receive no performance-based remuneration such as bonuses, stock-related long-term incentive schemes, fringe benefits, pension plan-related benefits or share options.

Besides the fee, all reasonable expenses of the members of the Board of Directors incurred with the consent of the Chairman of the Board of Directors are reimbursed.

The provisions concerning the remuneration of non-executive directors apply equally to executive directors in their capacity as directors.

The remuneration of the directors is evaluated every two years via a relevant random sample of other listed companies. This allows Lotus Bakeries to attract directors with the appropriate competencies to realise its ambitions.

No adjustments have been made to the remuneration policy compared to 2021.

Overview of remuneration

TOTAL REMUNERATION OF DIRECTORS (IN EUR)

NAME & FUNCTION DIRECTOR	YEAR	FIXED REMUNERATION			VARIABLE REMUNERATION		EXTRAORDINARY EXPENSES ¹	TOTAL REMUNERATION	RATIO OF FIXED TO VARIABLE REMUNERATION
		BASE SALARY	ALLOWANCES	OTHER BENEFITS	PENSION COSTS	1 YEAR VARIABLE			
Mercur Consult BV, represented by Jan Boone, executive (member BoD, CEO)	2022	20,000						20,000	100%/0%
	2021	20,000						20,000	100%/0%
Vasticom BV, represented by Jan Vander Stichele, non-executive (Chairman BoD, member Audit Committee and member Nomination and Remuneration Committee)	2022	50,000					100,000	150,000	100%/0%
	2021	50,000					100,000	150,000	100%/0%
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	2022	20,000						20,000	100%/0%
	2021								
Anton Stevens, non-executive (member BoD)	2022	20,000						20,000	100%/0%
	2021	20,000						20,000	100%/0%
Beneconsult BV, represented by Benedikte Boone, non-executive (member BoD)	2022	20,000						20,000	100%/0%
	2021	20,000						20,000	100%/0%
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	2022	20,000						20,000	100%/0%
	2021	20,000						20,000	100%/0%
Palumi BV, represented by Peter Bossaert, non-executive (member BoD)	2022	20,000						20,000	100%/0%
	2021	20,000						20,000	100%/0%
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit Committee and member Remuneration and Nomination Committee)	2022	30,000						30,000	100%/0%
	2021	30,000						30,000	100%/0%
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit Committee)	2022	25,000						25,000	100%/0%
	2021	25,000						25,000	100%/0%
Sastraco BV, represented by Sabine Sagaert, non-executive (member BoD, Chairman Remuneration and Nomination Committee)	2022	25,000						25,000	100%/0%
	2021	25,000						25,000	100%/0%

¹ Remuneration for representing the company with respect to interest groups

Overview of remuneration in shares

TOTAL REMUNERATION DIRECTORS (IN SHARES)											
NAME & FUNCTION DIRECTOR	MAIN CONDITIONS OF STOCK GRANT PLANS					INFORMATION ABOUT THE REPORTED FINANCIAL YEAR					
						OPENING BALANCE SHEET		DURING THE YEAR		CLOSING BALANCE SHEET	
	DETAILS OF THE PLAN	PERFORMANCE PERIOD	GRANT DATE	VESTING DATE	END OF RETENTION PERIOD	STOCKS HELD AT THE START OF THE YEAR ¹	GRANTED STOCKS	VESTED STOCKS	STOCKS SUBJECT TO PERFORMANCE	STOCKS GRANTED BUT NOT VESTED	
Mercur Consult BV, represented by Jan Boone, executive (member BoD, CEO)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Vasticom BV, represented by Jan Vander Stichele, non-executive (Chairman BoD, member Audit Committee and member Nomination and Remuneration Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	20	10	10	0	0	30
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	0	4	4	0	0	4
Anton Stevens, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Beneconsult BV, represented by Benedikte Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Palumi BV, represented by Peter Bossaert, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit Committee and member Nomination and Remuneration Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Sastraco BV, represented by Sabine Sagaert, non-executive (member BoD, Chairman Remuneration and Nomination Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2022 until 31/12/2022	May 13, 2022	May 13, 2022	At least 1 year after end of directorship and 3 years after awarding	8	4	4	0	0	16
Total						84	46	46	0	0	162

¹ Only those shares are shown, which the directors hold by virtue of their mandate.

Executive managers

Furthermore, the Remuneration and Nomination Committee makes specific recommendations to the Board of Directors on the remuneration of members of the executive management. In addition to the fixed remuneration, there is a variable compensation for members of the executive management, which depends on the results of the Lotus Bakeries Group.

The variable remuneration is based on well-defined criteria with a one-year evaluation period but also evaluation periods of two and three years.

- The criteria for determining the short-term bonus are as follows:
 - 1/3rd of the short-term bonus depends on the consolidated turnover growth achieved by Lotus Bakeries Group over the past financial year
 - 1/3rd of the short-term bonus depends on the consolidated recurring operating result achieved during the past financial year
 - 1/3rd of the short-term bonus depends on the consolidated recurring operating cash flow achieved during the past financial year.

The Board of Directors approved the final, audited results on 6 February 2023, and, on this basis, on the advice of the Remuneration and Nomination Committee, established that all criteria were met. Consequently, 100% of the 2022 short-term bonus will be paid to all members of the executive management in 2023.

- The criteria for determining the long-term bonus are as follows:
 - 1/3rd of the long-term bonus depends on the consolidated revenue growth achieved by Lotus Bakeries Group as specified in the multi-year plan in place
 - 1/3rd of the long-term bonus depends on the consolidated recurring operating result as specified in the multi-year plan in place
 - 1/3rd of the long-term bonus depends on the consolidated recurring operating cash flow as specified in the multi-year plan in place.

The long-term bonus is awarded and paid annually, with a settlement of accounts during the third year of the evaluation period. The Board of Directors approved the final, audited results on February 6, 2023, and, on this basis, on the advice of the Remuneration and Nomination Committee, established that all criteria were met. Consequently, 100% of the long-term bonus will be paid to all members of the executive management in 2023.

The bonus plan for executive management provides that the bonus is earned only after approval of the consolidated figures by the Auditor and then by the Remuneration and Nomination Committee.

Those members of the executive management who are subject to a contract of employment enjoy an additional pension plan and other benefits, mainly comprising insured benefits such as guaranteed income and the cost of a car. Similar arrangements are in place for those members of the executive management who work through a management company.

There also exists a stock option plan with a fixed number of options for the members of the executive management. Allocated options are not normally deemed to be acquired finally and cannot be exercised during the first three years after being allocated. Upon early departure, the options not yet exercisable at that time can no longer be exercised.

Furthermore, the Board decided that members of the executive management will each have to own at least EUR 250,000 worth of shares in the company by the end of 2022, which must be kept so long as they remain a member of the executive management. All members of the executive management currently meet this requirement.

If a member of the executive management is also an executive director, his or her remuneration also includes the compensation he or she receives in the latter capacity.

The remuneration policy for members of the Executive Committee is set every two years based on a proposal by the Remuneration and Nomination Committee. Individual remuneration is reviewed annually. To this end, Lotus Bakeries uses the services of an international HR consultancy firm, that assesses the functions and presents the corresponding salary package as commonly awarded in the relevant market. The consultant reports directly to the Remuneration and Nomination Committee and provides verbal explanations.

Overview of remuneration of CEO and executive management (in EUR)

NAME & FUNCTION MEMBER EXECUTIVE MANAGEMENT	YEAR	FIXED REMUNERATION				VARIABLE REMUNERATION		EXTRAORDINARY EXPENSES	TOTAL REMUNERATION	RATIO OF FIXED TO VARIABLE REMUNERATION
		BASE SALARY	ALLOWANCES	OTHER BENEFITS ¹	PENSION COSTS	1 YEAR VARIABLE	MULTIPLE YEARS VARIABLE			
Mercur Consult BV, represented by Jan Boone (CEO)	2022	1,028,017	-	47,156	166,235	541,954	541,954	-	2,325,316	53% / 47%
	2021	909,698	-	43,064	146,304	479,579	479,579	-	2,058,224	53% / 47%
Other members executive management	2022	2,003,327	-	107,057	323,731	831,645	831,645	-	4,097,404	59%/41%
	2021	1,783,189	-	87,839	285,614	739,784	739,784	-	3,636,210	59% / 41%

¹ The other benefits relate primarily to insured benefits.



Consultation moment between colleagues in logistics warehouse

Overview of compensation executive management (in options)

NAME & FUNCTION MEMBER EXECUTIVE MANAGEMENT	KEY CONDITIONS OF OPTION PLANS						INFORMATION ABOUT THE REPORTED FINANCIAL YEAR						
	DETAILS OF THE PLAN	PERFORMANCE PERIOD	GRANT DATE	ACQUISITION DATE	END OF RETENTION PERIOD	EXERCISE PERIOD	EXERCISE PRICE OF THE STOCK	OPENING BALANCE SHEET OPTIONS GRANTED BUT NOT ACQUIRED AT THE START OF THE YEAR	DURING THE YEAR OPTIONS GRANTED	OPTIONS ACQUIRED	OPTIONS SUBJECT TO PERFORMANCE	CLOSING BALANCE OPTIONS GRANTED BUT NOT ACQUIRED	OPTIONS SUBJECT TO A RETENTION PERIOD
Mercur Consult BV, represented by Jan Boone (CEO)	R2018		15/05/2018	01/01/2022		01/01/2022-14/05/2023	2,373.00	255	0	255	0		
	S2019		10/05/2019	01/01/2023		01/01/2023-09/05/2024	2,351.58	255	0	0	255		
	T2020		08/05/2020	01/01/2024		01/01/2024-07/05/2025	2,828.95	200	0	0	200		
	U2021		18/05/2021	01/01/2025		01/01/2025-17/05/2026	4,517.14	130	0	0	130		
	W2022		13/05/2022	01/01/2026		01/01/2026-12/05/2027	5,114.50	0	130	0	130		
Valseba BV, represented by Isabelle Maes (CEO Natural Foods)	R2018		15/05/2018	01/01/2022		01/01/2022-14/05/2023	2,373.00	128	0	128	0		
	S2019		10/05/2019	01/01/2023		01/01/2023-09/05/2024	2,351.58	128	0	0	128		
	T2020		08/05/2020	01/01/2024		01/01/2024-07/05/2025	2,828.95	100	0	0	100		
	U2021		18/05/2021	01/01/2025		01/01/2025-17/05/2026	4,517.14	65	0	0	65		
	W2022		13/05/2022	01/01/2026		01/01/2026-12/05/2027	5,114.50	0	65	0	65		
Cumaco BV, represented by Mike Cuvelier (CFO)	R2018		15/05/2018	01/01/2022		01/01/2022-14/05/2023	2,373.00	128	0	128	0		
	S2019		10/05/2019	01/01/2023		01/01/2023-09/05/2024	2,351.58	128	0	0	128		
	T2020		08/05/2020	01/01/2024		01/01/2024-07/05/2025	2,828.95	100	0	0	100		
	U2021		18/05/2021	01/01/2025		01/01/2025-17/05/2026	4,517.14	65	0	0	65		
	W2022		13/05/2022	01/01/2026		01/01/2026-12/05/2027	5,114.50	0	65	0	65		
Heycom BV, represented by Ignace Heyman (COO)	R2018		15/05/2018	01/01/2022		01/01/2022-14/05/2023	2,373.00	128	0	128	0		
	S2019		10/05/2019	01/01/2023		01/01/2023-09/05/2024	2,351.58	128	0	0	128		
	T2020		08/05/2020	01/01/2024		01/01/2024-07/05/2025	2,828.95	100	0	0	100		
	U2021		18/05/2021	01/01/2025		01/01/2025-17/05/2026	4,517.14	65	0	0	65		
	W2022		13/05/2022	01/01/2026		01/01/2026-12/05/2027	5,114.50	0	65	0	65		
William Du Pré (Director Procurement, QA en R&D)	R2018		15/05/2018	01/01/2022		01/01/2022-14/05/2023	2,373.00	128	0	128	0		
	S2019		10/05/2019	01/01/2023		01/01/2023-09/05/2024	2,351.58	128	0	0	128		
	T2020		08/05/2020	01/01/2024		01/01/2024-07/05/2025	2,828.95	100	0	0	100		
	U2021		18/05/2021	01/01/2025		01/01/2025-17/05/2026	4,517.14	65	0	0	65		
	W2022		13/05/2022	01/01/2026		01/01/2026-12/05/2027	5,114.50	0	65	0	65		
							Total	2,459	325	767	0	2,017	0

Severance payments

The members of the Executive Committee who are remunerated on an independent basis and through a number of board mandates, have a severance payment of a maximum of 12 months of the fixed and variable remuneration. The other member of the Executive Committee is bound by an employment contract for employees. No severance payments were paid to Executive Committee members in 2022.

Executives

The remuneration policy of the executives is determined by the Executive Committee, the Remuneration and Nomination Committee approves. To this end, Lotus Bakeries also uses the services of an international HR consultancy firm, which assesses the functions and presents the going-rate salary package for the relevant market.

Evolution of the remuneration and of the performance of the Company over the last five years

The following table shows the evolution of remuneration and business performance over the past five financial years.

IN THOUSANDS OF EUR	2018	2019	2020	2021	2022
REMUNERATION OF NON-EXECUTIVE DIRECTORS					
Vasticom BV, represented by Jan Vander Stichele, non-executive (Chairman BoD, member Audit Committee and member Remuneration and Nomination Committee)	150	150	150	150	150
	100.0%	100.0%	100.0%	100.0%	100.0%
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	/	/	/	/	20
	/	/	/	/	/
Anton Stevens, non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Beneconsult BV, represented by Benedikte Boone, non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Palumi BV, represented by Peter Bossaert, non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit Committee and member Remuneration and Nomination Committee)	30	30	30	30	30
	100.0%	100.0%	100.0%	100.0%	100.0%
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit Committee)	25	25	25	25	25
	/	100.0%	100.0%	100.0%	100.0%
Sastraco BV, represented by Sabine Sagaert, non-executive (member BoD, Chairman Remuneration and Nomination Committee)	25	25	25	25	25
	100.0%	100.0%	100.0%	100.0%	100.0%

IN THOUSANDS OF EUR	2018	2019	2020	2021	2022
REMUNERATION OF EXECUTIVE DIRECTOR					
Mercur Consult BV, represented by Jan Boone, executive (member BoD, CEO)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
REMUNERATION CEO					
Jan Boone, CEO	1,458	1,914	1,962	2,058	2,325
Evolution (%)	115%	131%	102.5%	104.9%	113.0%
REMUNERATION OF OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT					
Total remuneration	2,358	3,296	3,466	3,636	4,097
Number of members executive management	5	5	5	5	5
Evolution (%)	138%	140%	105%	105%	113%
PERFORMANCE OF LOTUS BAKERIES					
Market capitalisation (on 31 dec)	1,753,830	2,113,470	3,002,928	4,561,513	5,157,202
Evolution market capitalisation (%)	102%	121%	142%	152%	113%
Turnover	556,435	612,737	663,289	750,251	877,451
Evolution turnover (%)	106%	110%	108%	113%	117%
Rebit	95,030	102,891	111,114	123,805	140,188
Evolution Rebit (%)	106%	108%	108%	111%	113%
Rebitda	110,346	123,580	135,683	150,967	169,909
Evolution Rebitda (%)	106%	112%	110%	111%	113%
Net result	67,872	75,769	82,545	90,743	103,283
Evolution net result (%)	105%	112%	109%	110%	114%
REMUNERATION OTHER EMPLOYEES					
Total remuneration	111,977	123,493	137,116	152,857	173,618
Number of employees (FTE) ¹	1,555	1,821	2,214	2,305	2,550
Evolution (%)	106%	110%	111%	111%	114%

¹ Full-time employee calculated as 12-month average.

The ratio between the highest remuneration of members of management and the lowest compensation (in full-time equivalents) of employees of Lotus Bakeries NV, as stipulated by Article 3:6(3) CAC, cannot be

reported since Lotus Bakeries NV has no employees. With a view to transparency, this ratio is reported for Lotus Bakeries Corporate NV. This ratio is 17.2.

ENTERPRISE RISK MANAGEMENT

RISK MANAGEMENT STRATEGY

Lotus Bakeries has implemented a continuous risk management process aimed at ensuring that risks are identified, assessed, prioritised, controlled and monitored in such a way that they can be kept at an acceptable level. The risk management process is aligned with the implementation of the strategic, operational and financial objectives of the Company. The entire risk management process is based on the COSO Enterprise Risk Management framework.

The Company is exposed to a wide range of risks within the context of its activities that can result in its objectives being affected or not achieved. Mitigating these risks is a key task of the Executive Committee (EXCO). The EXCO has full responsibility for the risk management process for Lotus Bakeries and reports on this periodically to the Audit Committee.

Lotus Bakeries has a one-tier governance model, in accordance with the Belgian Companies Code. The Board of Directors bears ultimate responsibility for the management of risks within the Company, assisted by the Audit Committee. The day-to-day management is delegated to the CEO, assisted by the EXCO. The Audit Committee receives regular reports on risk management.

As such, the enterprise risk management of Lotus Bakeries consists of the following key components:

- Risk identification: this involves identifying the sources of risk that could impact the Group. These sources could include anything from food safety and quality risks, to operational and financial risks.
- Risk assessment: once risks have been identified, it is important to assess their impact and likelihood of occurrence. This helps to prioritise the most critical risks and determine the appropriate response.
- Risk mitigation: after risks have been identified and assessed, strategies are developed to mitigate or manage those risks. This may include implementing process improvements, implementing controls, or transferring risk through insurance.
- Risk monitoring: ongoing monitoring of risks is critical to ensure that the Group is prepared for potential threats and to assess the effectiveness of risk mitigation strategies.
- Communication and training: effective communication and training are essential for an ERM program to be successful. All employees should understand their role in identifying and managing risk and should be trained on how to do so.

The Governance structure of Lotus Bakeries is supported by the implementation of various internal Governance policies, procedures and processes, such as:

- Corporate Governance Charter
The Corporate Governance Charter is designed to give a detailed and transparent picture of Lotus Bakeries' policy regarding corporate governance and is updated based on developments in such policy and changes in the relevant regulations.
- Dealing Code
The main purpose of the Dealing Code is to prevent the misuse or appearance of misuse of information which directors or employees of Lotus Bakeries may possess about Lotus Bakeries and which is not

generally available to investors. Particular attention is paid to those shares, share options or other rewards received under Lotus Bakeries' incentive plans, to those who buy or sell Lotus Bakeries shares, and to those who use Lotus Bakeries shares as collateral for a loan.

- Code of Conduct
Lotus Bakeries is committed to act with integrity, honesty, fairness and in full compliance with applicable laws, rules and regulations at all times. It has developed a code of conduct which sets out six key principles which must be respected by all employees of Lotus Bakeries at all times.
- Remuneration Policy
The approved remuneration policy complies with the Second Shareholder Rights Directive, Directive (EU) 2017/828, Article 7:89(1) of the Companies and Associations Code and the Corporate Governance Code 2020. This remuneration policy was approved at the Ordinary General Meeting of May 18, 2021 and is published on the website.

The responsibilities of the various departments in the Lotus Bakeries Group (ranging from procurement, manufacturing, logistics to sales, management of customer relations and Corporate services) are set out in clear guidelines. As such, all employees clearly know their roles and responsibilities.

PRINCIPAL RISKS AND MITIGATING MEASURES

On a periodic basis, risks are assessed, monitored and adjusted by the EXCO. The risk management matrix defined is discussed with and reported to the Audit Committee.

For each of the principal risks identified, a risk owner has been appointed who ensures a concrete action plan to mitigate the potential impact of the risks. The risk owner is also responsible for the follow-up of the defined actions. The results are reported periodically to the Audit Committee.

The risk management program of the Group is an ongoing process that requires regular review and revision to ensure that it remains effective in the face of changing risks and circumstances and new threats.

The principal risks listed hereafter are considered to be the most relevant for the business of the Group that might have an impact on the achievement of the Group's strategic objectives.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
Product	Quality & Safety	Failure to meet quality and food safety standards expose the Group to business interruption, litigation, product liability and recall claims. Lotus Bakeries applies the highest product safety standards to the entire production and distribution process, from the purchase of raw materials through the distribution of the final product, supported and guaranteed by structured procedures and systematic internal quality audits. External audits take place at regular intervals.
	Counterfeiting/Intellectual property	The success of the Lotus® Biscoff®, Lotus™ Natural Foods and Local Heroes products and brands is accompanied with the risk of counterfeiting, both in terms of the recipes of our products and the visual identity of our brands. First of all, the recipe. The quality of all Lotus Bakeries products is an absolute priority. All employees are strongly committed to the continuous pursuit of high quality products and processes. The R&D department wants to use new insights into interactions between different raw materials to contribute to better products. For this purpose, we do not only call on our own expertise, but also on that of well-known university research institutes, as well as existing innovation platforms set up by the food industry. Our innovation efforts also translate into an extensive and innovative product range, in which quality and superior taste are paramount. To safeguard these efforts as much as possible, our recipes are protected as trade secrets wherever possible. To this end, strict procedures are in place regarding access, transfer and storage of data. In addition, the R&D team monitors and analyses competing products on a regular basis. To protect our brand identity in the best possible way, a clear strategy is in place aimed at identifying our brand assets, defining the desired protection, use and enforcement of our brands. Protection levels are updated annually, both at product and geographical level. Thanks to an automated, global notification system, the Intellectual Property department stays on top of identical or similar registrations. Furthermore, copycats in the market are reported on a continuous basis by our own employees and our distributors. Since 2021, Lotus Bakeries has also been working with an online monitoring system for an even more accurate detection of copycats.
	Inflation and volatility of raw materials and packaging costs	The risk of unfavourable effects of fluctuations in raw material prices on the results is limited by concluding forward contracts with a fixed price for the most important raw materials. For other raw materials and packaging, annual agreements are used where possible.
People	Job market shortages	Given the scarcity on the labour market, Lotus Bakeries needs to pay attention to attracting sufficient talent to support its growth plans. To this end, Lotus Bakeries can rely on a professional recruitment policy, onboarding process and training & development plan. We have also been deploying a Young Graduate Programme since 2020, with which we make young talent enthusiastic about our company. Finally, much attention is paid to employer branding and translating our corporate identity internally and externally.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
ESG	Climate change	We are committed to the environment and help fight global warming. Lotus Bakeries is aware of the negative impact the industry can have on the environment and society and the responsibility it bears as an industrial partner. Lotus Bakeries also sees opportunities to contribute to the progress of society and limiting global warming. Climate-related disruption (including extreme weather events, floods, deforestation) might impact our operations and/or consumer demands and preferences. In everything we do, we strive to reduce our ecological footprint. We are already carbon neutral today with our 12 factories. We signed the Commitment Letter of Science Based Target initiative (SBTi), committing to science-based reduction targets, in line with SBTi Criteria and Recommendations, in order to limit global warming to 1.5 degrees Celsius above pre-industrial levels. The 'Care for Today, Respect for Tomorrow' sustainability ambition clearly embodies how Lotus Bakeries wants to deal with sustainability and responsibility. This action plan has been widely distributed to all employees as well as to the Board of Directors. Lotus Bakeries chooses to report on its priorities, targets and achievements taking into account the Sustainable Development Goals (SDGs) as defined by the United Nations and in accordance with the core GRI standards.
	Packaging	Lotus Bakeries recognises the problems related to the use of plastic packaging, including ocean pollution, carbon emissions, and the use of non-renewable resources. Lotus Bakeries shares the concerns and wants to assume responsibility to move from the current linear economy, where packaging is produced, used and thrown away, to a circular economy, where materials are kept within the loop. To this end, Lotus Bakeries has formulated clear ambitions and a clear strategy.
	Palm oil	Lotus Bakeries is aware of the possible negative impact of palm oil cultivation on the environment, in particular deforestation, as well as the possible social impact in the regions where palm oil plantations are cultivated. For Lotus Bakeries, it is important that our consumers and customers have confidence that the palm oil used in our products has been sustainably sourced. Lotus Bakeries carefully selects its suppliers based on its responsible sourcing standards according to NDPE (No Deforestation, No Peat, No Exploitation). Lotus Bakeries is a member of RSPO and is committed to purchasing only certified sustainable palm oil. All Lotus Bakeries sites which process palm oil have also obtained the RSPO certificate. Furthermore, Lotus Bakeries requests its suppliers to invest in following initiatives and to actively inform the Company on a regular basis: - Supporting smallholder producers to enter sustainable supply chains - Protecting and restoring forests in a palm oil production landscape - Support of a landscape/jurisdiction approach to sustainability in palm oil producing areas and - Support for one or more local conversion projects in palm oil producing countries As such, Lotus Bakeries aims to drive the transformational change needed in the palm oil supply chain.
	Water usage	Our ESG approach and objectives require Lotus Bakeries to rethink the use of natural resources and more specifically water. Effective water supply and usage management is important for our activities. The risks related to water include water scarcity, water quality issues, regulatory compliance and reputational risks. As a consequence, understanding how our operations use water helps us to manage the risks associated with water supply and usage, while maximising the efficient use of this valuable resource.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
IT architecture	Data protection and cybersecurity	Considering the ever-increasing digitalisation, the risk of unauthorised access to confidential data of Lotus Bakeries and personal data processed by Lotus Bakeries remains real. Fraud in the form of cybercrime is also high on the agenda. Within Lotus Bakeries, clear policies are in place regarding access and security of business-critical information. Multi-factor authentication contributes to the security of our information. Corporate ICT has taken various measures to prevent, detect and limit the impact of cyberattacks. In addition, there is an annual audit of the security of our ICT systems. Automated and continuous awareness efforts among Lotus Bakeries employees are also implemented.
Financial	Foreign currencies	The functional currency of the Company is the euro, which is also the Company's reporting currency. Translation gains or losses that result from remeasuring foreign subsidiaries' local currencies to EUR are recorded in other comprehensive income. Foreign currency transactions resulting in gains or losses are recorded in the consolidated statement of comprehensive income. The main foreign currency transactions are denominated in USD, GBP, CZK, CNY, KRW, SEK and ZAR. The Group assesses on a case-by-case basis how to avoid any unfavourable currency impact and aims to hedge as many transactions as possible through a natural hedge.
	Other financial risks	The Group's activities are exposed to a variety of other financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. For more details, refer to the consolidated financial statements in note 26.
External environment	Compliance and regulations	Lotus Bakeries is a global company generating the bulk of its revenue outside the home countries. As such, the Group is subject to applicable laws and regulations in the global jurisdictions in which it operates. As a manufacturer of food products with global commercial operations, these applicable laws and regulations relate to product safety, product labelling, health and safety, intellectual property rights, anti-bribery and corruption, competition, data protection, export regulations, human right and taxes.
	Wars	As a global company, the Group may be impacted by conflicts in countries in which it operates. Operations and business could be affected indirectly by a conflict. These impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs.
	Pandemics and other infectious diseases	As the Group is operating around the globe, a global epidemic or pandemic outbreak may affect our business contingency. As such, crisis management is in place, which has been proved to be effective in the context of the COVID-19 pandemic.

EXTERNAL AUDIT

PwC Bedrijfsrevisoren BV, represented by Lien Winne, certified auditor, was appointed as Auditor of Lotus Bakeries NV on May 13, 2022 by the Ordinary General Meeting of Shareholders for a term of three years. Its mandate expires immediately after the 2025 Ordinary General Meeting of Shareholders. The fees paid in 2022 for audit and non-audit services to PwC Bedrijfsrevisoren and to the parties associated with PwC Bedrijfsrevisoren, are disclosed in note 31 of the consolidated financial statements.

AUDIT FEES 2022	IN THOUSANDS OF EUR
Lotus Bakeries NV	152
Lotus Bakeries Group	443
Total	595

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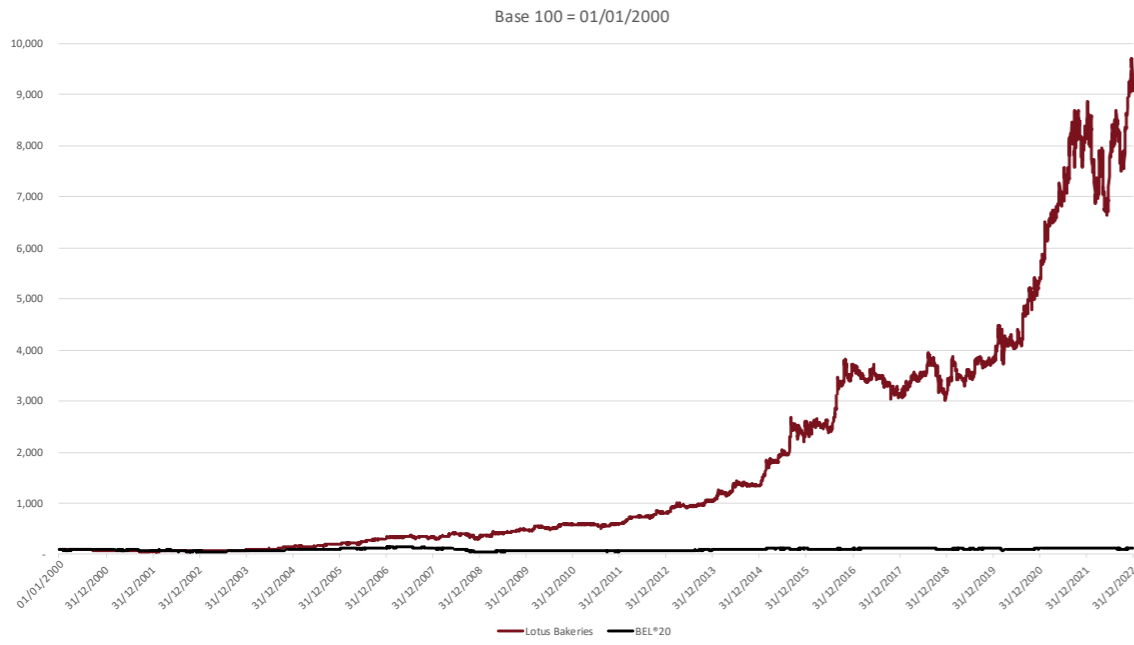
STOCK MARKET AND SHAREHOLDERS INFORMATION

Stock market
and shareholders information

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EVOLUTION OF THE LOTUS BAKERIES SHARE



STOCK DATA ON THE LOTUS BAKERIES SHARE

SHARE PERFORMANCE DATA (IN EUR)	2022	2021	2020	2019	2018
Highest share price of period	6,630.00	6,080.00	3,770.00	2,680.00	2,690.00
Lowest share price of period	4,455.00	3,630.00	2,500.00	2,080.00	2,010.00
Share price as per closing date	6,320.00	5,590.00	3,680.00	2,590.00	2,150.00
Market capitalisation as per closing date (in millions of EUR)	5,157.20	4,561.51	3,002.93	2,113.47	1,753.83
Number of shares as per closing date	816,013	816,013	816,013	816,013	815,733
Ratio price/earnings (PER) ¹ as per closing date	49.93	50.26	36.36	28.21	26.21

¹PER – Price Earnings Ratio: Share price at closing date divided by the earnings per share of the period

STOCK MARKET LISTING

The Lotus Bakeries shares are listed since January 2002 on the Euronext Brussels stock exchange under the ticker LOTB and ISIN code 0003604155.

As of February 15, 2023, Lotus Bakeries has been included within the BEL® ESG index on Euronext Brussels. The BEL® ESG index consists of the 20 companies demonstrating strong Environmental, Social and Governance (ESG) practices from the BEL®20 and the BEL® Mid indices of the Euronext Brussels stock exchange.

LIQUIDITY

Lotus Bakeries has appointed KBC Securities as 'liquidity provider'.

MARKET CAPITALISATION

On the basis of a total number of 816,013 ordinary shares and a closing share price of EUR 6,320.00, Lotus Bakeries' market capitalisation amounted to EUR 5,157.20 million at the end of 2022.

EVOLUTION OF THE LOTUS BAKERIES SHARE

The graph presents the long-term performance of Lotus Bakeries' shares as from January 1, 2000, in comparison to the BEL*20 index. The BEL*20 index is the benchmark stock market index of Euronext Brussels, reflecting the 20 most capitalised and liquid stocks traded on the Euronext Brussels stock exchange.

FINANCIAL CALENDAR

Friday May 12, 2023

Ordinary and Extraordinary Shareholders Meeting

Monday May 22, 2023

Payment of dividend as from May 22, 2023

Friday August 11, 2023

2023 half-year results

CORPORATE WEBSITE AND ANNUAL REPORT

The corporate website provides comprehensive information regarding investor relations, including information about the Company and its activities, its shares, corporate updates, financial reports, investor presentations and a financial calendar.

This annual report is also available on the corporate website of Lotus Bakeries: www.lotusbakeries.com. The first part of the annual report and the consolidated financial statements (second part) are available both in Dutch and in English. The third part of the annual report, consisting of the ESG and GRI reporting, is only available in English.

The following chapter of the 2022 annual report includes the consolidated statement of financial position, the consolidated income statement and comprehensive income and the condensed five-year financial summary for the Lotus Bakeries Group. The complete set of consolidated financial statements, including all disclosures in accordance with IFRS, is presented in the financial supplement to this annual report and is available in Dutch and English.

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for application within the European Union with comparative figures for 2021.

The Auditor has issued an unqualified audit opinion with respect to the consolidated and the separate financial statements of Lotus Bakeries NV.



A technician keeps a predictive eye on the machineries

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUR	2022	2021	IN THOUSANDS OF EUR	2022	2021
REVENUE	877,451	750,251	NET RESULT	103,283	90,743
Raw materials, packaging and co-manufacturing	(311,310)	(250,617)	OTHER COMPREHENSIVE INCOME		
Services and other goods	(218,277)	(192,251)	Items that may be subsequently reclassified to profit and loss	(9,410)	21,419
Employee benefit expenses	(173,618)	(152,857)	Currency translation differences	(9,608)	21,160
Depreciation and amortisation expenses	(25,245)	(23,115)	Gain/(Loss) on cash flow hedges, net of tax	198	259
Impairment on inventories and trade receivables	(3,992)	(3,384)	Items that will not be reclassified to profit and loss	(151)	(333)
Other operating expenses	(8,534)	(8,253)	Remeasurement gains/(losses) on defined benefit plans	(151)	(333)
Other operating income	3,711	4,011	Other comprehensive income	(9,560)	21,086
RECURRING OPERATING RESULT (REBIT)	140,188	123,805	TOTAL COMPREHENSIVE INCOME	93,722	111,829
Non-recurring income and expenses	(3,807)	(4,135)	Attributable to non-controlling interests	2	33
OPERATING RESULT (EBIT)	136,381	119,670	Attributable to equity holders of Lotus Bakeries	93,720	111,796
Financial result	(2,354)	(2,373)	EARNINGS PER SHARE		
Interest income (expenses)	(2,565)	(2,766)	Weighted average number of shares	810,858	811,550
Foreign exchange gains (losses)	988	886	Basic earnings per share (EUR) - attributable to:		
Other financial income (expenses)	(777)	(493)	Non-controlling interests	0.05	(0.03)
RESULT FOR THE PERIOD BEFORE TAXES	134,027	117,297	Equity holders of Lotus Bakeries	12732	111.84
Income taxes	(30,744)	(26,554)	Weighted average number of shares after effect of dilution	812,106	813,677
NET RESULT	103,283	90,743	Diluted earnings per share (EUR) - attributable to:		
Attributable to non-controlling interests	43	(24)	Non-controlling interests	0.05	(0.03)
Attributable to equity holders of Lotus Bakeries	103,240	90,767	Equity holders of Lotus Bakeries	12713	111.55

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUR	DECEMBER 31, 2022	DECEMBER 31, 2021	IN THOUSANDS OF EUR	DECEMBER 31, 2022	DECEMBER 31, 2021
ASSETS			EQUITY AND LIABILITIES		
Non-current assets	820,000	690,120	Equity	572,141	519,532
Goodwill	225,246	224,846	Share capital	16,388	16,388
Intangible assets	146,735	144,745	Treasury shares	(18,976)	(9,514)
Property, plant and equipment	428,244	307,725	Retained earnings	611,180	539,590
Investments in other companies	16,806	9,755	Other reserves	(36,451)	(26,932)
Deferred tax assets	2,212	2,182	Non-controlling interests	-	-
Other non-current assets	757	867	Non-current liabilities	266,186	289,450
Current assets	275,036	301,972	Interest-bearing liabilities	196,066	218,837
Inventories	70,361	57,901	Deferred tax liabilities	63,716	64,243
Trade and other receivables	120,074	105,164	Employee benefit obligations	4,411	4,020
Current tax assets	4,947	5,276	Provisions	122	116
Cash and cash equivalents	76,435	132,160	Derivative financial instruments	107	371
Other current assets	3,219	1,471	Other non-current liabilities	1,765	1,863
TOTAL ASSETS	1,095,036	992,092	Current liabilities	256,709	183,110
			Interest-bearing liabilities	70,178	17,439
			Employee benefit obligations	232	333
			Provisions	21	21
			Trade and other payables	172,995	154,377
			Current tax liabilities	10,367	5,850
			Other current liabilities	2,917	5,091
			TOTAL EQUITY AND LIABILITIES	1,095,036	992,092

CONDENSED FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED INCOME STATEMENT

IN THOUSANDS OF EUR	2022	2021	2020	2019	2018
REVENUE	877,451	750,251	663,289	612,737	556,435
RECURRING OPERATING RESULT (REBIT)	140,188	123,805	111,114	102,891	95,030
Non-recurring income and expenses	(3,807)	(4,135)	(4,593)	(2,292)	(3,005)
OPERATING RESULT (EBIT)	136,381	119,670	106,521	100,599	92,025
Financial result	(2,354)	(2,373)	(3,004)	(2,514)	(3,324)
RESULT FOR THE PERIOD BEFORE TAXES	134,027	117,297	103,517	98,086	88,701
Income taxes	(30,744)	(26,554)	(20,972)	(22,517)	(20,829)
NET RESULT	103,283	90,743	82,545	75,769	67,872
Attributable to non-controlling interests	43	(24)	(48)	857	964
Attributable to equity holders of Lotus Bakeries	103,240	90,767	82,593	74,912	66,908

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUR	DECEMBER 31, 2022	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2018
Non-current assets	820,000	690,120	622,840	641,122	545,647
Goodwill	225,246	224,846	216,485	229,365	177,639
Intangible assets	146,735	144,745	139,966	142,709	138,887
Property, plant and equipment	428,244	307,725	258,182	263,793	219,897
Investments in other companies	16,806	9,755	4,403	2,243	2,460
Deferred tax assets	2,212	2,182	3,351	2,505	3,936
Other non-current assets	757	867	453	507	2,828
Current assets	275,036	301,972	221,387	171,507	165,925
Inventories	70,361	57,901	46,827	44,461	39,066
Trade and other receivables	120,074	105,164	89,042	84,524	78,593
Current tax assets	4,947	5,276	3,142	1,075	523
Cash and cash equivalents	76,435	132,160	81,261	40,093	45,597
Other current assets	3,219	1,471	1,115	1,354	2,146
TOTAL ASSETS	1,095,036	992,092	844,227	812,629	711,572
Equity	572,141	519,532	433,744	402,477	346,927
Non-current liabilities	266,186	289,450	261,841	239,584	198,042
Interest-bearing liabilities	196,066	218,837	198,156	158,010	116,500
Deferred tax liabilities	63,716	64,243	57,195	50,737	52,725
Employee benefit obligations	4,411	4,020	3,748	3,712	3,519
Provisions	122	116	282	285	377
Derivative financial instruments	107	371	717	2,340	2,319
Other non-current liabilities	1,765	1,863	1,743	24,500	22,602
Current liabilities	256,709	183,110	148,642	170,568	166,603
Interest-bearing liabilities	70,178	17,439	12,552	36,579	36,655
Employee benefit obligations	232	333	317	325	234
Provisions	21	21	21	21	21
Trade and other payables	172,995	154,377	118,647	118,356	111,526
Current tax liabilities	10,367	5,850	12,701	11,630	14,761
Other current liabilities	2,917	5,091	4,404	3,657	3,406
TOTAL EQUITY AND LIABILITIES	1,095,036	992,092	844,227	812,629	711,572

REGISTERED OFFICE

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Register of legal persons of Ghent,
Enterprise number 0401.030.860

CONTACT

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Concept and realisation

Lotus Bakeries and Duval Branding
duvalbranding.com

Illustrations

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