



Lotus Bakeries NV

Statutory auditor's report to the shareholders' meeting for the year ended
31 December 2025 - Consolidated financial statements

The original text of this report is in Dutch

Statutory auditor's report to the shareholders' meeting of Lotus Bakeries NV for the year ended 31 December 2025 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Lotus Bakeries NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 13 May 2025, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") and issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2027. We have audited the consolidated financial statements of Lotus Bakeries NV for the first time during the financial year referred to in this report.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 1 536 521 (000) EUR and the consolidated statement of profit or loss and the statement of comprehensive income shows a net result (profit) for the year then ended of 172 269 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2025 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with the IFRS Accounting Standards as adopted by the European Union (IFRS) and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment testing of goodwill and brands</p> <p>The carrying amount of the group’s goodwill and brands amounts to 222 841 (000) EUR and 144 869 (000) EUR respectively at 31 December 2025.</p> <p>As described in Note 13 and Note 14 respectively, goodwill and brands are subject to impairment testing on an annual basis or more frequently if there are indicators of impairment.</p> <p>The group has performed its annual impairment test at the level of the cash generating units (‘CGU’) as of 31 December 2025. An impairment loss is required to be recognized if the recoverable amount is lower than the carrying value. The recoverable amount is determined by the group based upon the value in use. The estimate of the value in use is the present value of future expected cash flows.</p> <p>The annual impairment testing of goodwill and brands was important for our audit because it relies on a number of estimates and assumptions used in a discounted free cash flow model to determine the CGU’s recoverable amount. Due to the inherent uncertainty involved in forecasting and discounting cash flows, we consider the annual impairment test of goodwill and brands as a key audit matter.</p>	<p>We evaluated the appropriateness of the group’s accounting policies related to impairment of goodwill and brands and assessed compliance with IFRS.</p> <p>We assessed the appropriateness of the disclosures on the goodwill and brands impairment in the annual report.</p> <p>Our audit procedures included the evaluation of the design and implementation of internal controls over goodwill and brands impairment testing.</p> <p>We evaluated management’s annual impairment testing and we assessed any impairment indicators. We challenged impairment calculations by assessing future cashflows used in the models and by gaining an understanding of the process by which they were drawn up. We also compared future cashflows to the latest budgets approved by the board of directors and internal forecasts.</p> <p>Additionally, with the involvement of our internal valuation specialists, we gained an understanding of and we challenged:</p> <ul style="list-style-type: none"> • the assumptions used in the budget and internal forecasts and the long-term growth rates by comparing them to economic data; • the discount rate by assessing the composition and input and by benchmarking with industry peers; • the historical accuracy of budgets to actual results to determine forecast accuracy; • the mechanics of the underlying calculations. <p>We performed sensitivity analyses on the key parameters and assumptions in the impairment model to understand the likelihood and extent of change in those assumptions and the impact of such changes on the impairment model.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition relating to commercial arrangements</p> <p>As described in Note 4, section 4.1 Accounting policy, Lotus Bakeries enters into commercial arrangements with its customers whereby volume-related rebates, promotional and marketing allowances and various other fees and discounts are contractually agreed. Lotus Bakeries measures revenue, cost of services & other goods based on the underlying contractual stipulations which inherently require management to make important estimates. Proper presentation of these commercial arrangements under IFRS also requires management to make important judgements.</p> <p>Due to the complexity of these commercial arrangements, there is a risk that these arrangements are not appropriately accounted for and as a result revenue would be misstated.</p> <p>We consider the revenue recognition relating to commercial arrangements as a key audit matter, because significant judgement from management is required in the nature and level of fulfilment of the group’s obligations under the contractual arrangements. In addition, significant judgement from management is required in the determination of the sales volumes to support the required provision to fulfil the current obligation towards the customers.</p>	<p>We evaluated the appropriateness of the group’s revenue recognition accounting policies, in particular those relating to volume rebates and promotional and marketing allowances and assessed compliance with IFRS.</p> <p>We assessed the appropriateness of the disclosures on the revenue recognition relating to commercial arrangements in the annual report.</p> <p>Our audit procedures included the evaluation of the design and implementation and the operating effectiveness of internal controls over accounting for such commercial arrangements.</p> <p>Additionally, we challenged management’s assumptions used in determining the commercial accruals through specific substantive audit procedures including:</p> <ul style="list-style-type: none"> • agreeing a sample of recorded accruals to contractual evidence; • inspecting supporting documentation for a sample of journals posted to revenue accounts; • performing a post-balance sheet analysis to assess the completeness of the accruals recorded; • performing a review of prior years’ accruals to evaluate the reliability of management’s estimates.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, including the sustainability statement and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

The annual report contains the sustainability statement which is the subject of our separate limited assurance report on the sustainability statement. This section does not pertain to the assurance on the consolidated sustainability statement included in the annual report. For this part of the annual report on the consolidated financial statements, we refer to our report on the matter.

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

- Executive summary;
- Lotus Bakeries, nice to meet you;
- Our brand strategy

are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the digital consolidated financial statements included in the annual financial report of Lotus Bakeries NV as of 31 December 2025 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Ghent.

The statutory auditor

Digitally signed by
Kurt Dehoorne Signed By: Kurt Dehoorne (Signature)
 Signing Time: 31-mrt-2026 | 15:52 CEST

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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Kurt Dehoorne

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Registered Office: Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE90 4350 2974 5132 - BIC KREDBEBB

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