



PRESS RELEASE

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LOTUS BAKERIES EXCEEDS 1 BILLION EURO REVENUE MILESTONE AND REPORTS STRONG ANNUAL RESULTS



CEO Jan Boone proudly announces that Lotus Bakeries has achieved a historic new revenue milestone, reaching EUR 1 billion.

“I am extremely proud to announce that we reached this EUR 1 billion revenue milestone in 2023!

I want to call out foremost a special thank you to all 2,984 people at Lotus Bakeries who made this possible. This is a team effort from all of us, working together every day, across boundaries of departments, brands and countries.

People make the difference, and that is why it's important to continue investing in and focusing on the Social component of ESG. We seek attention for the well-being of our people, aiming for them to be motivated and safe, providing opportunities for professional and personal development, and to spend their time working together in well-equipped offices, and to enjoy good

working conditions in the plants. Ultimately, we believe that fostering physical gatherings among our Lotus Bakeries' people cultivates the unique Lotus Bakeries culture of Teamwork, Open dialogue and Passion.

We are convinced that the achievement of the EUR 1 billion milestone stems from this unique TOP culture. We firmly believe in the effectiveness of our strategy and hold a positive view about the future prospects of Lotus Bakeries and its aspirations.”

- JAN BOONE, CEO LOTUS BAKERIES

HIGHLIGHTS 2023 ANNUAL RESULTS

- Lotus Bakeries exceeds the EUR 1 billion revenue milestone
- Strong performance of all three strategic pillars of Lotus® Biscoff®, Lotus™ Natural Foods and Lotus Local Heroes contributing to an overall revenue growth of 21% or EUR 185 million
- Recurring EBITDA rose by EUR 38 million or 22% to EUR 208 million and represents 19.5% on sales
- Net financial debt reduced to 0.6 times REBITDA driven by strong cash flow generation
- Proposal to increase the gross dividend by EUR 13 per share to EUR 58 per share

1. 2023 RESULTS

STATEMENT OF PROFIT OR LOSS ¹ (IN THOUSANDS OF EUR)	2023	2022	CHANGE %
REVENUE	1,062,962	877,451	+ 21.1
Recurring operating result (REBIT) ²	172,974	140,188	+ 23.4
RECURRING OPERATING CASH FLOW (REBITDA)³	207,527	169,909	+ 22.1
Non-Recurring income and expenses	(2,544)	(3,807)	+ 33.2
Operating result (EBIT) ⁴	170,430	136,381	+ 25.0
Financial result	(2,533)	(2,354)	- 7.6
Profit for the period before taxes	167,897	134,027	+ 25.3
Taxes	(38,565)	(30,744)	- 25.4
NET RESULT	129,333	103,283	+ 25.2
Recurring net result	131,319	106,216	+ 23.6
Total number of shares on 31 December ⁵	811,700	810,941	
KEY FIGURES PER SHARE (IN EUR)			
Recurring operating result (REBIT)	213.10	172.87	+ 23.3
Recurring operating cash flow (REBITDA)	255.67	209.52	+ 22.0
Earnings per share	159.40	127.37	+ 25.1
STATEMENT OF FINANCIAL POSITION (IN THOUSANDS OF EUR)			
Balance sheet total	1,243,503	1,095,036	+ 13.6
Equity	656,207	572,141	+ 14.7
Investments ⁶	88,514	153,045	- 42.2
Net financial debt ⁷	120,472	153,591	- 21.6
GROSS DIVIDEND⁸ (IN EUR PER SHARE)	58.0	45.0	+ 28.9

(1) The statement of financial position and statement of profit or loss for 2023 are appended to this Press Release.

(2) REBIT is defined as the recurring operating result, consisting of all the income and expenses relating to normal business.

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

(4) EBIT is defined as recurring operating result + non-recurring income and expenses.

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

(6) Investments include capital expenditures and investments in other companies.

(7) Net financial debt is defined as interest-bearing financial debts - investments - cash and cash equivalents and term deposits - treasury shares, and are reported excluding the 'lease liability' that results from the implementation of IFRS 16 Leases. Including these 'lease liabilities', the net financial debt amounts to EUR 140,463 thousands.

(8) For 2023: dividend will be proposed at the Ordinary General Shareholders' Meeting of May 14, 2024.

The statutory auditor, PwC Bedrijfsrevisoren bv, represented by Lien Winne has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft statement of financial position and statement of profit or loss, and that the accounting data reported in the press release is consistent, in all material respects, with the draft statement of financial position and statement of profit or loss from which it has been derived.

2. MANAGEMENT COMMENTS

2.1 LOTUS BAKERIES EXCEEDS THE EUR 1 BILLION REVENUE MILESTONE

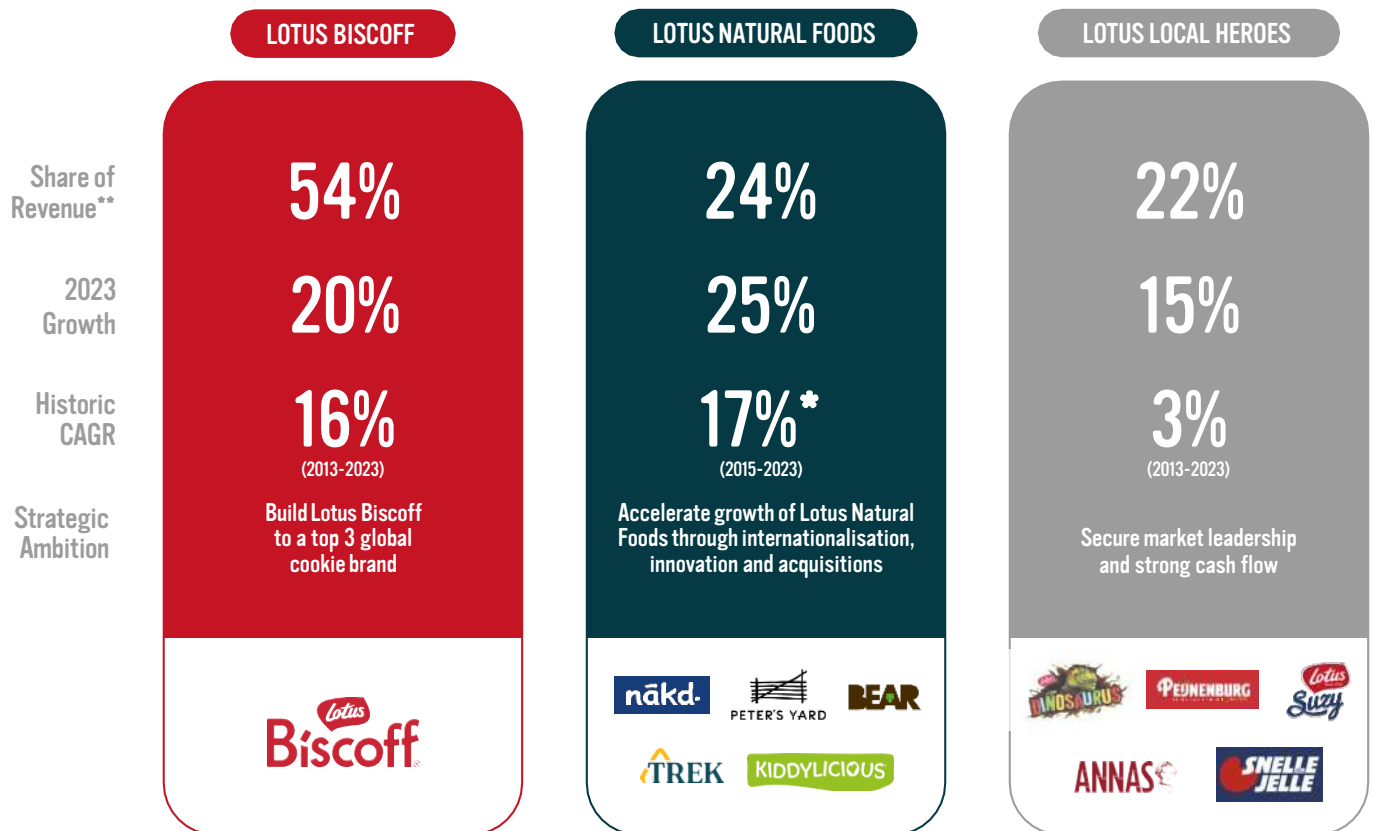
In 2023, Lotus Bakeries' consolidated revenue grew by EUR 185 million to EUR 1,063 million. The revenue growth realised in the first six months kept its high pace to end the year with an impressive sales increase of 21%. The high-quality organic growth in 2023 is driven by strong volume growth and price increases. Consolidated sales include around one percent of negative exchange rate effect.

The volume trend in the second half of the year further improved to end with a full year increase of just below 10%. The volume growth is primarily organic, about one percent accounts for the sales relating to the acquisition of Peter's

Yard®. The volume growth of 2023 demonstrates continued momentum and robust demand across the entire product range and across the different geographies. The broad portfolio of branded products was quite resilient against the impact of inflation and consumer spending.

All three pillars of Lotus® Biscoff®, Lotus™ Natural Foods and Lotus Local Heroes have realised double-digit growth in 2023. This company-wide contribution to growth reflects the strength of the three pillar strategy and underpins the resilience of the brands.

THREE PILLARS: A FOCUSED AND PROVEN STRATEGY



*Acquisition adjusted organic growth
**FY 2023 branded revenue

Lotus® Biscoff® reaches the EUR 500 million milestone

Lotus® Biscoff®, the Group's largest strategic pillar, grew by 20% in 2023 reaching a new revenue milestone of EUR 500 million. Driven by this strong and international growth, Lotus Biscoff cookies moved up another place in the global Cookie Brands ranking to enter the top 5. The longer term ambition to become a top 3 cookie brand with Lotus Biscoff remains more valid than ever.

In 2023, double-digit growth was again broad-based across many countries and all continents. This is the case in North America, where both in the US and Canada household penetration for Lotus Biscoff cookies surpassed the 5% milestone. In Europe, significant sales increases were realised in several countries. In these countries where Lotus Bakeries is active already for a number of years with an own sales office, it shows that the strategy and the repeatable model pay off. At the same time, the penetration growth in larger consumer markets like Germany, France, Spain, Italy and the UK confirm the significant potential that Lotus Biscoff still has in many European countries. Also in Asia-Pacific, larger consumer markets like Australia, China and Malaysia performed strong. The household penetration in Australia is worth calling out after it surpassed the 10% mark.

Lotus™ Natural Foods realises double-digit volume growth

In 2023, organic growth of the Lotus™ Natural Foods brands remained strong, reporting a revenue of EUR 220 million. The growth is primarily driven by a double-digit volume increase.

All brands contribute to the growth, the strongest growth being noted for the fruitsnack BEAR, driven by strong international growth in US, the Czech Republic and the Netherlands. But also the Trek Flapjacks contribute strongly. Kiddylicious continues its growth trajectory in the UK, and was launched successfully in France in 2023. For nākd, we successfully launched a protein raw bar in the UK, complementing the range.

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. In the UK, the Lotus Natural Foods brands achieved double-digit growth and Lotus Natural Foods' international activities outside the UK grew by more than 35% and already represent one third of total Lotus Natural Foods sales. The sales growth of BEAR in the US is an important contributor to the international growth of Lotus Natural Foods. Since its launch in the US in 2018, BEAR has developed into a leading brand in the Kids Fruit Snacking category.

Lotus Local Heroes connects again with growth

The third pillar of the Lotus Bakeries strategy is to focus on the 'local heroes' in the home markets Belgium, France, the Netherlands and Sweden. The pillar is strategically important and offers market leadership positions with a diversified assortment of products and generates strong cash flows.

After flat sales in 2022, Lotus Local Heroes connects again with growth in 2023. The 15% sales increase is driven by both price increases and restoring a broader range of products with almost all retailers. Moreover, increased capacity for Dinosaurus® cookies and Waffles allowed solid volume growth for both concepts. The Lotus Cake Donut innovation was introduced in the Pastry category in Belgium and France. Also towards the end of 2023, the Peijnenburg® range in the Netherlands progressed towards improved recipes, updated designs and an increased focus on the no-sugar-added variant.

2.2 RECURRING EBIT AND EBITDA FOLLOW TOP-LINE INCREASE OF MORE THAN 20%

The recurring operating result REBIT (EUR 173 million or 16.3% on revenue) and the recurring operating cash flow REBITDA (EUR 208 million or 19.5% on revenue) increased respectively by EUR 33 and EUR 38 million.

A sales increase of 21% is the result of close to 10% volume increase on the one hand and double-digit price increases on the other. These responsible price advances were necessary to offset cost increases across all cost components and protect margins. In addition, the volume growth contributes to commercial and operational margins and allows for continued investments in people and assets. The pace of media investments stepped up moderately in the second half of the year supporting the brands globally. Ocean freight costs showed a clear decrease.

The non-recurring income and expenses of EUR -2.5 million relates mainly to costs in preparation of the new plant in Thailand. These start-up costs for the project will increase towards the commissioning of the plant in 2026.

The financial result of EUR -2.5 million consists mainly of interest expenses. Prior year financial result included a positive impact of realised and unrealised exchange rate results on balance sheet positions in foreign currencies.

The tax expense amounts to EUR 39 million or 23% of the profit before tax. The effective tax rate is in line with prior year.

Net result increases by EUR 26 million and amounts to EUR 129 million or 12.2% on revenue. Earnings Per Share (EPS) increased by 25% to EUR 159 per share. Recurring net result amounts to EUR 131 million or 12.4% on revenue. The recurring net result is the reported net result for the period excluding non-recurring income and expenses.

2.3 NET FINANCIAL DEBT REDUCED TO 0.6 TIMES REBITDA DESPITE RECORD INVESTMENTS IN RECENT TWO YEARS

Over the past 12 months Lotus Bakeries has generated a new record operating cash flow (REBITDA) of EUR 208 million. Investments over the past 24 months were EUR 242 million. Continued strong cash flow generation, combined with disciplined investments in maintenance capex and control on working capital, reduced the net financial debt at the end of 2023 to a ratio of net financial debt/REBITDA of 0.6. Maintenance capex represents less than 2% of sales.

3. STATUS OF THE INVESTMENT PROGRAMME

3.1 LOTUS® BISCOFF®

With Lotus® Biscoff® plants in Europe (Lembeke), the US (Mebane) and Thailand (Chonburi), the future production footprint will be more balanced and in line with the geographical sales distribution. The three production facilities will supply Europe & Middle-East, the Americas and Asia-Pacific respectively with the freshest possible products in the most cost and eco-effective way possible. Incremental investments in Lembeke and Mebane will be executed in the coming periods to balance global and regional demand evolution.

Lotus Bakeries is currently investing in Thailand (Chonburi) in a new greenfield production facility for Lotus Biscoff to further support its growth ambition in the Asia-Pacific region. The land was purchased in November 2022 and the project team has now completed the land levelling and groundworks. The building construction is ongoing. In parallel, local sourcing options for raw materials and packaging are being developed. Trustworthy and long term supply partners have been identified and will be strategically important for sustainable and quality operations in Thailand. According to the current timescale, the project is on track for a first line to be operational in the first half of 2026 at the latest.

3.2 INVESTMENTS IN SOUTH AFRICA FOR THE PRODUCTION OF BEAR® AND NĀKD®

The strong performance of the BEAR® factory and the agility of the operations were the main drivers in the decision to extend the Wolseley factory with an additional production facility for the production of the nākd® raw bars. In the second half of 2023, the team has again proven its capabilities by commissioning the new plant in the shortest possible timeframe. This allowed the first commercial production to take place already in January 2024. An official opening ceremony is planned for February 2024 in the presence of the CEO Jan Boone, the Belgian Ambassador and Consul General in South Africa and South African officials. The new plant in South Africa will produce the international demand for nākd bars.



Lotus Bakeries production site, Wolseley, South Africa

4. ESG GOVERNANCE AND PROGRESS

In the second half of 2023 the ESG related corporate governance structure was strengthened by extending the responsibilities of the Audit Committee of the Board of Directors to an Audit and Sustainability Committee. From 2024 onwards, the Committee will also advise the Board of Directors on sustainability policy and reporting.

Already in the first half of 2023, Lotus Bakeries signed the Science Based Targets Initiative (SBTi) "Business Ambition for 1.5°C Pledge" committing to a 2050 target of net zero greenhouse gas emissions across its full supply chain. This also means establishing near-term emissions reduction targets by the beginning of 2025.

In the meantime, specific investments and commitments have been taken in 2023 to reduce emissions in the short term and prepare the company for its future net zero target. As such, a considerable step towards more sustainable operations was made in South Africa. An important investment was allocated to further increase the plant's solar capacity and install solar power batteries. This will reduce the future output of the plant's CO₂ emissions.

In November, Lotus Bakeries moreover joined the collaborative tree project in the Democratic Republic of Congo of Colruyt, a leading Belgian Retail Group: the planting of 10,000 hectares of forest, which equates to over 12 million trees. The goal of Colruyt's project is to offset 120,000 tons of CO₂ per year by 2030. Lotus Bakeries is convinced that only through collaboration with like-minded partners, we can effectively reduce emissions across the entire value chain.

5. CONCLUSION AND OUTLOOK

The year 2023 will be remembered in Lotus Bakeries history as the year that the one billion euro revenue milestone was reached. This has been achieved thanks to another record sales growth of more than EUR 185 million. A strong performance was recorded for the strategic pillars of Lotus® Biscoff® and Lotus™ Natural Foods.

The year 2023 will also go down in history as the year that Lotus Biscoff achieved the half a billion euro revenue milestone. Lotus Biscoff cookies moved up another place in the top ten of the global Cookie Brands ranking entering the top 5. The ambition to become a top 3 cookie brand is still a longer term ambition but remains more valid than ever.

Growth and internationalisation of Lotus Biscoff and Lotus Natural Foods continue to be the strategic priorities. In order to sustain this growth in the coming years, both Lotus Biscoff and Lotus Natural Foods' in-store activation and media investments will be crucial. To realise at least mid-single digit volume growth for Lotus Biscoff, brand awareness will be continuously nurtured and the household penetration will be fed via the aforementioned investments. The disciplined spending level of recent years will be increased in targeted growth markets.

Geopolitical uncertainty and volatility on global commodity markets remain at the forefront. Short term predictions are difficult to make in this rapidly changing environment. The strategic pillars remain well positioned to withstand the challenges.

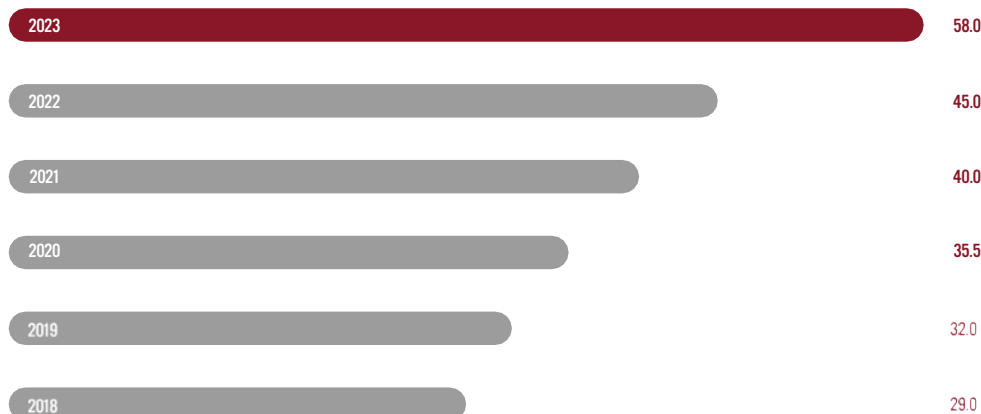
Capital allocation will continue to be focused on capacity expansion to support the organic growth and internationalisation of Lotus Biscoff and Lotus Natural Foods. The greenfield project in Thailand remains on track. Total capital expenditures for 2024 and 2025 combined are forecasted in the range of EUR 200 million. On top of that, opportunities to invest via the corporate venture fund FF2032 also remain a priority and provide the seeds for more long-term future growth.

6. DIVIDEND

The Board of Directors will propose at the Ordinary Shareholders Meeting of 14 May 2024 that a gross dividend of EUR 58 per share for 2023 be paid compared to EUR 45 per share in 2022. This maintains the dividend policy of recent years, whereby at least one third of the recurring net result is paid out.

DIVIDEND GROWTH

(In EUR)



7. FINANCIAL CALENDAR

Announcement of 2023 annual results:	5 February 2024
2023 Annual Report available on:	29 March 2024
Ordinary General Meeting of Shareholders:	14 May 2024
Dividend payable from:	21 May 2024
Announcement of 2024 half-year results:	9 August 2024

Lotus Bakeries in a nutshell

Lotus Bakeries, founded in 1932, operates worldwide in the indulgent and natural snacking segment with brands including Lotus®, Biscoff®, nākd®, TREK®, BEAR®, Kiddylicious®, Peter's Yard®, Dinosaurus®, Peijnenburg® and Annas®. Headquartered in Belgium, Lotus Bakeries is a dynamic and internationally oriented company with production facilities in Belgium, the Netherlands, France, Sweden, South Africa and the United States. A third production facility is currently under construction in Thailand and will be operational by 2026. It has 23 own sales organizations in Europe, America, Asia and Australia. Lotus Bakeries also works with commercial partners in approximately fifty countries worldwide. Lotus Bakeries has around 3,000 employees and achieved a revenue of EUR 1,063.0 million in 2023. The shares of Lotus Bakeries are listed on Euronext Brussels. The majority of shares are owned by the Boone and Stevens family.

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUR	2023	2022
REVENUE	1,062,962	877,451
Raw materials, packaging and co-manufacturing	(368,903)	(311,310)
Services and other goods	(277,024)	(218,277)
Employee benefit expenses	(205,310)	(173,618)
Depreciation and amortisation expenses	(32,857)	(25,245)
Impairment on inventories and trade receivables	(1,226)	(3,992)
Other operating expenses	(6,348)	(8,534)
Other operating income	1,681	3,711
RECURRING OPERATING RESULT (REBIT)	172,974	140,188
Non-recurring income and expenses	(2,544)	(3,807)
OPERATING RESULT (EBIT)	170,430	136,381
Financial result	(2,533)	(2,354)
Interest income (expenses)	(1,560)	(2,565)
Foreign exchange gains (losses)	(119)	988
Other financial income (expenses)	(854)	(777)
RESULT FOR THE PERIOD BEFORE TAXES	167,897	134,027
Income taxes	(38,565)	(30,744)
NET RESULT	129,333	103,283
Attributable to non-controlling interests	72	43
Attributable to equity holders of Lotus Bakeries	129,261	103,240
OTHER COMPREHENSIVE INCOME		
<i>Items that may be subsequently reclassified to profit and loss</i>		
Currency translation differences	(9,192)	(9,410)
Gain/(Loss) on cash flow hedges, net of tax	(9,273)	(9,608)
Gain/(Loss) on cash flow hedges, net of tax	81	198
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurement gains/(losses) on defined benefit plans	(142)	(151)
Remeasurement gains/(losses) on defined benefit plans	(142)	(151)
Other comprehensive income	(9,334)	(9,560)
TOTAL COMPREHENSIVE INCOME	119,999	93,722
Attributable to non-controlling interests	91	2
Attributable to equity holders of Lotus Bakeries	119,908	93,720
EARNINGS PER SHARE		
Weighted average number of shares	811,364	810,858
Basic earnings per share	159.40	127.37
Attributable to equity holders of Lotus Bakeries	159.31	127.32
Weighted average number of shares after effect of dilution	812,373	812,106
Diluted earnings per share	159.20	127.18
Attributable to equity holders of Lotus Bakeries	159.12	127.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUR	DECEMBER 31, 2023	DECEMBER 31, 2022
ASSETS		
Non-current assets	875,583	820,000
Goodwill	222,915	225,246
Intangible assets	147,825	146,735
Property, plant and equipment	474,311	428,244
Investments in other companies	27,504	16,806
Deferred tax assets	2,120	2,212
Other non-current assets	908	757
Current assets	367,920	275,036
Inventories	76,906	70,361
Trade and other receivables	152,044	120,074
Current tax assets	4,888	4,947
Cash and cash equivalents	131,231	76,435
Other current assets	2,852	3,219
TOTAL ASSETS	1,243,503	1,095,036
EQUITY AND LIABILITIES		
Equity	656,207	572,141
Share Capital	16,388	16,388
Treasury shares	(18,797)	(18,976)
Retained earnings	704,401	611,180
Other reserves	(45,785)	(36,451)
Non-current liabilities	349,943	266,186
Interest-bearing liabilities	275,834	196,066
Deferred tax liabilities	68,024	63,716
Employee benefit obligations	4,183	4,411
Provisions	101	122
Derivative financial instruments	0	107
Other non-current liabilities	1,801	1,765
Current liabilities	237,352	256,709
Interest-bearing liabilities	14,657	70,178
Employee benefit obligations	335	232
Provisions	21	21
Trade and other payables	205,110	172,995
Current tax liabilities	14,173	10,367
Other current liabilities	3,056	2,917
TOTAL EQUITY AND LIABILITIES	1,243,503	1,095,036