2025

ANNUAL REPORT

LOTUS BAKERIES

Biscoff

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All italic terms shall be considered defined terms further set out in the glossary.

TREK
PROTEIN

01

EXECUTIVE SUMMARY

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FOREWORD

CONTINUING A STEADY GROWTH PATH

As a company with more than 90 years of heritage and experience, we are proud to continue on a path of sustainable growth. Operating in mature and highly competitive categories means that such growth can never be taken for granted. In 2025, however, our brands and long-term vision, combined with our agile short-term decision-making, inherent to a listed family company, continued to provide a solid foundation for progress.

Our performance this year was supported by broad consumer demand for our brands and products across markets, resulting in strong volume growth. Together with strong cash flow generation and a solid balance sheet, this performance confirms the resilience of our strategy, our team and the strength of our brand portfolio. This makes us very proud!

In this Annual Report, we outline the strategic priorities guiding the Group, the milestones achieved together across regions and categories, and the investments undertaken to support future growth. We also highlight the governance principles and sustainability commitments that underpin our decision-making and contribute to the long-term vision of Lotus Bakeries.

Despite geopolitical and macroeconomic dynamics, our focus remains unchanged. We continue to build our brands globally, invest in quality and capacity, and advance our international expansion, while remaining anchored in the fundamentals that define our brands and our company.

On behalf of the Board of Directors and the Executive Committee, we present this Annual Report as the framework through which Lotus Bakeries aims to create sustainable, long-term value for all stakeholders.

Jan Boone,
CEO

Jan Vander Stichele,
Non-Executive Chairman of the Board of Directors

Lotus
Biscoff
Every coffee wants
a Lotus Biscoff
Lotus
Biscoff

LETTER FROM OUR CEO

A YEAR OF GLOBAL GROWTH

2025 was a pivotal year for Lotus Bakeries: a year in which solid growth went hand in hand with continued operational progress and important steps in strengthening our global footprint. Across regions and categories, our brands continued to demonstrate their relevance in a mature and highly competitive environment, driven by strong consumer demand and the dedication of our global Lotus family.

Our Group's 10% growth was driven by the ongoing success of Lotus® Biscoff® and Lotus™ Natural Foods, our two strategic pillars. Their double-digit performance illustrates how focus, precise strategic execution and strong brand equity reinforce one another.

LOTUS® BISCOFF®: BUILDING A UNIFIED GLOBAL BRAND

Biscoff® continued to be our strongest growth driver in 2025, gaining traction worldwide. A clear strategic focus on our core categories, cookies and spread, and the unification of our global brand identity played an important role. The rollout of the new Biscoff® cookie engraving and the introduction of our bespoke Biscoff® jar are concrete expressions of our ambition to build a coherent, recognisable global brand.

Our partnership with Mondelēz in chocolate and ice cream, further accelerated this momentum, while the nationwide Biscoff® launch in India marked a significant step toward our ambition of making Biscoff® the world's number three cookie brand.

LOTUS™ NATURAL FOODS: THE FASTEST-GROWING STRATEGIC PILLAR

Our Lotus™ Natural Foods brands - BEAR®, TREK®, nākd.® and Kiddylicious® - delivered another strong year, being the fastest-growing strategic pillar in 2025 and winning consumers who seek taste, convenience and better-for-you benefits. Their expanding international presence, particularly in the US and across Europe, confirms the long-term potential of this category. Also, engagement initiatives with sports event partners Golazo and RunThrough strengthened the connection between our brands and their communities.

LOTUS® LOCAL HEROES REINFORCING LOCAL RELEVANCE

Our Lotus® Local Heroes pillar remained strategically important. In 2025, Annas® Pepparkakor achieved its best holiday season in Sweden with double-digit growth, a testament to the value consumers place on local heritage and authenticity.

SCALING OUR OPERATIONS FOR GLOBAL GROWTH

Behind these commercial achievements stands an operational organisation that continues to scale with ambition. In 2025, we installed a record number of new Biscoff® production lines across three continents, started up our new Biscoff® facility in Thailand, expanded our US manufacturing Biscoff® capabilities and doubled capacity at our BEAR® site in South Africa. These investments help to ensure we can support future growth and meet rising demand.

‘Our Group’s 10% growth was driven by the ongoing success of Lotus® Biscoff® and Lotus™ Natural Foods, our two strategic pillars. Their double-digit performance illustrates how focus, precise strategic execution and strong brand equity reinforce one another.’

LOOKING AHEAD WITH CONFIDENCE

Looking back on 2025, I am convinced that our progress is the result of focus, consistency and above all, our Lotus family. Their passion and collaboration, from the US to Asia and Australia, and from South Africa to Sweden, support every achievement highlighted in this Annual Report. Together, they strenghten my confidence that Lotus Bakeries is well positioned for the future.

I invite you to go through our 2025 Annual Report, and hope you enjoy the read!

Jan Boone,
CEO

Jan Boone, CEO

KEY PERFORMANCE INDICATORS

FINANCIALS

Revenue
1,355 €M (2024: 1,232 €M) +10%

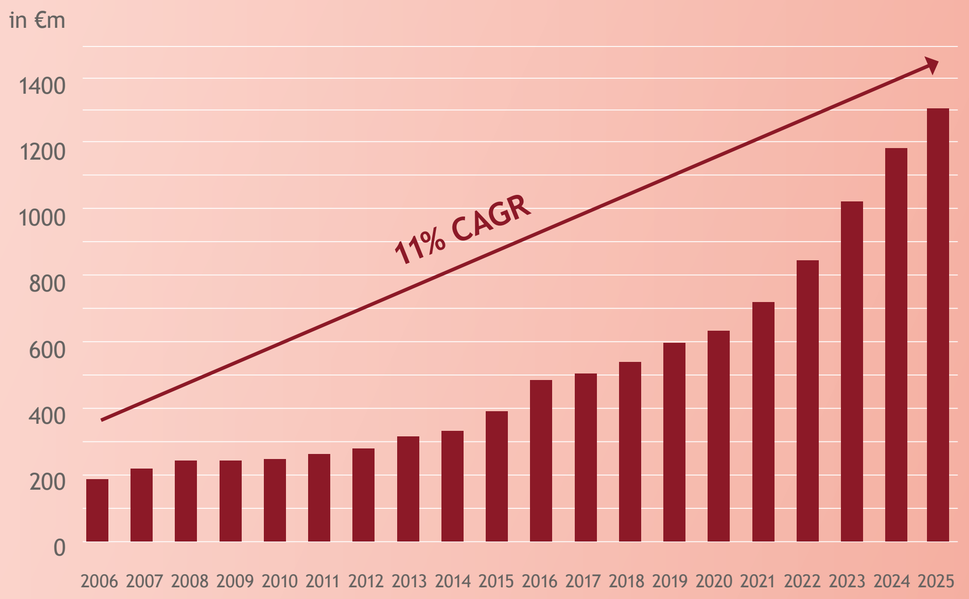
EBITDA(u)
273 €M (2024: 243 €M) +12%

Net Result
172 €M (2024: 152 €M) +13%

Net Financial Debt ratio
reduced to 0.25 times EBITDA(u) 0.25

Dividend per share € 90
(2024: € 76)

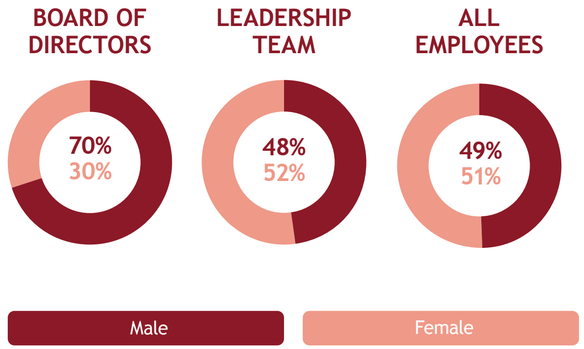
20 Years of sustainable double-digit growth



PEOPLE

4,164 employees
(2024: 3,364)

Gender diversity



A YEAR IN REVIEW

LOTUS BAKERIES' REVENUE UP BY 10% OR EUR 123 MILLION TO EUR 1,355 MILLION

In 2025, Lotus Bakeries achieved double-digit sales growth of 10%, increasing Group revenue by EUR 123 million to EUR 1,355 million. Growth was driven almost entirely by higher volumes. Adverse foreign-currency evolutions in USD and GBP in the second half of the year had a negative impact of nearly 2.5%. In the first semester, the foreign-currency impact was negligible.

The strong volume increases in 2025 underscore the sustained momentum and solid demand across geographies for the Group's international pillars, Lotus® Biscoff® and Lotus™ Natural Foods. Regionally, North America and the Rest of the World delivered robust double-digit growth, Continental Europe achieved a strong high single-digit sales growth, while the UK recorded lower reported growth, tempered by negative currency effects.

LOTUS® BISCOFF® IS THE FASTEST-GROWING BRAND IN THE US IN BOTH COOKIES AND SPREAD*

Lotus® Biscoff® achieved organic growth of 13% in 2025. To reflect the discontinuation of Lotus Bakeries' own Biscoff® ice cream sales following the new licence agreement with Froneri, EUR 11.6 million of attributable second-semester revenue was excluded from the reported figures. Lotus® Biscoff®'s reported sales reached EUR 670 million, representing 57% of the Group's branded revenue.

The Biscoff® growth strategy continues to focus on strengthening penetration of the hero products, Biscoff® cookies and Biscoff® spread, which consistently demonstrate strong global appeal and sustained momentum. The Biscoff® cookie once again ranks as the fastest grower in the global cookie brands ranking, further reinforcing its position within the top five.

Lotus® Biscoff® continues to deliver broad-based geographic growth across numerous countries and all continents. Progress was recorded throughout Europe and the Rest of the World, with amongst others strong performances in Canada, Mexico, Türkiye, Poland, Italy, Portugal, Greece, the Netherlands and Belgium.

In the United States, Biscoff® was the fastest-growing brand in both the cookies and spreads categories*. Household penetration for the Biscoff® cookie has steadily expanded in recent years and now stands at 9%. The first-ever media investments were launched in the US in 2024, and - following a successful evaluation - were expanded in 2025.

* Nielsen top 15 brands, 2025

you gotta love
lotus
Biscoff
vanilla
flavour
lotus
Biscoff
lotus
Biscoff
CRUNCHY
Biscoff
Biscoff

THE NEW BISCOFF® PRODUCTION FACILITY IN THAILAND DELIVERS ITS FIRST COOKIES INTO THE ASIA-PACIFIC REGION

In recent years, Lotus Bakeries has invested in a new greenfield production facility in Chonburi (Thailand), to support its growth ambitions in the Asia-Pacific region. The production was announced ahead of schedule, and by the end of 2025, the first cookies produced in Chonburi have been delivered to customers. The plant is expected to be fully completed and operational by the end of the first semester of 2026 at the latest, including capability of spread production and in-house bottling of spread jars.

By the end of the first semester, a new investment in spread production and bottling was also commissioned at the plant in Mebane (US). On top of the financial and ecological benefits of this localised production, it also eliminates the impact of import tariffs into the US.

These 2025 investments mark an important milestone in Lotus Bakeries' footprint strategy, ensuring production capability for the full range of Biscoff® hero products across its three manufacturing regions: Europe & the Middle East (Lembeke), the Americas (Mebane), and Asia-Pacific (Chonburi).

THE BISCOFF® COOKIE ENGRAVING: FROM LOTUS® TO BISCOFF®

Two years ago, we placed Biscoff® front and centre on the packaging as part of a shift towards a unified global brand identity. In 2025, the final step in that transition was taken with the introduction of the Biscoff® engraving on the cookies, replacing the long-standing Lotus® engraving. This change completes more than a decade of brand evolution – from the introduction of the Biscoff® name to the updated logo, to the Biscoff® engraving – and ensures one coherent visual identity and tone of voice. The new engraving will be introduced across the entire range, including the original cookie and the sandwich cookie. Implementation began late 2025 in the US and India, followed by a global roll-out in 2026.

AN UNPRECEDENTED NATIONWIDE LAUNCH IN INDIA

In June 2024, Lotus Bakeries and Mondelēz announced their partnership for the Indian market. Through this collaboration, Mondelēz leverages its extensive distribution network and strong local presence to manufacture, market, distribute and sell Biscoff® cookies in India. This partnership enables Lotus Bakeries to establish a strong presence for the Biscoff® brand in one of the world's largest consumer markets and reinforces the ambition to build Biscoff® into a truly global cookie brand.

Towards the end of 2025, an unprecedented nationwide launch campaign was rolled out, rapidly building distribution in more than 300,000 stores in less than four weeks and deploying a wide range of impactful marketing initiatives across the country.

THE CHOCOLATE AND ICE CREAM PARTNERSHIPS OFF TO A STRONG START

Strong progress was also achieved since the launch of the co-branding partnership with Mondelēz for chocolate in March 2025. Co-branded chocolate innovations under the Cadbury®, Milka® and Côte d'Or® brands have since been introduced in the UK and more than 20 European markets. In each of these markets, the Cadbury® Biscoff® or Milka® Biscoff® tablets have been broadly distributed in stores and have performed strongly. Further activations with other Mondelēz chocolate brands are in development.

Meanwhile, the Froneri-led Biscoff® ice cream launches have begun in the UK, following extensive work throughout 2025 to define the new assortment and develop new product innovations.

LOTUS™ NATURAL FOODS FASTEST-GROWING STRATEGIC PILLAR IN 2025

After a strong performance in the first half of 2025, Lotus™ Natural Foods continued on the same trajectory. The Lotus™ Natural Foods pillar ended the year with growth exceeding 15%, with the BEAR®, TREK® and nākd.® brands all delivering double-digit growth. The pillar now generates EUR 300 million of revenue, representing 25% of the Group's branded revenue.

In 2025, TREK® is the fastest-growing brand in the global Lotus™ Natural Foods portfolio. The brand also leads the way in the healthy-bar category in the UK as fastest growing brand. A new and successful rebranding and digital media campaign, along with strong in-store execution, have been complemented with one of the most impactful innovations in recent years. TREK® expanded its portfolio with TREK® Protein Flapjack with Biscoff®, a vegan protein bar layered with smooth Biscoff® spread. This innovation created a strong halo effect: TREK® consumers were introduced to the iconic Biscoff® taste, while the Biscoff® brand encouraged trial and visibility for TREK®, strengthening relevance and appeal for both brands.

In 2025, Lotus™ Natural Foods continued its international expansion outside of the UK with the strategic ambition to become a leader in the better-for-you snacking segment. Significant growth was realised in the US and Canada with BEAR® and in several European markets - including France, Spain, the Netherlands, Belgium, Switzerland and Czech Republic - with the brands nākd.®, TREK® and Kiddylicious®. Lotus™ Natural Foods revenue outside UK represents now more than 40% of total Lotus™ Natural Foods sales.

LOTUS® LOCAL HEROES - ANNAS® HAS ITS BEST HOLIDAY SEASON EVER IN SWEDEN

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

After sales remained flat in the first half of 2025, the Lotus® Local Heroes portfolio delivered mid-single digit growth in the latter half of the year. Annas® Pepparkakor realised double-digit growth in a mature market and category and had its best holiday season ever in Sweden. Belgium and France were additional contributors, with revenue growth for both pastry and waffles. The gingerbread sales in the Netherlands returned to growth in the second half of the year, against a favourable comparable last year, and stabilised on a full-year basis.

EBIT(u) AND EBITDA(u) OUTPACE TOP-LINE GROWTH WITH INCREASES OF MORE THAN 12%

The EBIT(u) (EUR 232 million or 17.2% on revenue) and the EBITDA(u) (EUR 273 million or 20.2% on revenue) increased respectively by EUR 26 and EUR 30 million.

The increase of EBIT(u) and EBITDA(u) by more than 12% outpaced topline growth of 10%, reflecting the strong underlying quality of earnings. Volume growth and disciplined pricing and margin management, supports the expansion of profitability and cash flow. The operating leverage continues to be reinvested in strengthening the commercial organisations, broadening marketing initiatives to build brand awareness and penetration, and further expanding production capacity.

The non-underlying items of EUR -4.8 million relate mainly to costs to support capacity expansion for Lotus® Biscoff® on the greenfield site in Chonburi (Thailand).

The financial result of EUR -2.4 million consists mainly of interest expenses, net of cash deposit income, bank charges and a negative impact of realised and unrealised exchange rate results on balance sheet positions in foreign currencies.

Tax expense amounts to EUR 52.9 million or 23.5% of profit before tax in line with prior year.

Net profit increases by EUR 20 million compared to 2024 and amounts to EUR 172 million or 12.7% on revenue. Earnings Per Share (EPS) increased by 12.9% to EUR 212 per share. Underlying net result amounts to EUR 177 million or 13.1% on revenue. The underlying net result is the reported net result for the period excluding non-underlying items.

NET FINANCIAL DEBT AT A HISTORIC LOW OF 0.25 TIMES EBITDA(u)

Over the past 12 months, Lotus Bakeries has generated record underlying operating cash flow (EBITDA(u)) of EUR 273 million. Capital expenditures over the last 12 months and 24 months amounted to EUR 120 million and EUR 240 million respectively. Continued strong cash flow generation, combined with disciplined investments in maintenance capex and working capital control reduced the net financial debt. This reduction was further supported by the divestment of The Good Crisp Company participation by the FF2032 corporate venture fund at the end of December. Net financial debt/EBITDA(u) ratio is at 0.25 at the end of 2025. The reported net financial debt of Lotus Bakeries amounts to EUR 89 million and includes EUR 21 million of debt to be expressed by applying IFRS 16 *Leases*.

FIRST SUCCESSFUL EXIT BY FF2032 CORPORATE VENTURE FUND

FF2032, Lotus Bakeries' corporate venture fund, first invested in the US brand The Good Crisp Company in 2021 and gradually increased its stake through additional financing rounds over the past years. Since 2021, Isabelle Maes, CEO Natural Foods and CMO Lotus Bakeries, also served on the company's Board of Directors.

Founded in 2015 by Matt Parry, The Good Crisp Company has established itself as a differentiated brand in the salty-snack category, offering "guilt-free" canister chips, cheese balls and crinkle cut chips in classic flavours that are characterised by their gluten-free, non-GMO, and no-artificial flavour/ingredient attributes. The Good Crisp Company's products are available in more than 20,000 retail locations across the US, Canada, Australia and the UK, and is one of the fastest-growing clean-label salty-snack platforms in the US today.

Just before year-end 2025, The Good Crisp Company was acquired by a US private equity firm for undisclosed terms. As part of this transaction, FF2032 exited its minority stake - marking the first successful exit for the fund since its launch.

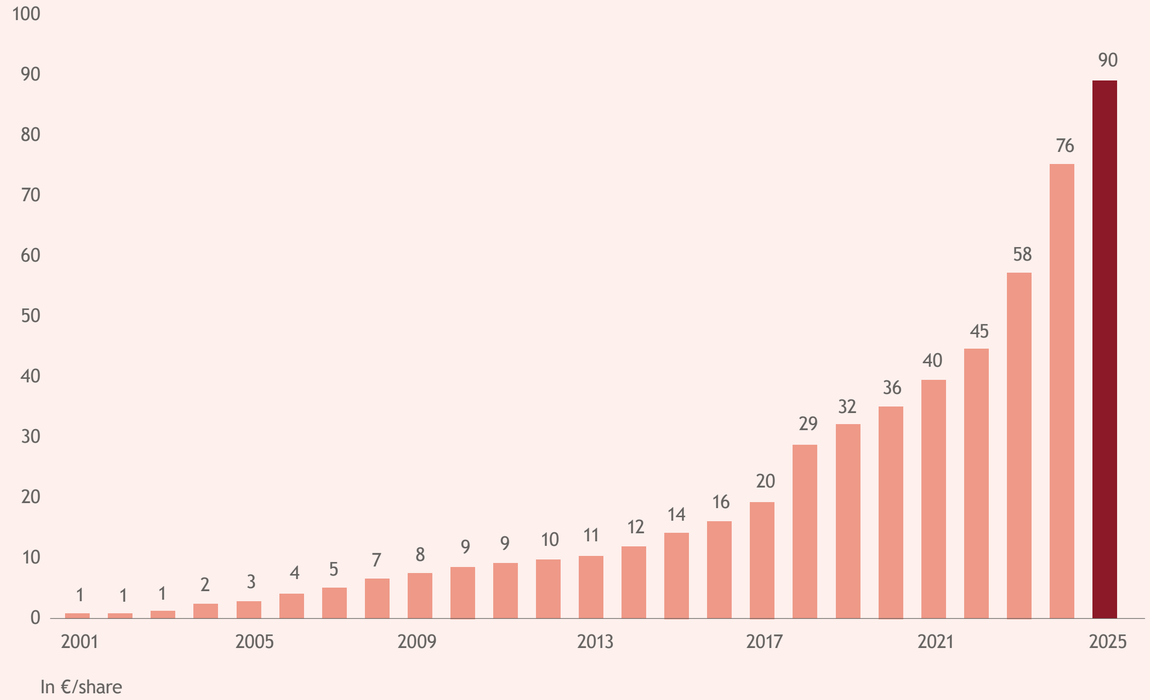
DIVIDEND

The Board of Directors will propose at the Ordinary Shareholders' Meeting of 12 May 2026 that a gross dividend of EUR 90 per share for the 2025 financial year be approved, up from EUR 76 per share in 2024 - an increase of EUR 14 per share.

This marks the 25th consecutive annual dividend increase, earning Lotus Bakeries the status of dividend aristocrat.

DIVIDEND ARISTOCRAT

25 consecutive years of dividend growth



In €/share

HIGHLIGHTS 2025

JANUARY

Celebrating last year's biggest milestones and recognising the Lotus Family's contributions through vibrant local New Year celebrations.

JANUARY

BEAR® doubles production capacity in South Africa.

FEBRUARY

Launch of the TREK® Protein Flapjack with Biscoff®: a #1 category innovation.

FEBRUARY

Rebranding of TREK® elevating brand values and improving in-store visibility.

MARCH

Launch of co-branded chocolate innovations, amplifying Biscoff® through partnerships with Mondelēz's iconic global brands.

MARCH

A limited-edition in-flight **Biscoff® cookie wrapper celebrated Delta Air Lines' 100th anniversary.**

MARCH

Announcement of the **Mondelēz partnership expanding into ice cream** with Froneri, introducing a new Biscoff® ice cream product range.

APRIL

nākd.® becomes #1 brand by value in Spain in the cereal bar category.

MAY

Biscoff® household penetration reaches over 24% in Australia.

APRIL

China gets bespoke dual-language Biscoff® branding and packaging.

MAY

Bold PR campaign and event at our HQ, the home of Biscoff®, to launch Côte d'Or L'Original with crunchy Lotus Biscoff®.

JUNE

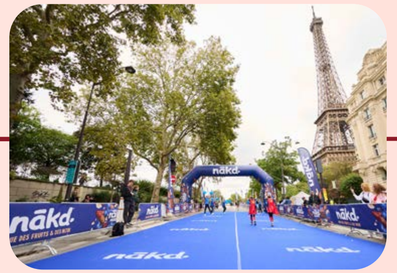
TREK® is the fastest-growing brand in the UK bars category.

JUNE

Biscoff® shines at World Expo 2025 Osaka.

JULY

Kick-off of the multiyear Golazo partnership in Belgium, the Netherlands and France, and RunThrough partnership in the UK, for TREK® & nākd.®



AUGUST

New solar installations across production sites in Belgium, the Netherlands, South Africa and Thailand.

OCTOBER

Kiddylicious® becomes the fastest-growing baby snacking brand in France, doubling sales and leading category growth.

NOVEMBER

Full-scale 360° **Biscoff® launch in India with Mondelēz**, unlocking a major milestone in global growth.

NOVEMBER

Seasonal activations across Biscoff®, BEAR®, Lotus® and Annas® further strengthened brand visibility and consumer engagement during Halloween and the year-end holiday period.

DECEMBER

Record Biscoff® production year with new lines across 3 continents.

DECEMBER

Introduction of the new **Biscoff® cookie engraving.**

DECEMBER

Biscoff® is the fastest growing brand in cookies and spread in the US*.

DECEMBER

Biscoff® spread gets a bespoke jar design for stronger shelf impact & brand distinction.

DECEMBER

In 2025, **Annas® reached all-time high sales** and strengthened its market leadership in Sweden's gingerbread segment.

DECEMBER

Construction of our third Biscoff® production site in Thailand on track to be fully operational by the end of the first semester of 2026 at the latest.

* Nielsen top 15 brands, 2025

nākd.
raw fruit & nut bar

02

LOTUS BAKERIES, NICE TO MEET YOU

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WHY WE'RE IN BUSINESS

Since 1932, we've been making branded snacks with superior taste experiences. For anyone, anywhere, anytime. And always with the goal of creating moments of joy and happiness in people's daily lives. It all started with a single crunchy, caramelised cookie back in 1932.

This unique crunchy cookie - long known as "the cookie served with your coffee" - has since evolved into a global brand enjoyed around the world. From a local favourite to an international icon, Biscoff® has become part of daily routines across ages, cultures and lifestyles, enjoyed at various moments throughout the day - and produced on multiple continents.

Over the years, Lotus Bakeries gradually expanded its product range in the indulgent and better-for-you snacking segment, enabling the Group to meet a wide variety of snacking moments and needs.

From the unique crunchy caramalised Biscoff® cookie to Biscoff® spread and Biscoff® sandwich cookies, to natural and tasty BEAR® fruit snacks, TREK® Protein Flapjacks, nākd.® bars made from only fruits and nuts, and more - Lotus Bakeries has the perfect snack to brighten up every moment of the day.

LOTUS BAKERIES IS HERE TO **BRIGHTEN UP PEOPLE'S DAILY LIVES** — WHEREVER THEY ARE, WHATEVER LIFE STAGE THEY'RE IN, AND WHICHEVER PERSONAL SNACKING PREFERENCES THEY HAVE.

GLOBAL DEMAND FOR LOTUS® BISCOFF®

TOTAL NUMBER OF BISCOFF® COOKIES

13,280,576,136

*Note: Growth compared to 2011. Source: Lotus Bakeries financials (2025)
**Biscoff® cookies 2025

WHAT WE AIM FOR AND HOW

We want to brighten up people’s daily lives with great-tasting branded snacks. This is something we can only realise if we give every Lotus Bakeries brand the chance to live up to its full potential – today and tomorrow.

On the one hand, that means combining a distinct long-term vision with quick short-term decision-making, intrinsic to a listed family company.

On the other hand, it requires a strategy that plays into each brand’s own identity, context and target audience. That’s why we group our branded snacks in 3 strategic brand pillars, namely Lotus® Biscoff®, Lotus™ Natural Foods, and Lotus® Local Heroes. Together, they create unique products for every occasion.

OUR 3 STRATEGIC BRAND PILLARS

	LOTUS® BISCOFF®	LOTUS™ NATURAL FOODS	LOTUS® LOCAL HEROES
	The globalisation of Lotus® Biscoff® is the first pillar of our strategy. Biscoff® cookies and spread offer a universally loved caramelised taste and crunchy texture experience, which is quite unique in the food industry.	Since 2015, we have been investing in better-for-you snacks, delivered by strong brands, such as BEAR®, nākd.®, TREK®, Kiddylicious® and Peter's Yard®. The internationalisation of these brands forms the second pillar of our strategy.	Our third strategic pillar includes a wide range of local brands and products - waffles, pastry, gingerbread and cookies - that play an important role in their home market of Belgium, France, the Netherlands or Sweden.
SHARE OF REVENUE [1]	57%	25%	18%
2025 GROWTH	13% [2]	17%	2%
10-YEAR CAGR	15%	17%	2%
STRATEGIC AMBITION	Become the number 3 cookie brand in the world	Become a leader in the better-for-you snacking segment	Secure market leadership and strong cash flow

[1] FY 2025 branded revenue
[2] FY sales Biscoff Ice Cream included

We elaborate on the strategy behind our brand pillars and the main highlights of 2025 in chapter 3 of this report.

OUR 5 GUIDING PRINCIPLES FOR A SUSTAINABLE FUTURE

Lotus Bakeries not only aspires to create unique-tasting snacks for this generation, but also for the next. And the ones after that.

That’s why all strategic pillars follow 5 Guiding Principles for a sustainable future – our own future and that of our planet.

These aptly reflect the outcome of our double materiality assessment which we conducted in 2023 with various stakeholders (more on page 127).

A BALANCED PORTFOLIO OF GREAT TASTE

Lotus Bakeries aims to delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations.

Balanced portfolio

Provide a wide array of snacking options to consumers that meet their evolving expectations

Food safety and quality

Be a leader in food safety and high food quality standards

ROAD TO NET ZERO

Lotus Bakeries is committed to combat climate change and minimise its impact on the environment in all aspects of its operations, its packaging, as well as its value chain.

Carbon footprint

Achieve net zero greenhouse gas emissions across our value chain by 2050, in line with our SBTi commitments

Energy usage

Increase renewable electricity and energy efficiency

Sustainable packaging

Limit packaging impact

ONE LOTUS FAMILY

Lotus Bakeries is committed to ensure a healthy, safe, inspiring, and rewarding working environment, supported by our TOP values (Team Spirit, Open Dialogue, Passion).

Well-being, diversity, equity and inclusion

Offer long-term employment in an inclusive work environment where every employee feels engaged

Health and safety

Aim for zero accidents

ETHICAL BUSINESS CONDUCT

Lotus Bakeries is committed to act lawfully, ethically and with integrity towards all stakeholders, and promote human rights throughout its value chain.

Business ethics and corporate culture

Champion a culture of ethical behaviour

Cybersecurity

Protect our data, systems and operations

SUSTAINABLE SOURCING

Lotus Bakeries is committed to help build greater resilience in its supply chains by preserving the environment, while ensuring welfare for all along the value chain by setting high ethical business standards.

Supplier management and partnering in the value chain

Conduct proper due diligence of suppliers

Sustainable sourcing programmes

Participate in sustainable sourcing programmes for key raw materials

WHO IS LEADING THE WAY

EXECUTIVE COMMITTEE

Our ability to offer a perfect snack for every occasion largely depends on effective and efficient day-to-day management. Clarity in decision-making, strategic alignment, maintained focus, a culture of accountability... They're all essential to our Group's success and our organisational structure fits the bill.

In a nutshell: **the Executive Committee** (also referred to as EXCO) determines Lotus Bakeries Group's strategy and objectives and submits them to the Board of Directors for approval.

This strategy is then implemented by the country and regional organisations, also referred to as Areas. The Group and Global departments are centrally organised and act as business partners, providing specific expertise, policies and services to the Areas.

Jan Boone, CEO
Isabelle Maes,
CMO Lotus Bakeries & CEO Lotus Natural Foods
Mike Cuvelier, CFO
Ignace Heyman, COO
John Van de Par, CPO

Go to Chapter 5 (page 257) for the biographies of our EXCO members.

EXECUTIVE COMMITTEE

Jan Boone
CEO

Isabelle Maes
CMO Lotus Bakeries
& CEO Lotus Natural Foods

Mike Cuvelier
CFO

Ignace Heyman
COO

John Van de Par
CPO

OUR GENERAL MANAGERS LEADING THE AREAS

Bart Bauwens
General Manager International
Distributors Biscoff

Leon Broer
General Manager International
Distributors Natural Foods

Saskia De Paepe
General Manager Belgium

Els De Smet
General Manager SOFs Europe

Ronald Drieduite
General Manager SOFs Asia

Jeroen Harks
General Manager Netherlands

Margo Joris
General Manager US

Jean-Philippe Kloutz
General Manager France

Twan Thorn
General Manager SOFs
Lotus Natural Foods UK

EXECUTIVE COMMITTEE

Jan Boone
CEO

Isabelle Maes
CMO Lotus Bakeries
& CEO Lotus Natural Foods

Mike Cuvelier
CFO

Ignace Heyman
COO

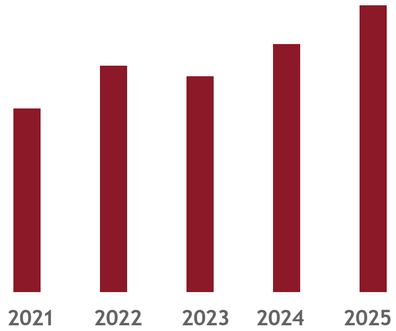
John Van de Par
CPO

OUR GROUP & GLOBAL DEPARTMENTS

- GROUP ICT
- GROUP ENGINEERING
- GROUP FOOD SAFETY & QUALITY ASSURANCE
- GROUP R&D
- GROUP FINANCE
- GROUP PROCUREMENT
- GROUP HR
- GROUP LEGAL & IP
- GROUP ESG
- GROUP COMMUNICATIONS
- GROUP STRATEGIC PROJECTS
- GLOBAL BRAND BISCOFF
- GLOBAL BRAND NATURAL FOODS
- GLOBAL COMMERCIAL EXCELLENCE
- GLOBAL PARTNERSHIP MONDELĒZ
- FINANCE BISCUITS & BAKERY
- FINANCE & SUPPLY CHAIN NATURAL FOODS
- CUSTOMER BRAND BUSINESS
- FF 2032 INVESTMENT FUND

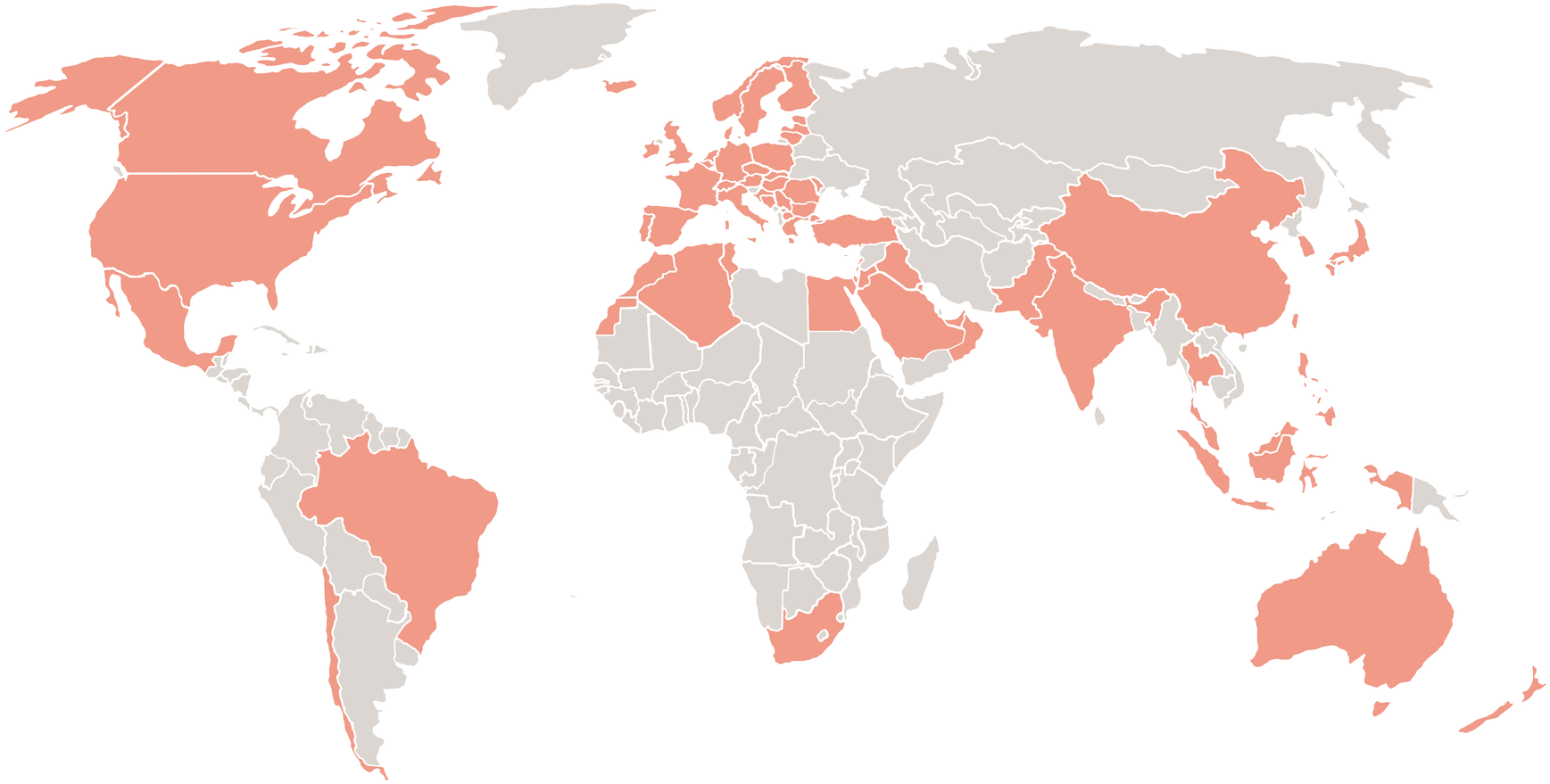
THE TRUE TASTEMAKERS: OUR 4,164-STRONG LOTUS FAMILY

5-YEAR EVOLUTION OF # EMPLOYEES



WHERE WE ARE

Lotus Bakeries is active in
about 70 countries worldwide.

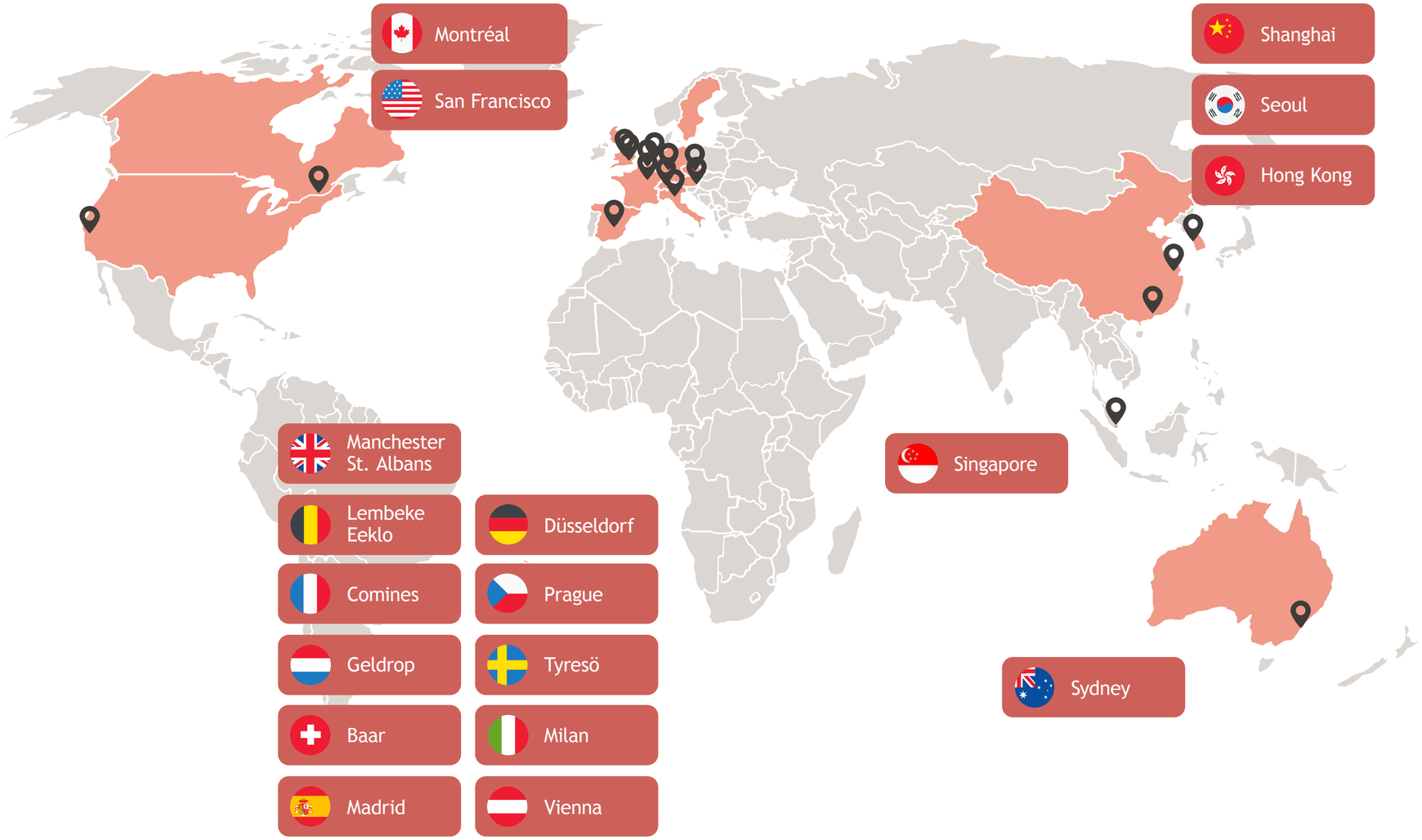


Lotus Bakeries' presence

LOTUS BAKERIES HEADQUARTERS IN BELGIUM & SWITZERLAND

SALES & DISTRIBUTION

Lotus Bakeries combines its 20 sales offices with a strong network of commercial partners in about 50 countries worldwide. These partnerships are combined into the Areas of the International Distributors of Lotus® Biscoff® and the International Distributors of Lotus™ Natural Foods.



PRODUCTION

Lotus Bakeries has a total of 13 production sites. They are spread across the globe with production facilities in Europe, the US, Asia and South Africa.

NEW IN 2025

- Record number of new Biscoff® lines added in 2025 worldwide!
- In Thailand, the construction of Lotus Bakeries' 13th production site - the third dedicated to Lotus® Biscoff® - progressed strongly. All lines are on track to be fully operational by the end of the first semester of 2026 at the latest.
- In the US, new Biscoff® spread production capacity is now up and running.
- In Belgium, additional production lines were added to the Lembeke plant, and permission has been granted to expand the current production footprint.
- In South Africa, we doubled the production capacity of BEAR® fruit snacks with a new production hall and warehouse.

Biscoff
lotus
Biscoff
lotus
Biscoff

03

OUR BRAND STRATEGY

> Lotus® Biscoff® 40
> Lotus™ Natural Foods 64
> Our brands' strategy in action 81
> Lotus® Local Heroes 100

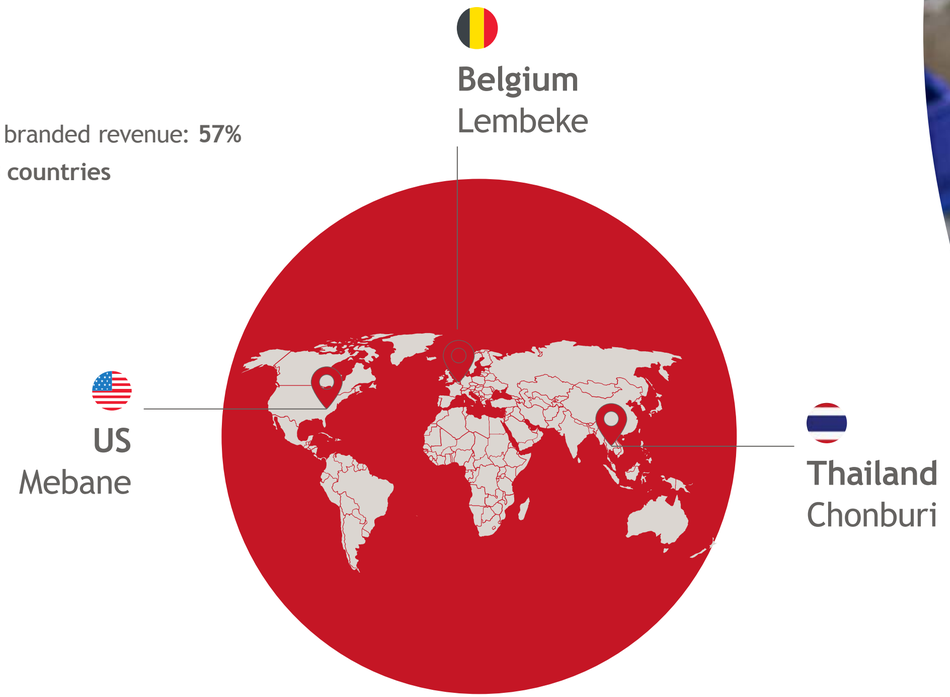
LOTUS®
BISCOFF®

It is our mission to be present in consumer's favourite indulgent moments across the globe with the unique Biscoff® taste experience.

This **universal appeal** is also why we're aiming high, as we want to become the number **three cookie brand in the world.**

LOTUS® BISCOFF® AT A GLANCE

Launched: **1932**
Share of Lotus Bakeries' branded revenue: **57%**
Distributed in: **about 70 countries**
3 production facilities:
> Belgium: **Lembeke**
> US: **Mebane**
> Thailand: **Chonburi**



OUR 3 HERO PRODUCTS

Lotus® Biscoff® spread
A spread made from original Biscoff® cookies,
in smooth or crunchy variants.

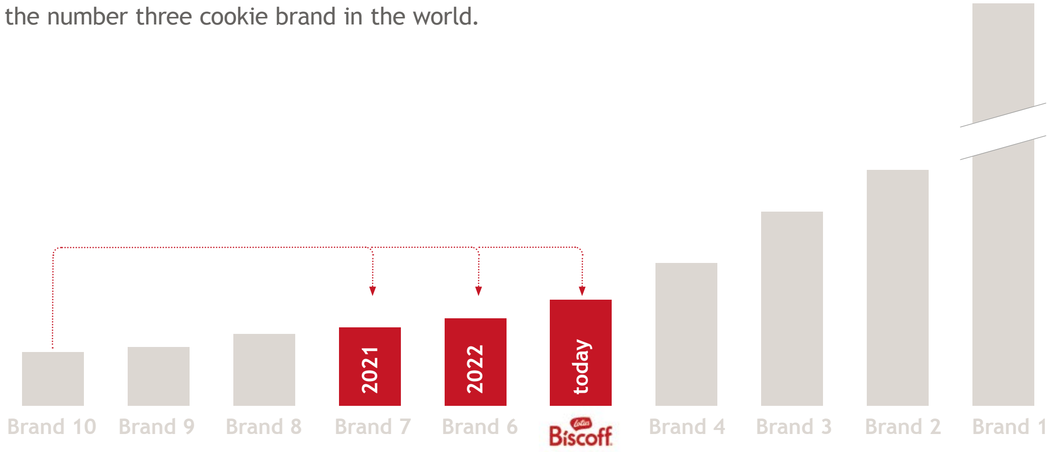
Lotus® Biscoff® cookie
A cookie with a unique taste & texture
loved all over the world.

Lotus® Biscoff® sandwich cookie
A Biscoff® sandwich cookie with a smooth
Biscoff®, vanilla or chocolate filling.

LOTUS® BISCOFF® STRATEGY

BISCOFF® NUMBER 5 IN THE GLOBAL COOKIE RANKING

In 2025, we further solidified our top-five position toward our ambition to make Biscoff® the number three cookie brand in the world.



Source: External data (sweet biscuits category: mono cookie concepts). Biscoff® retail sales value based on internal calculations.

#1

MAXIMISE HOUSEHOLD PENETRATION OF OUR HERO PRODUCTS

The original cookie, the sandwich cookie and the spread are Lotus® Biscoff®'s heroes. Our number one priority is to increase the household penetration of these heroes, by convincing as many households as possible to buy a Lotus® Biscoff® product at least once a year.

We will continue to drive growth for these heroes through targeted activations and a diverse range of formats tailored to local market preferences.

#2

REINFORCE OUR BRAND HALO AROUND OUR UNIQUE TASTE AND TEXTURE

Our Biscoff® heroes – the original cookie, the sandwich cookie and the spread – reinforce each other and create a halo effect. That's why we increasingly activate, for example, our cookies and spread together in stores.

Thanks to cross-communication – with one creative idea, one website, one identity – we ensure that our unique taste experience gives us even more global recognition and acclaim.

4.5 TIMES

MORE LIKELY

People who buy the Biscoff® cookie are 4.5 times more likely to buy the Biscoff® spread than those who don't buy our cookie. And vice versa.

#3

ACTIVATE MORE DEMAND SPACES

While Biscoff® remains the perfect coffee companion, we also activate other demand spaces for people to enjoy our branded snacks with unique taste experiences:

> Combining a cookie with coffee
> Eating cookies as a snack
> Using the spread as a topping
> Biscoff® as an ingredient
> Having Biscoff® on festive occasions

#4

AMPLIFY OUR BRAND WITH STRONG PARTNERSHIPS

Partnerships that put our unique Biscoff® taste and texture at centre stage help us to gain visibility and become top of mind.

We partner selectively, with our strategic partnership with Mondēlez playing an important role across multiple areas of collaboration. One key element of this partnership is the development of co-branded chocolate products with iconic brands such as Cadbury®, Milka® and Côte d'Or®. These collaborations are built on a strong fit in taste, audience, brand and reach.

Leveraging this strong strategic fit, the launches are amplified through big launch moments, supported by high-impact in-store visibility and online activation, while always safeguarding the unique Biscoff® taste.

We also pursue Biscoff® activations within quick-service restaurants, where Biscoff® elevates indulgent offerings like ice cream, milkshakes and donuts and is highly appreciated by Gen Z consumers.

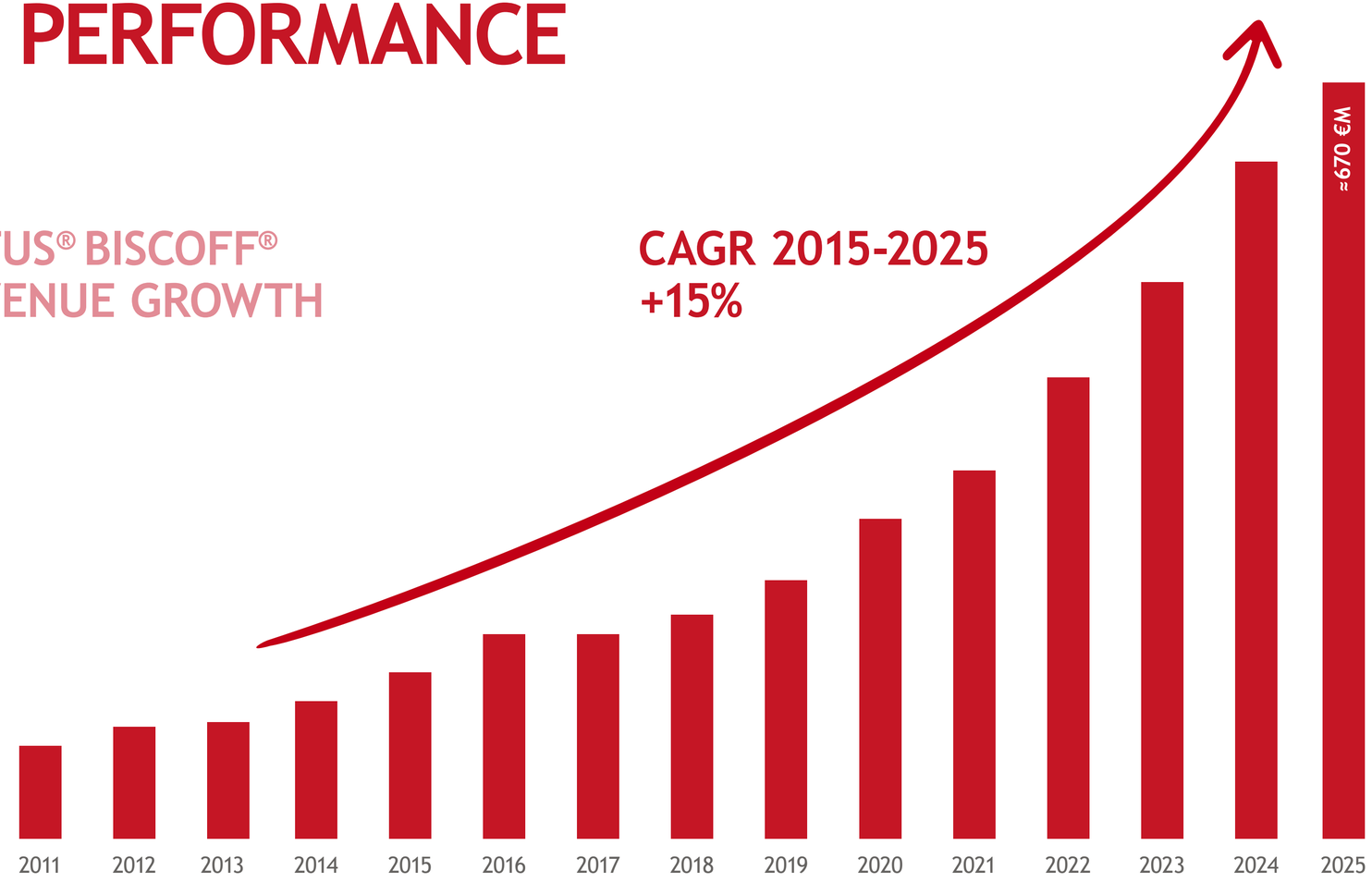
Lotus
Biscoff
Creamy
REVOLUTION

LOTUS® BISCOFF® PERFORMANCE

SHARE OF BRANDED REVENUE (2025):
57%

LOTUS® BISCOFF® REVENUE GROWTH

CAGR 2015-2025
+15%



2025 LOTUS® BISCOFF® HIGHLIGHTS

MARCH
Launch of co-branded chocolate innovations, amplifying Biscoff® through partnerships with Mondelēz's iconic global brands.

MARCH
Announcement of the Mondelēz partnership expanding into ice cream with Froneri, introducing a new Biscoff® ice cream product range.

APRIL
China gets bespoke dual-language Biscoff® branding and packaging.

NOVEMBER
Full-scale 360° Biscoff® launch in India with Mondelēz, unlocking a major milestone in global growth.

MAY
Biscoff® household penetration reaches over 24% in Australia.

DECEMBER
Biscoff® spread gets a bespoke jar design for stronger shelf impact & brand distinction.

DECEMBER
Record Biscoff® production year with new lines across 3 continents.

DECEMBER
Introduction of the new Biscoff® cookie engraving.

DECEMBER
Biscoff® is the fastest growing brand in cookies and spread in the US*.

* Nielsen top 15 brands, 2025

lotus
Biscoff
Biscoff cream
15x

LOTUS® BISCOFF® 2025 MILESTONES

OUR PARTNERSHIP WITH MONDELĒZ IN ACTION

Following the announcement of our global partnership with Mondelēz last year, 2025 was the year in which this **collaboration truly came to life**, in two ways:

1. Launch of multiple co-branded chocolate innovations across Europe and the UK
2. A full-scale launch of Biscoff® cookies in India

Together, we turned plans into reality, bringing new products to shelves, reaching millions of consumers and proving the power of combining two iconic snacking brands.

‘In 2025 our partnership with Mondelēz truly came to life. Together we turned plans into reality: from Cadbury® Biscoff® in the UK to Milka® Biscoff® across +20 European countries and Côte d’Or® Biscoff® in Belgium, we created indulgent new chocolate experiences that brought Biscoff® to millions of new consumers.

At the same time, Mondelēz India powered a full-scale, 360° launch and unlocked the scale, touchpoints and executional excellence needed to win in this pivotal market.

This shows the power of joining forces: more relevance, more focus, more reach, and a pipeline of innovation that will continue to accelerate in 2026.’

Jan Boone, CEO Lotus Bakeries

Lotus
Lotus
CÔTE D'OR
L'ORIGINAL
LAIT • MELK
Lotus
Biscoff

EXPANDING THE REACH OF BISCOFF® BY JOINING FORCES WITH ICONIC CHOCOLATE BRANDS

Amplifying our Biscoff® taste through strategic partnerships is a cornerstone of the Biscoff® growth model. In 2025, we introduced three **co-branded chocolate platforms** with leading chocolate brands: Cadbury® Biscoff® in the UK, Milka® Biscoff® across more than 20 European countries, and Côte d'Or® Biscoff® in Belgium. Consumers across Europe have responded overwhelmingly positively to these chocolate innovations, which combine the world's strongest chocolate brands with Biscoff®. By pairing iconic brands, we create indulgent new experiences, drive continuous innovation, and expand our reach to new audiences.

These innovations came to life through close collaboration between the Lotus Bakeries and Mondelēz teams, which is a testament to the true partnership and its long-term vision. Alongside strong in-store presence, the launches were accompanied by bold media campaigns that captured attention across markets. In Belgium, where both brands originate and are led by Belgian Group CEOs, the launch of Côte d'Or L'Original with crunchy Lotus® Biscoff® was marked by a joint CEO PR event and a striking national campaign, featuring life-size elephants and a memorable finale in Lembeke, generating significant buzz on social media.

'Both Jan Boone and I grew up with these iconic brands as Belgians, so it is a strongly Belgian-tinged realisation that makes one dream of even more new and unique combinations.'

Dirk Van de Put, Chairman & CEO Mondelēz International

'This collaboration brings together two authentic brands without losing their well-known and beloved individuality.'

Jan Boone, CEO Lotus Bakeries

A major strength of our chocolate partnership with Mondelēz is the **scale of new consumer touchpoints** it creates. With leading chocolate brands in key markets, Mondelēz gives us access to a broad, new audience, accelerating the introduction of the Biscoff® taste experience to many more people.

This momentum is particularly evident in our collaboration with Cadbury®. What began with a focus on the UK will expand in 2026 to additional markets such as Australia and New Zealand, signaling continued growth and momentum. At the same time, the Cadbury® product range is evolving: after building a strong foundation with chocolate tablets and Cadbury®'s popular seasonal products, 2026 will see new formats that combine Biscoff® crumble and Biscoff® spread for an even richer taste experience.

Cadbury®, long recognised for its popular seasonal products, further supported this development in 2025. Cadbury® Biscoff® Easter eggs in the UK, along with advent calendars and gifting formats, have introduced the Biscoff® taste to new consumers at key festive moments. In Europe, Milka® Biscoff® Easter eggs will follow in 2026, driving the partnership's expansion across both markets and formats.

A FULL-SCALE 360° BISCOFF® LAUNCH POWERED BY MONDELĒZ INDIA

To realise our ambition of making Biscoff® cookies the world's number three cookie, India is pivotal to our journey. Success in India is essential, as it is **one of the world's largest, youngest, and most digitally engaged consumer markets**.

Building on our global partnership announced in 2024, Biscoff® cookies **were activated in India through an unprecedented 360° launch in 2025.** This comprehensive rollout included national sales conferences, high-impact PR events, high-reach TV campaigns, nationwide outdoor advertising with billboards, extensive in-store branding and a social media wave that gained strong traction among India's vast Gen Z population.

The activation featured strong storytelling around Biscoff®'s versatility, resonating deeply with young consumers, and large-scale brand engagement across retail, digital, and foodservice channels, all fully aligned with Mondelēz's proven expertise in building leading snacking brands.

'We chose to partner with Mondelēz because, if you want to become a truly global brand, India has to be part of your story. Mondelēz's professionalism, executional excellence, and market expertise – combined with Biscoff®'s unique taste – make this a perfect match. We were very impressed by the Indian team's ability to deliver the same high-quality Biscoff® cookie within just one year, using our original family recipe and exacting Lotus Bakeries standards. This, combined with an incredible sales and marketing launch, is a source of great pride for me!'

Jan Boone, CEO Lotus Bakeries

WHY INDIA MATTERS

India is a perfect fit for Biscoff®:

> A huge, fast-growing population with more than 25% Gen Z
> An audience highly attuned to global food trends
> A market where premium cookies are gaining momentum but remain underdeveloped

DRIVING REACH THROUGH SMART DISTRIBUTION AND PACK FORMATS

To win in India, **wide distribution and the right pack formats** are non-negotiable. Smaller Biscoff® cookie packs, tailored to local shopping habits, increase accessibility and enable trial across consumer groups. Their smaller size makes Biscoff® cookies an affordable choice for millions of households, and ensures presence in hundred thousands stores – the small neighbourhood shops that dominate retail across the country.

‘This collaboration marks an exciting step in strengthening our play in the Indian premium cookie segment and reflects our commitment to introduce millions of Indians to the Biscoff® experience – one that is as unique as it is unforgettable.’

Dirk Van de Put, Chairman & CEO, Mondelēz International

‘Mondelēz had committed to ‘painting the country red’ with Biscoff®, and they delivered. We are immensely proud to see Biscoff® take such a strong position in a market of this size. The love for Biscoff® was already there; we just needed the right partner to unlock it at this level.’

Isabelle Maes, CMO Lotus Bakeries & CEO Lotus Natural Foods

BISCOFF®, LOCALLY MADE ON 3 CONTINENTS

2025 was a **record-breaking year with an unprecedented number of new Biscoff® production lines** commissioned **across three continents.** This major step-up strengthens our ability to meet the **accelerating global demand for Biscoff®.**

Across all sites involved, one principle remains non-negotiable: **the quality and unique taste of Biscoff® must be identical everywhere we produce.** Every new line is calibrated to match our original family recipe with absolute precision – the result of extensive training, testing, expertise and commitment of our dedicated teams.

THAILAND UPDATE: SOLID PROGRESS IN DEVELOPING OUR NEXT BISCOFF® PRODUCTION FACILITY

Construction of our Biscoff® plant in Chonburi (Thailand) progressed steadily in 2025 and the site remains on track to be fully operational by the end of the first semester of 2026 at the latest. The new plant strengthens our ambition to accelerate growth in the Asia-Pacific region and supports our globalisation strategy, by establishing Biscoff® production now on three continents.

Progress on the site has been rapid and consistently aligned with our high-quality requirements, while always ensuring that every Biscoff® cookie tastes identical. The strong operational performance reflects a clear cultural fit, marked by professionalism, attention to detail and a highly committed workforce. Close collaboration between local teams and Belgian experts transferring their know-how continues to play a key role and strengthens our confidence that Thailand is the right long-term home for our next Biscoff® production facility.

STRONG GLOBAL PERFORMANCE FOR BISCOFF®

Biscoff® products delivered excellent global growth in 2025, with strong performance across all regions. For example:

- The US – robust growth in one of the world's most competitive retail landscapes
- Spain and Portugal – Biscoff® products made the strongest contribution to volume and value growth within the snack cookie category, where major international brands compete
- Australia – continued, accelerated growth, with Biscoff® now firmly recognised as a true love brand
- The Netherlands – household penetration increased significantly, with Biscoff® cookies becoming the number 2 cookie brand in the market
- Canada, Mexico, Türkiye, Poland, Italy, Greece and Belgium – solid, broad-based growth, further strengthening Biscoff®'s position in big consumer markets

We highlight some markets that stood out further in this report (see p. 81).

A NEW BESPOKE JAR FOR BISCOFF® SPREAD

Seventeen years after its debut in Belgium, Biscoff® spread – now enjoyed in more than 45 countries globally – is getting its **own bespoke jar.** Designed to echo the look and feel of the Biscoff® cookie, the new packaging brings **stronger shelf impact** and **clear distinction** versus the competition.

What sets the new jar apart?

> Embossment inspired by the iconic Biscoff® cookie
> A reoriented label for greater visibility and brand recognition
> A contoured silhouette that delivers stronger shelf presence

While the packaging has evolved, the **recipe remains unchanged.** The new jar reinforces the authenticity of Biscoff® spread, made by carefully milling Biscoff® cookies, and presents this beloved product shape, in **a format as unique as its taste**.

The bespoke jar debuted in the US in December 2025, followed by a global roll-out across all other markets in 2026.

INTRODUCING THE BISCOFF® COOKIE ENGRAVING: FROM ‘LOTUS®’ TO ‘BISCOFF®’

Two years ago, we placed Biscoff® front and centre on our packaging as part of our shift toward a **unified global brand identity**. This year, we took the final step in that transition by introducing Biscoff® engraving on our cookies, replacing the long-standing ‘Lotus®’ engraving.

This change completes more than a decade of brand evolution – from the introduction of the Biscoff® name to the updated logo, to the Biscoff® engraving - and ensures **one coherent visual identity and tone of voice** across all Biscoff® products. The new engraving will be introduced across the entire range, including the original cookie and the sandwich cookie.

Implementation began late 2025 in the US and India, followed by a global roll-out in 2026.

INTRODUCING BESPOKE BRANDING FOR CHINA

Biscoff® introduced its bespoke **dual-language Chinese branding and packaging**, bringing the brand even closer to Chinese consumers. This approach strengthens local relevance while staying true to our global brand identity.

What's new?

- **New Chinese brand name:** 比时咔 (Bishika), phonetically close to 'Biscoff®' and carrying a meaningful brand cue ('The crunchy bite from Belgium'). Biscoff® remains, now paired with 比时咔 across all communication.
- **New pack design:** all packaging features this dual-language branding, supported by a refreshed design hierarchy for clear standout and stronger recognition.
- **Localised trade materials:** a tailored toolkit featuring an Asian model and a translated tagline: You Gotta Love Biscoff® / 一口爱上 比时咔.

This strategic move strengthens brand distinctiveness, protects against copycats and builds consumer trust in one of the world's most important cookie markets.

you gotta love
NEW
lotus
Biscoff
sticks
Coating made with
Biscoff biscuits
NEW
lotus
Biscoff
made with real Biscoff pieces
NEW
lotus
Biscoff
sandwiches
made with
Biscoff biscuits
4

PARTNERSHIP WITH MONDELĒZ EXTENDED TO ICE CREAM

In 2025, Lotus Bakeries announced the extension of its partnership with Mondelēz into the ice cream category through partnering with Froneri, one of the world's largest ice cream producers.

Through this collaboration, Froneri will produce, market and sell Lotus® Biscoff® ice cream, leveraging its global scale and proven expertise in ice cream manufacturing and supply chain excellence.

The partnership establishes a strong foundation for the introduction of the new Biscoff® ice cream range from 2026 onwards, with an initial focus on Europe.

Fully branded under the Lotus® Biscoff® name, the range is designed to deliver a distinctive and immersive Biscoff® experience – now including a full Biscoff® coating and taste experience for the sticks - and a unique Biscoff® sandwich ice cream, bringing the brand into a new consumption moment while remaining true to its iconic character.

BISCOFF® SHINING AT WORLD EXPO 2025

Biscoff® proudly featured in the Belgian Pavilion at World Expo 2025 in Osaka, which welcomed **over 27 million visitors from more than 150 countries**. This presence built on a **long-standing tradition**: Biscoff® has participated in the World Expo for decades.

Every guest at the Belgian Pavilion was welcomed with a Biscoff® cookie, a small yet meaningful gesture that reflects Belgian hospitality. The brand appeared throughout the pavilion experience: at the entrance, in desserts at the restaurant, served with every coffee in the pavilion café and in the shop, where the Biscoff® cookie was among the **top-selling items**.

A visit by our CEO Jan Boone, CMO & CEO Natural Foods Isabelle Maes, and our GM ID Biscoff Bart Bauwens, along with a **royal visit** by Princess Astrid and Prince Lorenz, added a memorable highlight to the pavilion's presence at the World Expo 2025.

LOTUS™ NATURAL FOODS

In creating a balanced portfolio of snacks tailored to every occasion, the Lotus™ Natural Foods range plays a key role.

It's no secret that in today's world, consumers increasingly put better-for-you snacks on their shopping list.

All-natural, no added sugars, high in fibre, less processed, plant-based proteins… These attributes are rapidly gaining appeal. Something that's true across all age groups, from toddlers to Gen Z to adults. Our response: Lotus™ Natural Foods. It's how we help consumers make better-for-you snacking choices, without compromising on great taste.

LOTUS™ NATURAL FOODS AT A GLANCE

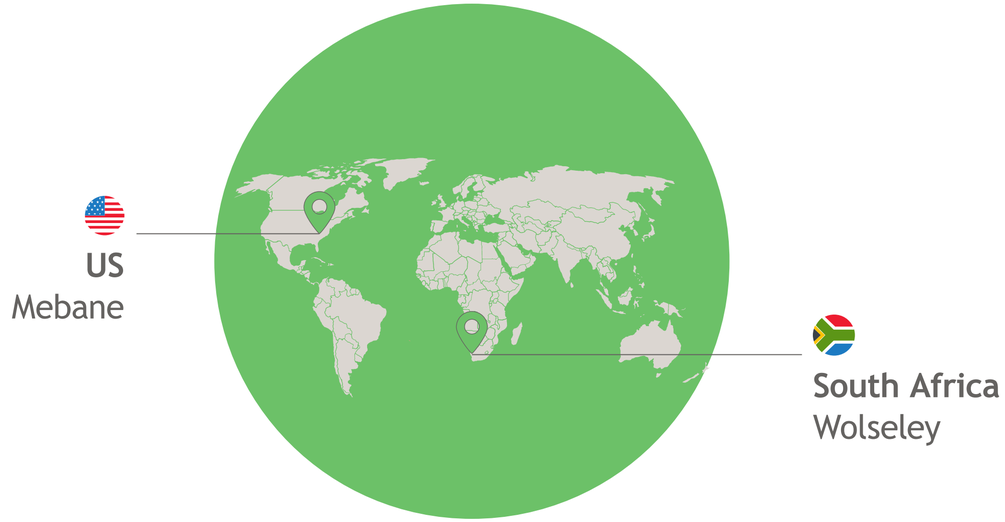
Launched: **2015**

Share of Lotus Bakeries' branded revenue (2025): **25%**

Production:

> US: **Mebane**

> South Africa: **Wolseley**



BEAR

Just fruit.
Nothing else!

bearsnacks.com

BEAR® makes healthy snacking easier for parents and more fun for kids.

nākd.

RAW BARS
just FRUIT AND NUTS!

nakdbars.com

nākd.® makes truly healthy and natural snacking tasty and easier for everyone.

JBS TREK

trekbars.com

TREK® provides natural energy every day
for everyone with a tasty protein bar.

KIDDYLICIOUS®

Winning Tiny Tummy Yumminess

kiddylicious.com

Yummy finger food developed to support you and your
little one's development, without judgement.

PETER'S YARD

GOOD THINGS TAKE TIME

petersyard.com

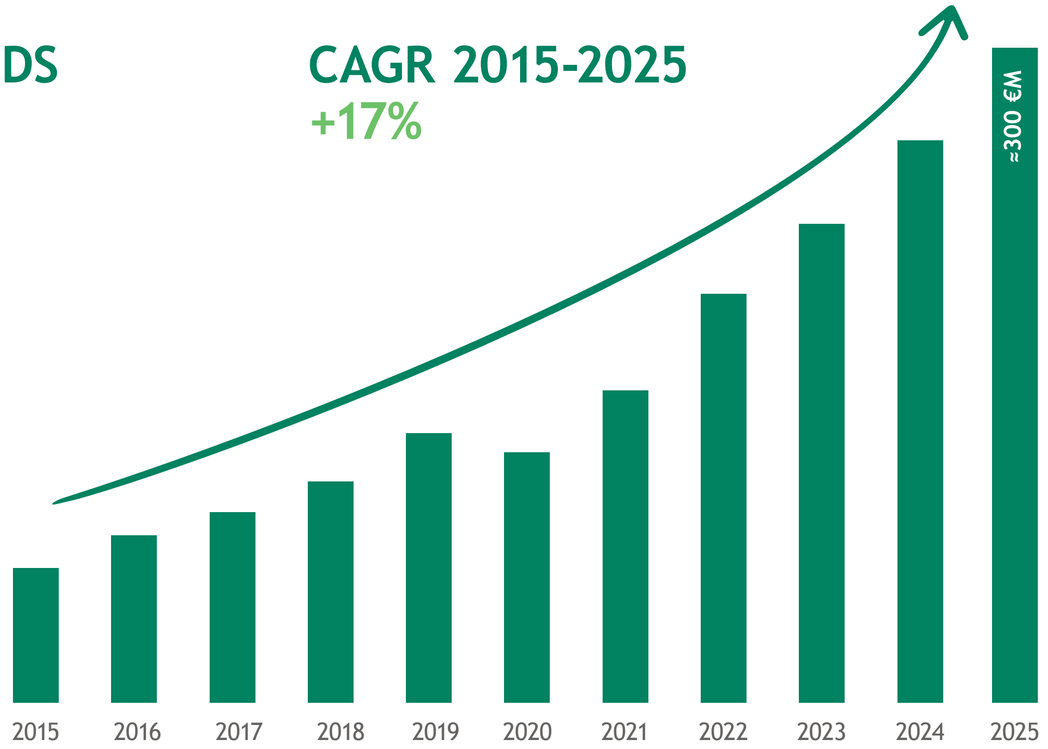
Good things take time.

LOTUS™ NATURAL FOODS PERFORMANCE

SHARE OF BRANDED REVENUE (2025):
25%

LOTUS™ NATURAL FOODS REVENUE GROWTH

CAGR 2015-2025
+17%



‘2025 proved that focus and disciplined execution truly pay off. Our brands grew strongly in our home market, the UK, and accelerated across the US and Europe, confirming that our focused, step by step, rotation led approach is the right one.’

Isabelle Maes, CMO Lotus Bakeries & CEO Lotus Natural Foods

LOTUS™ NATURAL FOODS' AMBITION IS TO BECOME A LEADER IN THE BETTER-FOR-YOU SNACKING SEGMENT

An interview with Isabelle Maes, CMO Lotus Bakeries & CEO Lotus Natural Foods, on the remarkable growth of the strategic pillar Lotus™ Natural Foods.

"I am very proud of our 2025 results for Lotus™ Natural Foods! We became the fastest-growing strategic brand pillar in the Group, now representing 25% of branded revenue and delivering over 15% growth. All our brands showed double-digit growth… which is truly amazing! For me, this confirms that our Growth Strategy is working and that our sales offices have truly embraced the strategy and put it into action in their markets. This momentum is the direct result of deliberate strategic choices and disciplined execution. I am incredibly proud of our teams, whose passion, consistency and commitment made this possible.

At Lotus™ Natural Foods, our strategy has always been about focus: making clear choices and executing them with discipline. This year once again demonstrated the power of that approach. Each brand is built on a **sharply defined purpose and a clear set of guardrails**, helping us to make better strategic decisions every day and ensuring that growth continues to reinforce long-term brand equity.

The Global Brand teams didn't just develop a framework and a methodology; they also created the tools and marketing materials our sales offices needed to bring it to life: from in-store material to media campaigns across different platforms.

This same focus also guides our **international expansion**. We decide **where to play** - brand by brand and market by market - prioritising those markets where category potential aligns with our strengths. Today, more than 40% of Lotus™ Natural Foods sales come from outside the UK, our brands' original home market, with strong performance across the US and Europe.

In the US, BEAR® achieved something very few brands manage: rapid, sustained growth combined with nationwide distribution in an exceptionally competitive category. This reflects the strength of the team and our ability to scale in line with demand. I'm extremely proud of the strong position BEAR® now holds for continued growth.

Across Europe, nākd.®, TREK® and Kiddylicious® also delivered impressive results. nākd.® reached the number-one position by value in Spain's cereal bar category, while Kiddylicious® became the fastest-growing baby snacking brand in France. In our home market, the UK, both nākd.® and TREK® continued to perform strongly, by winning more and more consumers through excellent in-store execution, media campaigns and innovations such as the TREK® Protein Flapjack with Biscoff®."

2025 LOTUS™ NATURAL FOODS MILESTONES

JANUARY

BEAR® doubles production capacity in South Africa.

FEBRUARY

Launch of TREK® Protein Flapjack with Biscoff®: a #1 category innovation.

APRIL

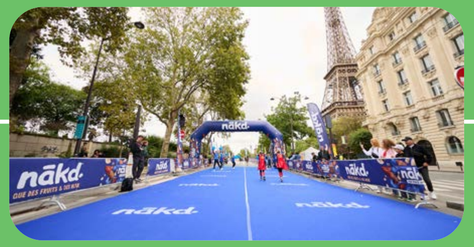
nākd.® becomes #1 brand by value in Spain in the cereal bar category.

JULY

Kick-off of the multiyear Golazo partnership in Belgium, the Netherlands and France, and RunThrough partnership in the UK, for TREK® & nākd.®

JUNE

TREK® is the fastest-growing brand in the UK in the bars category.



OCTOBER

Kiddylicious® becomes the fastest-growing baby snacking brand in France, doubling sales and leading category growth.

BEAR
FRUIT ROLLS
BEAR
FRUIT YOYOS

LOTUS™ NATURAL FOODS 2025 MILESTONES

BEAR® CAPACITY DOUBLED

In 2025, Lotus™ Natural Foods took another major step in strengthening its operational backbone. In our Wolseley (SA) plant, capacity for BEAR® fruit snacks was **doubled**, further **strengthening our ability to meet growing international demand** across the Lotus™ Natural Foods portfolio.

Since its start in 2019, Wolseley (SA) has become the heart of our Lotus™ Natural Foods production. Today, it is our site with the largest workforce - supporting thousands of family members in the surrounding communities - and it sources fruit locally from the internationally renowned fruit-growing Ceres Valley.

These investments reflect our long-term commitment to **South Africa** as a **strategic production base** for our Lotus™ Natural Foods portfolio and as a community where **sustainable growth creates tangible social impact.**

COMMUNITY BUILDING AND ENGAGING WITH THE RIGHT AUDIENCE

In 2025, we strengthened our focus on **community building** through **new partnerships** with two leading organisers of running events **Golazo** (in Belgium, France and the Netherlands) and **RunThrough** (UK). These events reach **hundreds of thousands of runners** and even more supporters each year, creating opportunities for **direct product trial and communication on the running track, and indirect reach** through the many moments shared on social media. Building and nurturing strong communities is a key priority in our communications, as it allows us to **connect with consumers** at moments that matter and with audiences that are genuinely engaged.

OUR GOLAZO PARTNERSHIP IN FOCUS

Partnership at a glance

> Golazo: leading organiser of recreational sporting events.
> Partner since July 1, 2025 across 40 running events in Belgium, the Netherlands and France.
> Lead brands: TREK® (BE & NL) and nākd.® (FR) as visible sponsors and main sampling partner; every participant receives a TREK® or nākd.® bar at the finish.
> Title or main partner for around 7 events per year, ensuring broad visibility before, during and after each event.
> Title partnership events 2025 and beyond: La Parisienne by nākd. (FR), TREK Singelloop Utrecht (NL), TREK Antwerp Marathon (BE). The TREK Stadsloop Gent (BE) will be added from 2026 onwards.
> Main partnership events 2025: Eindhoven Marathon (NL), Ghent 10 Miles (BE).
> Annual reach: +600,000 runners and 100,000 walkers participating in the events.
> Purpose: secure TREK® and nākd.® as top-of-mind brands for active consumers across key European markets.

FROM A SPONTANEOUS IDEA TO A STRATEGIC PARTNERSHIP

When CEO Jan Boone and CMO and CEO Lotus Natural Foods Isabelle Maes crossed the finish line at the Antwerp 10 Miles in April 2025, they were handed an energy bar. ‘After one bite, I realised our range offered a noticeably different experience,’ Jan Boone recalls. ‘That same day, I contacted Golazo CEO Bob Verbeeck. By the 1st of July, we signed a partnership covering three countries.’ What began as a spontaneous post-race conversation evolved into **a multi-year collaboration built on a shared belief**: active lifestyles and natural nutrition belong together. Golazo offers **direct access to the right audience at a highly receptive moment**, when people have just completed an effort and are open to positive brand experiences.

A STRATEGIC GROWTH DRIVER

The collaboration delivers **three core objectives** simultaneously:

1. Product trial

Every participant receives a TREK® or nākd.® bar at the finish line, a simple yet powerful way to create immediate product experience. TREK® bars in particular are a natural choice after running or walking, offering protein in an accessible and great-tasting format for people who are active – not just as a niche sports product.

2. Brand building

Brand visibility at main and title events – from finish arches and medals, to branded cheering zones with live DJ, promo booths and event communications – supported by media exposure across online, social and outdoor channels. These touchpoints create large-scale reach, with iconic elements frequently photographed and shared online. The recurring nature of the runs throughout the year ensures repeated exposure, helping our brands remain top of mind within the active community.

3. Emotional connection

Running events deliver more than visibility: they create a strong emotional link between the sport, the event experience and our brands. Crossing the finish line, celebrating achievements and sharing these moments online reinforces positive associations with TREK® and nākd.®, keeping them top of mind for active consumers. The release at the finish line and the **shared sense of accomplishment** deepen these positive associations.

At La Parisienne by nākd., **more than half of surveyed participants said they discovered the brand through the event.** And spontaneous fan humour – such as a sign reading 'A lot of work for a free TREK® Protein Flapjack with Biscoff®' at the TREK Antwerp Marathon – shows how naturally the brands now live within the community.

‘Our partnership with Golazo encourages broad participation across the organisation, with colleagues actively taking part. Experiencing these events together creates moments of connection that extend well beyond the race itself.’

Isabelle Maes, CMO Lotus Bakeries & CEO Lotus Natural Foods

COMMUNITY INSIGHTS THAT SHAPE OUR BRANDS

Community building – a core pillar of our Lotus™ Natural Foods marketing strategy – differs from traditional marketing because it is **built on dialogue and engagement** rather than one-way communication. With one in five Europeans running at least occasionally, the Golazo partnership offers **access to a large and highly engaged community** that creates real-life moments of interaction, both on-site and across social media.

By maintaining an open dialogue, we gain **rich insights** into what consumers value and expect, **helping us refine packaging and communication**. These insights also inform how we translate the brand experience to the point of sale, ensuring consistency between what consumers experience at events and what they encounter in store.

This involvement and loyalty naturally encourage consumers to speak about the brand in their own circles – authentic word of mouth in a category where people trust other consumers most.

‘Our partnership with Golazo helps us bring our brand story to life, connecting with consumers at meaningful moments and ensuring we’re present across relevant touchpoints, both online and offline.’

Anouck Draps, Global Digital Media & Commerce Manager

As the partnership grows, it increasingly connects to our **broader brand experience**. For example, in 2025, TREK®-branded activations in several retail stores in Utrecht linked the energy of the TREK Singelloop directly to the shopper journey, illustrating how event momentum can translate into retail impact.

LOTUS™ NATURAL FOODS, DRIVEN BY INNOVATION

2025 was an excellent year for **BEAR®**, driven by strong growth across markets and continued improvement in brand performance. This growth was supported by targeted product and format initiatives that make healthy snacking easier for parents and more appealing for children. In the UK, a **third BEAR® Fruit Splits flavour** was added, while in both the UK and the US **BEAR® Bites** were launched, playful fruit shapes well suited to lunchboxes and appealing to a broad age range through their juicy textures and mixed fruity flavours.

Alongside BEAR®'s strong overall performance, the brand continued to refresh its offer through selected seasonal initiatives, including a nationwide Halloween edition featuring a single-wrapped strawberry fruit roll and themed cards with the BEAR® mascot in the US.

Meanwhile, the new **'Wildly Irresistible'** campaign, activated across multiple markets, marked the first full year of sustained media investment for BEAR®. Supported by strong in-store execution, the campaign further increased brand visibility and reinforced BEAR®'s relevance with families.

nākd.® achieved the **number-one position by value** in Spain's cereal bar category, building on the strong performance in 2024 following the introduction of nākd.® **protein bars** and nākd.® **fruit & fibre bars**. This success reflects how closely the brand aligns with current consumer trends, including the growing demand for snacks made from natural ingredients, with a limited number of ingredients and without processing. As raw bars, nākd.® products exemplify this approach and position the brand as a clear reference point in the better-for-you segment.

TREK® expanded its portfolio with **TREK® Protein Flapjack with Biscoff®**, a vegan protein bar layered with smooth Biscoff® spread. Combining an amazing taste with the recognisability of its iconic partner brand Biscoff®, the product quickly proved its relevance for consumers and acted as a door-opener for TREK® in several markets. This innovation created a **strong halo effect**: TREK® consumers were introduced to the iconic Biscoff® taste, while the Biscoff® brand encouraged trial and visibility for TREK®, strengthening relevance and appeal for both brands.

The launch coincided with a rebranding that highlights the brand's values, communicates its claims more clearly and delivers stronger shelf impact. A **dedicated media campaign in Belgium featuring Simon Mignolet, goalkeeper for Club Brugge**, generated strong visibility and consumer interest in trying the new bar.

In the UK, TREK® became the **fastest-growing brand in its categor**y in the first half of 2025, driven by the success of TREK® Protein Flapjack with Biscoff®.

In 2025, **Kiddylicious®** strengthened its market position in the UK through focused innovation and brand building. In France, Kiddylicious® became the **fastest-growing brand in the baby snacking segment and the largest contributor to category growth**, further consolidating its leadership. The brand **doubled sales**, expanded distribution and increased household penetration.

nākd.
FRUIT & FIBRE
nākd.
MORNING CHRONICLE: LOCAL NEWS & EVENTS

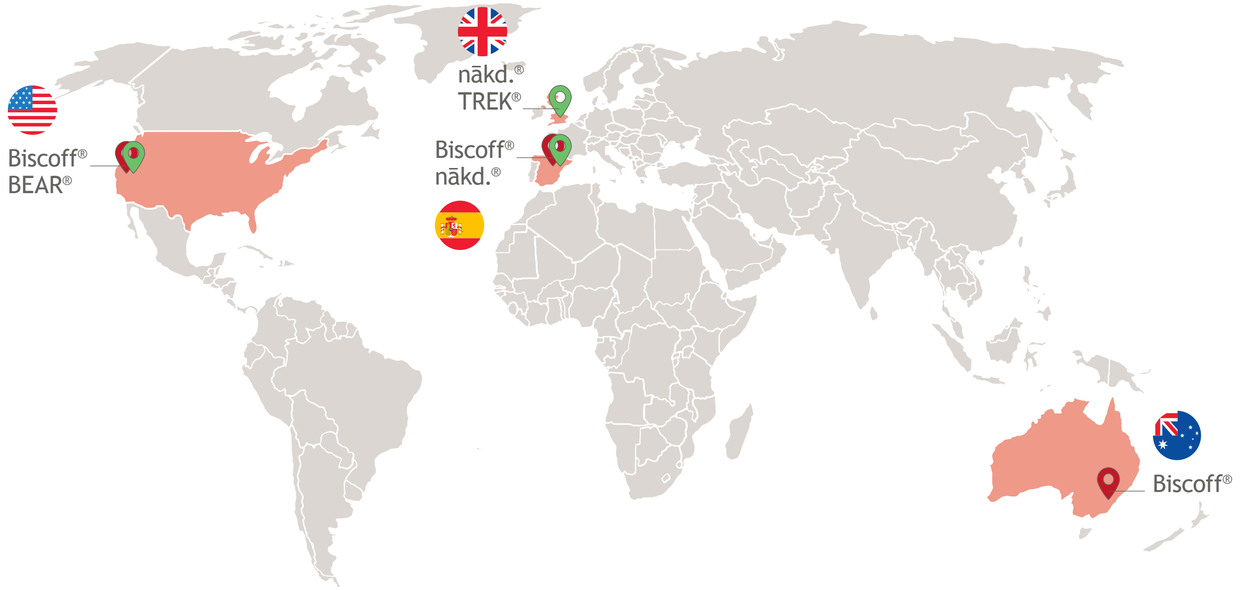
OUR BRANDS' STRATEGY IN ACTION

Our brands delivered **strong performance across markets worldwide in 2025.** While this momentum is broad-based, we highlight four markets that offer clear examples of how our **brands' strategy come to life locally**: in Australia, Spain, the UK and the US.

STRONG COMMERCIAL PERFORMANCE ACROSS FOUR KEY MARKETS

Everywhere we go, the story is consistent: **high-quality products, strong brands, a unique taste, committed teams, trustworthy partners and well-defined brand strategies are our key growth drivers**. The Lotus® Biscoff® growth strategy and the Lotus™ Natural Foods strategy transform ambition into results, turning strong brands into love brands and passion into performance.

Across these **four markets**, distinct elements of our brands' strategy come to life, creating focus and offering clear guidance. We drive penetration of hero products, reinforce our unique taste and texture, activate new demand spaces, and amplify the brand through partnerships. Together, these actions strengthen our presence and accelerate growth.



BISCOFF®, A LOVE BRAND SHAPING EVERYDAY LIFE IN AUSTRALIA

After the Biscoff® business doubled in Australia in 2024, growth remained strong in 2025. **Brand household penetration reached over 24% in 2025**, with consumers and the market now recognising Biscoff® as both **a growing, global brand and a true love brand**. In Australia, Biscoff® is everywhere. The foundations laid in recent years pay off: Biscoff® has become part of everyday Australian life, visible in places where few would expect a Belgian brand to stand out.

In Australia, the Lotus® Biscoff® growth model centres on broad distribution across the country, as well as versatility and availability in the Away-from-Home segment.

A UNIVERSAL TASTE FOR EVERY MOMENT

Biscoff® cookies' **unique caramelised taste and crunchy texture** resonate in Australia just as strongly as it does around the world. Loved for its unique taste and crunchy texture, its versatility and strong brand appeal, Biscoff® products are also an affordable indulgence for Australian households, offering convenience and accessibility in a market where these qualities are key.

Thanks to the availability of our Biscoff® hero products, the original and sandwich Biscoff® **cookies and Biscoff® spread**, Australians encounter Biscoff® products across **multiple consumption moments**: with their vibrant coffee culture, at breakfast (often on crumpets – a soft, toasted griddle cake popular in Australia), in desserts and baking, and everyday snacking. This **versatility** strengthens Biscoff®'s relevance across occasions Australians cherish.

‘Our growth in Australia starts with the quality of our Biscoff® products and their unique taste. There is truly nothing comparable on the market. Thanks to close collaboration with our distribution partner, who knows the retail and Away-from-Home landscape inside out, and our shared focus on the Lotus® Biscoff® growth model, Biscoff® has become a true love brand for millions of Australians.’

Bart Bauwens, General Manager International Distributors Biscoff

NATIONWIDE REACH IN A HIGHLY CONCENTRATED RETAIL LANDSCAPE

Australia's grocery sector is dominated by two major retailers, demanding a tailored route-to-market. Our **long-standing distribution partner** brings exactly that - combining deep market knowledge with an extensive sales and merchandising network, supported by solid logistics. The result is **consistent national availability** across one of the world's most geographically vast countries.

Their expertise, paired with our strong brand equity and local sales presence, has been instrumental in **sustaining growth** and **has strenghtened our retailer relationships**.

STRONGER LOCAL FOOTPRINT TO SUPPORT CONTINUED GROWTH

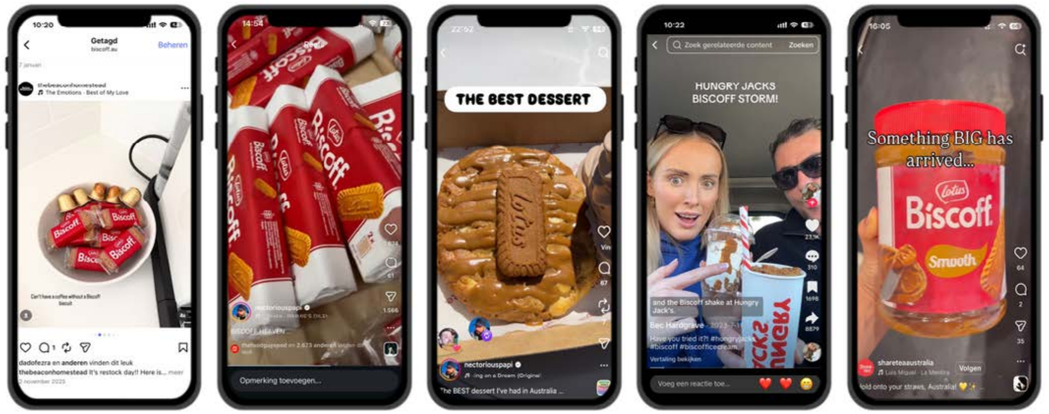
To build on this momentum and support our distributor, we expanded our local footprint in 2025 with an **enlarged, dedicated and enthusiastic team**, based in Sydney. The team **works closely with our distributor** to continue building the Biscoff® love brand in Australia. This proximity strengthens execution, deepens local insight and accelerates growth.

A BRAND AUSTRALIANS SEE EVERYWHERE

Strong **local partnerships** with **leading global quick-service restaurants** introduced Biscoff® to millions of Australians and delivered significant national media exposure.

In addition, Australia's young and highly digital population further **amplifies the brand**, turning coffee moments, baking creations and creative recipes into a constant stream of social content.

Today, the brand is present across a **wide variety of touchpoints** such as supermarket shelves, cafés, bakeries, restaurants, homemade desserts and creative treats shared on social media, and the everyday kitchen table.



BISCOFF® AND NĀKD.® ARE WINNING IN SPAIN

NĀKD.® IS SPAIN'S NUMBER ONE CEREAL BAR BRAND

Only six years after its launch, nākd.® bars became Spain's number one cereal bar brand by value in 2025, an outstanding achievement in a category traditionally dominated by conventional cereal bars. Starting from a very different proposition – a raw bar with only fruit and nuts – the brand defied expectations, significantly surpassing initial growth ambitions and firmly establishing itself as a leader in Spain's better-for-you segment.

The brand's success is driven by a simple yet powerful concept: offering a bar that meets the **evolving demand for healthier unprocessed snacking options**. nākd.® bars are made with natural ingredients only: using just fruits and nuts. This clean label approach, combined with a wide product range with various flavours, and offering specific ranges including more protein or fibre, appeals to a broad spectrum of consumers.

This extraordinary journey has been built with strong in-store visibility, well-structured promotions and impactful point-of-sale materials, **all contributing to trial and repeat purchase.** This growth has been supported by **targeted** digital campaigns and credible brand ambassadors, **playing a crucial role in building awareness of nākd.®**. Their efforts introduced the brand to new audiences, **helped keep it top of mind**, and highlighted what makes nākd.® unique.

‘nākd.® shows how a clear 360° plan – starting with the right product and assortment at the right price, supported by strong instore execution through optimal merchandising and impactful promotions, amplified by credible brand ambassadors and powerful paid media campaigns for awareness – can turn a newcomer into the number one brand by value.’

Rosa Lopez-Huerta Martin,
Marketing & Category Development Manager Spain

‘The team spirit is amazing. We communicate openly and frequently, and everyone shares the same passionate mindset. It truly feels like a family.’

Victor Villanueva,
Country Manager Spain & Portugal

‘Seeing our multi-format strategy come to life in store and watching each new format find its shopper, has been one of the most rewarding parts of this journey.’

Ilias Theofilou,
Sales Manager Retail Spain

BISCOFF® COOKIES, THE LEADING ALTERNATIVE TO CHOCOLATE COOKIES

Spain is **one of Europe's most cookie-driven markets**, with one of the highest cookie consumption levels per capita in kilograms. And with **private label accounting for six out of every ten packs sold**, value-for-money plays an important role in consumer decisions. In this context, Biscoff® continued to deliver strong results in 2025. The brand consolidated its position as the second cookie brand in **household penetration** and remained the **main branded contributor to the snack cookie category growth in both volume and value**, even as the **overall cookie category declined**.

Biscoff®'s **unique taste and affordable proposition** make it a good alternative to chocolate cookies in a segment long dominated by cocoa flavours. Guided by the Biscoff® growth strategy, the Spanish team has focused on expanding distribution, reinforcing visibility in store and activating the brand across multiple consumption moments.

Key success drivers

For the first time, national media campaigns ran throughout the entire year and proved to be crucial in driving brand visibility. Paired with strong in-store activation and distinctive point-of-sale materials, these media campaigns ensured Biscoff® stayed top-of-mind and highly visible across the market.

A multi-format strategy was also key to this success. By widening the range of cookie and spread pack formats and sizes, Biscoff® has become **relevant for many different shoppers and occasions**, from everyday snacking to coffee breaks and treats to share.

Partnerships with leading quick-service restaurants brought Biscoff® into **popular dessert and snacking occasions** sparking excitement across consumers. At the same time, brand ambassadors fueled **organic buzz on social media**, especially among Gen Z, by celebrating the brand's unique taste in recipes and creative formats.

ONE TEAM, ONE MINDSET

Behind these results lies a consistent way of working. The Spanish team combines a **clear strategic compass with close collaboration** across sales, category management, marketing and logistics. Frequent alignment and open communication help them translate strategy into high-quality execution, from multiformat listings to impactful in-store activation.

TREK® AND NĀKD.® ARE LEADING THE WAY IN THE UK

The UK remains **one of the world's most developed markets for better-for-you snacking**: fast-moving, trend-sensitive and highly competitive. It is also where two of our main Lotus™ Natural Foods brands, TREK® and nākd.®, were born. This legacy, combined with our focused Lotus™ Natural Foods strategy, has enabled the UK team sharpen priorities and align for sustained growth.

Three consumer drivers define success in the UK today: **health, taste and convenience**. British consumers are **highly informed about ingredients and nutrition**, creating a demanding competitive landscape that we can leverage with the attributes of TREK® and nākd.®. Both brands align with the key trends shaping the market: simple and familiar ingredient lists, uncompromising quality, and formats designed for active lifestyles.

Strong retailer relationships, trusted positioning, and a **balanced marketing mix** – from digital and in-store to community partnerships – further supported momentum throughout the year.

TREK®, DRIVING GROWTH AMONG ACTIVE CONSUMERS

TREK® delivered another strong year in 2025, **growing ten times faster than the market**. Retailers increasingly view TREK® as a brand that resonates with active consumers, offering convenient, great-tasting fuel for busy days, workouts and on-the-go routines.

A major breakthrough was the **launch of TREK® Protein Flapjack with Biscoff®**. Retailers welcomed the innovation, describing **the Biscoff® taste as a "taste magnet"** that attracted new users to both the brand and the category. **More than half of sales came from shoppers new to TREK®**, and around **a third from consumers who hadn't bought a cereal bar in the last 12 months**, strengthening our relationship with key retailers and supporting stronger in-store visibility.

The TREK® High Protein range remained a key growth driver, while the **new High Protein Low Sugar** range made the brand even more relevant to evolving consumer needs and active lifestyles. A **refreshed pack design** for the entire TREK® brand with stronger shelf impact further boosted recognition and conversion.

Our **new partnership with RunThrough**, the UK's leading organiser of running events, helped TREK® embed itself in the **sports and fitness community**, strengthening real-life brand relevance across more than 270 events, +400,000 runners, and over 1 million spectators.

‘Our success in the UK comes from offering what truly matters most to British consumers: better-for-you products, great taste and real convenience – supported by smart investment and a focused strategy.’

Luke Stowell, Managing Director
Natural Balance Foods UK

‘Our greatest learning? Stick to the plan and put no limits on the potential of your brands. Be bold, be ambitious.’

Twan Thorn, General Manager SOFs Lotus
Natural Foods UK

NĀKD.®, THE ORIGINAL IN ITS PRODUCT CATEGORY

nākd.® strengthened its position as the UK's original leading raw bar. Its core proposition – made from just fruits and nuts – remains highly relevant in a market where **consumers increasingly scrutinise ingredients** and favour products with natural, clearly identifiable components.

Despite a highly competitive environment, growth was fuelled by its unique **positioning, strong retailer partnerships, and clear communication of product benefits.**

ONE TEAM, ONE STRATEGY

Behind both brands is a **cohesive, highly engaged Natural Balance Foods** (NBF) team that translates the Lotus™ Natural Foods strategy into focused execution: fewer initiatives but done better, built on the shared drivers of health, taste and convenience. Cross-functional collaboration and strong relationships with retailers ensured consistent visibility and impact throughout the year.

TREK
PROTEIN OAT BARS
COCOA OAT
9G
PROTEIN

BISCOFF® AND BEAR® EXCEL IN THE US

Achieving success in the US, the **world's largest, most competitive and fastest-moving consumer market**, is anything but straightforward. Brands must re-earn their place every year, facing relentless innovation, strong price competition and a complex retail landscape shaped by diverse consumer profiles and regional differences. Yet these dynamics make the US a pivotal market in our ambition to establish Biscoff® as the world's number three cookie brand.

In 2025, both Biscoff® and BEAR® not only maintained their positions but achieved remarkable progress, strengthening their presence in categories where many brands struggle to maintain momentum.

Strategic focus, strong retail partnerships, a multi-channel strategy, and consistent activation helped both brands build relevance and continue their growth trajectories in a market that leaves little room for missteps.

'Winning in the US means proving yourself every single day. Our results with Biscoff® and BEAR® demonstrate that with focus, adaptability and a clear strategy, remarkable growth is possible, even in the world's most challenging consumer market.'

Margo Joris, General Manager US

BISCOFF®

Biscoff® confirmed its position as one of the fastest-growing brands, with household penetration for the Biscoff® cookie standing at 9%. This is a significant achievement in a market dominated by local and global giants, where brands must continually adapt to shifting consumer trends and retailer demands.

'In the US, you can't just wait for growth, you must create it. We look for opportunities, shape them and pitch them well. With an upgraded category team and strong collaboration across functions, the sum is genuinely greater than its parts.'

Maxime Krug, Marketing & Category Development Director US

Key to this success is a **focused multi-channel strategy**:

- **Mass:** in national hypermarkets offering both food and non-food, Biscoff® products achieved **record distribution and sales velocity**, driven by an expanded assortment and strong retail partnerships.
- **Club:** in membership-based retailers, **tailor-made bulk formats** performed exceptionally well, leveraging the club channel's unique 'treasure hunt' shopping experience.
- **Grocery:** regional supermarket chains brought the **brand closer to everyday shoppers**.
- **E-commerce:** online channels supported brand discovery and incremental growth, complementing in-store activation and reinforcing Biscoff®'s **omnichannel presence**.

Tailored pack development for each channel, combined with strong retail execution, ensures visibility and efficiency across the country.

MORE BRAND VISIBILITY BOOSTERS

Biscoff® also capitalised on the **growing 'cookie butter' trend**. The **opening of our Biscoff® spread production line in Mebane** (US) in 2025 improved our speed to market. Meanwhile, **strong collaborations with quick-service restaurants** turned **limited-time offers into extended menu items**, amplifying brand visibility year-round.

Seasonal activations further strengthened Biscoff®'s visibility during the US holiday period, spanning Halloween, Thanksgiving, and year-end. A playful reindeer-themed year-end branding for Biscoff® reinforced recognition and ensured continuity across the season.

AIRLINE VISIBILITY IN THE US

Airline visibility remains a cornerstone of our Biscoff® growth model in the US. Biscoff® is served across multiple airlines, creating millions of consumer touchpoints each year and introducing travellers to the brand at scale.

This long-standing presence in aviation has played a pivotal role in building brand awareness, also marking the starting point of Biscoff®'s success in the US. Today, many consumers in the US still refer to the Biscoff® cookie as 'the flying cookie'.

BEAR®

BEAR®'s 2025 results **far exceeded expectations**, with **strong double-digit growth** and nationwide distribution now established **across the leading national retailers. BEAR® has become a trusted, family-friendly brand**, which is a significant achievement in a market where the better-for-you snacking segment is highly competitive.

The brand's success is the result of a **clear 'velocity first' approach** – fully aligned with the Lotus™ Natural Foods strategy – focusing on high-performing products, optimising the assortment and phasing in innovation only once success is proven.

Similar to Biscoff®, a **tailored multi-channel strategy** has been key to BEAR®'s broad-based growth:

- **Mass:** national hypermarkets offering both food and non-food products were secured at **leading retailers**.
- **Club: bulk formats** delivered strong velocities, accelerating BEAR®'s presence in a channel where value and convenience matter most.
- **Grocery:** food supermarket chains brought BEAR® closer to everyday shoppers, **strengthening household reach** across the country.
- **E-commerce:** online sales added meaningful incremental growth, **complementing in-store activation** and supporting overall brand penetration.

Recent **innovations such as BEAR® Fruit Splits and BEAR® Fruit Bites** expanded the BEAR® range and reinforced BEAR®'s leadership in natural, fruit-only snacking. In addition, BEAR®'s new **Halloween edition** made its nationwide debut, introducing for the first time a single-wrapped strawberry Fruit Roll paired with themed Halloween cards featuring the new BEAR® campaign.

'BEAR® has achieved something very few brands manage in the US: rapid, sustained growth combined with nationwide distribution in a highly competitive category. This performance reflects the strength of the team and our ability to scale operations in line with demand. I am extremely proud of what has been built, and of the strong position BEAR® now holds for continued growth.'

Isabelle Maes, CMO Lotus Bakeries & CEO Lotus Natural Foods

'In the US you win channel by channel. From mass and club to grocery and e-commerce, BEAR® has shown it can thrive across the full retail landscape.'

Jasmine McGee, Head of Sales Natural Foods US

LOTUS®
LOCAL HEROES

It's often said that food is a universal language, but in most cases the opposite is true: food **preferences, trends and patterns differ from country to country.**

In our brand pillar **Lotus® Local Heroes, we group a range of local hero brands and products** that play a prominent role in their home market. After all, offering a balanced portfolio of brands with unique tastes for everyone is only possible when we also cater to the taste buds of consumers who particularly love their national snacking habits.

LOTUS® LOCAL HEROES AT A GLANCE

WHAT WE OFFER: WAFFLES, PASTRY, COOKIES AND MORE

LOTUS® LOCAL HEROES STRATEGY

REINFORCING THE SUCCESS OF LOCAL STRONGHOLDS THROUGH FOCUS

Lotus® Local Heroes accounts for 18% of Lotus Bakeries' branded revenue in 2025.

To maintain our strong market positions in our home countries, we make **focused investments** in areas such as innovation, superior product quality and safety, up-to-date positioning, sustainable packaging and improved recipes.

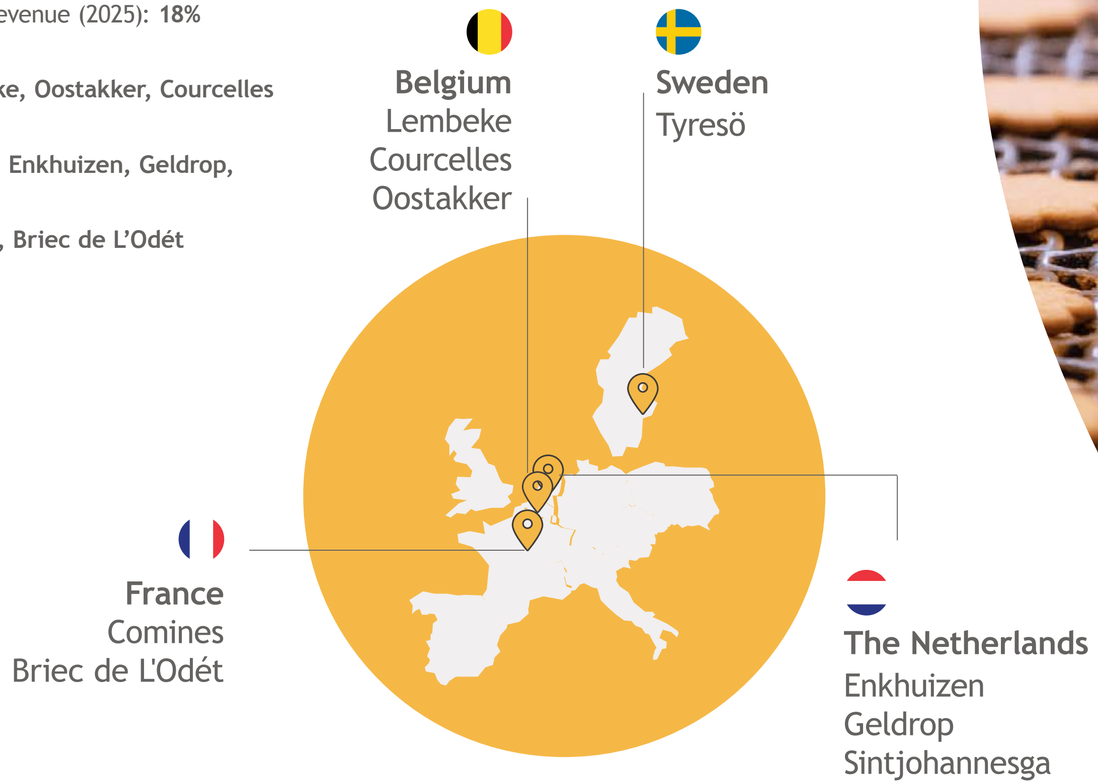
We explicitly **focus on strengthening our local hero products in their home market**, as opposed to the global hero propositions of Lotus® Biscoff® and the international hero propositions of Lotus™ Natural Foods.

LOTUS® LOCAL HEROES AT A GLANCE

Share of branded revenue (2025): **18%**

Production:

> Belgium: **Lembeke, Oostakker, Courcelles**
> Sweden: **Tyresö**
> The Netherlands: **Enkhuizen, Geldrop, Sintjohannesga**
> France: **Comines, Briec de L'Odét**



LOTUS® LOCAL HEROES 2025 MILESTONES

STEADY PERFORMANCE ACROSS OUR LOCAL HEROES PORTFOLIO

Our Local Heroes brands maintained **stable, consistent performance** across core markets in 2025, further strengthening our local market positions and supporting the Group's broader growth ambitions. Annas® in Sweden stood out, as did Lotus® waffles and pastries in Belgium and France, which achieved strong performances.

ANNAS® REACHES ALL-TIME HIGH SALES AND MARKET SHARE IN SWEDEN

2025 marks a milestone year for Annas®, with the brand achieving its **highest annual sales to date**. In Sweden, Annas® also reached an **all-time high market share** in the gingerbread segment, showing a substantial increase compared to the previous year. This strong performance reinforces the brand's position in its home market.

SVERIGES MEST ÄLSKADE PEPPARKAKA!
ANNAS
Original
PEPPARKAKOR
ORIGINAL PEPPERKAKER · ORIGINAL PEBERKAGER
ORIGINAL PIPARKAKKUJA
Sedan 1929

YOYO
LOVER
FRUIT

04

CARE FOR TODAY, RESPECT FOR TOMORROW

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OUR SUSTAINABILITY PROGRAMME

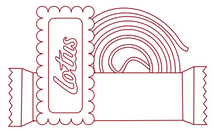
Lotus Bakeries aims to achieve sustainable, profitable growth by providing consumers around the world with a diverse range of branded snacks for every occasion. As part of this ambition, we aspire to create value in a sustainable way, not only today, but also for the generations to come. The range of sustainability matters that are material to our company have been captured in our sustainability programme.

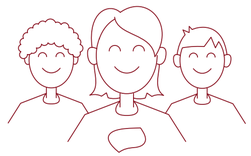
The programme ‘Care for Today, Respect for Tomorrow’ covers the sustainability identified in our Double Materiality Assessment. These topics have been aggregated into five Guiding Principles, each with underlying objectives. Together, the five Guiding Principles address our material impacts, risks and opportunities. And they support our mission to create small moments of joy and happiness by offering a versatile range of branded snacks with superior taste experience, to every consumer, for every occasion, in every country.

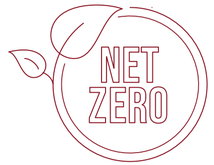
In our sustainability statements set out in this chapter, we give further information on our ESG strategy and targets, provide disclosures in accordance with the Corporate Sustainability Reporting Directive (CSRD), and report on our progress towards our ESG targets in 2025.

LOTUS BAKERIES SUSTAINABILITY PROGRAMME

	CARE FOR TODAY			RESPECT FOR TOMORROW	
European Sustainability Reporting Standards	ESRS S4 Consumers and end-users	ESRS S1 Own workforce	ESRS G1 Business conduct	ESRS E1 Climate change ESRS E5 Resource use & circularity	ESRS E1 Climate change ESRS G1 Business conduct
	↓	↓	↓	↓	↓
	Delight consumers	Employee health, safety and well-being	Good governance	Minimise impact on the environment	Resillient supply chains while ensuring welfare for all
ESG GUIDING PRINCIPLES	**A BALANCED PORTFOLIO OF GREAT TASTE**	**ONE LOTUS FAMILY**	**ETHICAL BUSINESS CONDUCT**	**ROAD TO NET ZERO**	**SUSTAINABLE SOURCING**







ENVIRONMENTAL

ROAD TO NET ZERO

COMMITMENT

Combat climate change and minimise impact on the environment in all aspects of the operations, packaging as well as our value chain.

What typifies Lotus Bakeries?
We don't conform to 'doing our best'. No, we want to do what's scientifically necessary to limit global warming to 1.5 degrees Celsius above pre-industrial levels. Hence the reason why we joined the Science Based Targets initiative (SBTi).

FOCUS AREAS

Carbon footprint

What we eat, and how that food is produced, affects our health but also the environment. For perspective, about a third of all human-caused GHG emissions is linked to food. Therefore, we set both short-term and long-term reduction targets in line with our SBTi commitment. This applies to our own operations as well as our value chain.

Target: Achieve net zero greenhouse gas emissions across our value chain by 2050 in line with our SBTi commitment

Energy usage

Generating electricity and heat from fossil fuels is by far the largest contributor to global climate change. That means energy is at the heart of the climate challenge. And, consequently, it is also key to the solution, which is why we aim to reduce our energy consumption and use renewable sources for the energy we do need, thus lowering our environmental impact.

Target: Increase renewable electricity and energy efficiency

Sustainable packaging

Adequate packaging keeps our snacks fresh and safe. In that sense, it's one of the best ways to prevent food waste. But there's also a flipside, as food packaging has a significant material and carbon footprint. We adopt a more sustainable approach by reducing our packaging needs and making our packaging technically recyclable.

Target: Limit packaging impact

Read all about our Road to Net Zero: pp. 146-183 (ESRS E1).

SOCIAL

ONE LOTUS FAMILY

COMMITMENT

Ensure a healthy, safe, inspiring, and rewarding working environment, supported by our TOP culture.

What typifies Lotus Bakeries?
We all have the same goal: making branded snacks with unique tastes accessible to everyone. Something we do with a smile. And to stimulate our homemade happiness, at Lotus Bakeries, it's all about enabling colleagues to become the best version of themselves.

FOCUS AREAS

Well-being, diversity, equity and inclusion

We want to ensure that every individual in our international and diverse workforce is treated equally, feels enabled to make meaningful contributions and gets the necessary support for their physical and mental well-being. Moreover, we want everyone in our growing Group to be connected by our TOP values – the true glue of Lotus Bakeries.

Target: Offer long-term employment in an inclusive work environment where every employee feels engaged

Health and safety

A 100% safe and healthy workplace is non-negotiable. Everyone should always go home safe and sound. That's why we proactively take measures to improve occupational health and personal safety, creating a safe environment for all. Within those measures, we pay special attention to training, awareness and collaboration.

Target: Aim for zero accidents

Read all about One Lotus Family: pp. 184-205 (ESRS S1).

SOCIAL

A BALANCED PORTFOLIO OF GREAT TASTE

COMMITMENT

Delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations.

What typifies Lotus Bakeries?
Building a balanced portfolio of top-quality branded snacks with unique tastes is our core business. It's what we've been doing for decades and pride ourselves on. Together, we ensure taste and quality are King and Queen at Lotus Bakeries.

FOCUS AREAS

Balanced portfolio

By promoting a wide variety of mostly plant-based snacks, we help consumers in putting together a balanced diet and enjoying all the benefits that come with it – without having to compromise on taste. Moreover, a shift towards plant-based proteins helps in establishing a food system with a lower carbon footprint.

Target: Provide a wide array of snacking options to consumers that meet their evolving expectations

Food safety and quality

More than anything else, people expect high-quality snacks in which they can trust blindly. That makes quality and food safety throughout the supply chain our top priority. And because it's that essential to our success, it's embedded at all levels of the company. Directly or indirectly, everyone at Lotus Bakeries contributes to superior food safety and quality.

Target: Be a leader in food safety and high food quality standards

Read all about our Balanced Portfolio of Great Taste: pp. 206-217 (ESRS S4).

ETHICAL BUSINESS CONDUCT

COMMITMENT

Act lawfully, ethically, and with integrity towards all stakeholders and promote human rights throughout the value chain.

What typifies Lotus Bakeries?
We have an impact-driven focus. That means we only work on topics when we can have a genuine impact. Second, we value consistency. Although legislation differs from country to country, our ethical principles don't. Everyone deserves the same respect and standards.

FOCUS AREAS

Business ethics and corporate culture

Long-term success and ethical business conduct are two sides of the same coin. Consumers demand accurate product labels, suppliers want their data protected at all times, customers expect principled relationships, etc. For us, it's all about building a culture of trust, integrity and accountability, rather than ticking compliance boxes.

Target: Champion a culture of ethical behaviour

Cybersecurity

In a fast-changing environment, we need to evolve towards a data-enabled organisation in order to reach customers more rapidly with products and services adapted to their needs.

Target: Protect our data, systems and operations

Read all about our Ethical Business Conduct: pp. 218-233 (ESRS G1).

ENVIRONMENTAL & GOVERNANCE

SUSTAINABLE SOURCING

COMMITMENT

Build greater resilience in supply chains by preserving the environment while ensuring welfare for all the value chain by setting high ethical business standards.

What typifies Lotus Bakeries?
Although new legislation comes into play soon, we didn't wait to take action for our key raw materials and packaging materials. Through various sustainable sourcing programmes, we've long prioritised partnerships with suppliers that share our vision.

FOCUS AREAS

Supplier management and partnering in the value chain

Making our value chains more sustainable is not something we can do alone. Thankfully, it's an ambition many of our front-line suppliers share. By joining forces and aligning our ambitions, we'll make a difference for the better – from safeguarding human rights for all to turning the tide on deforestation.

Target: Conduct proper due diligence of suppliers

Sustainable sourcing programmes

Our programmes help us to source all the ingredients for our snacks in an environmentally conscious, socially responsible and economically viable manner. This results in resilient and responsible supply chains, needed to improve animal welfare, avoid land degradation, tackle social challenges, preserve water sources, and more.

Target: Participate in sustainable sourcing programmes for key raw materials

Read all about Sustainable Sourcing: pp. 234-240 (ESRS E1/G1).

SUSTAINABILITY STATEMENTS

I. GENERAL DISCLOSURES

I.1. BASIS FOR PREPARATION

The Consolidated Sustainability Statements of Lotus Bakeries Group (the 'Group') have been prepared in accordance with the **Corporate Sustainability Reporting Directive (CSRD)** and related European Sustainability Reporting Standards (ESRS), as adopted by the European Union (EU).

These Consolidated Sustainability Statements present the situation as at **December 31, 2025**, except if stated otherwise. Due to rounding, numbers presented throughout these Consolidated Sustainability Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The sustainability statements of the Group are prepared on a **consolidated basis**. The scope of the consolidation is similar to the scope of consolidation for the Consolidated Financial Statements (as disclosed in Note 32 of the Consolidated Financial Statements) unless mentioned otherwise.

The sustainability statements cover the Group's **entire value chain** as detailed in I.3.1 below and, where material, provide information on upstream and downstream activities. The scope of the policies mentioned throughout the sustainability statements cover our own operations and, where applicable, the value chain. The **time horizon** for the risk assessment (short-term, mid-term and long-term) is in accordance with CSRD. The reporting principles have been consistently applied to all periods presented. We have not exercised the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

The material impacts, risks and opportunities connected to our value chain have been assessed as part of our **Double Materiality Assessment**. A description of the double materiality process is included in I.4 Impact, risk and opportunity management. For more information regarding the potential impact of sustainability initiatives and requirements on the financial statements, please refer to Note 1.2 of the Consolidated Financial Statements.

The sustainability statements for the year ended December 31, 2025 are subject to a **limited assurance** of the external auditor, Deloitte. The limited assurance report of the independent auditor is available on p. 352. Datapoints within the sustainability statements are not validated by other external bodies, unless specified otherwise.

I.1.1. Critical judgements and estimates

In order to prepare the sustainability statements in accordance with CSRD, management has to make judgements, estimates and assumptions which have an impact on the sustainability statements and notes.

Estimates and judgements made on the reporting date reflect existing conditions known on that date. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Though these estimates are made by management based on maximum knowledge of ongoing business

and of the actions that the Group may undertake, the actual results may differ. Key assumptions and estimates are mainly used in the Scope 3 carbon footprint computation and the emission factors used for our GHG emissions (see II.1.2).

Nevertheless, the Group does not expect that the above-mentioned judgements and estimates will have a significant impact on its operations.

I.1.2. Changes in preparation or presentation versus prior periods

The sustainability statements have been prepared in line with the prior year sustainability statements and there are no material changes to the preparation and presentation compared to prior year. If definitions have been adjusted or measurement methods have been changed compared to the items reported in the Annual Report 2024, this will be mentioned specifically in the related disclosure.

I.1.3. Comparative information and reporting adjustments related to prior periods

Where metrics have been reported previously in Annual Report 2024, comparative information is presented. Unless stated otherwise, the comparative information included in the sustainability statements and the related disclosures have been subject to limited assurance procedures.

No adjustments related to prior errors have been effected in these sustainability statements.

I.1.4. Incorporation by reference

The following information can be found in another part of this Annual Report and is incorporated into the sustainability statements by reference. For the exact location of each disclosure, please see the ESRS Disclosure Requirement Index.

DISCLOSURE REQUIREMENTS	SECTION OF THE ANNUAL REPORT
Role of the administrative, management and supervisory bodies (ESRS 2 - GOV-1)	Corporate Governance
Information provided to and sustainability matters addressed by administrative, management and supervisory bodies (ESRS 2 - GOV-2)	
Integration of sustainability-related performance in incentive schemes (ESRS 2 - GOV-3)	
Risk management and internal controls over sustainability reporting (ESRS 2 - GOV-5)	Risk Management
Strategy, business model and value chain (ESRS 2 - SBM-1)	Lotus Bakeries, nice to meet you Our brand strategy Consolidated Financial Statements

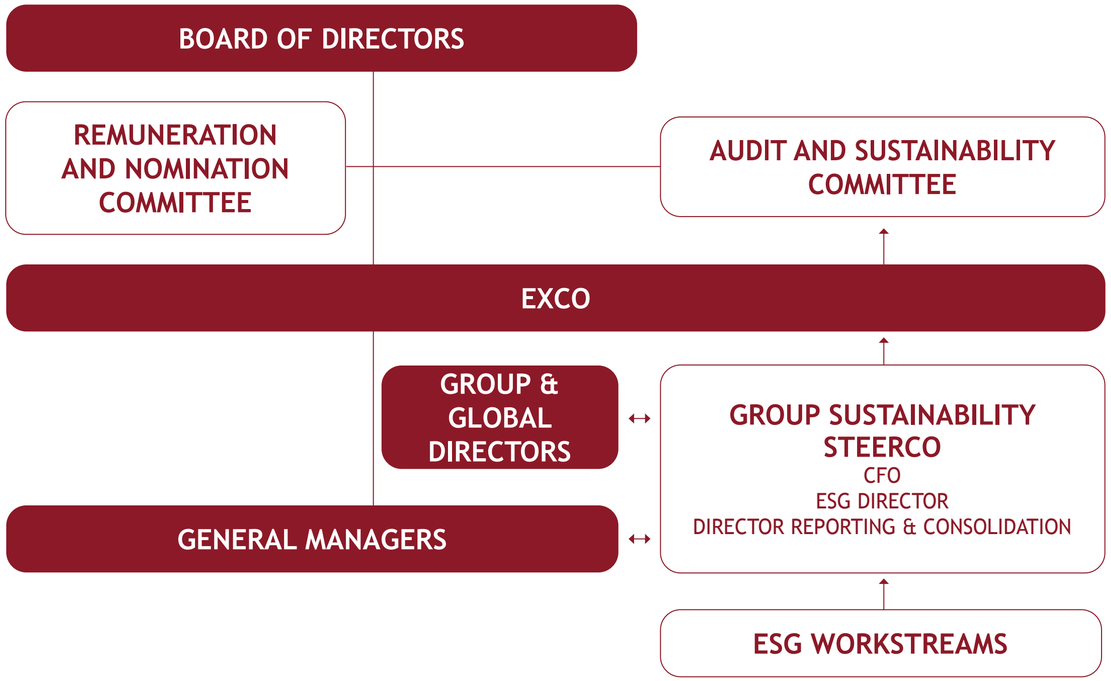
I.2. GOVERNANCE

I.2.1. How we manage sustainability

The Executive Committee (EXCO) is responsible for the sustainability strategy and objectives for Lotus Bakeries. The ESG Director, who has been appointed by EXCO and reports to the CFO, has to progressively develop the sustainability strategy and ensures compliance with sustainability regulations. The integration of the sustainability strategy into the organisation is steered by the ESG Director and implemented by the ESG workstreams, which are managed by the business or relevant corporate departments. The workstream leaders are responsible for the delivery of the sustainability targets. The Group Sustainability Steerco, consisting of the CFO, the ESG Director and the Reporting & Consolidation Director, gives an update of ESG projects and monitors progress, at least on a monthly basis.

The EXCO presents Lotus Bakeries' sustainability strategy to the Audit & Sustainability Committee for review, with the Board informed and providing final validation. For further details, reference is made to "Corporate Governance & Risk Management" in this Annual Report.

Targets related to ESG aspects are currently not included in the incentive performance targets for the Board or Management.



I.2.2. Statement on due diligence

As a company, we are committed to responsible business practices, ensuring the proactive identification and management of environmental and human rights impacts across our value chain. We take into account the actual or potential negative impacts, in our own operations as well as our upstream or downstream value chain. The identification, prevention, mitigation and reporting of these impacts are embedded in the way we conduct our business.

The process in place at Lotus Bakeries follows the **Guidelines for Multinational Enterprises** on **Responsible Business Conduct** as outlined by the OECD, which give guidance to multinationals on the implementation of due diligence. The identified steps in the Guidelines are: (1) embedding responsible business conduct into policies and management systems; (2) undertaking due diligence by identifying actual or potential adverse impacts on responsible business conduct issues, (3) ceasing, preventing or mitigating them, (4) tracking implementation and results, (5) communicating how impacts are addressed; and (6) enabling remediation when appropriate.

Embedding due diligence in our day-to-day operations

Performing due diligence is a fundamental part of the way we do business at Lotus Bakeries. For the most significant risks faced by Lotus Bakeries, specific policies have been established, including Sustainable Sourcing Policy, Supplier Code of Conduct, and Code of Conduct, which are publicly accessible to address these concerns. For further details on our due diligence policies, please refer to:

- Our Code of Conduct, applicable to all Lotus Bakeries' employees, which requires adherences to principles of integrity in business activities. See V.1.3.1.
- Our Supplier Code of Conduct (sections on 'Lawful and integer business operations' and 'Fair business conduct'), which all key suppliers must comply with to maintain a business relationship with Lotus Bakeries. See V.1.3.2.
- As part of our ISO27001 certification, we implement due diligence programmes for third-party engagement. See V.2.

Ethical business conduct is expected at all levels of management, with oversight for the due diligence processes delegated to the executive committee. Additional information can be found in the section 'I.2.1 How we manage sustainability' above.

Active engagement with our stakeholders

We remain committed to involving our stakeholders at every stage. Stakeholder input is highly valued within our company. A notable example is the double materiality assessment conducted in 2023, where all relevant stakeholders participated (see I.3.2). In addition to this assessment, which occurs every three years, we engage regularly with our stakeholders throughout the year.

- Concerns regarding potential misconduct by Lotus Bakeries may be reported anonymously via the Whistleblowing line, which is publicly accessible to everyone. See V.1.3.2.
- When developing new products, consumer expectations and needs are always prioritised. We gather insights through multiple channels, including consumer research, interactions with knowledge institutes and universities, and consumer panels. See IV.2.2.
- Adherence to rigorous product safety and quality standards is essential for us. We are closely involved in both co-manufacturer and internal production processes, maintaining regular touchpoints such as supplier visits and audits throughout the year. See IV.3.2.
- Open dialogue remains a fundamental value of our One Lotus Family. To encourage this, we conduct regular performance reviews as part of our HR process and provide trained confidants for employees who wish to voice concerns. See III.2.3.
- As part of our supplier selection process, our raw materials suppliers must complete a questionnaire which includes a section on certifications (such as RSPO, RFA, etc.). It is our primary communication tool with our supplier where they document the details of the ingredients we receive from them. As will be mentioned later in the sustainability statements, we source all of our palm oil with certification. See VI.2.

Identifying any adverse impacts

After setting up established reporting lines with our stakeholders, we move on to identifying any adverse impacts that we may have on them. The most significant risks will be given priority. Our company's key impacts were thoroughly evaluated during the double materiality assessment and then organised into impacts, risks and opportunities. See I.4.5.

Implementing actions to mitigate adverse impacts

Upon identifying the potential hotspots of our adverse impacts, we implement targeted actions to mitigate them. Based on the aforementioned assessment, material topics have been identified and focus areas have been defined. These priorities are integrated in our business strategy through the Guiding Principles. Should an adverse or negative impact be identified via the Whistleblowing line or any other reporting mechanism, we address the issue with the utmost seriousness. We have established a clear internal reporting structure to ensure that reported concerns are effectively resolved and prevented from recurring.

We do not limit ourselves to the aforementioned Guiding Principles; we recognise the importance of proactively supporting affected communities. We pursue this commitment through various initiatives, which are discussed in the chapter 'Community engagement: Foundation for Education'. See VIII.

Clear communication to our stakeholders

The final step in the due diligence process involves clear communication. Policies addressing our most significant risks are publicly accessible on our company website, and, where relevant, available in local languages. The Annual Report and company website serve as our primary resource for external communication regarding our initiatives from the past year. For internal communication, the LotusLink intranet is our principal channel, providing access to all employees. Additional details concerning our actions in 2025 and the assessment of our effectiveness can be found in the same sections referenced in the previous paragraph.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPH IN THE SUSTAINABILITY STATEMENTS
a) Embedding due diligence in governance, strategy and business model	I.2.1 How we manage sustainability V.1.3.1 Code of Conduct V.1.3.2 Whistleblowing Policy V.2 Cybersecurity
b) Engaging with affected stakeholders in all key steps of due diligence	I.3.2 Engagement with stakeholders III.2.3 Engaging with the Lotus Family IV.2.2 Engaging with our consumers and end-users IV.3.2 Engaging with our consumers and end-users V.1.3.2 Whistleblowing Policy
c) Identifying and assessing adverse impacts	I.4.5 Material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	II.1.4 Carbon reduction roadmap III.2.5 Our actions and performance IV.3.5 Our actions and performance VI.2 Our approach and policies VIII Community engagement: Foundation for Education
e) Tracking the effectiveness of these efforts and communicating	II.1.6 Our performance II.2.5 Our performance II.3.4 Our actions and performance III.2.5 Our actions and performance III.3.3 Our actions and performance IV.2.4 Our actions and performance IV.3.5 Our actions and performance V.1.5 Our actions and performance V.2 Cybersecurity VI.4 Our actions and performance

I.2.3. Risk management and internal controls over sustainability reporting

The Group's internal Risk Management Framework defines risk management principles for both financial and non-financial reporting. Internal controls have been implemented across the organisation to identify and mitigate risks associated with financial and non-financial reporting.

The **risk and control framework** relating to the sustainability statements is structured around detailed data points and their underlying processes. Definitions and calculation methodologies are aligned with ESRS, and a "comply or explain" approach has been applied to each data point, similar to financial reporting.

Internal controls related to sustainability reporting are dependent on the area of reporting, as multiple internal functions contribute to our sustainability reporting, depending on the topic. The majority of reported datapoints are prepared by our Operations, Procurement, Quality, R&D and HR departments. At consolidated level, control measures are in place to ensure accurate and complete reporting on ESG-related metrics as part of our Annual Report.

For a general description of our risk and internal control processes, we refer to 'Corporate Governance & Risk Management' in this Annual Report. For a description of the material sustainability-related risks, refer to I.4.5 below on impacts, risks and opportunities.

I.3. STRATEGY

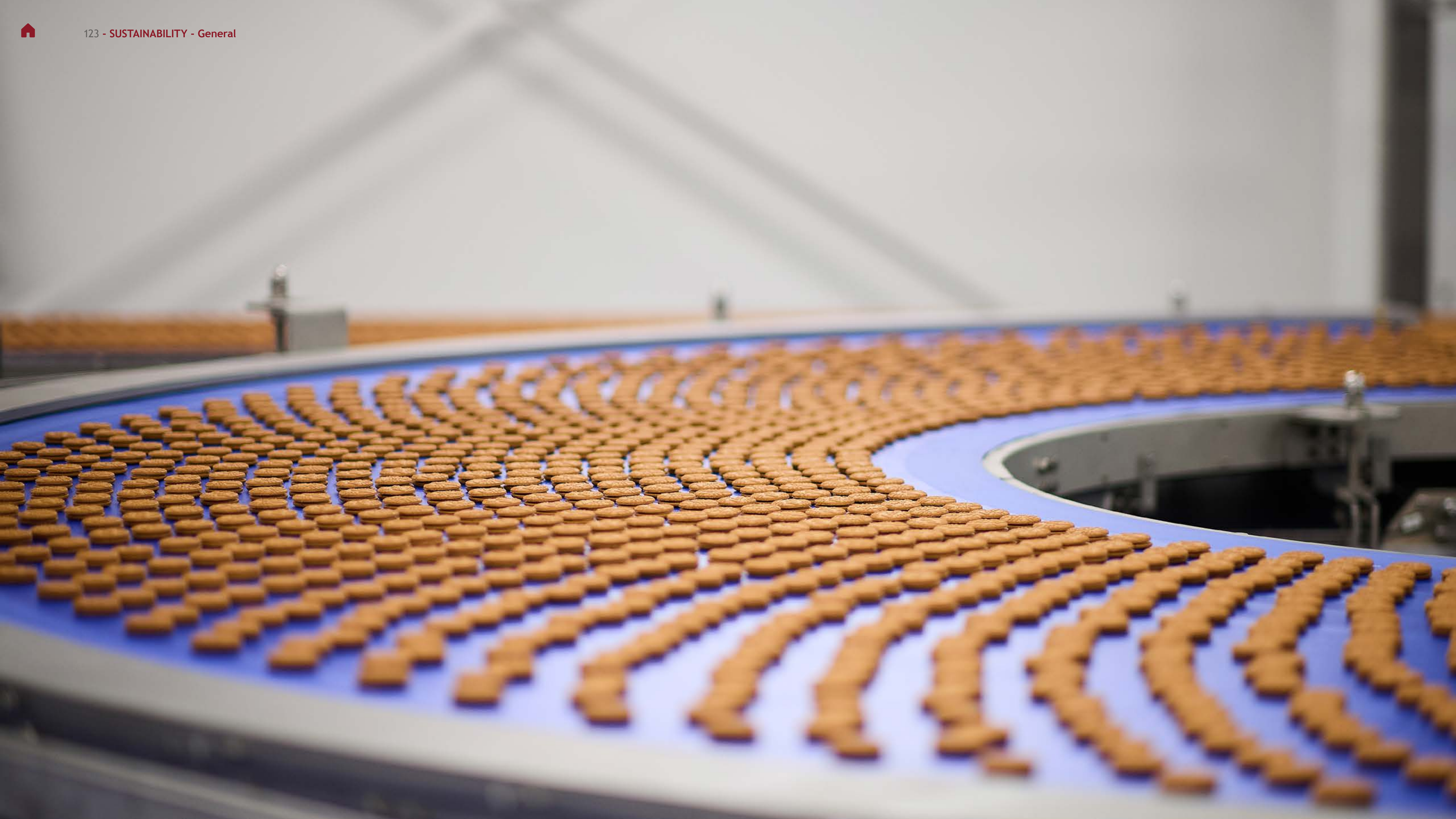
I.3.1. Our strategy, business model and value chain

The Group is active worldwide in the **indulgent and better-for-you snacking segment** with the Lotus®, Biscoff®, nākd.®, TREK®, BEAR®, Kiddylicious®, Peter's Yard®, Dinosaurus®, Peijnenburg® and Annas® brands, among others. The Group's activities are classified under NACE Code C10720 – Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes. This is a subset of C10 – Manufacture of food products.

The Group's operations are gathered under **three strategic pillars**: Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes. For a description of our business model, strategy and key markets served, see "Our brand strategy" of this Annual Report. The three strategic pillars in our portfolio do not trigger different types of impacts, risks and opportunities (IROs) and are therefore treated similarly under the ESG strategy.

We develop, create and offer a versatile range of snacks that meets the needs of consumers for the global market. In order to do so, we strive to cooperate with our partners along the value chain to create our branded snacks in the most sustainable way possible. **Cooperation along the value chain** includes both downstream and upstream partners. Our value chain starts with the sourcing of our raw materials and packaging and ends with the end-of-life stage.

For a breakdown of headcount by geographical area, please see III.2.5 below. Revenue by destination is disclosed in Notes 3 and 4 of the Consolidated Financial Statements.



VALUE CHAIN

SOURCING

We source high-quality raw materials such as wheat flour, sugar, palm oil, chocolate, packaging materials and others from process industry suppliers, which they source from traders or farmers. We use the supplied goods to create our products and package our products to protect them. We also source related goods and services such as distribution, logistics, production equipment. Our upstream value chain includes both direct and indirect suppliers.

TRANSPORT

Raw and packaging materials are transported to our production sites. The greater part of our raw materials is sourced on the same continent where we operate as we strive to keep the distance as short as possible.

PRODUCTION

We transform raw materials into unique and great tasting snacks. We do so at our 13 own production sites globally, as well as, for some of our brands, jointly with our co-manufacturers. We take care to use the precious natural resources efficiently in a safe working environment with our more than 4,150 employees.

TRANSPORT

Finished goods are shipped from our plants to warehouses, then distributed to our customers using various transport modes, optimised for the distance involved.

RETAIL AND AWAY-FROM-HOME

We aim to make our range of branded snacks accessible for everyone. Our products are sold by our partners through retail channels (brick&mortar and online), Away-from-Home channels, wholesalers and distributors.

CONSUMPTION

We provide snacks for different consumption moments and needs. We serve multiple target groups ranging from adults to children and toddlers, as well as babies. Everything we launch has to uphold the highest quality and food safety standards. We pack our most popular snacks in different formats fitting different household sizes in order to combat food waste. Plus, everything has to taste delicious, because we know that this will keep consumers coming back to our product range.

END OF LIFE

We aim to contribute to a circular economy via our technically recyclable packaging and we encourage consumers to sort correctly by providing clear sorting advice.

UPSTREAM | LOTUS BAKERIES' OPERATIONS | DOWNSTREAM

I.3.2. Engagement with stakeholders

In accordance with our internal policies, we engage on a regular basis with our key stakeholders. These **key stakeholders** consist of our customers, consumers of our products, our employees, our suppliers, our management and our investors, governments and policy makers, industry associations and other partners, and wider society.

Engagement is triggered through dialogues, interviews, desk research or online surveys to obtain an understanding of the key priorities of our stakeholders. Their views are considered in our overall strategic ambition. As part of our double materiality assessment, we also consulted with representatives from these key stakeholder groups on sustainability-related impacts, risks and opportunities to determine the key topics from both a financial and impact materiality perspective.

KEY STAKEHOLDERS	HOW ENGAGED	PURPOSE	HOW OUTCOME TAKEN INTO ACCOUNT
Employees	> Double materiality assessment via interviews and survey > Social dialogue and collective organisation > Whistleblowing line	> Gain insights in material sustainability and HR topics	> Informs the ESG strategy > Informs the HR Strategy > Engaged and informed employees
Suppliers	> Double materiality assessment via interviews and survey > SBTi Scope 3 screening > Supplier scorecard > Whistleblowing line	> Gain insights in material sustainability topics > Keep track of new packaging technologies > Define GHG footprint and carbon reduction roadmap	> Informs the ESG strategy > Development of joint projects > Progress on sustainable packaging targets > Intensification of carbon reduction roadmap > Informs procurement decisions
Customers	> Double materiality assessment via interviews and survey > Self-assessment questionnaires > Whistleblowing line	> Gain insights in material sustainability topics > Keep track of evolving customer expectations	> Informs the ESG strategy > Respond to customer expectations > Compliance
Consumers	> Market research > Social media listening > Consumer hotline > Whistleblowing line	> Gain insights in material sustainability topics > Keep track of evolving consumer expectations	> Informs the ESG strategy > Develop relevant consumer propositions
NGO	> Webinars > Topical meetings	> Gain insights in material sustainability topics > Understand view of tier 2+ value chain	> Informs the ESG strategy > Informs due diligence framework > Informs procurement decisions
Financial institutions	> Double materiality assessment via interviews and survey > Investor relation contacts > Topical meetings	> Gain insights in material sustainability topics > Keep track of evolving expectations > Enhance transparency	> Informs the ESG strategy
Research institutions	> Double materiality assessment via interviews and survey > Topical meetings	> Gain insights in material sustainability topics	> Informs the ESG strategy > Best practices on ESG challenges
Industry associations	> Industry events > Webinars > Topical meetings	> Gain insights in material sustainability topics	> Informs the ESG strategy > Best practices on ESG challenges

Through regular contacts with our stakeholders (customer contacts, supplier engagements, recruitments, networking events…), we get insights on how they perceive the company, its strategy and sustainability efforts. This is then discussed within the Group Sustainability Steerco, after which it is brought to management and, if deemed necessary, to the Audit & Sustainability Committee.

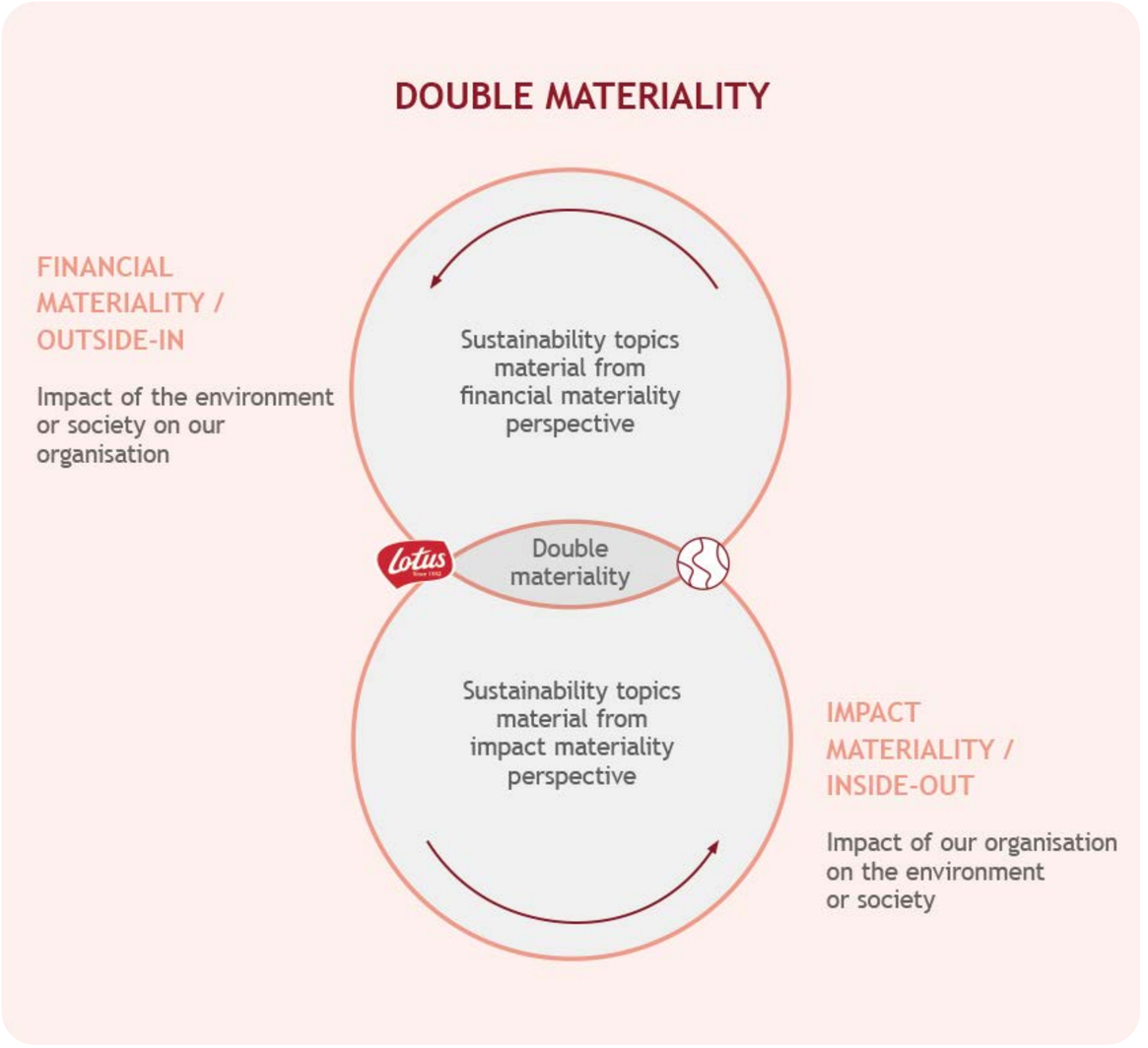
Following the engagement with key stakeholders, the sustainability strategy has progressively evolved. We refer to I.4.4 below regarding the outcome of the double materiality assessment.

I.4. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

I.4.1. Introduction

Lotus Bakeries has been running its sustainability programme ‘Care for Today, Respect for Tomorrow’ for a long time based on a ‘single’ materiality assessment. As today’s world is changing rapidly, we are faced with a range of new challenges in the business and along the value chain. We interact with many parties, so it is essential to get a full understanding of the impact of our operations and snacks on the world and the impact of the world on our operations. In order to confirm or reconsider the priorities of our sustainability programme, Lotus Bakeries performed a broad and in-depth assessment in 2023 using the double materiality lens, reviewing a list of topics from both a financial and an impact materiality perspective. The double materiality matrix is reviewed internally on an annual basis and subject to a detailed update every three years.

This assessment reconfirmed our ESG strategy and determined the sustainability topics which are deemed to be material. These topics have been aggregated into the five Guiding Principles for a sustainable future.



I.4.2. Our double materiality assessment

The double materiality assessment is a critical element to understanding how the Group impacts its environment and society, including its value chain, and also how the world surrounding the Group impacts our operations. To determine the material impacts, risks and opportunities (IROs), we have set-up a staged approach resulting in a double materiality matrix.

Methodology

Starting point was the sustainability priorities from Lotus Bakeries' existing materiality assessment, enriched with the requirements of CSRD, including the ESRS topics and sub-topics. As such, a long list of potential IROs have been identified. Based on desk research and workshops with stakeholders and experts, **22 relevant topics** (aggregating into IROs) were identified as most relevant for Lotus Bakeries to engage on with other actors in the value chain. Engagement through dialogues and interviews to ensure completeness of the selected themes, followed by an online survey resulted in a prioritisation on the 22 key topics from both a financial and impact materiality perspective.

The **ranking of the topics** was analysed based on the complete set of responses as well as per cluster of stakeholders to identify potential topics that would matter more to a certain stakeholder group. The threshold at which a topic is considered material is locked at 7 or higher on a 9-point scale. The IROs were assessed on their likelihood and financial magnitude.

The **IROs identified** and listed below in I.4.5 have been assessed throughout our value chain and we considered both indirect and direct impacts. The locations of the facilities are reviewed for impacts. We identified Lotus Bakeries' important dependencies, including the core ingredients, key suppliers and customers as well as our dependencies on our employees. The IROs with impact materiality were assessed on their actual or potential impact, the severity (scale, scope and irremediable character) and the likelihood of occurring. The IROs with financial materiality were assessed in terms of risk and opportunity and cross-checked with Lotus Bakeries' enterprise risk management process aimed at identifying, assessing and prioritising risks to ensure one comprehensive and integrated approach.

The outcome of the double materiality assessment, i.e. the double materiality matrix, serves as the basis to further develop our strategic **ESG Guiding Principles** within the 'Care for Today, Respect for Tomorrow' programme, as well as guiding us on which ESRS standards to report in accordance with CSRD. This assessment provides strategic guidance on sustainability matters, and how to integrate this with our ambition: offering a versatile range of branded snacks for every consumption occasion to consumers worldwide.

The double materiality assessment was presented to the Audit & Sustainability Committee and the outcome thereof, the double materiality matrix and strategy, was **approved by the Board of Directors**. The Board confirmed their confidence in the resilience of Lotus Bakeries' current business model against the identified impacts, risks, and opportunities, and reaffirmed the 'Care for Today, Respect for Tomorrow' sustainability programme and its five ESG Guiding Principles.

THE DOUBLE MATERIALITY ASSESSMENT SERVED AS INPUT FOR THE SUSTAINABILITY STRATEGY

LONGLIST

> Previous single materiality assessment
> Nearly 100 topics based on reporting standards (ESRS, GRI)

SHORTLIST

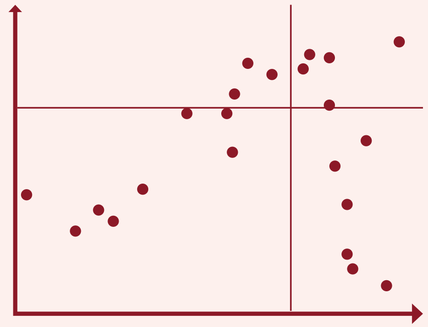
> 22 topics identified
> Based on impact, risk and opportunity

STAKEHOLDER ENGAGEMENT

> Engagement through dialogues and interviews to ensure completeness of the selected themes, followed by an online survey to obtain a prioritisation on the 22 key topics from both a financial and impact materiality perspective

SCORING

> Rating the 22 key topics on a 9-point scale from an impact and financial perspective



Double
materiality matrix

ROAD TO NET ZERO

ONE LOTUS FAMILY

A BALANCED PORTFOLIO
OF GREAT TASTE

ETHICAL BUSINESS CONDUCT

SUSTAINABLE SOURCING

Outcome of the double materiality assessment

As mentioned above, the 22 topics identified as a result of desk research and discussions with stakeholders have been scored on a 9-point scale.

Although Talent Development and Diversity & Inclusion have been scored just below the predefined materiality threshold, we have concluded after consulting internally to treat these IROs as material due to the relevance of the topics. They are disclosed as such in these sustainability statements.

I.4.3. Our identified ESG topics

The following topics have been assessed as material from a financial and/or impact point of view:

TOPICS WITH DOUBLE MATERIALITY

Food Safety and Quality	Ensuring the safety and quality of products, including compliance with food safety standards and certifications and traceability.
Sustainable Sourcing	Ensuring the appropriate governance initiatives are implemented for the management of suppliers and other stakeholders in the supply chain to minimise environmental impact, including the sustainable sourcing of key ingredients, such as palm oil, chocolate, sugar, wheat, and other sensitive ingredients. Governance initiatives include among other ethical practices throughout the supply chain to minimise social impact, including labour conditions, fair trade and human rights.
Energy Usage	Reducing the energy consumption or replacing fossil fuel related energy with renewable energy in our manufacturing sites and across our full supply chain to reduce indirect greenhouse gas emissions coming from energy generation.
Carbon Reduction	Reducing direct greenhouse gas emissions in our manufacturing, fleet, transport and our full supply chain to contribute to the race towards net zero and helping to limit global warming to 1.5 degrees Celsius above pre-industrial levels.
Corporate Governance	Conducting business operations in accordance with internationally accepted principles and practices, ensuring a robust risk management system and incorporating sustainability practices.

TOPICS WITH IMPACT MATERIALITY

Product Packaging	Addressing packaging sustainability by reducing what we use, increasing recyclability, and using as much as recycled packaging for packaging not in contact with the food.
Health and Safety	Promoting a strong safety culture and providing the right working conditions at the workplace to safeguard every employee against health issues related to the workplace.
Employee Well-being	Promoting a TOP-culture (Team spirit, Open Dialogue, Passion) to ensure employees feel good about their job on a mental, physical and emotional level. This includes both, moments of connection and engagement at work as well as finding moments to disconnect.
Talent Development	Training and upgrading the capabilities, skills and competencies of employees based on the strategic needs of the organisation, employee performance and career development review. Learning and development comes in many shapes and sizes, including on-the-job, online courses or in-person training.
Diversity and Inclusion	A diverse and inclusive workplace to make everyone feel equally involved, regardless of who they are or what they do for the business. Diversity can entail amongst other diversity in race, gender, sexual orientation, age, religion, national origin and disability.

TOPICS WITH FINANCIAL MATERIALITY

Financially Sound Company	Long-term financial stability and the capacity to withstand market-related or financial headwinds.
Balanced Portfolio	Providing a balanced portfolio of snacks ranging from delicious Biscoff® cookies over bars fitting the better-for-you platform, on to snacks for babies and toddlers. Accessible for all at every moment.
Long-term Strategy	The company's ability to deliver sustainable growth, increase the value of the company's portfolio, in combination with profitability.
Prevent Business Interruption	Developing plans to prevent and mitigate major and long operational interruptions in our factories caused by unusual events.
Cybersecurity	Protecting the data and information assets and implementing security measures to prevent cyber-attacks.
Taste Experience	The ability to create snacks that deliver a memorable experience, for all around the globe.

The following topics have been assessed not to be material based on the latest double materiality assessment:

NON-MATERIAL TOPICS

Community Engagement	Prosperity for all by contributing positively to the areas in which Lotus Bakeries operates. This entails initiatives such as The Foundation for Education, as well as local involvement in the communities where we have operations.
Responsible Marketing Practices	Providing clear information on product ingredients and nutritional value. Efforts to educate consumers and promote healthy dietary habits. Ensuring responsible and ethical marketing and advertising practices.
Pollution	Pollution is the introduction of harmful materials into the environment, often generated by human activities such as the disposal of waste, including plastic waste, or the runoff produced by factories and economic activities, such as the use of pesticides in agriculture. These pollutants can damage the quality of air, water and land.
Water Stewardship	Addressing water-stress by developing means to reduce, reuse and reserve water at our own operations and in engagement with our suppliers.
Biodiversity	Developing measures to protect and preserve biodiversity, including efforts to protect ecosystems at our own sites and ways to promote sustainable agriculture at our suppliers. A reduced pollination could lead to reduced availability of crops.
Circular Economy	Contributing to a circular economy by continuously improving our manufacturing efficiency with continued efforts on reducing waste and developing further initiatives on water usage, on top of the initiatives to reduce our environmental impact (GHG).

I.4.4. Translation into the Lotus Bakeries strategy

Care for Today, Respect for Tomorrow

Lotus Bakeries aims to achieve sustainable, profitable growth by providing consumers around the world a diverse range of branded snacks for every occasion. As part of this ambition, we aspire to create value in a sustainable way, not only today, but also for the future generations to come. To live up to our purpose and deliver on our sustainability strategy, targets and long-term ambition, we focus where we believe we can make a difference and deliver great long-term impact.

The double materiality assessment confirmed the strategy entailed by our programme ‘Care for Today, Respect for Tomorrow’, and clarified the topics which are material to the company and its stakeholders. These material topics are aggregated into the **five Guiding Principles** for a sustainable future which support our company’s ambition: creating small moments of joy and happiness by offering a versatile range of branded snacks with superior taste experience, to every consumer, for every occasion, in every country.

For each of the five ESG Guiding Principles, Lotus Bakeries has put forward a commitment that will be delivered through bespoke focus areas. Consequently, policies and actions have been formulated within those areas.

LOTUS BAKERIES' ESG GUIDING PRINCIPLES AND RELATED MATERIAL TOPICS

ESG GUIDING PRINCIPLES

A BALANCED PORTFOLIO OF GREAT TASTE

We aim to delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations. We offer both indulgent and better-for-you snacking options, thus allowing consumers to establish a balanced dietary lifestyle. A portfolio of different pack formats may lead to greater accessibility for customers and end-consumers.

ONE LOTUS FAMILY

We believe in the power of our people to drive performance. We aim to be an inclusive workplace where employees feel engaged, and we are committed to offering long-term employment within the company. Our policies related to but not limited to Human Rights, Health & Safety, and Well-being are already implemented and will be continued in the future. In addition, we will also follow up on matters such as training, diversity and onboarding new employees.

ETHICAL BUSINESS CONDUCT

We are committed to acting lawfully, ethically and with integrity towards all our stakeholders. We aim to promote human rights across our value chain as a fundament of our operations, next to other core ethical business policies. We remain committed to supporting the UN Global Compact by upholding the Ten Principles of the United Nations and ensure they form part of our strategy, culture and daily activities.

ROAD TO NET ZERO

We join the battle to combat climate change and minimise our impact on the environment in all aspects of our operations, packaging as well as our value chain. We implement our decarbonisation roadmap in line with our SBTi targets. Secondly, it includes our packaging strategy including reduction, designing for recyclability and aiming for circularity which contribute to limit our impact on the environment.

SUSTAINABLE SOURCING

We are committed to building greater resilience in our supply chains by preserving the environment while ensuring welfare throughout our supply chain and by setting high ethical business standards through governance initiatives. We focus on environmentally friendly choices within our value chain to aid in our decarbonisation journey. We are determined to continue building good practices and improving transparency in our supply chains.

LINK WITH MATERIAL TOPICS

- **Food Safety and Quality**
  ESRS S4
- **Balanced Portfolio**
  ESRS S4
- **Taste Experience**
  ESRS S4
- **Financially Sound Company**
  Non-ESG
- **Long-term Strategy**
  Non-ESG
- **Prevent Business Interruption**
  Non-ESG

- **Diversity and Inclusion**
  ESRS S1
- **Employee Well-being**
  ESRS S1
- **Talent Development**
  ESRS S1
- **Health and Safety**
  ESRS S1

- **Corporate Governance**
  ESRS G1
- **Cybersecurity**
  ESRS G1

- **Carbon Reduction**
  ESRS E1
- **Energy Usage**
  ESRS E1
- **Product Packaging**
  ESRS E5

- **Sustainable Sourcing**
  ESRS E1
  ESRS G1

Integration of the UN Sustainable Development Goals

The UN Global Compact is a global sustainability initiative for businesses set up by the United Nations, of which Lotus Bakeries has been a member since 2021.

Lotus Bakeries is committed to upholding the Ten Principles of the United Nations covering human rights, working conditions, environment and anti-corruption, ensuring they form part of its strategy, culture and daily activities, and supporting the UNGC's work to promote the UN Sustainable Development Goals (SDGs). Our participation in the UN Global Compact entails that we renew our commitment annually and report on the progress of our efforts to implement the Ten Principles.

Lotus Bakeries' ESG strategy aims to actively contribute to the Sustainable Development Goals (SDGs) of the United Nations. The ESG Guiding Principles are driving our 'Care for Today, Respect for Tomorrow' programme. The focus areas within this programme directly impact a number of SDGs. The below overview reconciles our sustainability programme with the SDGs.

Environment Social Governance

LOTUS BAKERIES' ESG GUIDING PRINCIPLES AND THE UN SUSTAINABLE DEVELOPMENT GOALS

ESG GUIDING PRINCIPLES		2 ZERO HUNGER	3 GOOD HEALTH AND WELL BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
ROAD TO NET ZERO	Carbon footprint					●		●			●		●		
	Energy usage					●					●				
	Sustainable packaging									●	●	●	●		
ONE LOTUS FAMILY	Well-being, DEI		●	●	●		●								
	Health and safety		●				●								
A BALANCED PORTFOLIO OF GREAT TASTE	Balanced portfolio		●							●					
	Food safety and quality		●							●					
ETHICAL BUSINESS CONDUCT	Business ethics & Corporate culture	●													
	Cybersecurity							●						●	●
SUSTAINABLE SOURCING	Supplier management & Partnering in the value chain										●				
	Sustainable sourcing programmes						●		●		●		●		

I.4.5. Material impacts, risks and opportunities

We assessed the impacts, risks and opportunities on environmental, social and governance matters and how these interact with our strategy and business model. This assessment results in an overview of our material impacts, risks and opportunities throughout our value chain.

The table below includes the impacts, risks and opportunities we have identified related to our material topics. It also includes the reference (i.e. Guiding Principle) to where in the sustainability statements the material topic is discussed. Furthermore, the table clearly identifies whether these IROs are related to our own operations or occur within the value chain, either upstream (e.g. suppliers) or downstream (e.g. customers).

CARBON REDUCTION

●○○ Short-term ●●○ Mid-term ●●● Long-term

ESG Guiding Principles	Road to Net Zero	ESRS E1	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Contribute to limit global warming to 1.5°C vs pre-industrial levels in line with the Paris Agreement	Decarbonisation policies and fast implementation of actions may contribute to limit the GHG emitted, consequently limiting global warming. These actions can relate to the use of gas or electricity, or emissions from the sourcing of raw materials.	●○○ ●●○ ●●●
	Negative impact in Upstream Value Chain		
	Unstable raw material availability	Failure to decarbonise and contribute to limit global warming to 1.5°C may result in altering weather patterns and intensify extreme weather events. In the mid or long term, this could affect raw material availability and quality. We respond to this impact through our strategic decarbonisation targets and our actions to decarbonise the value chain.	●○○ ●●○ ●●●
Financial Materiality	**Market opportunity in Downstream Value Chain**		
	Facilitate the access to new customers/markets	Decarbonisation is a growing expectation from customers and consumers. Having an SBTi commitment and deploying a decarbonisation roadmap will reduce the GHG emitted by Lotus Bakeries, which will help Lotus Bakeries' customers in their decarbonisation journey.	●○○ ●●○ ●●●
	Technology opportunity in Own Operations		
	Technology	Investment in new technologies will contribute in Lotus Bakeries reaching its decarbonisation targets within anticipated time-frame. Futureproofing the assets may ensure longer use of these assets instead. This may aid in avoiding expected carbon tax.	●○○ ●●○ ●●●
	Regulatory risk in Own Operations		
	Compliance to new legislation and regulation	Lotus Bakeries is a global company subject to various European, United States, domestic and foreign environmental laws and regulations, which are constantly evolving. Any failure to comply with such laws and regulations could expose Lotus Bakeries to lawsuits, administrative penalties and civil remedies, all of which may have a material adverse impact.	●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

ENERGY USAGE

ESG Guiding Principles	**Road to Net Zero**	ESRS E1	
Impact Materiality	**Positive impact in Own Operations**		
	Energy consumption, alternative energy sources	Reducing energy consumption and switching to alternative energy sources are key levers in the decarbonisation roadmap and may contribute to limit the GHG emitted, consequently limiting global warming.	●○○ ●●○ ●●●
	Negative impact in Upstream Value Chain		
	Energy consumption	Failure to reduce energy may lead to more energy demand, putting more stress on the energy sector to scale up alternatives.	●○○ ●●○ ●●●
Financial Materiality	**Market opportunity in Own Operations**		
	Energy independence	Energy supply may be impacted by climate change or regulatory changes. Securing Lotus Bakeries energy supply in its own operations (e.g. solar panels, batteries) and having more autonomy through the investment in cleaner technologies and on-site energy production may contribute to an even stronger business continuity.	●○○ ●●○ ●●●
	Risk in Own Operations		
	Energy prices	Significant price increases in energy prices could affect the Group. Reducing energy usage via energy saving measures could lead to cost reduction.	●●●

PRODUCT PACKAGING (INFLOW)

ESG Guiding Principles	**Road to Net Zero**	ESRS E1 ESRS E5	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Packaging reduction, recycled packaging	Lotus Bakeries Packaging Policy may contribute via reducing the amount of packaging put on the market, making it technically recyclable and lowering the usage of virgin materials.	●○○ ●●○ ●●●
	Negative impact in Downstream Value Chain		
	Packaging waste	Failure to reduce packaging may cause negative environmental impact.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Own Operations**		
	Cost reduction	Reducing the amount of packaging put on the market may contribute to cost reduction.	●○○ ●●○ ●●●

Short-term Mid-term Long-term

PRODUCT PACKAGING (OUTFLOW)

ESG Guiding Principles	**Road to Net Zero**	ESRS E1 ESRS E5	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Combatting foodwaste	The right pre-packed formats and portion sizes may contribute to a long shelflife which may help combatting foodwaste.	●○○ ●●○ ●●●
	Positive impact in Own Operations & Value Chain		
	Circularity	Lotus Bakeries Packaging Policy may have a positive impact via offering technically recyclable materials which may contribute increasing the circularity.	●○○ ●●○ ●●●
	Negative impact in Downstream Value Chain		
	Packaging waste	Consumers throwing away packaging may generate packaging litter. Our response to this is using our packaging to educate consumers on when and how to recycle.	●○○ ●●○ ●●●
Financial Materiality	**Risk in Own Operations & Downstream Value Chain**		
	Consumer perception Packaging taxes	Consumer expectations towards companies to reduce negative packaging impact is increasing. Selling pre-packaged goods may influence consumer perception negatively, if the role of packaging to guarantee food safety and preserve shelflife to combat food waste is not well understood. Tax systems such as ERP, plastic tax and litter tax are being introduced in more countries which may lead to higher taxes paid.	●○○ ●●○ ●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

SUSTAINABLE SOURCING

ESG Guiding Principles	Sustainable sourcing	ESRS E1 ESRS G1	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Joint commitment with suppliers on social or environmental impacts	Lotus Bakeries sources wheat flour, sugar, palm oil, eggs, chocolate. Management of relationships with suppliers, applying ethical business standards such as respecting human rights, good governance practices to assess our suppliers and setting up due diligence systems and participation in sustainable cross-industry or bespoke programs can impact communities and livelihoods of workers in the supply chain positively as well as generate positive environmental impacts.	●○○ ●●○ ●●●
	Positive impact in Value Chain		
	Respect for Human Rights	Human rights impacts may occur in the value chain. Assessing our supply chain on respect of and promoting human rights, including labour practices may contribute to remediate immediate suffering of workers in the value chain, but also contribute to breaking the vicious circle of poverty and contribute to sustainable development.	●○○ ●●○ ●●●
	Negative impact in Value Chain		
	Unstable raw material availability	Failure to source raw materials sustainably may contribute to deforestation, pollution or biodiversity loss. The raw materials most often related to deforestation are palm oil, cocoa, soy, wood (paper & pulp). A raw material often linked to pollution or biodiversity loss is wheat flour. These impacts may on their turn negatively influence decarbonisation in the value chain resulting in climate change. This could on the mid or long term affect raw material availability and quality, impacting the global food system and food availability for all.	●●○ ●●●
Financial Materiality	**Opportunity in Downstream Value Chain**		
	Market opportunity	Sustainable sourcing is a growing expectation from customers and consumers. Product endorsement via sustainable programs including social welfare and good agricultural practices may make Lotus Bakeries offer more appealing to customers and consumers.	●○○ ●●○ ●●●
	Opportunity in Upstream Value Chain		
	Technology	Partnering and collaborating with raw material suppliers in finding low-carbon versions or alternatives to high-emitting raw materials could help to achieve progress on decarbonisation leading to more sustainable sourcing. The same is valid for finding more nature friendly versions leading to less pollution or no biodiversity loss. This will then positively contribute to the global food system.	●○○ ●●○ ●●●
	Risk in Upstream Value Chain		
	Market-related risk	Climate change or other environmental challenges could on the mid or long term affect raw material availability and quality, impacting fluctuations of the raw material prices. Peers are developing programs beyond supplier code of conducts, standing still could lead to less good or fewer partnerships with our suppliers. This could impact the robustness of supply chains. Shortage in raw material commodities could lead to price volatility.	●●●
	Risk in Value Chain		
	Regulatory risk	Lotus Bakeries is a global company subject to various European, United States, and domestic, and foreign environmental laws and regulations, which are continuing to develop. Any failure to comply with environmental laws and regulations or insufficient insights in the potential violations against working conditions, equal treatment, or other work related rights of workers in the value chain could expose Lotus Bakeries to reputational damage, lawsuits, administrative penalties, and civil remedies, all of which may have a material adverse impact.	●○○ ●●○ ●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

HEALTH AND SAFETY

ESG Guiding Principles	**One Lotus Family**	ESRS S1	
Impact Materiality	**Negative impact in Own Operations**		
	Health safety and well-being and flexible workplace	A strong safety culture and safety management system will reduce the likelihood of injuries or absences. A strong policy on working conditions, working time and work-life balance may contribute to reduce stress and improve well-being of employees. These measures may help ensuring workforce to remain safe, feel connected and in control, maintain their job eventually leading to more well-being. We expect our suppliers, customers or other business partners to meet the same standards.	●○○ ●●○ ●●●
	Negative impact in Own Operations		
	Respect for Human Rights	Human rights impacts may occur through our own operations. Assessing respect of and promoting human rights, including labour practices may contribute to remediate any immediate suffering of the own workforce and contribute to sustainable and ethical business culture.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Own Operations**		
	Employee Safety & Health	A strong safety culture and safety management system will reduce the likelihood of injuries or absences. A strong policy on working conditions, working time and work-life balance will help to compete for the best talent. These measures may help ensuring business continuity and creating value through our operations.	●○○ ●●○ ●●●
	Risk in Own Operations		
	War for talent	Lotus Bakeries is dependent on its people and may be unable to attract or retain talent. If employees perceive the working conditions, working time or flexible working policies offered not in line with their expectations they may choose to terminate their employment with Lotus Bakeries. This may negatively impact Lotus Bakeries operations to create value.	●○○ ●●○ ●●●

TALENT DEVELOPMENT

ESG Guiding Principles	**One Lotus Family**	ESRS S1	
Impact Materiality	**Positive impact in Own Operations**		
	Training	Training is investment in employability of people inside and outside the organisation and makes people more resilient in general. It ensure employees to have job security.	●○○ ●●○ ●●●
Financial Materiality	**Risk in Own Operations**		
	War for talent	Lotus Bakeries is dependent on its people and may be unable to attract or retain talent. If employees perceive inequality or unfair practices not in line with their expectations they may choose to terminate their employment with Lotus Bakeries. This may negatively impact Lotus Bakeries operations to create value.	●○○ ●●○ ●●●

DIVERSITY AND INCLUSION

ESG Guiding Principles	**One Lotus Family**	ESRS S1	
Impact Materiality	**Positive impact in Own Operations**		
	Diversity, Equity and Inclusion	Diversity, equity and inclusion helps to put people in their strength and helps to get the best out of them. Bringing more diverse talent in scope may make the working environment more creative and rich. It may help creating a strong sense of beloning and make people feel connected to their jobs. This may contributie to healthier communities overall.	●○○ ●●○ ●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

EMPLOYEE WELL-BEING

ESG Guiding Principles	**One Lotus Family**	ESRS S1	
Impact Materiality	**Positive impact in Own Operations**		
	Having well-being policies in place	Well-being policies and actions ensure employees have jobsecurity and feel connected at their work.	
	Negative impact in Own Operations		
	Respect for the well-being of our employees	Failure on well-being may cause employees to feel detached, or get sick or burned out, which may cause them to loose their income to support themselves and their families.	

BALANCED PORTFOLIO

ESG Guiding Principles	**A Balanced Portfolio of Great Taste**	non-ESRS	
Financial Materiality	**Market risk in Downstream Value Chain**		
	Market-related risk	Failing to offer a balanced portfolio could be a risk.We aim for topline growth via a balanced portfolio of great tasting snacks based on several criteria: 1) Fullfill the shopper needs by offering a portfolio of indulgent snacks (B&B),the better-for-you platform (NF) as well as local heroes; 2) higher customer accessibility through different pricepoints, in different packformats, and distributed at granular level; 3) Continue providing plant-based solution (Biscoff, NF) and being part of the proteinshift to plant-based foods can contribute to topline opportunities.	

FOOD SAFETY AND QUALITY

ESG Guiding Principles	**A Balanced Portfolio of Great Taste**	ESRS S4	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Food safety and quality	Strong food safety & quality policies help guarantee consumer safety and help ensure we improve consumer experience when eating a snack. Eventually even delighting consumers for a small moment.	
Financial Materiality	**Risk in Own Operations & Downstream Value Chain**		
	Market-related risk	Failure to meet quality and food safety standards expose Lotus Bakeries to business interruptions, litigations, product liability and recall claims. Securing Food Safety & Quality may contribute in building reliable brands and guaranteeing sustained business relations.	

Short-term Mid-term Long-term

TASTE EXPERIENCE

ESG Guiding Principles	**A Balanced portfolio of great taste**	ESRS S4	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Contribute to the protein shift	Continue providing plant-based solution such as Biscoff or the Natural Food brands may contribute to the global proteinshift by introducing more plant-based foods into consumers their diet.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Downstream Value Chain**		
	A balanced portfolio	A balanced portfolio of great tasting indulgent snacks, as well as nutritional propositions fitting the better-for-you platform, as well as local heroes may provide a response to more shopperneeds. A portfolio of different packformats, distributed at granular level may lead to higher accessibility for customer. These may contribute to value creation by Lotus Bakeries.	●○○ ●●○ ●●●

CORPORATE GOVERNANCE

ESG Guiding Principles	**Ethical Business Conduct**	ESRS G1	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Transparency in the value chain	Allowing all parties in the value chain to speak up or raise concerns may help to achieve the shared company goals and contribute to a better environment and society at large. It may contribute to a proper risk management of Lotus Bakeries' suppliers.	●○○ ●●○ ●●●
	Positive impact in Own Operations & Value Chain		
	Joint commitment with suppliers on anti-corruption and anti-bribery	Continued good corporate governance by actively preventing bribery and corruption through implementing preventative measures, such as due diligence procedures for third-party relationships may contribute to achieve the company goals. And contribute to a better environment and society at large.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Own Operations & Value Chain**		
	TOP-culture driving the company to shared goals	Continued good corporate culture that contributes to a sustainable future both in the own operations and towards our suppliers (sustainable sourcing) and our customers and consumers, may help to achieve the shared company goals and may contribute to a better environment and society at large.	●○○ ●●○ ●●●

CYBERSECURITY

ESG Guiding Principles	**Ethical Business Conduct**	ESRS G1	
Financial Materiality	**Risk in Own Operations**		
	Business interruptions 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 remain real. Fraud in the form of cybercrime is also high on the agenda. Business interruptions caused by unexpected events could affect operations and business. Potential consequences of these risks include damage to our brand reputation and could generate a competitive disadvantage.	●○○ ●●○ ●●●

I.4.5.1. Material ESG topics

The material IROs and related disclosures are further discussed in the next chapters.

I.4.5.2. Other material non-ESG topics

Long-term strategy

As a result of the double materiality assessment, it became clear that for our stakeholders it is important that Lotus Bakeries has the ability to deliver sustainable growth and increase the value of the company's portfolio, in combination with profitability.

Lotus Bakeries' story starts with a caramelised cookie, made with nothing but natural ingredients, named after the flower symbolising purity, Lotus. With 'offering the perfect snack for every occasion' as the foundation of our mission, we focus on unique, universally loved snacks tailored to everyone. From that well-earned afternoon treat to that extra energy snack on the go. By combining sharp long-term thinking with quick short-term decision-making, intrinsic to a listed family company, Lotus Bakeries is building brands for future generations.

We have a clear strategy in mind to climb to the top of global brands and achieve sustainable growth. Building brands is at the heart of this. Lotus Bakeries operates globally in the snack segment, with brands such as: Lotus®, Biscoff®, nākd.®, TREK®, BEAR®, Kiddylicious®, Peter's Yard®, Dinosaurus®, Peijnenburg® and Annas®.

Each of these brands has its own DNA and target audience, which require the right focus and attention. That is why we have designed our strategy using three pillars: Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes. For more details about our strategy and mission, please see 'Our brand strategy' in this Annual Report.

Financially sound company

As a commercial company with more than 4,150 employees, Lotus Bakeries needs to provide long-term financial stability and have the capacity to withstand market-related or financial headwinds.

As such, the company demonstrates on a periodic basis robust financial performance, and resilience and adaptability in the face of evolving economic, environmental and societal challenges. Through its Consolidated Financial Statements, Lotus Bakeries transparently reports on its financial situation and performance.

Business interruption

For a food company, it is crucial to develop plans to prevent and mitigate major and long operational interruptions in the factories caused by unusual events. Furthermore, failure to meet quality and food safety standards exposes the Group to business interruption.

In order to prevent business interruptions, Lotus Bakeries continuously enhances its business continuity processes and plans, supported by taking integrated business measures to a next level and increasing cross-functional and business collaboration.

I.4.5.3. Relevant non-material ESG topics

Next to the above deemed material topics, other topics were raised but were not considered to be material as a result of the double materiality assessment. However, these topics are covered through several existing policies of the Group. Note that these topics are not subject to the detailed disclosure requirements under CSRD and are not covered by the limited assurance conducted by the external auditor.

Pollution (ESRS E2)

During the materiality assessment related to pollution, we consulted the quality managers of different Lotus Bakeries' sites. They follow a clear process for identifying pollution-related risks which includes, but is not limited to, requirements of local regulations, environmental permits and licences; processes for baking snacks and cold-pressing bars, raw and packaging materials and processing aids, cleaning chemicals and lubricants. Current policies (such as our Supplier Code of Conduct) are treating and covering the potential risk of pollution, however, this risk is not managed individually.

Lotus Bakeries is committed to respecting all necessary rules and regulations set by governments worldwide. We have had consultations with the local communities of our biggest facility in Belgium to assess the impact. There have been no violations in the past. Furthermore, in the process to assess pollution risks associated to our value chain, we consulted risk information from CSR-specialised companies. These indicated that pollution of land or water may be found upstream in agriculture at farmer level. It was not assessed as material for Lotus Bakeries.

Waste and circular economy (ESRS E5)

Waste as defined under the topic Circular Economy (ESRS E5) and assessed in our double materiality assessment with the description 'continuously improving our manufacturing efficiency with continued efforts on reducing waste', is below the materiality threshold for Lotus Bakeries. We will provide, on a voluntary basis, our approach to waste and selected metrics of the waste generated and disposed of in our own operations. For the waste generated downstream relating to end-of-life of the products and packaging we refer to II.2.5 of the sustainability statements.

As part of our internal operational reporting, Lotus Bakeries monitors all types of waste generated. The waste in our own activities relates to production waste, grease, residual waste, paper and cardboard. Waste registers are kept where needed, in accordance with legislative obligations. Lotus Bakeries closely monitors evolutions in waste generation across the various plants.

Lotus Bakeries applies the waste hierarchy to deal with waste in a responsible manner. The first measure is prevention of waste. Where possible, generated waste is re-used. Where this proves impossible, it is diverted towards the highest-possible waste treatment method. A major part of our production waste is diverted towards animal feed (included in 'waste diverted to disposal from disposal due to preparation for reuse'). Packaging waste coming from our plants are primarily sent for recycling. Where not possible to recycle, materials are sent for incineration with energy recovery, limiting the CO_2e-impact related to their disposal. Only as a last resort, it is sent for incineration without energy recuperation or landfill. This is strongly dependent on the country of operation, as the availability of recycling infrastructure varies widely across the globe.

WASTE GENERATED IN OPERATIONS, IN TONNES	2025	2024
Non-hazardous waste	**20,169**	**17,848**
Non-hazardous waste diverted from disposal due to preparation for reuse	13,223	12,420
Non-hazardous waste diverted from disposal due to recycling	3,910	2,981
Non-hazardous waste diverted from disposal due to other recovery operations	1,536	1,339
Non-hazardous waste directed to disposal by incineration	981	908
Non-hazardous waste directed to disposal by landfilling	518	200
Non-hazardous waste directed to disposal by other disposal operations	-	-
Hazardous waste	**7**	**7**
Hazardous waste diverted from disposal due to preparation for reuse	-	-
Hazardous waste diverted from disposal due to recycling	-	-
Hazardous waste diverted from disposal due to other recovery operations	-	-
Hazardous waste directed to disposal by incineration	1	-
Hazardous waste directed to disposal by landfilling	-	-
Hazardous waste directed to disposal by other disposal operations	6	7
Total waste generated	**20,176**	**17,855**
Percentage of recycled waste ('diverted')	93%	94%
Percentage of non-recycled waste ('directed')	7%	6%
Percentage of hazardous waste	0.03%	0.04%
Percentage of radioactive waste	0%	0%

Water and water stewardship (ESRS E3)

Qualitative conversations with external stakeholders have indicated that water stewardship is considered important in the wider food and agriculture sector, but there is a recognition that water intensity in our operations is well below industry benchmark. This explains why water stewardship did not come forward as material for Lotus Bakeries. Nevertheless, we are committed to manage water efficiently at our sites.

Lotus Bakeries complies with all applicable local, national and international regulations. We screened the location of each site and identified high-water risk areas using WWF's Water Risk Filter tool and the Aqueduct Water Risk Atlas. Additionally, as outlined in our Supplier Code of Conduct, we expect our suppliers to operate with respect for the environment including respect for water resources and assurance of proper (waste)water management.

Water is essential for processing food items, as well as for maintaining hygiene standards at our production plants. As part of our internal operational reporting, Lotus Bakeries reports on a regular basis on its water consumption as part of the periodic operational reporting of our production plants. Based on these reported figures, we carefully monitor evolutions in water usage across the various plants.

Lotus Bakeries is withdrawing its water mainly from municipal water supplies. To a lesser extent, we are withdrawing from ground- and rainwater.

VOLUME IN M³	2025	2024
Water withdrawals	226,289	156,500
Water consumption	15,482	13,200
Water discharges	210,807	143,300

Water discharge from our facilities may include rainwater and surface water, alongside process wastewater. Before discharging, 17.2% was treated by purification processes, the remaining part could be discharged without special treatment as it was compliant with local imposed criteria.

Lotus Bakeries has been implementing sustainable water collection projects to improve water efficiency. Water re-use helps diminish the reliance on freshwater resources. For example, at our new plant in Thailand we constructed a storm water pond, acting as a buffer in case of heavy showers in rain season. In dry seasons, this water is used for watering the plants and trees in the green zone on the site. Additionally, we constructed an underground rainwater reservoir. This rainwater is used for the sanitary facilities.

Biodiversity (ESRS E4)

During our double materiality assessment, we considered 36 recognised biodiversity hotspots[1] worldwide. Our investigation confirms that Lotus Bakeries has no sites located near or in biodiversity-sensitive areas, and our activities do not negatively impact them. Lotus Bakeries is respecting the requirement of local regulations, environmental permits and licenses to limit or even avoid negative impact on biodiversity. Every major project such as building greenfield facilities, modification of existing process equipment or infrastructure has a clear process to identify or assess potential impact on biodiversity. Upstream, in the sector of agriculture, biodiversity loss has many drivers[2] such as, but not limited to, invasive species, climate change, deforestation or other land-use change, pollution, freshwater change, ocean acidification, or waste. Climate change, driven by deforestation – which drives an increase in greenhouse gas emissions through associated forest fires, permanently removing carbon sink capacities – is by its own assessed as material and is considered under ESRS E1 Climate Change (see II.1). Deforestation is considered under Sustainable Sourcing (see VI.4.2). Finally, the biodiversity impact associated with plastic waste from packaging we put on the market is considered under ESRS E5 Resource use and circular economy (see II.3 Sustainable packaging).

Workers in the value chain (ESRS S2)

Palm oil is an important commodity for Lotus Bakeries and has in the past been associated with risks related to environment and social aspects. Sustainable programmes like RSPO and good governance practices, such as setting up due diligence systems that may initiate a chain of actions upstream, are ways to prevent risks. The EUDR applicable on palm oil and other commodities, will lower the likelihood of issues occurring to no or negligible risks. After careful consideration, we determined that the risks associated with workers in the value chain are covered through the ‘Sustainable sourcing’-chapter.

Affected communities (ESRS S3)

Although the topic is not considered material based on our double materiality assessment, we have listed our initiatives in a separate section, see VIII. Lotus Bakeries will continue with actions in the Foundation for Education as part of our Community Engagement.

[1] Biodiversity hotspots are defined as having at least 1,500 unique species (which are found nowhere else) and having lost at least 70% of their original vegetation.

[2] Source: The UN Environment Programme – Five drivers of nature crisis.

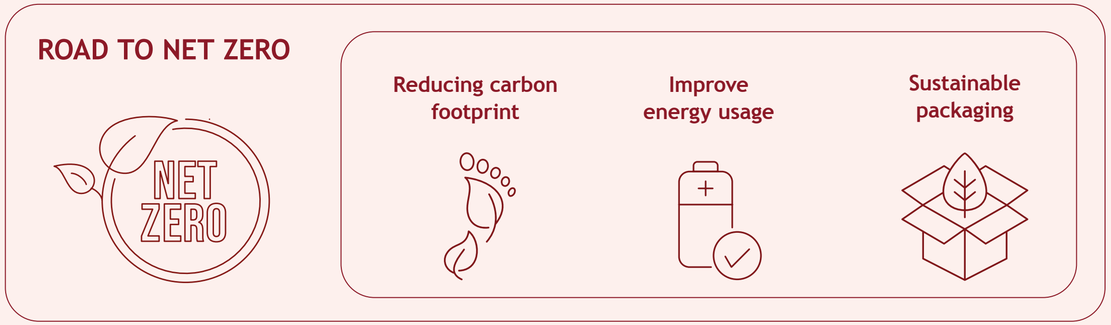
II. ROAD TO NET ZERO

OUR COMMITMENT

Climate change and environmental degradation pose significant challenges for businesses across the globe, particularly within the food and agriculture sector, which is responsible for over a third of global greenhouse gas emissions. Lotus Bakeries recognises the urgent need for carbon reduction and has aligned its ambitions with the Paris Agreement, setting Science Based Targets initiative (SBTi)-validated goals to drive innovation, collaboration with partners, and regulatory compliance. The company's carbon reduction strategy prioritises reducing energy consumption, transitioning to alternative energy sources, and improving operational efficiency, which not only lowers greenhouse gas emissions but also strengthens resilience against external threats such as volatile energy prices and climate-related risks.

Packaging is another critical area for Lotus Bakeries, balancing the need to ensure product quality and food safety with minimising environmental impact. The company's Packaging Policy focuses on reducing packaging volume, enhancing recyclability, and decreasing reliance on virgin materials. By promoting packaging circularity and investing in sustainable practices, Lotus Bakeries aims to address evolving regulatory requirements, stakeholder expectations, and the risks associated with packaging waste. Managing the transition to a more circular economy diligently will help the company realise measurable environmental and business benefits, strengthen brand reputation, and maintain responsible stewardship across its value chain.

OUR FOCUS AREAS



OUR TARGETS AND PERFORMANCE

Achieve net zero greenhouse gas emissions across our value chain by 2050 in line with our SBTi-commitment	UNIT	BASE YEAR	TARGET	STATUS 2025	STATUS 2024
Lotus Bakeries commits to reducing absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2023 base year	%	2023	-42% by 2030	7%	-6%
Lotus Bakeries commits to reducing absolute Scope 3 FLAG GHG emissions by 30.3% by 2030 from a 2023 base year	%	2023	-30.3% by 2030	7%	-6%
Lotus Bakeries commits that 89% of its suppliers of emissions covering purchased goods and services, upstream transportation and distribution, will have science-based targets by 2029	%	2023	89% by 2030	28%	23%
Lotus Bakeries commits to reducing absolute Scope 1 and 2 GHG emissions 90% by 2050 from a 2023 base year	%	2023	-90% by 2050	Ongoing	Ongoing
Lotus Bakeries commits to reducing absolute Scope 3 FLAG GHG emissions 72% by 2050 from a 2023 base year	%	2023	-72% by 2050	Ongoing	Ongoing
Lotus Bakeries commits to reducing absolute Scope 3 non-FLAG GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution by 90% by 2050 compared to the 2023 base year	%	2023	-90% by 2050	Ongoing	Ongoing
Lotus Bakeries commits to reaching net zero greenhouse gas emissions across the value chain by 2050	%	2023	Net zero by 2050	Commited	Committed
Lotus Bakeries commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025	%	2023	No deforestation by end 2025	94%	n.a.

Increase renewable electricity and energy efficiency	UNIT	BASE YEAR	TARGET	STATUS 2025	STATUS 2024
Reduce energy intensity per tonne produced by 10% by 2030 compared to the 2023 base year	%	2023	-10% by 2030	-5.7%	-10.0%
Increase our renewable electricity	MWh	2023	Increase	+3,176	+1,148

Limit packaging impact	UNIT	BASE YEAR	TARGET	STATUS 2025	STATUS 2024
Design at least 98% of our packaging to be technically recyclable by end 2025	%	2019	> 98% by end 2025	98.2%	98.1%

SDGs LINKED TO OUR ESG GUIDING PRINCIPLE

II.1. REDUCING OUR CARBON FOOTPRINT

II.1.1. Why do we care?

The fight against climate change and environmental degradation is one of the major challenges of the 21st century for our business, our customers, our suppliers, our communities and our planet. The sector of food and agriculture plays an essential role in this battle, as the sector itself accounts for more than a third of the global greenhouse gas (GHG) emissions[3].

Carbon reduction policies and fast implementation of actions linked to own operations and the whole value chain may contribute to limiting the GHG emitted. Failing to reduce GHG emissions may result in altering weather patterns and may intensify extreme weather events. This could put more pressure in the mid or long term on the raw materials and energy demand, as well as affect raw material quality.

As decarbonisation is a growing expectation from customers and consumers, we have set ambitions aligned with the Paris Agreement, which aims to limit climate change and pursues efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Having 'Science Based Targets initiative (SBTi)'-validated targets and a carbon reduction roadmap will help us drive our innovation and collaboration with our value chain partners (including customers, consumers and suppliers), as well as being compliant with environmental regulations and potentially avoiding carbon tax.

Our carbon reduction ambition has been approved by our Executive Committee, reviewed by our Audit & Sustainability Committee and endorsed by our Board of Directors.

The Group has conducted a high-level resilience analysis in the context of the determination of the material IROs. In scope were the different locations of the owned plants and offices based on geo-coordinates as well as the locations of our main commodities sourced. The climate-related hazards assessed were both chronic and acute temperature-related, wind-related, water-related and solid-mass related risks, as defined by the Commission delegated regulation (EU) 2021/2139. The assessment screened for short, medium and long term. Scenario analysis was not used. The identification of hazards was informed by the IPCC Synthesis Report on Climate Change 2023, climate adaptation plans of the countries where we operate, as well as other sources. Based on this qualitative analysis, we concluded that Lotus Bakeries' business model is resilient to physical climate-related risks. Currently, we did not perform an analysis on climate-related transition risks.

II.1.2. Our approach and policies

Lotus Bakeries has joined the battle against global warming and is committed to combatting climate change and minimising its impact on the environment. Through our Environmental Policy (combined with our Refrigerants Policy and the Supplier Code of Conduct) we set out our aspirations and principles to address environmental challenges.

Our Environmental Policy is built on three axes:

Reducing carbon footprint	Sustainable packaging	Sourcing sustainably

[3] Source: Climate change - Synthesis Report 2023, Intergovernmental Panel on Climate Change (IPCC)

The ambition to move to net zero greenhouse gas emissions by 2050, formalised in the above policy, is enabled by our carbon reduction roadmap, as validated by SBTi.

Greenhouse gas calculation methodology

Lotus Bakeries sets its targets based on its greenhouse gas (GHG) footprint, which is computed as the total of GHG emissions generated by Lotus Bakeries and expressed in metric tonnes of carbon dioxide equivalent (tCO_2e). The Group uses the Greenhouse Gas Protocol as its guiding methodology. We report in the three scopes as outlined by the GHG Protocol Corporate Standard and consider all seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).

Lotus Bakeries follows the operational control approach. Lotus Bakeries is owner of 100% of its manufacturing facilities. All production sites and sales offices of Lotus Bakeries are included in the scope of the carbon footprint.

The inputs for the computation are the activity data and the relevant emission factors. The emission factors are provided to us by an external partner. As part of their process, an analytical review is performed on the reported figures and the impact it has on the overall emissions for the Lotus Bakeries Group. To monitor our progress towards emission reduction targets, greenhouse gas emissions are reported annually.

Scope 1 - Direct GHG emissions

Direct GHG emissions occur from sources that are owned or controlled by Lotus Bakeries. This is everything that happens on-site and over which Lotus Bakeries has direct control.

Scope 1 emissions include:

> Stationary combustion of fossil-fuel related sources in our own operations
> Mobile combustion of fossil-fuel related sources in our own operations
> Fugitive emissions from our own operations
> Process emissions (e.g. baking powder) in our own operations

Scope 1 GHG emissions are primarily calculated as the consumed energy multiplied by the relevant emission factors.

All data reported in this scope is based on actual direct data received from suppliers or the actual consumption reported by the plants. The emission factors used are from industry acknowledged databases and the emission factor is linked to the specific fuel source emitted. No significant assumptions or judgements are used relating to the activity data nor the emission factors regarding the Scope 1 emissions.

Scope 2 - Electricity - Indirect GHG emissions

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by Lotus Bakeries. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of Lotus Bakeries. Scope 2 emissions physically occur at the location where electricity is generated.

Scope 2 emissions include indirect emissions associated with purchased electricity, heat, steam, or cooling[4] in our own Lotus Bakeries operations, including the electricity consumed by our electric fleet.

Scope 2 emissions are calculated as the power volumes purchased multiplied by country-specific emission factors. This activity data is directly received from the energy supplier; which entails that no assumptions are made regarding the input data.

Location-based emissions are calculated based on average country-specific emission factors. Market-based emissions take into account the specific energy mix purchased by Lotus Bakeries from the energy supplier, as aligned with the principles and requirements of the GHG protocol. In case this mix is unknown, it is assumed that the electricity received is the residual country-specific mix. As the above is the result of actual consumption multiplied by a science-based emission factor, there are no significant assumptions or judgements used in the Scope 2 category calculation.

Scope 3 - Other indirect GHG emissions

Scope 3 is a supplement to the GHG corporate standard that allows for the treatment of all other indirect emissions. Scope 3 emissions are a result of the value chain activities of Lotus Bakeries, and occur from sources not owned or controlled by Lotus Bakeries.

We have reviewed our value chain both upstream (e.g. purchase of raw materials) and downstream (e.g. the end-of-life products). This Scope includes production occurring at our co-manufacturers.

Scope 3 emissions include:

- Purchased goods and services (including effects of land use change and land management; consisting of raw materials, packaging…)
- Capital goods
- Fuel- and energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold products
- End-of-life treatment of sold products

Scope 3 emissions are mainly computed based on supplier activity data multiplied by relevant emission factors.

The largest Scope 3 category is the purchased goods and services. For raw materials and packaging, we have used the procured weight of each subgroup and multiplied it with the relevant emission factor. Where applicable, a split is made according to the sourcing region. For the activities relating to co-manufacturing, the activity data is based on the volumes produced by the co-manufacturer. A split between the product categories is made to have a correct allocation of emission factors and improve granularity. The emission factor used is two-fold. For the Forest, Land and Agriculture (FLAG)[5] component, it is based on the main ingredient in the final product, while for the non-FLAG component we looked at the industrial process

[4] Heat, steam and cooling are currently not applicable for Lotus Bakeries.

[5] The forest, land and agriculture sector is one of the most affected by the impacts of climate change, but it is also a significant source of emissions. Following latest SBTi standards, we have set a FLAG-specific target.

the product was exposed to, to obtain the most relevant emission factor. Any remaining category which cannot be specifically allocated is calculated on a spend basis.

For upstream and downstream transportation and distribution, the emissions are computed based on actual volumes transported, estimated distances and relevant emission factors for the different transport modes. For waste generated in operations and fuel- and energy-related activities, the actual consumption is used for activity data. For business travel, we have taken in scope all flights and train journeys that occurred in light of business travel. We have not included taxi rides in our scope for the current year, due to the diffused source and limited impact on the overall emissions. For employee commuting, we have multiplied the days worked at the office per employee times their commute distance, considering their transportation mode. In case the commute is unknown, we have made a conservative assumption and applied the same assumption group-wide. For categories where no activity data is available, financial spend data is multiplied by relevant spend-category-specific emission factors.

We have excluded the investments from our Scope 3 boundary as it has a very limited scale and impact, combined with a high degree of uncertainty.

While use of sold goods and franchises are in boundary for Scope 3 calculations, these categories are not relevant for our business and therefore result in zero emissions.

Main databases used to retrieve emission factors are:

> EcoInvent
> Agribalyse
> World Food LCA Database (WFLDB)
> Base Empreinte (ADEME)
> International Energy Agency (IEA)
> Association of issuing bodies (AIB)
> UK Department for Energy Security and Net Zero (DESNZ, former BEIS)

For Scope 3 emissions, 86% of our emissions are calculated using primary activity data obtained from suppliers or other value chain partners; contributing to robust data quality. For emission factors, no primary emissions factors obtained from suppliers are used, we apply industry average emission factors. Replacing industry average data to calculate the Scope 3 emissions attributed to our suppliers with supplier-specific carbon footprint data is a key driver to further increase our data quality. We plan to find alternatives for spend-based calculations but this is highly dependent on the information available to us.

GHG Intensity (Scope 1, 2 & 3)

This is calculated as total Scope 1, Scope 2 (market-based) and Scope 3 emissions divided by the consolidated revenue as reported in the consolidated statement of profit or loss.

For more details on the calculation methodology, we refer to the Carbon Accounting Manual.

Target-setting methodology

Lotus Bakeries has set targets employing the Science Based Target initiative standards as its guiding methodology. Lotus Bakeries has set targets for the direct and indirect emissions from its own operations (Scope 1 and 2 – market-based), as well as for emissions from its up- and downstream value chain (Scope 3), including elements of the value chain relating to Forest, Land and Agriculture (FLAG), using 2023 as our base year.

In accordance with SBTi, Lotus Bakeries has defined target boundaries for its carbon reduction plan. This boundary enables us to focus our efforts on areas where we can achieve substantial impact, in accordance with the Paris Agreement and SBTi guidance.

For Scope 1 & 2, all emissions are taken in the boundary. For Scope 3, the boundary is defined as 67% for 2030 and increases towards 91.9% by 2050.

The target boundaries defined by Lotus Bakeries are detailed in the following table:

SBTI-BOUNDARIES	2030 BOUNDARY	2050 BOUNDARY
Scope 1 & 2	All	All
Scope 3 - FLAG	Purchased goods & services: primary raw materials (palm oil, cocoa, wheat flour, rapeseed oil)	Purchased goods and services: extended list of raw materials
Scope 3 - Non-FLAG	• Purchased goods & services • Upstream transportation and distribution	• Purchased goods and services • Capital goods • Fuel- and energy-related activities • Upstream transportation and distribution • Waste generated in operations • Downstream transportation and distribution

II.1.3. Our target

In 2023, Lotus Bakeries committed to the Science Based Targets initiative (SBTi) to reach net-zero by 2050. We submitted our science-based climate targets for 2030 and 2050 to the Science Based Targets initiative (SBTi) and received validation for our near-term, FLAG and net-zero targets in February 2025. The KPIs related to this target apply to the entire Lotus Bakeries Group.

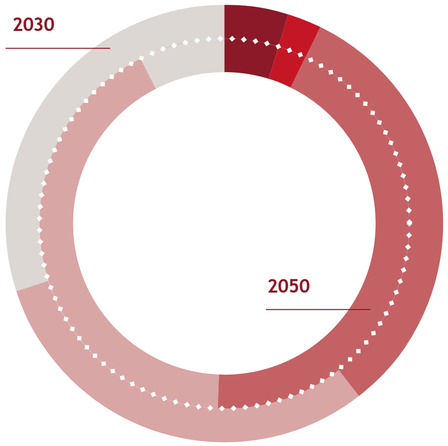
Achieve net zero greenhouse gas emissions across our value chain by 2050 in line with our SBTi-commitment

Overview of our science-based KPIs (validated by SBTi):

- **Scope 1 & 2[6]:** Lotus Bakeries commits to reducing absolute Scope 1 & 2 GHG emissions 42% by 2030 and 90% by 2050 from a 2023 base year.
- **Scope 3 - FLAG:** Lotus Bakeries commits to reducing absolute Scope 3 FLAG GHG emissions by 30.3% by 2030 and 72% by 2050 from a 2023 base year.
- **Scope 3 - Non-FLAG:** Lotus Bakeries commits that 89% of its suppliers of emissions covering purchased goods and services, upstream transportation and distribution, will have science-based targets by 2029.
- **Scope 3 - Non-FLAG:** Lotus Bakeries commits to reducing absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution by 90% by 2050 compared to the 2023 base year.
- **Deforestation commitment:** Lotus Bakeries commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025[7].
- **Net zero:** Lotus Bakeries commits to reaching Net-Zero Greenhouse Gas Emissions across the value chain by 2050.

[6] Lotus Bakeries has set a target for Scope 1 & 2 (market-based) combined, as both scopes are closely linked and will both be influenced by reduction actions related to this target.
[7] Primary deforestation-linked commodities sourced by Lotus Bakeries in non-trivial quantities consist of palm oil and cocoa.

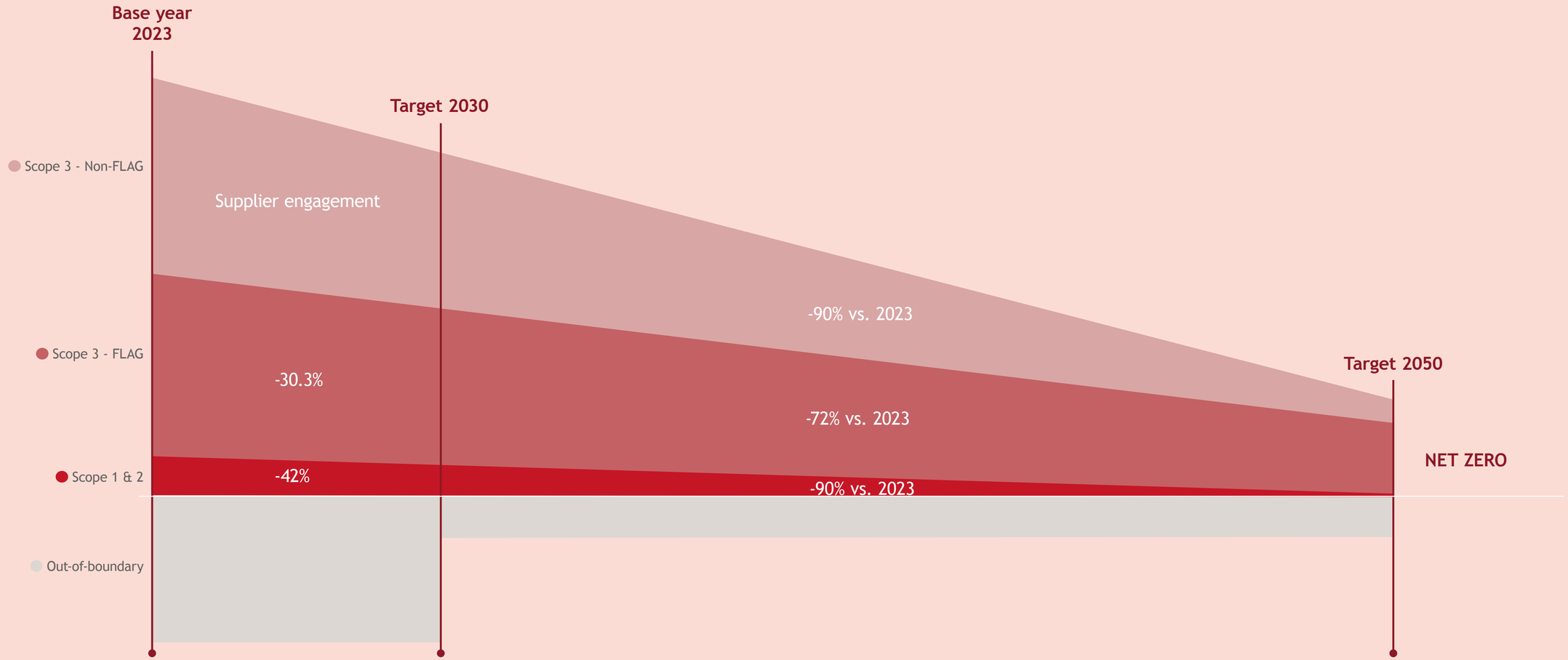
The targets above are defined for the emissions within the target boundaries determined for the 2023 base year in accordance with SBTi. The emissions for the base year 2023 were as follows, presenting the boundaries for the near-term (2030) and the long-term (2050):



Tonnes CO_2e	2030 in Boundary	2030 Target	2050 in Boundary	2050 Target
Scope 1	27,825	-42%	27,825	-90%
Scope 2	12,648	-42%	12,648	-90%
Scope 3 - FLAG	180,079	-30.3%	241,610	-72%
Scope 3 - Non-FLAG	194,071		233,544	-90%
Scope 3 Out-of-boundary	142,652		41,648	
Total emissions	**557,275**		**557,275**	

The above targets are integrated into the following global roadmap.

CARBON REDUCTION ROADMAP



tCO_2e	2023	Target 2030	Target 2050
Scope 1 & 2	40,473	23,474	4,047
Scope 3 - FLAG	180,079	125,515	67,651
Scope 3 - Non-FLAG	194,071	194,071	23,354
Out-of-boundary	142,652	142,652	41,468
Total	557,275	485,712	136,521

Residual emissions to be offset by carbon capture projects

The targets for Scope 1, 2 & 3 represent gross targets and do not include GHG removals, carbon credits or other avoided emissions.

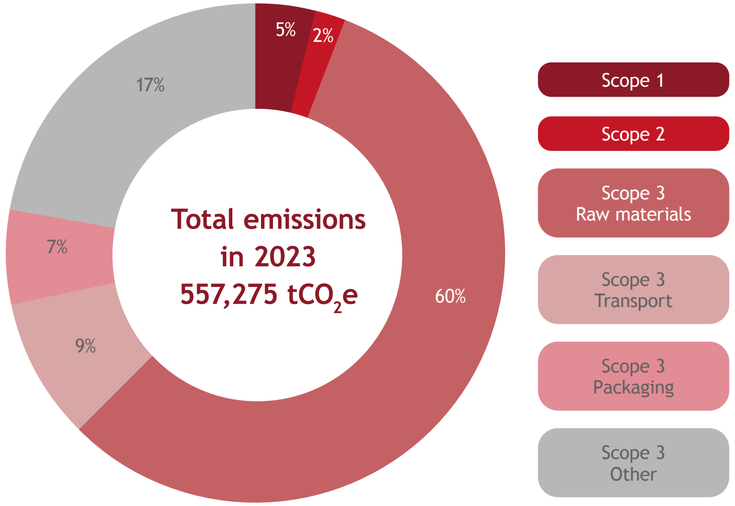
II.1.4. Carbon reduction roadmap

A detailed roadmap was developed to model the reductions for Scope 1, 2 & 3. The roadmap was built from the bottom up at site level and includes intermediary modelling of estimated emissions on the road to target years 2030 and 2050. The roadmap takes into account the foreseen growth of the Group. Below, we will focus on the 2030 carbon reduction roadmap.

II.1.4.1. Base year 2023 carbon footprint

In 2023, Lotus Bakeries calculated the baseline of its carbon footprint. The nature of our activities has not changed compared to 2023. Therefore, we believe using 2023 as the reference year provides relevant insights into where to focus our carbon reduction efforts and helps determine the focus areas of emission-reduction activities across the Group.

Emissions per scope, 2023	
Scope 1	27,825 tonnes CO_2e
Scope 2	12,648 tonnes CO_2e
Scope 3	516,802 tonnes CO_2e



The main action levers of the roadmap have been identified based on our understanding of our 2023 carbon footprint. Our analysis shows that the emission-reduction opportunities with the most potential lie in raw materials in our value chain. Furthermore, transport, packaging and our own operations are identified as focus areas for mitigation actions. However, all scopes will be crucial for reaching our net zero target. Emissions that cannot be mitigated, will need to be removed from the atmosphere through carbon capture by 2050.

ACTION LEVERS

CARBON REDUCTION ROADMAP

SCOPE 1 & 2

DIRECT CONTROL

OWN OPERATIONS

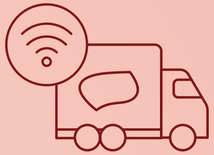
Focus on the electrification of our production process, transition from fossil fuels to renewable energy and shifting to refrigerants with low global warming potential.

SCOPE 3

INDIRECT CONTROL

RAW MATERIALS

Focus on raw materials via investigating low-carbon versions or alternatives to high-emitting raw materials.



TRANSPORT

Focus on efficient transport, optimising location plan and modes of transport.

PACKAGING

Focus on the design of our packaging, including reviewing the end-of-life (EOL) impact and recyclability.

To ensure that our climate action ambitions to reach net-zero GHG emissions across our value chain by 2050 become a reality, we have anchored our transition plan into our overall business strategy and financial planning processes. Doing so allows us to take into account our organic growth trajectory. The actions related to the above action levers will entail CAPEX investments and expenditure, which are considered in the development of the carbon reduction roadmap.

Meeting our targets will require investment in physical infrastructure and equipment in the own operations. While we believe the majority of our equipment can undergo a renewable transition, we do expect to face some potential locked-in GHG emissions related to our current infrastructure. The primary sources of these emissions are fossil-fuel powered ovens and cooling processes using F-gases. We expect the locked-in emissions to remain below the threshold required to meet our targets and that they will not hinder our ability to achieve them. These emissions will, by 2050, be covered through carbon removals.

The OPEX expenditure is related to exploring the impact of low-carbon versions or alternative ingredients to high-emitting ones. Given rising inflation, maintaining cost-effective solutions is crucial. Consumer affordability will remain a primary consideration in our decision-making. In transport and packaging, we aim to further reduce both the distance travelled and the amount of packaging material used. However, we anticipate increased carbon and packaging taxes.

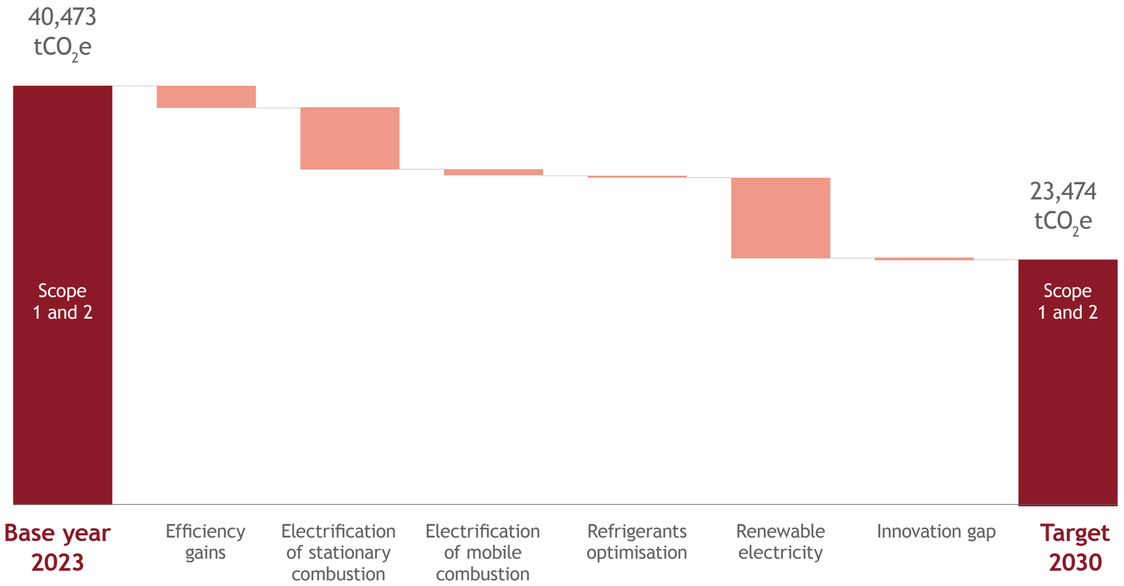
For the EU taxonomy disclosure detailing the sustainable CAPEX and OPEX for the year 2025, please refer to II.4 below.

II.1.4.2. Carbon reduction levers

The following detailed roadmap presents the efforts required to reach our targets. All of these action levers are important in our carbon reduction roadmap, as we need to reach all targets individually. Some actions are already in progress, while others will take longer to prepare and implement. In all scopes, an innovation gap is present in our roadmap. Lotus Bakeries believes that innovation will be key to reaching our targets towards net-zero.

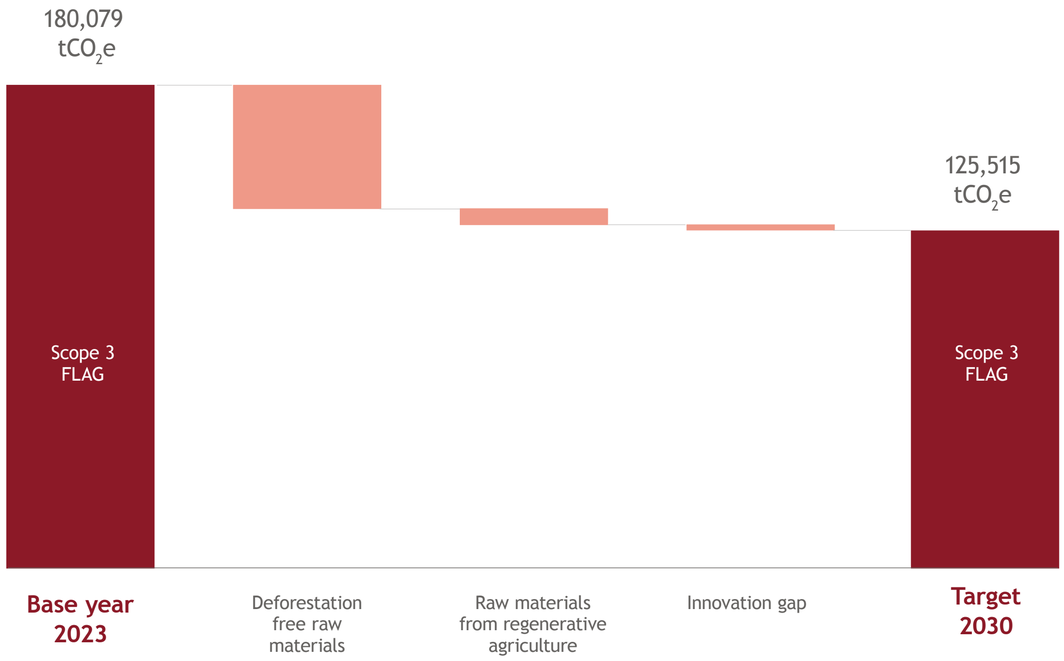
Scope 1 & 2

Scope 1 & 2 is linked to our own operations. Fossil-fuel related energy makes up the bulk of the GHG emissions in our own operations. We are assessing the electrification of gas ovens in the production of our biscuits and bakery snacks, whilst prioritising the preservation of our unique great taste. Next to that we look into reducing energy consumption by improved efficiency in our factories and waste reduction, electrifying our fleet, shifting to refrigerants with lower global warming potential (GWP) and increasing the usage of renewable energy. This is shown in the following reduction plan towards our 2030 target.



Scope 3 FLAG

Actions related to our raw materials have a significant reduction potential for Scope 3 FLAG related emissions. Among these are a focus on deforestation-free commodities and regenerative agriculture. Collaboration with raw material suppliers to consider low-carbon versions or alternatives to high-emitting raw materials are likely to contribute to GHG reduction. This is shown in the following reduction plan towards our 2030 target for Scope 3 FLAG.



Scope 3 non-FLAG

Scope 3 non-FLAG emissions, excluding those related to forest, land and agriculture, represent approximately 50% of our total Scope 3 emission. Lotus Bakeries aims to ensure that by the end of 2029, 67% of our suppliers, based on emission, will have set science-based targets. Achieving this goal requires a focused approach. Consequently, Lotus Bakeries has prioritised two GHG categories within Scope 3 for targeted efforts to convince suppliers to set science-based targets, being purchased goods and services and upstream transportation and distribution. To achieve 67% coverage of total Scope 3 non-FLAG emissions, it is necessary to engage 89% of suppliers within these two selected categories. This percentage is also reflected in our SBTi-targets.

Although supplier engagement is the primary near-term target by 2029, absolute reductions are also envisioned in preparation for the long-term 2050 target on Scope 3 non-FLAG. A significant part of these emissions is related to transport. Since 2019, Lotus Bakeries has chosen to spread its Biscoff® production sites across different continents: Lembeke (BE), Mebane (US) and Chonburi (TH). Furthermore, we plan to work with logistics suppliers to optimise the distance travelled and load efficiency, and to find lower-carbon transport options.

Aside of transportation, relevant actions lie within our sustainable packaging initiatives, such as designing packaging for recyclability and finding packaging alternatives.

For more details regarding the actions, we refer to II.1.5 below.

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II.1.5. Our actions

Scope 1 & 2

Stationary combustion

> Two electric ovens were installed in Belgium as part of a pilot initiative. Throughout 2025, we have continued data collection concerning product quality, financial implications, and the availability of stable electricity supply to assess the potential for broader adoption of electric oven technology.
> The use of coal for heat generation has been fully phased out and replaced by alternative energy sources, resulting in a substantial reduction in greenhouse gas emissions.

Mobile combustion

> The electrification of our fleet has continued in 2025 with 65% of our vehicles now consisting of electric vehicles (2024: 48%). In Belgium (representing the majority of the fleet), 85% of the vehicles are electric (compared to 63% in 2024). Across other European countries, the updated car policies will ensure that all new cars in the fleet are fully electric, supporting the decarbonisation of Scope 1 emissions.

Refrigerants optimisation

> A refrigerant policy has been established to encourage the adoption of low GWP installations for all new investments.

Efficiency gains

> All plants continue to prioritise ongoing efficiency improvements in production, which contribute not only to carbon reduction, but also to lower operating costs and increased site output.
> To effectively monitor the energy usage and energy mix, we have installed e-monitoring systems on our production lines in several plants. These systems provide real-time insights into energy consumption, enabling plant managers and engineers to take timely and targeted actions.

Renewable electricity

> For actions relating to renewable electricity, we refer to II.2.4. below.

Scope 3

As outlined in our carbon reduction roadmap, reducing Scope 3 emissions represents our greatest challenge. Making progress requires targeted actions on raw materials, transport and packaging.

Raw materials

> The dietary shift towards more plant-based consumption is an important step for keeping the global food system within environmental limits. More than 75% of the total Lotus Bakeries' portfolio is already plant-based. We continue to improve the accessibility of these plant-based options to support consumers in making environmentally conscious choices.
> Our carbon reduction roadmap includes a commitment to source deforestation-free primary ingredients, initially focusing on palm oil and cocoa by the end of 2025. We have assessed the deforestation-free status (see below 'Performance versus SBTi targets') and applied more granular emission factors related to the primary ingredients.
> For other primary ingredients, we will work in close collaboration with suppliers to investigate low-carbon alternatives, including regenerative agriculture practices, always keeping our great taste, cost effectiveness, affordability and the highest quality standards at the forefront.

Transport

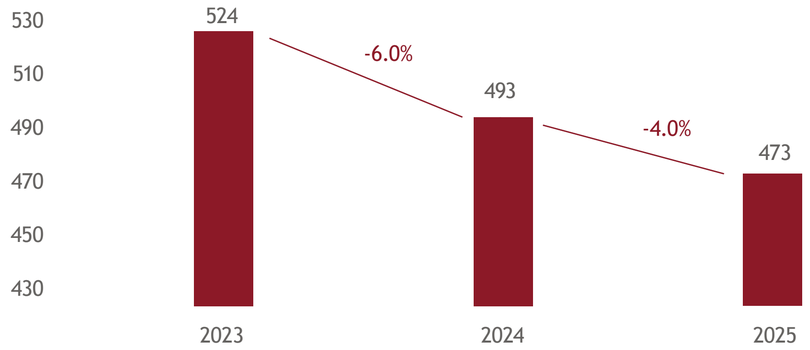
> In 2025, our third production plant for Biscoff® in Thailand has started partially its operations, with the objective to become fully operational in 2026. This has already led to a reduction in long-distance sea transport. For each container shipment from Thailand to our Asia-Pacific customers and warehouses, we saved approximately 20,000 kilometres in 2025, resulting in an estimated GHG emission reduction of about 1,400 tonnes of CO_2e.
> In 2025, we have implemented a stricter airfreight procedure, resulting in a 40% decrease in airfreight-related emissions compared to 2024.
> Furthermore, a network study has been implemented for UK and France leading to a warehouse repositioning closer to customers and a reduction of road transport distances.
> Transport modes are crucial in reducing transport emissions. Multi-modal transport has been rolled out previously for various transport routes within or towards the Czech Republic, Italy, Sweden and the US.
> Since 2025, our transport partner in Belgium operates two electric trucks dedicated for Lotus Bakeries for deliveries from our warehouse in Lokeren to customers within Belgium.
> By choosing the sustainably managed pooling services offered by our pallet providers, we contribute to saving wood resources, diminishing emissions and reducing waste.

Packaging

> The ideal packaging contains as little packaging material as possible, whilst simultaneously optimising the use of recycled materials. This must be achieved without compromising the quality, taste, freshness and affordability of our products. For our actions taken, we refer to II.3.4. below.

II.1.6. Our performance

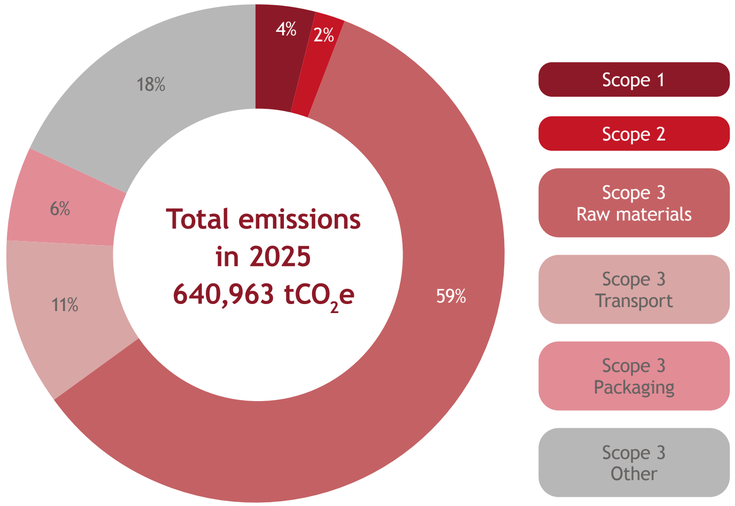
Overall performance



GHG Intensity tCO_2e/mEUR

Since our base year 2023, we have achieved an 9.8% reduction in Greenhous Gas (GHG) intensity, dropping from 524 down to 473 tCO_2 per million EUR. While strong growth of the Group drove a 15.0% increase in absolute GHG emissions – increasing from 557,275 in 2023 to 640,963 tCO_2e – this growth remains notably lower than the consolidated revenue growth since our GHG base year. This demonstrates a successful decoupling of emissions from financial performance.

In 2025, Lotus Bakeries' total Greenhous Gas (GHG) emissions (Scope 1, 2 & 3) amounted to 640,963 tCO_2e, representing an increase of 5.6% compared to the previous year. This increase remains limited compared to the consolidated revenue growth and the expansion of our operational footprint of previous year. By prioritising efficiency and sustainability throughout our operational expansion, we reduced last year our market-based GHG intensity from 493 to 473 tCO_2e per million EUR of revenue, a decrease of 4.0%. The split of our GHG across the 3 scopes remains stable versus previous year: 4% in Scope 1, 2% in Scope 2 and 94% in Scope 3.



Our Scope 1 GHG emissions increased by 7.1% in 2025 compared to 2024. While stationary combustion emissions largely followed revenue growth, this increase was partly compensated by the continued roll-out of electric vehicles. Our market-based Scope 2 emissions increased 30.6%, mainly driven by the start-up of our new Biscoff®-plant in Thailand, where electricity (mainly used for cooling purposes) is associated with a high emission factor. Our Scope 3 GHG emissions rose by 5.0%, mainly attributable to increased volumes of raw materials in line with our revenue growth. Although we have revenue growth, emissions related to transportation decrease (see II.1.5. Our actions). Emissions related to capital goods are calculated spend-based and decrease because of updated emission factors following inflation. End-of-life treatment of sold products decreases as assumptions relating to food waste were applied in line with the EU Product Environmental Footprint (PEF). For waste generated in operations, the methodology was updated to align with the GHG protocol.

GHG INDICATORS	UNIT OF MEASURE	2025	2024	BASE YEAR 2023	VARIANCE 2025-2024	VARIANCE 2025-2023
Stationary combustion	tCO_2e	26,211	24,114	25,626	8.7%	2.3%
Mobile combustion	tCO_2e	979	1,265	1,150	-22.6%	-14.8%
Process emissions	tCO_2e	426	384	332	11.0%	28.3%
Fugitive emissions	tCO_2e	266	271	717	-1.8%	-63.0%
SCOPE 1	**tCO_2e**	**27,882**	**26,033**	**27,825**	**7.1%**	**0.2%**
of which covered by regulated emission trading schemes	%	-	-	-	-	-
Location-based	tCO_2e	16,894	12,944	12,235	30.5%	38.1%
Market-based	tCO_2e	15,502	11,869	12,648	30.6%	22.6%
SCOPE 2	**tCO_2e**	**15,502**	**11,869**	**12,648**	**30.6%**	**22.6%**
Purchased goods and services	tCO_2e	469,456	429,148	411,469	9.4%	14.1%
Upstream transportation and distribution	tCO_2e	56,050	56,875	45,387	-1.5%	23.5%
Capital goods	tCO_2e	31,412	37,897	25,099	-17.1%	25.2%
End-of-life treatment of sold products	tCO_2e	14,498	18,672	14,542	-22.4%	-0.3%
Downstream transportation and distribution	tCO_2e	12,064	12,186	5,320	-1.0%	126.8%
Fuel- and energy-related activities	tCO_2e	8,804	7,635	7,994	15.3%	10.1%
Employee commuting	tCO_2e	2,902	2,836	2,343	2.3%	23.9%
Business travel	tCO_2e	2,028	2,415	2,294	-16.0%	-11.6%
Upstream leased assets	tCO_2e	250	291	574	-14.2%	-56.5%
Waste generated in operations	tCO_2e	95	1,048	986	-90.9%	-90.3%
Processing of sold products	tCO_2e	18	18	-	1.9%	n.a.
Investments	tCO_2e	-	-	794	n.a.	-100.0%
SCOPE 3	**tCO_2e**	**597,579**	**569,021**	**516,802**	**5.0%**	**15.6%**
Total GHG emissions (location-based)	**tCO_2e**	**642,354**	**607,999**	**556,862**	**5.7%**	**15.4%**
Total GHG emissions (market-based)	**tCO_2e**	**640,963**	**606,923**	**557,275**	**5.6%**	**15.0%**
Consolidated revenue	in thousands of EUR	1,355,061	1,231,914	1,062,962	10.0%	27.5%
GHG intensity (location-based)	**tCO_2e/mEUR**	**474**	**494**	**524**	**-4.0%**	**-9.5%**
GHG intensity (market-based)	**tCO_2e/mEUR**	**473**	**493**	**524**	**-4.0%**	**-9.8%**

Performance versus SBTi targets (base year 2023)

Scope 1 & 2[8]: Lotus Bakeries commits to reducing absolute Scope 1 & 2 GHG emissions 42% by 2030 from a 2023 base year.

> Versus the base year 2023, our Scope 1 and Scope 2 GHG emissions combined increased by 7.2%. Within Scope 1, we have increasingly shifted towards lower-emission energy sources, such as LPG for oven heating at our South African BEAR plant, and we have invested in solar installations across the different production sites. Nevertheless, the overall growth of the Group has led to an increase in stationary combustion versus the base year. In Scope 1, we continue since the base year 2023, the roll-out of the car policy (electric vehicles). Our market-based Scope 2 emissions increased with 22.6% versus the base year, largely driven by production capacity expansion.

Scope 3 – FLAG: Lotus Bakeries commits to reducing absolute Scope 3 FLAG GHG emissions by 30.3% by 2030 from a 2023 base year.

> Our Scope 3 FLAG emissions within the boundary amounted to 191,834 tCO_2e. This is part of our Scope 3 purchased goods and services. This is an increase by 6.5% compared to the base year, which remains limited compared to the consolidated revenue growth over the same period. A more granular view of the components enabled us to assign more granular emission factors to the various commodities procured.

Scope 3 – Non-FLAG: Lotus Bakeries commits that 89% of its suppliers of emissions covering purchased goods and services, upstream transportation and distribution, will have science-based targets by 2029.

> In 2025, suppliers have been classified according to their emission impact and climate readiness, referring to their alignment with science-based targets. As a result, we found that 28% of our Scope 3 non-FLAG emissions from suppliers associated with purchased goods and services, upstream transportation and distribution, have science-based targets.

> From 2026 onwards, we will actively engage with high-emission suppliers identified as having low climate readiness. We will assess their climate progress and alignment with Lotus Bakeries' carbon reduction ambition.

Deforestation commitment: Lotus Bakeries commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025[9].

> To meet our SBTi requirements of sourcing our primary deforestation-linked commodities in a deforestation-free way, we follow the AFI guidelines, supplemented with Mass Balance certification. In 2025, we have sourced 94% of our primary deforestation-linked commodities in a deforestation-free way. The remaining 6% were assessed through a newly established supplier due diligence procedure, which identified no or only negligible risks related to deforestation-free sourcing. Once the EU Deforestation Regulation (EUDR) enters into force, deforestation-free sourcing will reach 100% as of December 30, 2026, as the remaining 6% will be covered by an EUDR Due Diligence Statement.

[8] Lotus Bakeries has set a target for Scope 1 & 2 (market-based) combined, as both scopes are closely linked and will both be influenced by reduction actions related to this target.

[9] Primary deforestation-linked commodities sourced by Lotus Bakeries in non-trivial quantities consist of palm oil and cocoa.

II.1.7. GHG removals and mitigation projects financed through carbon credits

Our carbon reduction roadmap is expected to result in a significant reduction in GHG emissions. However, there are residual emissions that will be impossible to mitigate. In the net-zero strategy, these emissions will need to be removed from the atmosphere through carbon capture by 2050.

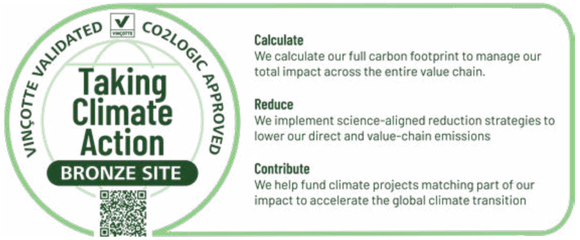
To prepare for this carbon capture, Lotus Bakeries has joined Colruyt Group's collaborative tree project in the Democratic Republic of Congo: the planting of 10,000 hectares of forest, which equates to over 12 million trees. It is foreseen that this project will obtain the Gold Standard verification. Lotus Bakeries is convinced that it is only through collaboration with like-minded partners that we can effectively reduce emissions across the entire value chain.

However, newly planted forests do not yet withdraw significant amounts of carbon emissions from the atmosphere. There are currently no removals performed within our value chain or own operations. Therefore, in our ambition to meet the goals set in the Paris Agreement, extra measures beyond our own value chain are needed until sufficient carbon capture happens through the afforestation project. Already since 2015, Lotus Bakeries has offset the emissions from Scope 1 and 2 by supporting external projects through carbon credits leading to the avoidance of extra GHG emissions. In line with the guidance from SBTi, Lotus Bakeries uses the terminology of Beyond Value Chain Mitigation (BVCM).

BVCM involves efforts such as installation of renewable energy generation or other sustainability projects that go beyond the direct operations and supply chain of Lotus Bakeries. In this way, Lotus Bakeries can further contribute towards achieving global climate goals while complementing our internal climate mitigation targets.

In 2025, Lotus Bakeries has offset its Scope 1 and 2 emissions by supporting a project which transforms wastewater gases into renewable electricity. The project is validated by Verified Carbon Standard (VCS), an external certification body. As this project prevents the generation of GHG emissions and create jobs locally, Lotus Bakeries makes a positive contribution to the local community and the fight against global warming.

In 2025, 43,384 tonnes of GHG emissions, related to Scope 1 & 2 emissions, have been offset through carbon credits of which 100% was related to avoidance projects and 100% was verified against international quality standards of VCS. The cancellation of these carbon credits is externally validated by Vinçotte on a three-yearly basis.



II.1.8. Internal carbon pricing

Internal carbon pricing serves as a mechanism for integrating environmental considerations into business decisions, promoting emissions reductions and advancing sustainability goals within organisations.

At this stage, Lotus Bakeries does not use internal carbon pricing schemes.

II.2. IMPROVE ENERGY USAGE

II.2.1. Why do we care?

Reducing energy consumption and transitioning to alternative energy sources are crucial elements in Lotus Bakeries' carbon reduction strategy, directly contributing to lower greenhouse gas (GHG) emissions and helping to mitigate global warming.

By actively lowering energy use and investing in cleaner technologies, Lotus Bakeries helps decrease its carbon footprint and supports the transition to a low-carbon economy. This not only aligns with climate action objectives but also demonstrates responsible environmental stewardship.

Failing to reduce energy consumption could result in heightened energy demand, placing additional pressure on the energy sector to expand sustainable alternatives. Furthermore, the company faces potential risks from volatile energy prices, regulatory changes, and the physical impacts of climate change on energy supply. By enhancing energy autonomy – such as through the installation of solar panels, battery storage, and on-site generation – Lotus Bakeries strengthens its resilience and business continuity against these external threats.

Finally, improving energy efficiency and embracing renewable energy can lead to significant cost savings and greater operational independence.

II.2.2. Our approach and policies

Our objective is to improve the energy intensity and increase the amount of renewable electricity consumed while increase our grid independence.

Improving energy usage is focused on three axes:

Reduce what we use energy efficiency	**Increase renewable electricity** own generated	**Increase renewable electricity** green procurement

II.2.3. Our target

Next to the carbon footprint targets mentioned above, Lotus Bakeries has also set targets to improve its energy usage by increasing energy efficiency.

Increase renewable electricity and energy efficiency

The KPIs related to this target are as follows:

> Reduce energy intensity per tonne produced by 10% by 2030 compared to the 2023 base year.
> Increase our renewable electricity.

II.2.4. Our actions

To monitor the energy usage, we have an e-monitoring system on our manufacturing lines across multiple sites in the Group. This allows benchmarking across our entire production network and provides valuable insights on where to find optimisation to improve energy efficiency.

One of our Belgian production sites has been equipped with a new air handling unit. By applying passive cooling, more than 100 MWh of energy demand was eliminated, improving working conditions while reducing greenhouse gas emissions.

In 2025, the Group further enhanced its solar energy capacity by installing additional systems across multiple sites.

- The production facility in South Africa, which had already implemented an extensive solar installation and battery storage solution in 2024, underwent further expansion in 2025. As a result, the site's solar installation now supplies 59% of its electricity requirements.
- Our newly established site in Thailand integrated solar panels during its initial construction phase. Commissioned in December, this system is projected to generate approximately 700 MWh annually.
- Since January 2025, a new solar park has been commissioned in our plant in Enkhuizen (NL). 2,268 solar panels generate renewable electricity, covering around 40% of the site's electricity needs, primarily for cooling systems.
- Several Belgian production locations expanded their solar capacities to ensure compliance with regional regulations in Flanders. Collectively, three sites have added a total of 1,300 MWh of solar energy capacity.

Further assessments are scheduled to determine additional prospects for expanding on-site renewable energy generation.

II.2.5. Our performance

The following table presents an overview of the energy consumption and mix as used by Lotus Bakeries. As Lotus Bakeries is operating in the food sector, it is considered to operate in a high climate impact sector according to NACE sections A to H in EU regulation 2022/1288. Considering that all of our revenue relates to the food sector, all our revenue stems from high climate impact sectors.

ENERGY CONSUMPTION AND MIX	UNIT OF MEASURE	2025	2024	BASE YEAR 2023	VARIANCE 2025-2024	VARIANCE 2025-2023
Coal and coal products	MWh	-	2,029	14,017	-100.0%	-100.0%
Crude oil and petroleum products	MWh	11,712	9,215	9,656	27.1%	21.3%
Natural gas	MWh	129,938	120,147	104,851	8.1%	23.9%
Other fossil sources	MWh	-	-	-	n.a.	n.a.
Purchased or acquired electricity, heat, steam or cooling from fossil sources	MWh	41,297	31,238	27,657	32.2%	49.3%
TOTAL ENERGY CONSUMPTION FROM FOSSIL SOURCES	**MWh**	**182,948**	**162,628**	**156,181**	**12.5%**	**17.1%**
Share of fossil sources in total energy consumption	%	83%	83%	84%	-0.7%	-1.3%
TOTAL ENERGY CONSUMPTION FROM NUCLEAR SOURCES	**MWh**	**33,128**	**29,439**	**28,282**	**12.5%**	**17.1%**
Share of nuclear sources in total energy consumption	%	15%	15%	15%	-0.7%	-1.3%
Renewable sources	MWh	-	-	-	n.a.	n.a.
Purchased or acquired electricity, heat, steam or cooling from renewable sources	MWh	2,072	1,850	2,019	12.0%	2.6%
Self-generated non-fuel renewable energy	MWh	3,421	1,615	298	111.8%	1047.9%
TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES	**MWh**	**5,493**	**3,465**	**2,317**	**58.5%**	**137.1%**
Share of renewable sources in total energy consumption	%	2%	2%	1%	39.9%	99.8%
Total energy consumption	**MWh**	**221,568**	**195,532**	**186,780**	**13.3%**	**18.6%**
Consolidated revenue	in thousands of EUR	1,355,061	1,231,914	1,062,962	10.0%	27.5%
Energy intensity	**MWh/mEUR**	**164**	**159**	**176**	**3.0%**	**-6.9%**

Overall performance

In 2025, our Group-level energy consumption increased with 13% and intensity per million EUR revenue increased by 3% compared with 2024. The rise is primarily driven by our new production site in Thailand. During its start-up phase, the plant is consuming electricity but has not yet reached its operational output or revenue levels, which influences the intensity metric. Our longer-term trajectory remains nevertheless positive. Relative to the 2023 base year, we achieved a 7% reduction in energy intensity per million EUR revenue in 2025.

Performance against our energy KPIs

Our energy intensity per tonne produced decreased by 5.7% compared with 2023, whereas our KPI is to reduce energy intensity by 10% versus 2023. This evolution highlights the impact of our ongoing energy efficiency initiatives, operational optimisations, and investments in more modern and efficient production assets.

In addition to improving energy efficiency, we have a KPI to increase renewable electricity. In 2025, we continued to invest significantly in our solar-capacity (see actions), which resulted in an increase of renewable electricity used, reaching 5,493 MWh compared to 2,317 MWh in 2023.

II.3. SUSTAINABLE PACKAGING

II.3.1. Why do we care?

At Lotus Bakeries, packaging plays a vital role in delivering high-quality products and ensuring a superior taste experience for our consumers. It is essential for maintaining food safety and minimising food waste throughout the value chain. However, we recognise that packaging also contributes to environmental impacts, particularly in terms of waste generation.

To address these environmental impacts, Lotus Bakeries has long been guided by a Packaging Policy aimed at reducing the volume of packaging placed on the market, enhancing recyclability, and minimising the use of virgin materials. This strategic direction was reinforced by our double materiality assessment, which highlighted product packaging as an area of impact materiality.

As packaging is integral to all product categories, this topic remains pertinent across all our business units. We utilise a diverse range of packaging materials in our products, including paper and pulp-based materials, glass, and plastics. While packaging is primarily managed within our own operations, its environmental footprint extends across the entire value chain, from the sourcing of raw materials and production of packaging to distribution and end-of-life treatment.

Packaging waste is recognised as a key area of environmental concern, encompassing impacts throughout the lifecycle - from the use of virgin materials to disposal practices by end-users. Nonetheless, packaging can offer positive environmental impacts by minimising food waste through optimised portion sizes and extended shelf life.

Maintaining the status quo would carry several potential risks, such as evolving regulatory requirements, increasing Extended Producer Responsibility (EPR) obligations, new plastic and litter taxes, and shifting expectations among customers and consumers. There is heightened pressure on businesses to reduce packaging and demonstrate environmental stewardship. Furthermore, misinterpretation regarding the role of packaging in food safety and waste prevention may adversely affect consumer perceptions.

Conversely, promoting packaging circularity offers opportunities to meet stakeholder expectations, strengthen brand reputation, and achieve cost reductions in both material sourcing and regulatory compliance.

It is imperative that this transition towards a more circular economy is managed diligently to mitigate potential risks such as burden shifting and to ensure that investments in circular packaging generate measurable environmental and business benefits.

II.3.2. Our approach and policies

In 2024, Lotus Bakeries revised and expanded its Packaging Policy to address the rapidly evolving packaging landscape and align with the expectations of key stakeholders, including suppliers, customers, consumers, and industry associations. This policy is applicable to all global operations, covering both our own production facilities and external manufacturing partners. Products sold under license are excluded from the scope of this policy.

The Packaging Policy addresses environmental impacts throughout the entire value chain and is governed by the Executive Committee, which assumes responsibility for its implementation. This policy is available on our corporate website and is proactively communicated to all relevant stakeholders involved in its execution.

[10] Sustainable sourcing is defined by Lotus Bakeries as the use of certified fibers from responsibly managed forests, including FSC®, PEFC™, or SFI® certifications. These certifications are promoted where sourcing conditions allow.
[11] The shift towards renewable resources involves using materials like cardboard, corrugated board, paper, and wood.

Our packaging strategy is built around three axes:

LOTUS BAKERIES' PACKAGING POLICY

Reduce what we use

This axe focuses on minimising the volume of packaging required to safely transport and present our products. By **reducing packaging**, we also reduce the extraction of virgin resources, contributing to lower environmental impact and improved resource efficiency.

Design for tomorrow

Under this axe, we aim to improve the **recyclability** of our packaging materials. Enhancing recyclability supports the development of high-quality recycled materials, which can be reintegrated into new applications, thereby strengthening the circular economy.

Aim for circularity

This axe encompasses the **transition** away from virgin resource extraction, the sustainable sourcing[10] of packaging materials, and the increased use of renewable resources[11]. We prioritise recycled paper fibres where material integrity can be maintained and promote the use of recycled glass. For plastics, the use of recycled content is encouraged, although food safety requirements present challenges.

Our Packaging Policy is aligned with the waste hierarchy, prioritising prevention. Where packaging cannot be avoided, our 'Design for Tomorrow' axe ensures it is recyclable, thereby reducing its environmental footprint and supporting circularity.

II.3.3. Our target

Limit packaging impact

The KPI related to this target is as follows:

> Design at least 98% of our packaging to be technically recyclable by end 2025.

Our packaging target aligns with the principles of circularity and supports the recycling layer of the waste hierarchy. It contributes to the circular design of products by ensuring that packaging materials can be reintegrated into the value chain, thereby increasing the availability of recycled content and reducing reliance on virgin raw materials. For more details on the calculation methodology and in-scope packaging, refer to section II.3.5.

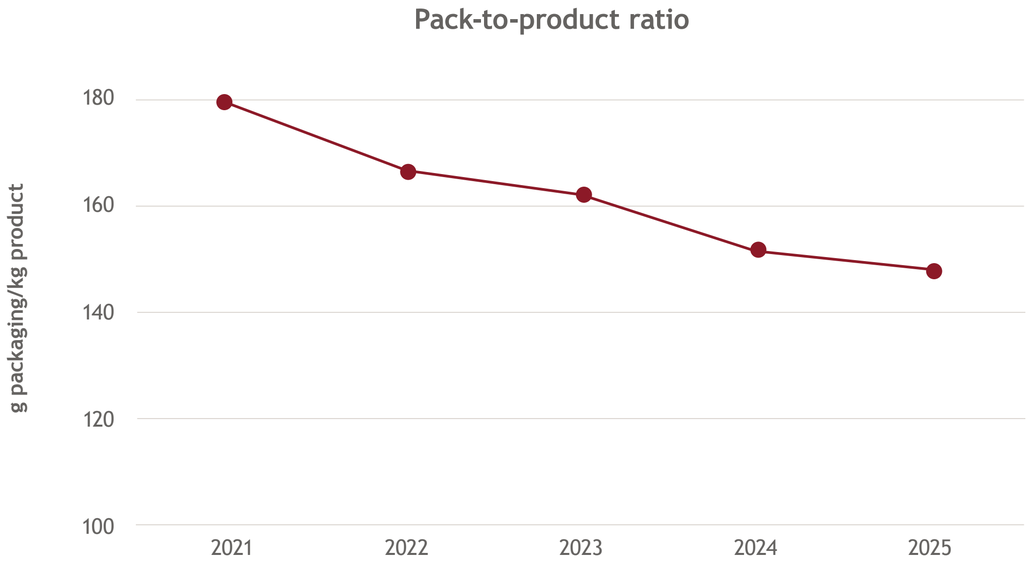
Lotus Bakeries acknowledges the upcoming requirements of the EU Packaging and Packaging Waste Regulation (PPWR), which mandates full recyclability by 2030. While the detailed recyclability criteria under PPWR are still under development, we currently apply industry-led design guidelines to assess the technical recyclability of our packaging. Once the official PPWR guidelines are published, our internal design standards will be updated to ensure full regulatory compliance.

II.3.4. Our actions and performance

Reduce what we use

Reductions in packaging materials have always been at the core of our Packaging Policy. In the Packaging Policy, these reduction efforts are further strengthened through the introduction of a traffic light system, which determines whether a packaging concept is acceptable based on the amount of packaging material used. For new developments, packaging should immediately comply with the acceptability thresholds defined by the traffic light system. Existing concepts will be systematically assessed against these criteria and will be adapted where they are deemed excessively heavy.

Since the introduction of its Packaging Policy, Lotus Bakeries has been monitoring its reduction efforts using the package-to-product ratio. This metric represents the amount of packaging required to safely deliver 1kg of finished product to the consumer. As Lotus Bakeries continues to grow strongly, the package-to-product ratio provides a clear intensity-based indicator of the progress made in reducing packaging materials.



The graph illustrates a consistent reduction in packaging material use since 2021. These savings have been achieved by systematically increasing the resource efficiency of our product packaging weight procured, via a combination of continuous optimisation and targeted packaging improvement projects.

As a result, waste generation is prevented both within our own operations and downstream across our value chain, demonstrating how efficiency gains translate directly into environmental benefits.

At the South African production site, teams took a closer look at how everyday packaging choices could make a tangible difference. By carefully reviewing the film used to pack BEAR® and nākd.® products, they identified an opportunity to safely reduce the film thickness without compromising product protection or quality.

This improvement was swiftly translated into action. The updated, thinner packaging - using 12% less plastic - has already been rolled out and is now available on the market. Together, the optimisation efforts for both brands result in an annual reduction of approximately 40 tonnes of plastic in consumer packaging, demonstrating how initiatives can deliver meaningful environmental impact at scale.

As packaging reductions progress, further material lightweighting is increasingly challenged by the processability of packaging materials within our production plants. Achieving sustainable reductions therefore requires careful and continuous balancing of material efficiency and operational performance.

Determining the optimal packaging weight is an integral part of our day-to-day procurement and R&D activities and is further addressed through structured packaging reduction initiatives. Looking ahead, Lotus Bakeries remains dedicated to further reducing packaging materials, with additional reduction initiatives planned for the coming years.

Design for tomorrow

Our recyclability performance has progressed significantly across all our products since 2019. As part of our commitment to launch >98% technically recyclable packaging by the end of 2025, we achieved a score of 98.2% technical recyclability at the end of 2025. Annual systematic improvements since 2019 have resulted in reaching our objective, whilst giving preference to packaging solutions that are both easy to recycle and affordable for consumers. The actions taken to reach this objective can be related to circular design or prevention of waste generation.

When looking beyond the target and investigating to reach 100% technical recyclability, the last percentages are the hardest to cover. When changing packaging materials, the challenge lies in maintaining the highest food quality as well as ensuring operational processability, whilst keeping our products affordable for our consumers.

The main challenge to reach full technical recyclability is the lid of the Biscoff® spread jar. For the Biscoff® spread jar lids, the individual components (plastic lid and cardboard backing) of the lid are technically recyclable. However, the ISO 18601 standard defines a packaging component as a part of packaging that can be separated by hand or by using simple physical means. This definition is also used by the Ellen MacArthur foundation. While our Biscoff® spread lid's components are recyclable separately, consumers currently need a tool to separate them for proper sorting. Therefore, both components need to be evaluated together and the lid cannot be defined recyclable in its totality. If we relaxed this strict guideline, we would achieve nearly 100% technical recyclability in 2025. However, finding a solution for the lid of the Biscoff® jar that stays affordable and is recyclable in line with the strict industry guidelines has proven to be a challenge.

Aim for circularity

Lotus Bakeries' Packaging Policy further contributes to a circular economy in the 'Aim for Circularity' axis. We seek to create environmental awareness amongst our end-users and ensure that products are sorted and recycled to subsequently use the recycled material. To close the cycle as much as possible, there are some focus points which are tackled in our 'Aim for Circularity' axis.

Sustainable sourcing

For new virgin material, we aim to use sustainable resources where possible. When it comes to switching to renewable materials, we base our decisions on assessments of environmental footprint to prevent unintended consequences. For instance, although paper is a renewable resource, it can sometimes have a larger environmental impact than plastic because it often requires more material to serve the same purpose.

For fibre-based materials, we actively inquire about the availability and price of certified fibres, including FSC, PEFC and SFI certifications, during tender procedures. The current status is that 84% of paper and pulp-based materials are sourced from sustainably managed forests. It is crucial to keep in mind the sourcing situation worldwide, as sourcing materials from certified fibres might in some locations lead to increased transport distances and thus increased environmental impact. Therefore, Lotus Bakeries has set no target on the percentage of fibres to be sourced from sustainably managed forests. However, we keep challenging our suppliers to deliver us certified fibre-based materials in order to increase the percentage of certified fibres in the coming years.

Recycled materials

Recycled material use is crucial to close the cycle. We have high percentages of recycled content in paper & pulp- and glass-based packaging of 78% and 45% respectively. Recycled content for plastic packaging in food-contact applications is minimal due to restrictions linked to food safety. Mechanically recycled plastic is not permitted to come into contact with food. Chemically recycled plastic offers a solution for this, but at present this is only made available on a limited scale. Currently, it is not yet possible to close the cycle and reuse our recyclable packaging as recycled content in food packaging. A significant step that has been taken in recent years, is a case study where chemically recycled material was added to our 250g wrapper of Biscoff® in Spain. This first case study showed the challenges and opportunities of using chemically recycled content in direct food-contact wrappers. This recycled content for our Biscoff® 250g wrapper in Spain was maintained in 2025.

Correct collection

We constantly update the recycling information on pack. Packaging that is recyclable in the country where it is marketed, carries the ‘Recycle Me’ logo. If not, the packaging will show the 'Tidy Man', urging consumers to dispose of it carefully. In this way, we want to contribute to the optimisation of waste management.

Sorting and recycling through collective action

Lotus Bakeries contributes to worldwide waste treatment through various networks and initiatives. We are member of the Flexible Plastics Fund in UK, CEFLEX in Europe and we contribute to EPR systems all over the world. Lotus Bakeries contributes to Extended Producer Responsibility in all countries where this is obliged through the respective Packaging Responsibility Organisations (PROs), such as Fost-Plus in Belgium, CITEO in France and Verpact in The Netherlands. These PROs can be government-led or industry-organised and the resources contributed to EPR flow towards increasing the recycling rates of our packaging materials in the respective countries.

CEFLEX
A CIRCULAR ECONOMY FOR FLEXIBLE PACKAGING

The **Circular Economy for Flexible Packaging** (CEFLEX) initiative is a collaboration of over 180 European companies, associations and organisations representing the entire value chain of flexible packaging. The goal of the initiative is to make all flexible packaging in Europe circular. CEFLEX’s ‘Mission Circular’ commits to the collection of all flexible packaging and over 80% of the recycled materials channelled into valuable new markets and applications to substitute virgin materials.

Lotus Bakeries has been an active member of the CEFLEX initiative since 2020 and participates in the working groups concerning the development of design guidelines for a circular economy (D4ACE). Furthermore, Lotus Bakeries applies the already existing CEFLEX guidelines to develop recyclable flexible packaging.

The **Flexible Plastic Fund** is a UK-based collaborative fund of 20 renowned UK consumer goods' manufacturers giving value to hard to-recycle flexible plastics. The Flexible Plastic Fund is working with retailers, recyclers, local authorities and manufacturers using flexible plastic packaging to create an efficient system that incentivises high-quality recycling of a material that has historically gone to waste. The Fund is driving towards the long-term ambitions of ensuring flexible plastic recycling is UK based, fully circular and facilitated by household recycling collections.

Lotus Bakeries has been a member of the Flexible Plastic Fund since its establishment in 2021 through the brands Lotus Bakeries UK Ltd., Natural Balance Food and Kiddylicious®. Lotus Bakeries actively participates in the funder meetings and financially supports the Flexcollect trials to pilot household collections in UK and the retail collections of flexible plastics.

II.3.5. Metrics

All metrics are calculated for Lotus Bakeries' own packaging. This covers packaging used for finished goods commercialised by the Lotus Bakeries Group, whether produced in our own production sites or by external production partners. The scope comprises consumer, distribution and transport packaging.

Packaging inflows

Lotus Bakeries uses packaging to protect and preserve its products. This includes plastic, glass, paper & pulp-based, metals and other miscellaneous packaging materials. The following table presents the weights and recycled content of the packaging inflow, including the classification in biological or technical materials and whether the biological materials are sustainably sourced.

	WEIGHT (TONNES)	% OF TOTAL	WEIGHT RECYCLED CONTENT (TONNES)	% RECYCLED MATERIAL	SUSTAINABLY SOURCED (%)
Biological materials					
Cardboard & paper	19,475	**51%**	15,203	**78%**	84%
Technical materials					
Glass	8,442	**22%**	3,840	**45%**	n.a.
Plastic	7,400	**20%**	84	**1%**	n.a.
Metal	192	**1%**	0	**0%**	n.a.
Others	2,438	**6%**	0	**0%**	n.a.
Total packaging	**37,948**	**100%**	**19,128**	**50%**	

The above total weights are calculated based on the procured amounts and weight per item per packaging component. The procured amounts are derived from the purchase orders and holds no assumptions. The weight per packaging component is as received from our suppliers and holds no assumptions. For packaging procured by production partners, only outflow weights are known. Therefore, the assumption is taken that inflow equals outflow. The data was aggregated to obtain the above disclosed numbers.

The rate of recycled content per item is as received from the supplier. In case no information is available for a specific packaging component, industry averages for recycled content are assumed.

Biological materials are seen as sustainably sourced if they hold FSC, PEFC or SFI certification. Information on certification is as received from the supplier. In case no information is available for a specific packaging component, no certification is assumed.

None of the materials were sourced from by-products or directly from waste streams without intermediate recycling. Double counting was avoided by using the procurement data from purchase orders, where no double orders are present.

Packaging outflows

Lotus Bakeries has packaging outflows from two different streams.

The first packaging material outflow is linked to sold goods. Once our products are packed, they are sold together with the packaging towards customers and consumers. This outflow increases the durability of our products, by prolonging the shelf life of our products to the best-before date. An important metric to discuss, which is linked to our target to limit packaging impact, is recyclable content of the packaging. This will be discussed below.

The second packaging material outflow is related to packaging waste generated during the production process. This can, for example, be linked to production line start-ups or stops or to packed products that are discarded because of quality control. The quantification of this packaging waste is summarised together with other waste in ‘Waste and circular economy’ under I.4.5.3. Relevant non-material ESG topics.

The rate of technically recyclable packaging is 98.2%.

The rate of technically recyclable packaging is defined as the average technical recyclability of all our packaging placed on the market in 2025. The technical recyclability rate is determined per packaging component, based on state-of-the-art design guidelines for recyclability. The overall recyclability rate is then calculated as a weighted average, based on the packaging weight of each packaging component and their technical recyclability. The weight of the packaging components is as received from our suppliers and holds no assumptions. The recyclable content of our product packaging is validated by our assurance provider, with no additional external validations.

II.4. EU TAXONOMY

II.4.1. Introduction

The EU Taxonomy is a classification framework designed to help companies, investors, and policymakers identify environmentally sustainable activities. This section contains the EU Taxonomy disclosures as stipulated by the European Taxonomy Regulation (EU 2020/852) and its supporting Delegated Regulations (Climate Delegated Act - (EU) 2021/2139, Disclosures Delegated Act (2021/2178) and Environmental Delegated Act - (EU) 2023/2486).

The EU has defined 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

For each of these objectives, the EU has published a catalogue of economic activities (the Delegated Regulations). If an activity performed by the company is described in the Delegated Regulations, it is considered as eligible and should be included in the EU Taxonomy Disclosure Table. If the eligible activity is considered to make a substantial contribution to one of the above-mentioned six environmental objectives, does no significant harm to any of the other five, and we as a group comply with the minimum safeguards, the eligible activity is designated as ‘aligned’.

It is important to note that ‘non-eligible’ under the EU Taxonomy Regulation indicates that an activity is currently not described in the Delegated Acts. This status may arise because the activity is not yet within the regulatory scope, has a relatively low environmental impact compared to prioritised sectors, or lacks a currently defined technical pathway to contribute substantially to environmental objectives. Therefore, non-eligibility is a reflection of the current regulatory framework's boundaries and should not be interpreted as an indication of our sustainability performance or ambition; or lack thereof.

Update to the EU Taxonomy legislation

The EU Taxonomy currently focuses on sectors with the highest emissions impact, including energy, manufacturing, transport, construction and activities enabling their transformation. The development of the EU Taxonomy is an ongoing process. We will continue to assess our Taxonomy-eligible and Taxonomy-aligned activities considering the evolving legal framework of the EU Taxonomy Regulation and continue to integrate the requirements of the EU Taxonomy in our business model and reporting policies and procedures.

Following the publication of Commission Delegated Regulation (EU) 2026/73 which amends Delegated Regulation (EU) 2021/2178 regarding the simplification of disclosure content and presentation, as well as Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486, companies have been granted a dual option for the 2025 financial year to either continue using previous requirements or transition early to the simplified framework. Lotus has elected to adopt the simplified disclosure templates introduced by this amendment to enhance the clarity and efficiency of the reporting. While the amending regulation also introduces a 10% materiality threshold for the exclusion of certain economic activities, Lotus has chosen not to apply this threshold, maintaining a full assessment of all identified activities. The transition to the updated templates allows for a significantly more efficient presentation, reducing the total number of required datapoints for non-financial undertakings by approximately while maintaining comprehensive transparency.

II.4.2. Assessment of our activities within the framework

Scope of the activities

There are three KPIs on which companies need to report for the EU Taxonomy: revenue (Turnover), investments (CapEx) and operational expenditures (OpEx). The reported KPI is expressed as the proportion of the activities related to assets or processes associated with environmentally sustainable economic activities, to the total activities (denominator as defined by Annex 1 of the Delegated regulation 2021/2178). Note the OpEx denominator does not necessarily comply to the financial definition.

- **Turnover denominator** – the denominator reconciles to the consolidated revenue as presented in the consolidated statement of profit or loss. See the Consolidated Financial Statements – Note 4.
- **CapEx denominator** – the denominator includes all additions to (in-)tangible assets made during the financial year. The amount shall be considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, and excluding fair value changes. The denominator also includes additions resulting from business combinations and leases. We refer to the acquisitions mentioned in note 14 on intangible assets and in note 15 on property, plant and equipment of the Consolidated Financial Statements.
- **OpEx denominator** – the definition of the denominator slightly differs from the financial definition. The scope of the EU Taxonomy framework is limited to the direct non-capitalised costs related 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 assets that are necessary to ensure the continued and effective functioning of such assets. We refer to the line item 'Services and other goods' in the Consolidated statement of profit and loss.

To avoid double counting, Turnover, CapEx and OpEx are clearly defined to ensure that there is no overlap across these financial metrics. Additionally, we have only taken the climate change mitigation objective in scope, thereby avoiding double counting across objectives.

Eligible activities

With regard to the numerator, our assessment was conducted in three stages:

- **Stage 1 - Screening of eligible economic activities** – we performed a screening of the activities defined in the EU Delegated Acts and reviewed our activities for eligibility. We identified areas where we had eligible economic activities which were subject to further assessment.
- **Stage 2 - Assessment of eligible economic activities** – each of the identified activities was assessed to determine how the description of the activity corresponds to our operations.
- **Stage 3 - Assessment of aligned economic activities** – we reviewed the technical screening criteria and DNSH-criteria for the defined activities to assess alignment. This was a joint effort with key internal stakeholders. On group level, we assessed the minimum social safeguards.

Turnover eligible activities

The main activity of Lotus Bakeries Group is the production and sale of indulgent and better-for-you snacks. Currently, the food and beverage sector is not covered by the Delegated Regulations. Thereby, none of our revenue as detailed in our consolidated statement of profit or loss for the year ended December 31, 2025 comes from eligible nor aligned activities.

CapEx eligible activities

Most of our CapEx eligible activities are related to the growth of our company; and more specifically to that of the production sites and their infrastructure. For CapEx projects, our review was limited to those with an investment amount exceeding the 100 kEUR threshold.

In 2025, we have continued the construction of our new Biscoff® plant in Thailand (see investments in '7.1 Construction of new building'). During construction, we have kept in mind the sustainability criteria and the plant is built to withstand the hand of time. We have also renovated our offices in Lembeke (BE) to be fit for the future expansion of our company and to cover the needs of the departments (see investments in '7.2 Renovation of existing buildings').

Lastly, throughout the year, we have also invested in our existing plants to improve their energy efficiency (see our target set in Chapter II.2 Improve energy usage; where we aim to reduce the energy intensity per tonne produced by 10% by 2030). These investments can be traced to the EU Taxonomy activity code '7.3 Installation, maintenance and repair of energy efficiency equipment'. Our investments in solar panels (see II.2 for the examples in Enkhuizen (NL) and Wolseley (SA)) are reported in '7.6 Installation, maintenance and repair of renewable energy technologies'.

OpEx eligible activities

The taxonomy-eligibility of OpEx is very limited for the Group. The largest in scope operational expenses is the bicycles leased for our employees ('6.4 Operation of personal mobility devices, cycle logistics').

Aligned activities

To report on alignment in context of the EU Taxonomy framework, an activity needs to comply to three criteria:

1. Does the eligible activity actively contribute to one or more of the environmental objectives?
2. Does performing the activity not harm one of the other environmental objectives?
3. Does Lotus Bakeries as a group comply to the minimum social safeguards?

Lotus Bakeries has assessed the **substantial contribution criteria** for all eligible activities based on the legislative requirements of the relevant activity codes (referred to as 'technical screening criteria'). At Lotus Bakeries we do not always have the required data available.

For the **'Do No Significant Harm' (DNSH) criteria**, Lotus Bakeries must verify that the eligible activity does not significantly harm one (or more) of the other five environmental objectives included in the EU Taxonomy. A key component for this assessment, is having a local Climate Risk and Vulnerability Assessment (CRVA) for the site where the activity is performed. As we do not have these, we cannot confirm we comply to the DNSH criteria and thus we will not report on alignment. In addition,we did not perform the assessment of the remaining DNSH criteria (due to not meeting the Climate Change Adaptation DNSH criteria).

Lastly, Lotus Bakeries must be compliant with the **minimum social safeguards** principle. This implies that we do business in accordance with OECD guidelines for Multinational Enterprises (MNE), United Nations Guiding Principles on Business and Human Rights (UNGPs), the eight ILO conventions on fundamental principles and rights at work, and the international bill of human rights. The Group considers its processes related to the minimum safeguards to be robust and no violations have been identified.

II.4.3. EU TAXONOMY REPORTING

SUMMARY KPIS - PROPORTION OF TURNOVER/CAPEX/OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025

					BREAKDOWN BY ENVIRONMENTAL OBJECTIVES OF TAXONOMY-ALIGNED ACTIVITIES										
KPI	TOTAL	PROPORTION OF TAXONOMY ELIGIBLE ACTIVITIES	TAXONOMY-ALIGNED ACTIVITIES	PROPORTION OF TAXONOMY-ALIGNED ACTIVITIES	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	CIRCULAR ECONOMY	POLLUTION	BIO-DIVERSITY	PROPORTION OF ENABLING ACTIVITIES	PROPORTION OF TRANSITIONAL ACTIVITIES	NOT ASSESSED ACTIVITIES CONSIDERED NON-MATERIAL	TAXONOMY ALIGNED ACTIVITIES IN PREVIOUS FINANCIAL YEAR 2024	PROPORTION OF TAXONOMY-ALIGNED ACTIVITIES IN PREVIOUS FINANCIAL YEAR 2024
	in € million	%	in € million	%	%	%	%	%	%	%	%	%	%	in € million	%
Turnover	1,355	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%
CapEx	120	12%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%
OpEx	36	1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025

					ENVIRONMENTAL OBJECTIVE OF TAXONOMY-ALIGNED ACTIVITIES								
ECONOMIC ACTIVITIES	CODE	TAXONOMY ELIGIBLE KPI (PROPORTION OF TAXONOMY ELIGIBLE CAPEX)	TAXONOMY ALIGNED KPI (MONETARY VALUE OF CAPEX)	TAXONOMY ALIGNED KPI (PROPORTION OF TAXONOMY ALIGNED CAPEX)	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	CIRCULAR ECONOMY	POLLUTION	BIO-DIVERSITY	ENABLING ACTIVITY	TRANSITIONAL ACTIVITY	PROPORTION OF TAXONOMY-ALIGNED IN TAXONOMY-ELIGIBLE
		%	in € million	%	%	%	%	%	%	%	E	T	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Construction of new buildings	CCM 7.1	5%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Renovation of existing buildings	CCM 7.2	1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Acquisition and ownership of buildings	CCM 7.7	3%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SUM OF ALIGNMENT PER OBJECTIVE					0%	0%	0%	0%	0%	0%			
TOTAL KPI (CAPEX)		**12%**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025

					ENVIRONMENTAL OBJECTIVE OF TAXONOMY-ALIGNED ACTIVITIES								
ECONOMIC ACTIVITIES	CODE	TAXONOMY ELIGIBLE KPI (PROPORTION OF TAXONOMY ELIGIBLE OPEX)	TAXONOMY ALIGNED KPI (MONETARY VALUE OF OPEX)	TAXONOMY ALIGNED KPI (PROPORTION OF TAXONOMY ALIGNED OPEX)	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	CIRCULAR ECONOMY	POLLUTION	BIO-DIVERSITY	ENABLING ACTIVITY	TRANSITIONAL ACTIVITY	PROPORTION OF TAXONOMY-ALIGNED IN TAXONOMY-ELIGIBLE
		%	in € million	%	%	%	%	%	%	%	E	T	
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	CCM 7.4	0.05%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operation of personal mobility devices, cycle logistics	CCM 6.4	1%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SUM OF ALIGNMENT PER OBJECTIVE					0%	0%	0%	0%	0%	0%			
TOTAL KPI (OPEX)		**1%**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

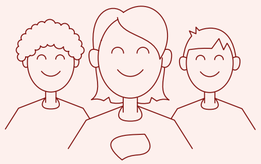
III. ONE LOTUS FAMILY

OUR COMMITMENT

Our commitment to sustainability is rooted in our people, partners, and local communities, with our ‘Care for Today, Respect for Tomorrow’ programme forming a vital part of our ESG strategy. The company fosters an inclusive and inspiring workplace through its TOP culture - Team spirit, Open Dialogue, and Passion - focusing on employee well-being, health and safety, diversity, growth, and equal opportunities. With a globally balanced workforce, Lotus Bakeries actively supports human and labour rights, encouraging ongoing dialogue to strengthen collaboration across the value chain. Attracting, developing, and retaining a diverse team is key to driving performance and ensuring the company’s continued growth and resilience.

OUR FOCUS AREAS

ONE LOTUS FAMILY



Well-being, diversity, equity & inclusion

Health & safety

OUR TARGETS AND PERFORMANCE

Well-being, diversity, equity and inclusion

	UNIT	TARGET	STATUS 2025	STATUS 2024
Provide strong job security with over 90% of the own workforce on permanent contract	%	>90%	85%	92%
Women and men in leadership positions equally managed	%	-10% to +10%	2%	2%
Maintain the gender pay gap below 5%	%	-5% to +5%	<5%	<5%

Health and safety

	UNIT	TARGET	STATUS 2025	STATUS 2024
Zero fatalities in Lotus Bakeries sites	#	0	0	0
Decrease the Lost Time Incident Rate (LTIR) versus last year	#/mio hours	< 15.22	15.15	15.22

SDGs LINKED TO OUR ESG GUIDING PRINCIPLE

III.1. WHY DO WE CARE?

Our Company's foundation lies in our people, our partners and our local communities. The social dimension of our 'Care for Today, Respect for Tomorrow' sustainability programme represents a cornerstone of our overall ESG strategy, emphasising sustainable business practices that meet the needs of the present generations without jeopardising the ability of future generations meeting their own needs.

We believe in the power of our people in driving performance. Our goal is to foster employee well-being by ensuring a secure, attractive and inspiring working environment where health and safety, diversity, satisfaction, development, and equal opportunities are priorities. We aspire to unite as One Lotus Family through our TOP culture – which stand for Team Spirit, Open Dialogue and Passion – thereby creating a place where every individual can thrive.

With a global workforce reflecting gender and age balance, we directly shape professional experiences worldwide.

Upholding human rights, including labour rights, is fundamental within our own operations and among our business partners. This commitment relies on ongoing dialogue with employees and their representatives, aiming to strengthen collaboration and partnerships across our value chain.

With competition for talent intensifying, our success increasingly depends on our Lotus Family. To fuel growth, we prioritise attracting, developing and retaining a diverse workforce.

III.2. WELL-BEING, DIVERSITY, EQUITY AND INCLUSION

III.2.1. Our approach

Our TOP values have been an important dimension in our corporate culture for many years and show our commitment to the well-being of our employees. When employees resonate with the company's values, they are generally more engaged and motivated. This alignment can lead to higher job satisfaction, greater enthusiasm for their work and increased productivity.

TOP VALUES ARE OUR GUIDING COMPASS

A culture of team spirit, open dialogue and passion

Team Spirit: each link in the process is equally important, from marketing through to production and 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 dealings 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 employees.

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

III.2.2. Our policies

The following policies can be found on our corporate website: Human Rights Policy, Anti-harassment and Anti-discrimination Policy, Diversity Policy, Health and Safety Policy.

When hiring new colleagues, we carefully evaluate their alignment with our company's TOP values throughout the selection process, in accordance with our **Global Recruitment Policy**. To ensure consistency in recruitment activities across all regions, we have conducted a thorough recruitment review in every country. By implementing a structured and robust recruitment and selection process that includes multiple stages and stakeholders, we increase our chances of success and provide candidates with several opportunities to engage with us and learn about our organisation. Additionally, by utilising both global and local dashboards, we are able to monitor and follow up on all recruitment activities within the Group.

We consider the selection of a candidate to be a significant investment in the future, for both the company and the individual. We don't only recruit candidates for a specific role, our ambition is to recruit people for a lifelong career within the company.

OUR TOP VALUES IN PRACTICE

Thailand

With the significant recruitment effort for the Chonburi (TH) plant, our TOP values served as a guiding compass. They are woven into every stage of the employee journey and activated from day one, from selection and onboarding to career development, and continually reinforced through site deployment workshops, engagement activities, and well-being initiatives.

UK

In our St-Albans office, each team participated in a workshop exploring our TOP values and how they show up in our teams. Feedback was overwhelmingly positive, with teams creating their own strategies to grow these values. These types of initiatives make employees feel more connected to the Lotus Culture.

China

During the March annual meeting in China, we proudly celebrated colleagues who live our TOP values. These award recipients were honoured for the inspiring way they bring these principles to life each day.

We are steadfast in our commitment to ensure that all our employees and contractors have a pleasant working environment and can return home (mentally) healthy at the end of the day. In this context, the Executive Committee signed the **Well-being & Disconnection Charter** in 2023, which is a strong statement about just how much we value the well-being of our employees. This well-being charter is actively implemented across all of our offices and plants.

We value diversity amongst our employees and those with whom they collaborate. We are steadfast in our commitment to provide a workplace that ensures equal opportunities and is free from discrimination and harassment. We firmly believe in treating all individuals fairly, as articulated in our Code of Conduct (see V.1.3.1. below) and Diversity Policy.

Our company does not tolerate any form of discrimination or harassment directed at employees or candidates based on race, colour, gender, sex, sexual orientation, age, religion, national origin, political opinion, disability or any other protected class. To strengthen this, a Group Anti-Harassment and Anti-Discrimination Policy was developed and rolled out to increase awareness and understanding of workplace harassment, violence and discrimination among our employees.

Lotus Bakeries' Executive Committee (EXCO) is responsible for overseeing Lotus Bakeries' policies and programmes related to its own workforce, thereby assisted by several departments, such as HR and ESG.

III.2.3. Engaging with the Lotus Family

Lotus Bakeries is committed to creating a culture of open feedback and two-way communication as we believe this increases engagement, motivation and performance. In the context of the double materiality assessment, Lotus Bakeries engaged with its employees through workshops followed by an online survey to a wider group of employees. The outcome of the double materiality assessment was discussed by EXCO and reported back to the Audit & Sustainability Committee.

Collective organisation and social dialogue

We remain committed to respecting our employees' right to freedom of association, to join trade unions and to collective bargaining. Our primary measure in this respect is to hold regular meetings, at least annually, with the works councils and maintain the social dialogue. Lotus Bakeries does not have a European Works Council (EWC). In our European countries where we have employment of more than 50 employees, 100% of our employees have a workers' representative. We are convinced that good collaboration contributes to our success.

As a Group, we believe in an organisation that collaborates with all employees, the representation of employees, employee organisations and external social stakeholders. Currently, employees are covered by collective bargaining agreements on a company, sector and/or national level in Belgium, South Africa, the Netherlands, France, Sweden, Spain, Italy and Austria. This means that approximately 82% of our employee population worldwide is covered by a collective bargaining agreement in 2025 (83% in 2024).

	COLLECTIVE BARGAINING		SOCIAL DIALOGUE - WORKPLACE REPRESENTATION
COVERAGE RATE*	EEA COUNTRIES	Non-EEA countries	EEA COUNTRIES
0-19%	-	United States, Thailand, United Kingdom	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	Belgium, Netherlands, France, Sweden	South Africa	Belgium, the Netherlands, France, Sweden

* For countries with more than 50 employees or where a plant is located.

Fostering feedback and performance

After joining the Lotus Family, retaining our highly engaged and motivated TOP talents becomes a priority. Our goal is to help employees realise their full potential and ensure long-term employment for our permanent staff through various strategies. We foster a **culture of open feedback** and encourage two-way communication, as we believe this approach enhances engagement, motivation and overall performance.

As part of the **onboarding track**, each new office employee is asked to complete a survey after several months of service followed by a conversation with HR. In this survey the employee is questioned about the recruitment and onboarding process, they are 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 their manager and colleagues is going. In countries with a large workforce in the factories, such as Belgium, a bespoke survey is provided. The goal of the survey is to gain insights into how the employee has settled in and to identify areas for improvement. A similar follow-up is provided when employees decide to leave the company. Through an exit survey & conversation, we aim to gather honest feedback and understand the reasons behind the employee's departure.

The **performance process** for all office workers is fully integrated into our Global HR Platform 'MyLotus'. The operational workers use a non-digitalised system, where the feedback conversation happens with team leaders. In MyLotus, feedback exchange between manager and employee is encouraged several times a year, instead of having one annual review. There are two performance reviews, one at mid-year and one at end-of-year. This process provides ongoing opportunities to give and receive feedback, and our employees are encouraged more frequently to reflect on their career path. By gaining more insight into the employees' strong assets, areas for improvement and ambitions, it is possible to offer the right development and guidance, where appropriate. The platform foresees a written preparation from both the manager and the employee, and encourages a digital feedback request from various relevant stakeholders, which allows for a broad and objective assessment of someone's performance and development opportunities.

Managers are trained by HR in workshop format in how to have meaningful conversations with their team members. During these interactive **peer-learning sessions**, in small groups, focus lies on sharing best practices, learning from each other and reflection on specific cases, experiences and new perspectives.

Across several countries, we organised training sessions in People Management Essentials. These sessions are designed to equip people managers with some of the core capabilities they need to lead effectively: assessing performance, holding constructive and meaningful conversations, and providing impactful feedback. Beyond these fundamentals, the programme also strengthens managers' confidence in navigating day-to-day leadership challenges, fostering trust within their teams, and creating an environment where employees feel supported, motivated, and empowered to grow.

'Between summer and autumn 2025, I was part of the first cohort of colleagues to attend the TOP Leadership training programme in the UK, designed to help make us effective leaders within our roles and teams. We covered a number of topics aimed at diagnosing what makes great leaders and teams. The course gave us a number of helpful tools to enable us to have effective conversations & has given me the confidence to better flex my leadership style, which will help me create a great team culture where everyone feels valued and motivated.

As a result of the training, I feel much better prepared to help support my team and the wider business for success in 2026 and beyond and I would highly recommend it to other colleagues in the future!'

Rob Eastwood, Head of Retail Sales Biscoff UK

Raising concerns

In most countries, Lotus Bakeries' employees can approach trained Lotus Bakeries confidants at any time. They are key go-to people in case of issues at the workplace.

Lotus Bakeries has established a Whistleblowing Policy for its employees, as well as other stakeholders in the value chain, who wish to report unfair behaviour in their working area. For more information related to the policy, we refer to V.1.3.2 below.

III.2.4. Our target

Offer long-term employment in an inclusive work environment where every employee feels engaged

The KPIs related to this target are as follows:

> Providing strong job security with over 90% of the own workforce on permanent contract.
> Women and men in leadership positions equally balanced.
> Maintain the gender pay gap below 5%.

The progress on employee well-being, diversity, equity and inclusion is monitored annually at central level. As such, insights are collected which allow us to review our policies or develop additional initiatives that contribute to having a positive impact on our own workforce.

Resources for the below actions and initiatives are allocated to the HR teams both globally and locally, in close cooperation with Lotus Bakeries Leadership Team.

III.2.5. Our actions and performance

Diversity, Equity & Inclusion

By the end of 2025, Lotus Bakeries' workforce consisted of 4,164 employees. The table below is prepared based on the base data uploaded for each employee on the MyLotus-platform. All data related to the characteristics of the Lotus Family are derived from the MyLotus-platform[12], unless mentioned otherwise.

HEADCOUNT	2025	2024	VARIANCE
Belgium	1,706	1,563	9.1%
South Africa	1,342	841	59.6%
United States	277	226	22.6%
The Netherlands	221	219	0.9%
Thailand	160	55	190.9%
France	145	150	-3.3%
United Kingdom	111	125	-11.2%
Switzerland	45	38	18.4%
Sweden	33	30	10.0%
China	29	33	-12.1%
Other	95	84	13.1%
Total	**4,164**	**3,364**	**23.8%**
of which Male	2,057	1,674	22.9%
of which Female	2,107	1,690	24.7%

[12] Information is generated based on the identification at the start of the employee's employment. Employees can at any time update their gender information.

The following table presents the number of employees by type of contract. The number of employees with non-guaranteed hours is not significant (< 1% of total headcount).

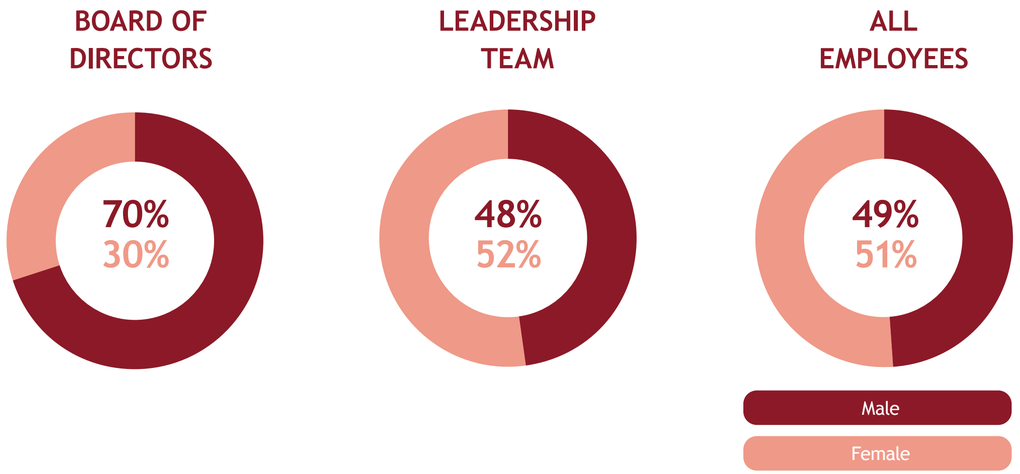
HEADCOUNT		2025	2024	VARIANCE
Male	Permanent contracts	1,773	1,511	+17.3%
	Fixed-term contracts	284	163	+74.2%
Female	Permanent contracts	1,786	1,573	+13.5%
	Fixed-term contracts	321	117	+174.4%
Total		**4,164**	**3,364**	**+23.8%**

In 2025, our voluntary **employee turnover** (i.e. the total number of voluntary leavers divided by the average number of employees during the year) amounts to 12% (2024: 10%). The voluntary turnover increased slightly compared to last year, mainly driven by the expanded headcount in South Africa. The voluntary turnover which can be attributed to natural causes such as the end of fixed-term employment contracts, health reasons or retirement amounts to 3%, consistent with last year (2024: 3%). The overall employee turnover rate amounts to 20%, corresponding to 740 employees (2024: 16% or 511 employees).

Fitting our **Global Recruitment Policy**, Lotus Bakeries creates a foundation to attract a diverse and talented group of people. Attention to diversity, as well as equal opportunities, are key parts 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 how this matches with the desired competences, knowledge and/or experience of the candidate.

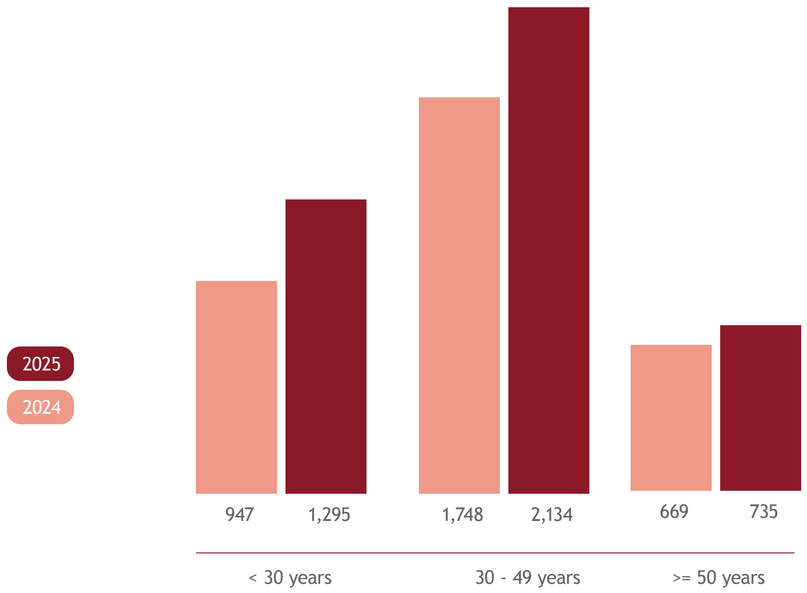
In this way, we continue to maintain a diverse group of employees, with balanced gender diversity across all employees. We see a good balance of 49% men and 51% women within the Lotus Bakeries Group. When we take a closer look at the Leadership team[13], the split is 48% men, 52% women and the Board of Directors is 70% men, 30% women. Additionally, we see a high level of diversity in age categories in Lotus Bakeries, and associated experience. This is in line with prior year. For more information, we refer to our Diversity Policy.

The following graphs present the gender distribution:



[13] The group comprising the Executive Committee, the General Managers and Group and Global Directors.

The following graph presents the age distribution of our own workforce:



We support the employment of **people with disabilities**. However, considering privacy legislations (GDPR) across all EU member states and EEA countries, we are unable to disclose data regarding the number of employees with disabilities within our organisation.

Lotus Bakeries is committed to **equal pay for equal work**, regardless of gender, race, ethnicity or other factors unrelated to performance. To fulfil this commitment, we respect collective labour agreements in all countries in which we operate. We regularly benchmark our salary framework against global and country-specific salary data in order to be market competitive and avoid internal bias. Salary packages are linked to specific job grades as determined in our job classification system, leaving no room for individual deviation on benefits for jobs in the same job grade in a given country. All our employees are paid adequate wages.

Our ambition is to pay our employees fair and market-aligned salaries supporting the equal pay for equal work principle and taking into account their individual skills, experience and performance. With our **global classification system**, we value jobs based on gender neutral criteria such as required skills, complexity and responsibility. In addition, we conduct regular internal and external benchmark exercises to ensure that our compensation decisions can be taken free of gender bias.

Annually, we perform an analysis of our groupwide salary data. We calculate the gender pay gap whilst being mindful of the different pay levels across countries, employee categories and employee pay grade. Similar to last year, the gender pay gap[14] does not exceed 5%. We will further develop processes and systems to comply with the upcoming EU Pay Transparency Legislation.

The annual total remuneration ratio between the highest paid individual (i.e. CEO) to the median annual total remuneration for all employees (excluding the highest-paid individual) is 47:1 (2024: 49:1).

[14] Reflects the difference in average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees. The reported pay gap is calculated as a weighted average. The weighting is based on the number of active employees (excluding EXCO members and expat population) at reporting date in each country, considering both employee category and pay grade. If there is no male or female in a country and pay grade, the corresponding employees are excluded in the pay gap calculation.

Employee well-being

Employee well-being matters to us as an employer. Through well-being initiatives, we aim to provide opportunities for our workforce to reflect, to foster open dialogue and to discover engaging activities that can support their mental health.

Whether it’s a 'Well-being Week', 'Compliment Month', ergonomics workshops, chair massages for employees who spend long hours on their feet, team events to boost social connection, a positivity challenge, a step competition or walking meetings, these examples represent only a small selection of the many initiatives introduced across our sites.

Our partnership with Golazo also encourages broad participation in running events across the organisation. Colleagues are supported to take part, often together with a family member, reinforcing our commitment to healthier, more active lifestyles.

In Belgium, we chose to partner with a new health and well-being provider, moving from a reactive mindset to proactive health support. Their mission - to help people live long and healthy lives - aligns perfectly with our commitment to employee well-being. Their user-friendly app offers quick reimbursement for hospitalisation costs and provides direct access to a multidisciplinary health team, including doctors, psychologists, and nutritionists. Employees can also benefit from personalised guidance such as running schedules, nutrition tips, sleep support, meditation advice, and a back-and-neck care programme. With initiatives like their Walk Programme, employees are encouraged to stay active in a fun and motivating way.

To promote well-being, Lotus Bakeries also offers other means to employees to balance their time at work and their time at home within the limits of business organisation and local legislation. For one, Lotus Bakeries has a **Flexible Working Policy** outlining the conditions and guidelines that allow employees to work from home depending on their role in the organisation.

100% of our employees across the world are entitled to take **family-related leave** such as parental leave and carers' leave (2024: 100%). In 2025, 23% of employees took family-related leave (2024: 18%), 14% being female employees and 9% being male employees (2024: respectively 12% and 6%).

We remain committed to be a high-quality employer. All our employees are covered by a **social protection scheme** against loss of income following sickness, injury or acquired disability, unemployment, parental leave or retirement.

Talent recruitment

Scarcity in the labour market poses a challenge that we actively address. To attract talented employees with the optimal fit, Lotus Bakeries has defined clear value propositions that allow us to seek the best match between the future employee and Lotus Bakeries in complete transparency.

One of the initiatives to facilitate recruitment is our Global Career site. This website strengthens our employer identity as a global food company with dozens of products that brighten every day. It also provides a complete overview of all career opportunities within the Group worldwide. Through testimonials of employees and pictures of our offices and locations, potential candidates can moreover get a glimpse of our unique culture.

When selecting new employees, we communicate the full selection process clearly and transparently. The applicant's professional competences, relevant experience and TOP 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. Via the various touchpoints, candidates have several opportunities to ask questions or gather more information. For all office workers, the selection also includes objective testing, or an external assessment tailored to the position for which the candidate is applying. By including this objective element into our selection process, we reduce the chance of subjective assessment. Our recruitment is an intensive process in which we consciously invest a lot of time to ensure the optimal fit between the future employee and Lotus Bakeries.

Onboarding

Upon joining, Lotus Bakeries aims for thorough onboarding, in which new Lotus Bakeries' employees are immersed in the company, the products, brands and culture. Special induction days are organised for new employees. From the management level onwards, new employees from around the world 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 (BE) plant is the icing on the cake. In the case of acquisitions, we ensure that all employees are quickly integrated into the Lotus Bakeries Group.

Creating an optimal employee experience starts during the employee onboarding process. We have ensured that our Global Career site connects seamlessly with MyLotus, the global HR platform in which all HR data from different countries is centralised, and is available in real-time. During the onboarding, we leverage technology to collect employee data and share company policies as well as contractual documents.

Through our ‘Young Graduate Programme’ we offer an exciting career track to university graduates. The programme entails an intensive two-year programme designed specifically for graduated master’s or MBA students who enter in a function-specific domain. To guarantee a smooth onboarding and good career management within Lotus Bakeries, we have implemented a bespoke learning & development track for young graduates. Through various training sessions, they acquire specific skills and competencies which will enable them to be successful in the role. Our young graduates get day-to-day coaching from their manager. Thanks to the mentorship programme, they also get input and reflection from a senior employee outside of their function area of expertise, providing them with a broader view of the company. Moreover, this mentor acts as a sounding board and can offer impartial advice and support related to career development and ambitions. To broaden their perspective and knowledge, the young graduates are also assigned a cross-departmental project of strategic importance. Their mission is to tackle a specific business challenge and prepare a recommendation to EXCO.

Empowering employees

We aim to empower our employees to reach their fullest potential and secure employment for our permanent workforce via several actions.

In the majority of countries, employees are offered the opportunity to share feedback by completing an engagement survey. These surveys are conducted on an annual or bi-annual basis and, if relevant, we conduct an in-between measurement via pulse surveys. Topics such as overall job satisfaction, recognition, leadership effectiveness, working conditions, culture and communication are being assessed and the results are communicated and discussed during workshops and team sessions resulting in actionable insights. 100% of our office employees (white collars) have been invited for performance and career development reviews (2024: 100%).

During the development conversation, employees are asked to reflect and evaluate how they are experiencing the current role. The conversation covers topics such as satisfaction with the job, workload, team dynamics as well as the employee’s well-being and how the company can support in that. If follow-up is required on one of these topics, employees can approach their HR contact person to discuss and jointly look for solutions.

Training

In the performance review process, our employees are encouraged to collaborate with their direct manager to develop an appropriate and individual development plan. Lotus Bakeries applies the 70-20-10 learning model. This may include on-the-job learning to get to know the organisation for newcomers as well as providing stretched assignments, special projects or cross-functional collaborations for employees who have been in their role for some time. Formal external training opportunities, accessible to all employees annually, address both hard skills for specific technical needs and soft skills aimed at enhancing interpersonal abilities.

Our training courses cover different topics such as project management, negotiation skills, people management skills, priority management, presentation skills, as well as the effective usage of MS Office tools. Collaboration and team dynamics are fostered during 'Insights Discovery' workshops. Next to these programmes, we offer internal trainings around legal topics, safety trainings, HR workshops, as well as dedicated technical trainings for our production (blue-collar) workers in the plants. In today's world, it is important to continuously improve digital skills.

As part of our commitment to continuous learning, we initiated the roll-out of a new Learning Management System (LMS) across the organisation. The first phase focused on launching an e-learning module for our Code of Conduct, ensuring that all employees could access clear, consistent, and engaging guidance on our ethical standards. This digital approach allowed us to reach teams efficiently across different sites and reinforce a shared understanding of our values and expected behaviour. In a next phase, the platform will support online learning for our blue-collar workforce, offering accessible, bite-sized training tailored to their roles and schedules. By broadening the LMS in this way, we aim to create a more inclusive learning culture where every employee, regardless of function or location, can continue to grow and develop.

In recent years, we specifically invested in first line leadership programmes, targeting employees who have taken their first steps in people management. The goal is to equip line managers with the necessary skills and techniques to lead and motivate others daily. We have chosen a modular approach, starting off with a 360°-feedback survey and finishing with a closing session involving HR. As we believe training programmes are most effective when conducted in the native language of the participants, these people management trainings are organised in each area, in line with Group guidelines.

114 newly hired employees in Thailand completed a robust onboarding programme, including mandatory functional training as well as Quality & Food safety and Health & Safety training programmes in compliance with Thai laws and regulatory requirements. For some employees, this involved a trip to Europe, participating in a 4-week production training programmes in Belgium or at the site of one of our suppliers in Italy.

In 2025, 81% of the employees have received training (2024: 69%) and the total investment in training activities was on average 17 hours per employee (2024: 19 hours), reflecting the total number of training hours completed by employees who were employed in 2025 divided by the total number of employees at year-end. Given that all trainings are available regardless gender, we do not expect any significant deviations by gender.

Employee mobility

When we recruit new talents, we typically assess the cultural fit and match with the required skills and competencies. Equally important, we also screen for potential as we believe that we don’t recruit employees for a position, but instead for a long-term career in the company. As Lotus Bakeries continues to grow internationally, our internal mobility extends beyond functional domains and countries.

We believe that investing in our employees’ development and an open feedback culture are effective enablers of internal mobility. In this way, we strive to keep talent in-house. In 2025, our internal mobility rate for white collar workers and staff is 16% (2024: 15%), which corresponds to 177 employees.

III.3. HEALTH AND SAFETY

III.3.1. Our approach and policies

Occupational health and safety is vital to our business. Within our working environment, we undertake measures to minimise the risk of accidents, in order to ensure a safe and secure workplace.

Our commitment to preventing accidents at work by minimising safety risks is driven by our Health and Safety Policy. The policy has four key areas and applies to all Lotus Bakeries employees.

LOTUS BAKERIES' HEALTH AND SAFETY POLICY AND ITS KEY AREAS

Occupational health	Personal safety	Process safety	Rolling material safety
Ensuring the health and well-being of employees related to the workplace.	Providing safe working tools and standards to protect employees from personal injury.	Maintaining safe operational processes.	Ensuring the safety of materials in motion.

Strict occupational safety laws apply in all the countries in which Lotus Bakeries operates. Clear safety procedures and operating guidelines are created based on the risk assessment at each production site or office. These procedures are translated into work instructions for each workstation. We provide adapted work clothing for our employees and contractors to contribute to a safe work situation.

An inherent part of our Health and Safety Policy is the risk assessment phase. In order to correctly identify risks related to behaviour, we use safety inspections and feedback tools to detect and report unsafe situations. We strive for continuous improvement.

In all our sites, new machinery and equipment are designed to the latest safety standards and undergo an extensive safety inspection through the Site Acceptance Test by our own safety officers. We follow a clear procedure for hazard identification. Machinery is adjusted as needed to meet our high safety standards.

We promote a strong safety culture that helps prevent accidents by setting an example, supporting our colleagues, and offering positive feedback. Management keeps track of health and safety performance, while each site records and reports monthly on workplace accidents that result in absence. These incidents are reviewed to enhance our risk control strategies. Local organisations oversee safety and health independently, with local management responsible for carrying out these practices.

When it comes to external personnel, we ensure that contractors and other third parties entering Lotus Bakeries sites have sufficient relevant information, training and proper equipment to safely execute their tasks. Health and safety management is a key consideration in selecting suppliers and contractors.

III.3.2. Our target

Aim for zero accidents

The KPIs related to this target are as follows:

> Zero fatalities.
> Decrease the Lost Time Incident Rate (LTIR) vs. last year.

The metrics on employee health and safety are part of Lotus Bakeries internal operational monthly reporting provided by the subsidiaries, which is monitored by management. Accidents are screened to improve our risk control strategies.

III.3.3. Our actions and performance

Safety in our own operations

SAFETY KPIS	UNIT OF MEASURE	2025	2024	VARIANCE
Percentage of people covered by health and safety management system	%	100%	100%	0.0%
Fatalities as a result of work-related injuries and work-related ill health of own workforce	#	0	0	0.0%
Fatalities as a result of work-related injuries and work-related ill health of other workers	#	0	0	0.0%
Recordable work-related accidents for own workforce	#	93	80	16.3%
Rate of recordable work-related accidents for own workforce	#/1mio hrs	15.15	15.22	-0,4%
Number of days lost to work-related injuries or ill health	#	2,244	1,476	52.0%

In the Mebane (US) plant, we adhere to the strict rules of the OSH Act. This Act is the foundation of occupational safety and health in the US and contains the OSHA Standards which are rules that employers must follow to protect their employees from hazards. The General Duty Clause of the OSH Act requires employers to provide a workplace free from recognised hazards that are causing or are likely to cause physical harm to employees. It is the responsibility of the employer to provide a safe workplace and report on workplace injuries and illnesses. When it comes to the employee, they have the right to a safe workplace, the right to file a complaint with OSHA, and the right to be free from retaliation for exercising their rights.

Safety in the workplace is a mandatory part of the onboarding programme of new factory employees. For employees already part of the One Lotus Family, there are several initiatives in place where they receive a refresher of the Health and Safety Policy and procedures.

> Regular training sessions are given to teach people how to bring up the importance of safety with other colleagues, or address and prevent dangerous situations.
> Each site has a clear procedure in case an emergency occurs. Yearly training of the emergency procedure takes place.
> Regularly a safety training programme is organised that focuses on awareness and prevention.

Promoting a safe working environment

In South Africa, were we employ 1,342 employees, we continue to focus with rigour on providing regular safety trainings. In 2025, one of our employees has been trained in audiometry. This means this person can now conduct hearing tests, recognise potential hearing concerns, and refer employees to the clinic when necessary. With this skill in-house, the plant can identify hearing issues at an early stage. This applies to both new employees joining the South African Plant and current employees already working there. Early detection helps prevent long-term hearing damage, ensures employees receive timely medical support and this is aligned to our commitment of creating a safe & healthy working environment.

In 2024, an internal safety culture programme was launched in Area Belgium. This plan revolved around Safety Awareness & Management (SAM). SAM is the safety behaviour that every employee is asked to be aware of. Training sessions were provided, and various awareness campaigns have been initiated and will continue in the coming years. TOGETHERSAM is the slogan that emphasises the team-oriented approach.

In Area France, a load-carrying risk prevention programme was launched due to heavy loads causing about half of the factory lost-time accidents. Following an external ergonomic audit, a two-part strategy was implemented: ergonomic training for all employees - which continued in 2025 - and the development of a workstation ergonomics investment plan.

Safety beyond our own operations

Beyond our own operations, for the construction of a new plant, we pay great attention to the contractors on health and safety precautions. The contractor has to ensure that medical staff, first-aid facilities, sick bay and ambulance services are available at all times at the site of the works, and that suitable arrangements are made for all necessary welfare and hygiene requirements. We also ask our contractor to appoint an accident prevention officer at the site of the works, responsible for maintaining safety and protection against accidents. There are daily safety exercises and weekly safety walks.

IV. A BALANCED PORTFOLIO OF GREAT TASTE

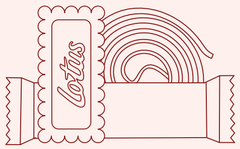
OUR COMMITMENT

We are committed to offering a diverse range of high-quality snacks that cater to various consumer needs, from indulgent treats to better-for-you options, ensuring both taste and food safety are paramount. By actively listening to consumer feedback and staying informed through research and industry insights, Lotus Bakeries adapts its portfolio to meet the evolving preferences of its consumer base, from babies to adults.

We ensure that every product launched not only meets stringent quality and safety standards but also provides a superior taste experience without artificial flavours or colours. By delivering clear information, Lotus Bakeries empowers consumers to make informed choices, reinforcing its reputation as a trustworthy brand while supporting the transition to more sustainable eating habits.

OUR FOCUS AREAS

A BALANCED PORTFOLIO OF GREAT TASTE



Balanced portfolio

Food safety & quality

OUR TARGETS AND PERFORMANCE

Balanced portfolio	UNIT	TARGET	STATUS 2025	STATUS 2024
Performance across the 3 brand pillars (Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes)	mEUR	Growth	See chapter 1	See chapter 1

Food safety and quality	UNIT	TARGET	STATUS 2025	STATUS 2024
100% of Lotus Bakeries production sites are BRC/IFS certified at year-end	%	100%	100%	100%
Aim for zero recalls	#	0	1	0

SDGs LINKED TO OUR ESG GUIDING PRINCIPLE

IV.1. WHY DO WE CARE?

Building a balanced portfolio of great tasting snacks and offering the best possible quality is our core business. The objective of our product offering is to provide our customers with both indulgent and better-for-you snacking options, allowing our consumers to establish a balanced lifestyle. Food safety and quality throughout our entire supply chain are a prerequisite to our success.

Human rights, anti-discrimination, privacy protection and transparent communication towards our consumers are cornerstones of our own operations. When developing our recipes, pack designs, media campaigns or other, we always have these policies at the forefront.

Our company ambition is to offer a versatile range of branded snacks for every consumption occasion to consumers worldwide. As explained in our Value Chain (see I.3.1 above), we aim to offer a well-balanced portfolio for multiple target groups ranging from adults to children and toddlers, as well as babies. We serve these target groups through our brands, ranging from Biscoff® cookies to Lotus® pastries, TREK®, cold-pressed nākd.® bars with only natural ingredients, BEAR® Fruit Rolls, as well as Kiddylicious® baby and toddler snacks.

We attach great importance to understanding the evolving needs of our end-consumers. We use many sources to remain informed, such as the consumer reactions via our consumer hotlines, bespoke ordered consumer research or information from industry associations and other partners.

According to a report by the Intergovernmental Panel on Climate Change (IPCC), our current food system is responsible for about one third of the world's greenhouse gas emissions. A 'protein shift' from animal to vegetable proteins can have a positive impact in limiting global warming. The production of plant-based foods has a lower impact on the environment than animal-derived products. Nutrition is one of the areas where this behavioural change can contribute. Shifting diets in high-income countries to proteins from plants will contribute in the transition towards a sustainable and balanced food system. More than ever, consumers are open to plant-based alternatives, but without giving up on the taste experience.

Additionally in our aim to delight all end-consumers, everything we launch has to uphold the highest quality and food safety standards, everything must deliver a superior taste experience, without artificial flavours or colours, because we know that this will keep consumers coming back to our well-balanced portfolio. We aim to empower our consumers to make better choices by providing them with clear information. This is an integral part in building our brands in a reliable way.

IV.2. BALANCED PORTFOLIO

IV.2.1. Our approach and policies

The R&D department is responsible for developing new products and optimising existing ones, all in alignment with Lotus Bakeries' Nutritional Policy and following our brand standards. Below, you can find the five principles around which our Nutritional Policy is centred.

Principle 1: 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 cookies and pastries and in the range of better-for-you snacks. We only use high-quality ingredients and these are sustainably sourced as much as possible, and we monitor production and supply chain processes from beginning to end. Ensuring the quality, origin, composition, sustainability and safety of our products is vital. Our R&D department plays an important part in this: namely developing products with attention to constantly improving quality and taste.

Principle 2: 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® and BEAR®, the focus has expanded to fruit and nut-based snacks. These brands encourage consumers to eat more (dried) fruit- and nut- based products, while providing a source of fibre. Additionally, with our nākd.® and TREK® ranges we stimulate the consumption of plant-based protein. This acknowledges the recommendations of several countries' dietary guidelines and the WHO.

The acquisition of Kiddylicious® has meant an expansion of our range with snacks and meals for little ones. These Lotus™ Natural Foods brands provide the consumer with the option to choose a healthy or healthier alternative to existing snacks in the food category.

Principle 3: No artificial flavours or colours

In order to exclusively offer our consumers healthy and high-quality products, we aim not to use any artificial flavours or colours in our products. Our ranges are free from industrially produced trans-fatty acids (TFAs).

More than ever, consumers are open to plant-based alternatives, but without giving up on the taste experience. All our non-chocolate Biscoff and Lotus™ Natural Foods brands are vegan, promoting the consumption of plant-based snacks and contributing to the protein shift and the transition towards a sustainable and balanced food system.

Our Lotus® Local Heroes use eggs where it is technologically necessary e.g. for the cake structure or part of the product identity, e.g. milk in milk chocolate. We limit the consumption of ingredients from animal-derived origin to milk, butter, gelatine and free-range eggs.

We have considered it important as a business to use pure and natural ingredients since our foundation in 1932.

Principle 4: Variety in portion sizes

It is our ambition to empower our consumers by offering responsible snacks. Not just with our range of Lotus™ Natural Foods snacks, but also by making several of our top runners available in large and small packs, that contain less than 150 Kcal a portion.

Principle 5: Clear information & 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.

IV.2.2. Engaging with our consumers and end-users

Product development follows a stage-gate process, where ideas, prototypes and products are evaluated against several criteria, including nutritional, sensorial and sustainability criteria. The development process also involves approval of prototypes and samples of both product and packaging at early stage, during scale up and at first production.

As part of the product development, we proactively research the quality expectations of consumers for both the product and the packaging, by engaging in consumer research (internally and externally). Our expertise in the field of innovation is complemented with exchanges with well-known knowledge institutes and universities, which give us a better view of product-packaging-process interactions as well as new insights into new technologies.

Developing food products for babies requires a meticulous approach to ensure food safety, nutritional adequacy and regulatory compliance, as well as age-appropriate formulation following the development stages of infants and young children.

During the Brand Ownership meetings[15], including the senior leadership team, the key stages of the development process, starting from the idea to the first production, are evaluated. The product feasibility and the superior taste are evaluated in order to ensure the new development matches the brand and meets our consumer needs. This results in a high-quality branded snack fitting our sustainability strategy, which will bring a superior tasting experience to our consumers all over the world, all year round. It also includes the decision on pack designs, media campaigns or other communication tools.

Next, external consumer panels are used to assess the consumer opinion and validate the superior quality of the new product developments. To deliver on our promise of great taste, we only launch when a well-defined threshold is surpassed.

Once the product is ready to go to market, the quality expectations are guaranteed by our internal procedures which are highlighted in the section on ‘Food safety and quality’.

The **shelf life** is closely monitored to ensure that product organoleptic quality and food safety are achieved over time. To assess the organoleptic quality of the products, at Lotus Bakeries, we work with several internal sensory panels: expert panels consist of a small group of trained assessors that objectively evaluate the product under development; internal consumer panels are a larger group of untrained colleagues representative of consumers, that taste products and provide feedback based on their personal preference and overall liking of a product.

The quality expectations of consumers are translated into a list of product requirements. The quality of our finished products is assured by analyses in our internal laboratories using this list. The results of these laboratory analyses are reported to management monthly. Products of production partners are assessed in the same way.

[15] The Brand Ownership Meetings consist of CEO, EXCO, Global Brand Director, R&D Director and Area General Manager.

Raising concerns

We have a **consumer point of contact** available on all our branded packaging as well as on the product-brand websites. We receive, register and handle product complaints systematically. Since 2020, they are registered in a central database. The number of complaints and their severity are monitored very closely, and a monthly report is submitted to management. These are used as an additional input for further quality checks.

Lotus Bakeries has established a **Whistleblowing Policy**, accessible for consumers who wish to report a concern. The Lotus Bakeries Whistleblowing Policy sets out a procedure and guarantees that whistleblowers who report will suffer no adverse or negative consequences whatsoever of disclosing concerns in accordance with this procedure. For more information on the Whistleblowing Policy, we refer to V.1.3.2.

IV.2.3. Our target

Lotus Bakeries aims to provide a wide array of snacking options to consumers that meet their evolving expectations.

Provide a wide array of snacking options to consumers that meet their evolving expectations

The KPI related to this target is as follows:

> Performance across the three brand pillars (Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes).

IV.2.4. Our actions and performance

Resources for the below actions are allocated to the R&D teams both globally and locally, in close collaboration with Engineering, Procurement and Group Food Safety & Quality Assurance to ensure we keep offering our consumers a balanced portfolio of great tasting snacks (see also Note 14 in the Consolidated Financial Statements). We are dedicated to continuously improving various aspects of our balanced portfolio. This includes maintaining a superior taste, ensuring global accessibility and affordability for all consumers, improving nutritional profiles and actively contributing to our company's carbon reduction initiatives.

Customers and consumers are increasingly expecting companies to lower their **GHG footprint**. As explained in the section on Road to Net Zero (see II above), based on our assessment and input from internal and external experts, we identified that our greatest emission-reduction opportunities lie in raw materials in the value chain. Collaboration with raw material suppliers to consider low-carbon versions or alternatives to high-emitting raw materials are likely to contribute to GHG reduction. While developing a carbon reduction roadmap, we will not compromise in our commitment to deliver a great taste.

Within the Lotus™ Natural Foods portfolio, we have and continue to screen the **nutritional profiling** of our snacks against different systems such as HFSS (High Fat, Salt, Sugar) or WHO guidelines. As a consequence, we are working on developing products with lower sugar content and higher content of proteins and fibres.

We continue to provide plant-based snacks with our Biscoff® cookies (excluding Biscoff® with chocolate), Biscoff® spread, BEAR®, nākd.®, TREK® and Kiddylicious® ranges. As such, Lotus Bakeries contributes to more sustainable food choices by introducing more plant-based snacks into the consumer's diet. Contributing to the **protein shift** perfectly fits our sustainability strategy and our ESG Guiding Principle 'A Balanced Portfolio of Great Taste', as more than 75% of Lotus Bakeries' portfolio is plant-based while delivering a great taste experience.

As **taste experience** remains key, the impact of electrification of ovens is being studied and analysed in detail to guarantee that the great taste of our snacks remains at the same superior level as before.

Responsible marketing

Responsible marketing has been evaluated as part of the double materiality assessment of Lotus Bakeries and was found to fall below the defined materiality threshold. Nevertheless, we maintain a policy and have implemented specific actions regarding responsible marketing. Our approach is built on two primary principles: 1) Transparent nutritional information, and 2) Responsible Communication. The subject of transparent nutritional information is addressed in greater detail in the 'Food Safety and Quality' chapter.

To show our commitment on responsible communication, Lotus Bakeries Belgium has signed the Belgian Pledge 3.0. This commitment is embedded in the Belgian Food Advertising Code, which sets mandatory rules for responsible food advertising. Under this code, companies commit not to advertise food products containing higher fat, sugar or salt contents to children below the age of 16. This applies to media channels such as TV, radio, print, cinema, direct marketing, product placement, apps, outdoor marketing, mobile and online including social media channels, influencer marketing, and company websites. Next to that, we pay attention to the way we are portraying people in our advertisements to ensure alignment with Lotus Bakeries Human Rights Policy. Additionally, in our increasingly digital world, we take up the responsibility to protect the data and privacy of our consumers. Lotus Bakeries has a detailed guidance in line with the privacy protection outlined in The European Union's General Data Protection Regulation (GDPR). Lotus Bakeries trains employees on this guidance.

For all product claims, the Group Food Safety & Quality Assurance department works closely with Group Legal & IP and/or the Group ESG department to ensure the requisite food & labelling regulations, including the Green Claims Directive, as well as any applicable consumer laws and regulations are complied with.

IV.3. FOOD SAFETY AND QUALITY

IV.3.1. Our approach

We pride ourselves on the quality of the products we produce for our consumers. In our aim to delight all end-consumers, everything we produce has to uphold to the highest quality and food safety standards. To achieve this, we have set-up a company-wide Food Safety and Quality Management System (FSQMS) which covers our entire value chain; from the purchase of raw materials and packaging, to production, labelling and delivery of the finished products to the customer.

All of our production facilities are GFSI-certified, ensuring our products are safe for consumption. GFSI is an internationally recognised standard for food safety management systems and our compliance is yearly assessed by an external body. The Group Food Safety & Quality Assurance department is responsible for ensuring that the terms and conditions of Lotus Bakeries' FSQMS are met at all production sites. This ranges from our own production sites to external production facilities (including external packaging).

LOTUS BAKERIES' FOOD SAFETY AND QUALITY MANAGEMENT SYSTEM (FSQMS)

Quality control of suppliers
- Supplier and material selection
- Supplier visits and audits
- Inbound material checks

Quality control of our production processes / Quality control of our production partners (co-manufacturing and packaging)
- QMS, including HACCP plans
- External GFSI-certification
- Internal/Supplier audits

Quality control for our consumers
- Compliant product labelling
- Product claim handling
- Consumer point of contact

CONTINUOUS IMPROVEMENT CYCLE

Quality control of suppliers

When it comes to **material selection**, Lotus Bakeries has drawn up specification sheets for all raw materials and packaging. When it comes to critical raw materials and packaging[16], we have specific product safety requirements which must be met.

Our **supplier selection** follows predetermined criteria. A major criterium is that the supplier must have an effective food safety and quality management system in place, which must have been assessed by an independent certification body. As part of their FSQMS, they will have a tracing system, assuring that Lotus Bakeries knows at all times where their raw materials are sourced from.

The materials procured from our suppliers are subject to **inbound material checks**. We review the analysis report provided by the supplier and regularly check it through counter-analyses by specialised laboratories. These inbound checks are registered in our ERP-system, where we keep the overview and are able to track the analyses and results.

Once a supplier has been selected, we have processes in place to further follow-up with our suppliers through **supplier visits and audits**. This is performed by trained QA auditors where we evaluate the suppliers' FSQMS and their compliance to the Lotus Bakeries requirements. Yearly, we make a supplier audit plan based on the performance measurements of the previous year, where we select the suppliers we will visit in the coming year. Through these detailed performance measurements (such as the results from the inbound material checks), we can ensure that we continue to work with the best suppliers at all times.

Quality assurance of production processes

The fundament on which our FSQMS is built is the globally recognised Hazard Analysis and Critical Control Points **(HACCP)** system. This is a preventive food safety management system that identifies, evaluates, and controls biological, chemical, and physical hazards from farm to fork, acting as the core of modern food safety standards by focusing on prevention rather than just inspection, with 7 principles guiding its implementation for legal compliance and consumer safety. For all of our production sites detailed HACCP plans are in place to assure the quality and the safety of the products. These product safety and risk studies are updated at least annually or with every major adjustment to the process or machinery. Every employee involved in the production process gets the necessary training on HACCP and on the food safety and quality process parameters. This training starts during the onboarding of the employee and is followed up by regular refresher trainings.

All of our production sites are subjected to **internal audits** where the food safety and quality management system and related control measures are verified. These audits are performed on an annual basis, and as a result corrective and preventive actions are taken. These internal audits are split over five separate audits, each focusing on a separate criterium.

External GFSI-certification of our production processes is a major support in the continuous improvement of both processes and products. Here, third-party assurance bodies visit our plants and assess whether we comply to the food safety standards. In practice, all our production sites are BRC- or IFS-certified.

Our external production partners are monitored in an identical way by our Group Food Safety and Quality Assurance department. The requirements we set for our external production partners are laid down contractually in a clear schedule of requirements.

[16] Critical raw materials and packaging refer to flour, eggs, vegetable oils, margarine & butter, chocolate and packaging material with (in-)direct food contact.

Quality processes for our consumers

First and foremost, our finished products, both the product itself and the packaging, must comply with the relevant food legislation. The **lawful labelling of products**, according to the requirements of the country of commercialisation, is monitored by the Group Food Safety and Quality Assurance department.

Even though we have solid procedures in place to avoid issues, it might occur that a consumer launches a complaint. We receive, register and handle **consumer and customer complaints** systematically and register these in a central database for the Group. The number and type of complaints and their severity are monitored very closely, and a monthly report is submitted to management. We wish to inform the consumer about verified **product claims** in a transparent manner. We use a database to manage all this information efficiently and to convert it into product specifications and customer information.

Continuous improvement cycle

All of the above mentioned procedures are aimed at continuously improving our production process and products. For example, the results of our audits are used to identify learning points and to identify action plans. We also take the feedback from our consumers into account when reviewing our procedures.

Product withdrawal or recall procedure

At Lotus Bakeries, we aim to comply with the highest food safety and quality standards. However, it is always possible that a crisis might occur. Therefore, we have specific product withdrawal and recall procedures in place. In order to be prepared for this as a Group, we have an elaborate manual on what to do. Each production site and sales office has a trained crisis management team. Their role is to investigate the facts, take decisions, to define the communication strategy and to coordinate and follow up the implementation of the decisions when a crisis might occur.

Each year, the crisis procedures are tested. Learning points are identified and adjusted based on the results of this test, and monitoring and action plans are drawn up.

IV.3.2. Our policies

The Lotus Bakeries Food Safety and Quality Policy is an integral part of our sustainability strategy and will contribute to building strong, reliable brands. The strength of our brands is after all highly dependent on the food safety and quality of our products.

LOTUS BAKERIES' FOOD SAFETY AND QUALITY POLICY

- We assure that employees receive appropriate training in their food safety & quality responsibilities.
- We give priority to clear and consistent communication with the consumer.
- We focus on product innovations. Either in format innovation or introducing products for new consumption moments.
- We focus on continuously improving our manufacturing efficiency in order to provide the best quality products at the most competitive cost.
- Our Corporate Social Responsibility is reflected in our 'Care for Today, Respect for Tomorrow' sustainability programme.

IV.3.3. Engaging with our consumers and end-users

Should consumers have a question or complaint, we have a consumer point of contact, which is mentioned on all our branded packaging as well as on the product-brand websites, and a Whistleblowing line available (see V.1.3.2. below).

IV.3.4. Our target

Lotus Bakeries has set targets and related metrics for food safety and quality as follows:

Be a leader in food safety and high food quality standards

The KPIs related to this target is as follows:

> 100% of Lotus Bakeries production sites are BRC/IFS certified at year-end.
> Aim for zero recalls.

Resources for the below actions are allocated to the group and local Food Safety and Quality Assurance teams, in close collaboration with consumer and customer service.

IV.3.5. Our actions and performance

Quality control of suppliers

For raw materials and packaging material suppliers, we have performed one supplier audit, one in-person meeting and 13 digital meetings in 2025. This is lower than the previous year due to a restructuring in activities in the food safety & quality assurance department and a new material risk assessment established in 2025. This new assessment will lead in 2026 to a higher activity in meetings and audits at our raw material and packaging suppliers.

Quality assurance of production processes

In 2025, there were 109 internal audits with on-site presence. Of these 109 audits, 89 were regarding food safety & quality assurance topics and 20 on sustainability and claim certification aspects (RSPO, Rainforest Alliance, Fairtrade and Halal). The number of internal audits has increased due to the expansion of our activities, e.g. Chonburi Biscoff® production site. Each production site has been fully audited at least once a year.

The BRC/IFS-certification is renewed every year following a rigorous audit by an independent certification body. These audits have yielded very positive results, with no critical non-conformities identified. At the end of 2025, all Lotus Bakeries production sites are BRC or IFS certified.

Regarding our outsourced production activities (co-manufacturers and co-packers), there were 10 audits, 11 in-person factory visits topped up with 83 digital quality meetings over the past year. These touchpoints are mainly focused on the follow-up of possibly new products, complaint handling and general Food Safety and Quality Assurance items.

Quality processes for our consumers

In 2025, there was one recall.

Product labelling towards our consumers

The nutrition labelling on our packaging complies at minimum with all local food law requirements of the country or region that our snacks are sold into. Where packaging size allows, nutritional values are provided in a full nutritional table, offering information per 100g and per portion and if space allows, labels include the percentage that a nutrient provides of a person’s recommended daily intake (RDI). This allows consumers to make well considered choices: consumers can compare products in an objective way based on the nutritional values per 100g, but also know the energy intake per portion they consume.

- All allergens and unavoidable cross-contaminations from ingredients or the production process are mentioned in a clear way on the pack. This allows allergic and intolerant consumers to make the best choice.
- The nutrition-related claims on pack are based on sound scientific evidence and comply with applicable local regulations. Product brand websites also provide nutritional information in a clear way, and for innovative concepts like the BEAR® Fruit Rolls or the nākd.® bars we provide further explanation on how these snacks are made.

V. ETHICAL BUSINESS CONDUCT

OUR COMMITMENT

Lotus Bakeries places a strong emphasis on robust corporate governance, ethical business conduct, and respect for human rights, underpinning its commitment to transparency and integrity. The company continually refines its governance framework to meet evolving legal and policy requirements, while its Code of Conduct establishes clear standards for responsible behaviour throughout the organisation and supply chain. By adhering to both international and local human rights standards, Lotus Bakeries aims to build trust with stakeholders. Proactively managing risks associated with digitalisation and cybersecurity also helps to safeguard its reputation for reliability and fairness.

OUR FOCUS AREAS

ETHICAL BUSINESS CONDUCT

- Business ethics & corporate culture
- Cybersecurity

OUR TARGETS AND PERFORMANCE

Business ethics and corporate culture

	UNIT	BASE YEAR	TARGET	STATUS 2025	STATUS 2024
100% of employees have signed the Code of Conduct	%	2020	100%	99.9%	99.9%
100% of relevant employees trained at Lotus Bakeries core ethical policies (Code of Conduct, Human Rights, Competition law, GDPR, Anti-bribery and anti-corruption)	%	2025	100%	White collar 97.2% Blue collar planned 2026	n.a.
Zero human rights incidents in our own operations	#	2025	0	0	n.a.

Cybersecurity

	UNIT	TARGET	STATUS 2025	STATUS 2024
Lotus Bakeries aims to achieve NIS2 compliance through ISO 27001 certification, targeting prioritised legal entities by 2026 and completing certification for the remaining entities in 2027-2028	Y/N	ISO 270001 certified by 2026	On track	On track
Zero security information incidents with material business impact	#	0	0	n.a.

SDGs LINKED TO OUR ESG GUIDING PRINCIPLE

V.1. BUSINESS ETHICS AND CORPORATE CULTURE

V.1.1. Why do we care?

Lotus Bakeries attaches great importance to strong Corporate Governance practices and policies as the foundation of responsible, ethical, and transparent management. The Group has established both formal and informal mechanisms to ensure that decision-making processes are conducted with integrity and accountability.

Upholding business integrity and human rights is fundamental to building trust with our partners, communities, and stakeholders, as set out in our Human Rights Policy. Our approach is anchored in our Code of Conduct which defines the standards of ethical behaviour expected across our organisation and our value chain.

Our company's corporate governance framework is continuously updated and evaluated in light of relevant legislation, changed circumstances or developments in Corporate Governance Policy.

Lotus Bakeries is committed to acting with integrity, honesty, fairness and in full compliance with applicable laws, rules and regulations at all times and in an ethical manner. Trust in our company and brands makes consumers want to buy our products, retailers to list our products, (co-)manufacturers to produce our products, investors to value our stock and talented people to join our Lotus community.

Our guiding principle is to abide by all international human rights standards, including, but not limited to the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business & Human Rights, the International Labor Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Where local law and international standards are higher, Lotus Bakeries will follow the strictest standard.

V.1.2. Our approach and responsibilities

Our dedication to sustainable business practices extends beyond targets and figures - it is rooted in the principles and values that guide our daily operations. Governance ultimately depends on people: their values, skills, conduct, and the respectful way they treat others all contribute to the company’s lasting success. Our governance framework emphasises the structure and independence of our Board of Directors, as outlined in our Corporate Governance Charter and the Articles of Association for all Group entities.

Lotus Bakeries adheres to all the principles outlined in the Belgian Corporate Governance Code 2020 for listed companies (Article 3:6(2) of the CAC and the Royal Decree of 12 May 2019). The Code establishes the governance structure and emphasises sustainable value creation by publicly traded businesses. It highlights a clear focus on long-term objectives, responsible conduct throughout the company, and ongoing consideration of the legitimate interests of stakeholders.

The Board of Directors has a single-tier governance model as referred to in Article 7:85 et seq of the CAC. 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.

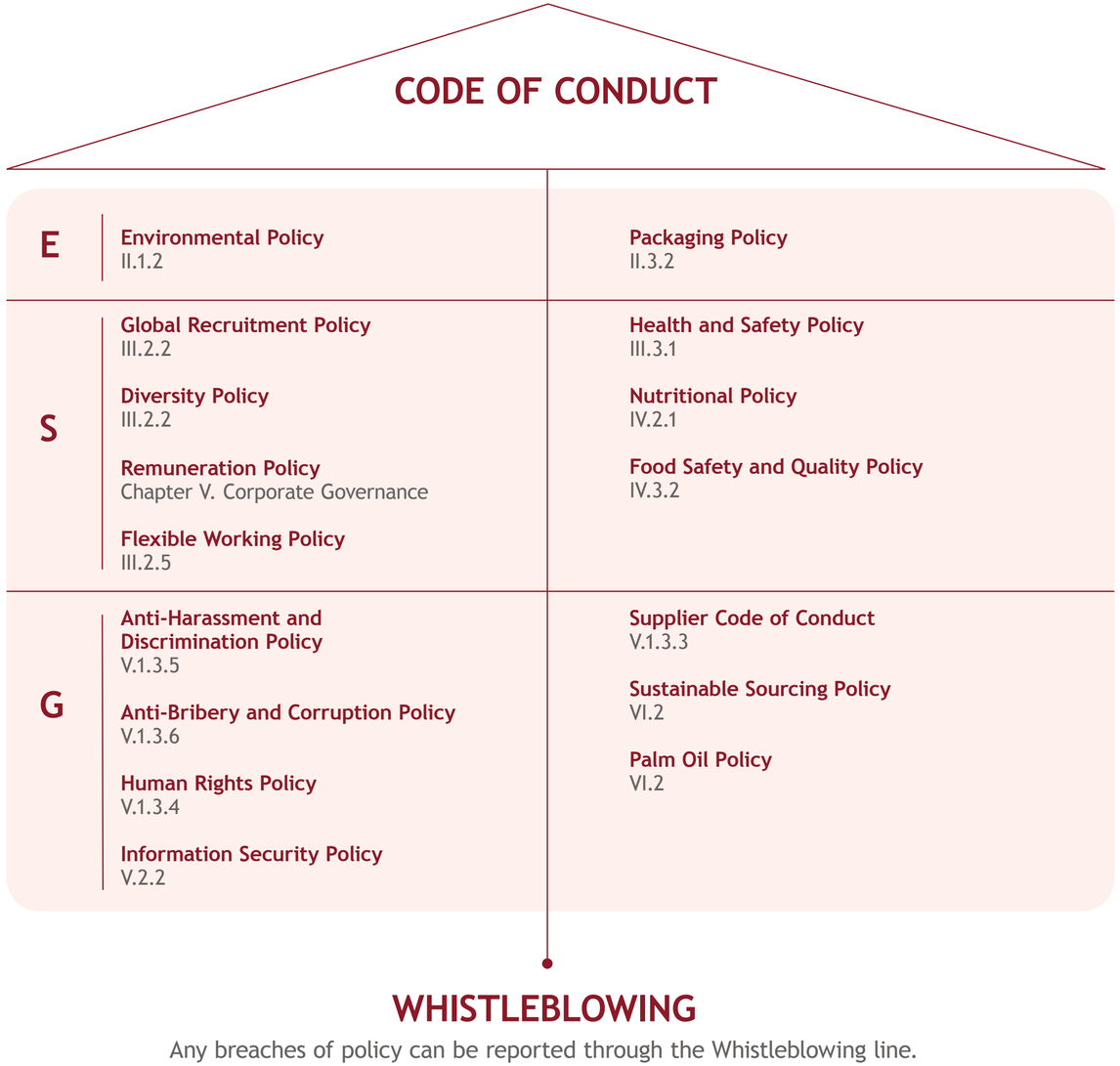
For more details regarding the composition and expertise of the different governance bodies, please see ‘I.2.1 How we manage sustainability’ and ‘Corporate Governance & Risk management’.

Lotus Bakeries has no activities related to exerting its political influence, including lobbying activities. Lotus Bakeries does not make donations or other contributions of any kind to political parties.

V.1.3. Our core policies

Effective management of ethical business practices begins with the establishment of relevant policies. The Code of Conduct provides a foundational framework, outlining all ethical business standards applicable within our organisation. Complementary Group Policies offer detailed guidance on specific topics tailored for various stakeholder groups. All policies are consolidated within Lotus Bakeries’ internal Policy Hub, which is accessible from the LotusLink intranet to ensure easy access.

Lotus Bakeries’ Executive Committee (EXCO) is responsible for overseeing Lotus Bakeries’ core policies – covering but not limited to the Code of Conduct, Human Rights Policy, Whistleblowing Policy and the Anti-harassment and Anti-discrimination policy and programmes.



Raising concerns

All stakeholders, including employees, suppliers, and consumers, are encouraged to report any conduct that raises concerns regarding potential breaches. We refer to the Whistleblowing line (see V.1.3.2.).

V.1.3.1. Code of Conduct

The Lotus Bakeries Code of Conduct establishes the foundation for ethical business practices throughout the organisation. Since 2021, all newly hired employees are required to sign the Code, which is incorporated into their employment contracts. In September 2023, the Code was updated to introduce a whistleblowing line, enabling employees to raise concerns regarding conduct that may breach the Code, company policies, or applicable laws and regulations. In 2025, a comprehensive review of the Code was conducted to ensure alignment with the expanded operational and geographic scope of Lotus Bakeries Group, evolving stakeholder expectations, and recent regulatory changes. The updated Code of Conduct received Board approval on December 3, 2025.

The Code of Conduct is organised into five distinct chapters, each addressing various aspects of business behaviour and providing specific guidance on how employees are expected to act.

LOTUS BAKERIES' CODE OF CONDUCT

MAKING SAFE AND QUALITATIVE PRODUCTS

We strive to produce distinctive products that are safe, high-quality. Including transparent food labelling and responsible marketing.

PROMOTING A HEALTHY WORK ENVIRONMENT

We focus on respect and fair treatment, including human rights and anti-discrimination/harassment, as well as health and safety in the workplace.

CONTRIBUTING TO A SUSTAINABLE FUTURE

We embrace social and environmental responsibility throughout the supply chain.

DOING BUSINESS WITH INTEGRITY

Besides anti-bribery and corruption, this also covers conflicts of interests, fair competition, respect for trade sanctions, anti-money laundering and fair dealing in Lotus Bakeries securities.

SAFEGUARDING OUR COMPANY

By ensuring measures are in place to protect Lotus Bakeries' confidential and personal data (e.g. GDPR), company assets, intellectual property and reputation, including robust security measures.

The Compliance Manager, in coordination with the local HR departments, is responsible for implementing the Code of Conduct and communicating any updates. Each employee receives this Code upon the start of their employment and must confirm that they have read and acknowledged the Code and agree to uphold the rules of conduct in this Code. The HR department is responsible for ensuring that the Code forms an integrated and enforceable part of each employment agreement.

The Code of Conduct is available in eleven languages on our corporate website.

In 2025, the Board of Directors was presented with a report on the strategy and activities of the Corporate Compliance department. The Board was further informed of the main achievements in 2025, including but not limited to:

- A full revision of the Code of Conduct and the launch of mandatory training via the new LMS-tool, with 97.2% completion for all active office-based employees. The remaining office-based employees relate mainly to new hires at the end of the year, which have one month to complete the training. Factory employees will complete the training in the first half of 2026;
- The roll-out of four new or updated policies: Anti-Bribery & Corruption, Code of Conduct, Data Protection, and Whistleblowing;
- Implementation of Data Protection in new entities;
- Competition compliance workshops;
- Whistleblowing results, i.e. confirmation that no material complaints were received and no breaches were identified (2024: none).

V.1.3.2. Whistleblowing Policy

Despite our commitments to ethical behaviour, one may observe conduct which raises concerns, or that seems to violate Lotus Bakeries' Code of Conduct, our policies or applicable laws and regulations. Speaking up gives Lotus Bakeries the opportunity to review and act on the issue. We believe that speaking up is key to sustaining our reputation, success and licence to operate. We therefore greatly value the help of employees and others who identify and speak up about potential concerns that need to be addressed. Lotus Bakeries will not tolerate any form of retaliation against those who speak up and all reports are handled on a strictly confidential basis.

Lotus Bakeries' Whistleblowing Line is a web-based reporting system (organised via an independent party) to raise concerns in your own language confidentially, and if desired anonymously. Our Whistleblowing system can be used to raise concerns about any suspected violation of our Code of Conduct, our policies, or applicable laws and regulations. The web-based reporting system is available both for internal and external stakeholders. In 2025, we migrated to a new whistleblowing system, EQS Integrity line, due to the acquisition of our former system Convercent by EQS. The Whistleblowing Policy, internal procedures and all supporting materials were all updated and communicated accordingly as a consequence of this change.

Lotus Bakeries created multiple channels for reporting compliance concerns, ensuring a safe haven for employees to report concerns as they see fit. Every employee and external party is encouraged to report concerns or misconduct via the channel of their preference. They can do so via the Lotus Bakeries Whistleblowing line or phone intake. This system is managed and evaluated by the Corporate Compliance Manager and the Group Legal & Public Affairs Director. The intake of the reports is managed centrally by Corporate Compliance and from there distributed to the responsible case handlers for further review and investigation in accordance with a clear authority matrix and on a strict need-to-know basis. Upon receipt of a report, the assigned case handler is trained on the use of the system and the investigation procedure by Corporate Compliance to ensure all investigations are managed according to the same standards.

If an individual suspects misconduct[17], he or she is encouraged to address this directly with the person involved, where possible, or to raise concerns with the line manager. The individual can also reach out to an HR/Corporate Compliance representative or to the managing director of the relevant area. These representatives will inform the appropriate department in Lotus Bakeries that a concern has been raised for review and follow-up in accordance with our relevant procedures. Lastly, the individual can also report the issue through the Whistleblowing line.

Performance and implementation

The Whistleblowing Policy is available in six languages[18] to ensure every employee understands their protections and obligations under the Whistleblowing Policy.

Our own workforce has been informed about the Whistleblowing Policy as follows:

- The Policy is available on our Policy Hub, which is easily accessible from the Lotuslink intranet;
- Direct link to the Lotus Bakeries Whistleblowing Line on our corporate website;
- Embedded in onboarding packs of new employees;
- Posters in plants to inform employee of the different available reporting channels with direct link to Lotus Bakeries' Whistleblowing line and Policy (conform BRC 9);
- Embedded in local HR decks: employee handbook, local Lotus Link page, internal policies.

Employees have been trained on the different whistleblowing channels and their protections and obligations as part of the Code of Conduct training rolled out in 2025 to all office employees (all employees working in production sites will receive training in the course of 2026).

All cases submitted via Lotus Bakeries' Whistleblowing Line are reported to the Board of Directors on a yearly basis, including the country, topic of the investigation, the outcome of the investigation (substantiated/unsubstantiated) and the closure rate, with due respect for the confidentiality of the cases.

[17] Misconduct can relate to: (1) Accounting/Audit concerns; (2) Antitrust or Fair Trading; (3) Conflict of interest; (4) Consumer Protection; (5) Copyright or Trademark infringement; (6) Corruption or Bribery; (7) Disclosure or misappropriation of confidential information; (8) Discrimination (9) Environmental issues; (10) Fraud; (11) Harassment; (12) Insider Trading; (13) Protection of Privacy and Personal Data, and Security of Network and Information Systems; (14) Quality Concerns; (15) Retaliation; (16) Unsafe working conditions; and (17) Vendor concerns

[18] The Whistleblowing Policy is available in English, French, Korean, Dutch, Chinese and Thai.

In its Whistleblowing Policy, Lotus Bakeries explicitly prohibits retaliation: if a report is submitted in good faith, there will never be any sort of (threatened or attempted) retaliation measure which causes or may cause unjustified detriment because of the report. Any form of threat or retaliation will not be tolerated and may lead to disciplinary measures. In 2025, Lotus Bakeries received two reports via the Whistleblowing line. These complaints were categorised by the complainant as ‘discrimination’. However, following investigation, the discrimination claims were found unsubstantiated (2024: none).

V.1.3.3. Supplier Code of conduct

The Supplier Code of Conduct mirrors the Ethical Business Conduct principles set out in our Code of Conduct and contains the business principles to which each key supplier needs to commit in order to become a supplier of Lotus Bakeries. We expect our suppliers to implement the Supplier Code of Conduct and to inform their employees, agents and subcontractors in a careful and transparent manner. The principles set out in Lotus Bakeries’ Supplier Code of Conduct form the basis of the relationship with our suppliers.

LOTUS BAKERIES’ SUPPLIER CODE OF CONDUCT

Lawful and ethical business practices

We require our partners to respect human rights in all shapes and forms.

Fair business practices

We do not tolerate bribery nor corruption.

All suppliers must protect confidential information.

Respect for the environment

Our partners must set up an environmental management system as well as obtain all necessary environmental permits, licences and registrations, including relevant certifications.

Traceability

The supplier must keep adequate records of its direct suppliers.

Lotus Bakeries’ Executive Committee (EXCO) is responsible for overseeing the content of the Supplier Code of Conduct. The Procurement department is responsible for implementing the Supplier Code of Conduct, supported where necessary by Corporate Compliance.

Suppliers are asked to bring any concerns to the attention of their contact at Lotus Bakeries. Since 2023, they also have the option to report any complaints via the online whistleblowing platform provided by Lotus Bakeries. This platform allows for anonymous reports, ensures confidentiality and guarantees accurate follow-up of legal obligations (see section V.1.3.2.). Lotus Bakeries expects suppliers to take corrective actions necessary to address any identified gaps.

The Supplier Code of Conduct is currently under review and an updated version will be adopted in 2026 to mirror the principles set out in our revised Code of Conduct, which was adopted end of 2025.

V.1.3.4. Human Rights Policy

Our Code of Conduct clearly states that Lotus Bakeries aims to create a workplace where people are treated fairly and provided with a healthy and safe working environment, enabling each and every individual to reach their full potential. Respect for human rights is an indispensable part thereof.

The Human Rights Policy elaborates on the 'Respect and fair treatment'-principle set out in the Code of Conduct and applies to all our operations and to all full-time, part-time, and temporary colleagues who are directly employed by Lotus Bakeries, including our directors and officers. The policy also extends to any subsidiaries or joint ventures where Lotus Bakeries has a majority interest or management control.

LOTUS BAKERIES' HUMAN RIGHTS POLICY AND ITS SEVEN PRINCIPLES

Child Labour

We do not tolerate any form of child labour or exploitation of young people.

Forced Labour and Freedom of Movement

We are committed to ensuring that all employees have the freedom to choose their employment and working conditions. We do not tolerate any form of forced labour, including bonded or indentured labour, human trafficking, or any other form of coercion.

Freedom of Association

We respect our employees' right to form and join trade unions and other worker organisations.

Adequate Standard of Living

We provide fair and competitive compensation for our employees and ensure that they receive benefits that enable them to maintain an adequate standard of living. We also provide a safe and healthy working environment that is conducive to their overall well-being.

Discrimination and Harassment

We are committed to providing a workplace free from discrimination and harassment.

Workplace Health and Safety

We are committed to providing a safe and healthy workplace for all employees. We comply with all applicable health and safety laws and regulations and take all necessary steps to prevent accidents and injuries.

Communities impacted by our Operatons

We respect the rights of all people in communities which are, or may be, impacted by our operations.

Every individual deserves respect, dignity and fair treatment. To emphasise this belief, we have extensively communicated the principles set out in our Code of Conduct as well as the Human Rights Policy, to all employees via our intranet and Code of Conduct training. We encourage our employees to respect the dignity and human rights of colleagues and all other people they come into contact with in the course of their work.

The Corporate HR and local HR departments are responsible to ensure these principles are respected and translated into local procedures across all countries where we are active.

In 2025, there have been no breaches identified regarding any infringement of the Human Rights Policy.

V.1.3.5. Anti-Harassment and Discrimination Policy

Lotus Bakeries' employees and business partners are at the heart of our operations. We respect all of them and value their potential, regardless of race, ethnicity, gender, age, political beliefs, background, religion, disability, sexual orientation, etc. Lotus Bakeries is committed to providing a safe and respectful workplace environment. Harassment or discrimination of any kind will not be tolerated. Employees, contractors, customers, or anyone who comes into contact with Lotus Bakeries is expected to maintain a professional and respectful demeanour at all times. With the Anti-Harassment and Discrimination Policy, Lotus Bakeries aims to increase its employees' awareness and understanding of workplace harassment, violence and discrimination and provide all of them – and more specifically the managers – with a framework to identify, prevent and manage allegations of harassment and discrimination at work.

Harassment and discrimination can come in many forms, including but not limited to:

- Verbal abuse or threats;
- Physical assault or violence;
- Sexual harassment or unwanted sexual advances;
- Racial or ethnic slurs or jokes;
- Age, gender, or disability-based discrimination; and
- Any other actions that are unwanted and/or which create an intimidating, offensive or hostile work environment

Our commitment extends beyond our offices, plants, warehouses and buildings. Harassment and discrimination is prohibited both in the actual workplace and in any location that can reasonably be regarded as an extension of the workplace, including electronic communication, and at all stakeholders in our value chain.

Performance and implementation

It is the responsibility of the HR department together with responsible management in each of the countries in which Lotus Bakeries operates to ensure that this Policy is rolled out in each legal entity and fully enforced. The policy is particularly designed to provide managers with a framework to identify, prevent and manage allegations of harassment and discrimination at work.

This group policy acts as an overarching statement within which all local offices can continue and expand their existing initiatives. This policy sets out the minimum standards for addressing and preventing discrimination and harassment. However, every Lotus Bakeries entity may implement additional policies addressing these issues. In different countries, additional local procedures are rolled out involving trained internal and external trusted advisors.

Lotus Bakeries will regularly review and update this policy to ensure it is effective and well adapted to our dynamic company and global challenges.

In 2025, there have been no cases reported regarding any infringement of the Anti-Harassment and Discrimination Policy. The Board of Directors is informed on a regular basis of any substantiated concerns related to harassment or discrimination.

V.1.3.6. Anti-Bribery and Corruption Policy

Bribery and corruption distort competitive markets, increase the cost of doing business, and harm the communities where we do business. At Lotus Bakeries, we conduct business with integrity, honesty, and transparency. We have a zero-tolerance policy towards bribery and corruption and fully comply with international and local anti-corruption laws.

After a comprehensive review of the regulatory framework and an impact assessment conducted in 2024, Lotus Bakeries introduced and implemented its group-wide Anti-Bribery and Corruption Policy in 2025. This policy aligns with international standards on anti-bribery and corruption and provides clear guidance for all Group employees on matters such as gifts and hospitality, facilitation payments, donations and sponsorships, political involvement, conflicts of interest, and other critical areas.

Lotus Bakeries' Representatives must follow internal policies and procedures to prevent any involvement in bribery and corruption. Our expectations towards our key suppliers with regard to respect for anti-bribery and corruption standards are embedded in our Supplier Code of Conduct.

Performance and implementation

Corporate Compliance is responsible for overseeing the implementation of this policy, including communication and training as well as monitoring. Local management and HR contribute to enhancing awareness of this policy within their respective areas of responsibility and assist Corporate Compliance in their implementation, training and enforcement efforts. Local management can decide to implement more strict local requirements with this policy serving as the minimum standard as far as required under applicable local law.

The new policy was implemented for employees alongside the Code of Conduct at the end of 2025. Training on the new guidance and escalation procedures was integrated into the Code of Conduct training programme. This was further supported by a separate communication to the management teams, detailing the key procedural elements of the policy. Both the training and communications underscored the importance of identifying issues related to bribery and corruption, as well as appropriate response strategies. To facilitate compliance with new disclosure requirements introduced by the policy, an employee compliance portal was established, enabling staff to easily submit disclosures, such as conflicts of interest, for approval.

In 2025, no violations or fines related to anti-bribery or corruption laws were identified.

V.1.4. Our target

Lotus Bakeries has set targets for Business Ethics & Corporate Culture as follows:

Champion a culture of ethical behaviour

The KPIs related to this target are as follows:

- 100% of employees have signed the Code of Conduct.
- 100% of relevant employees are trained on Lotus Bakeries' Code of Conduct (including core ethical policies such as Anti-Bribery and Corruption, Anti-Harassment and Discrimination, Fair Competition, Data Protection, Human Rights and Whistleblowing).
- We aim for zero human right incidents in our own operations.

We have defined relevant employees as follows:

- For the Code of Conduct, Anti-Bribery and Corruption, Anti-Harassment and Discrimination, Human Rights and Whistleblowing programmes: all employees with a permanent or fixed-term contract, both full-time and part-time.
- For Data Protection Programmes: all employees with a permanent or fixed-term contract, both full-time and part-time working in office roles.
- For the Competition Law programme: all employees with a permanent or fixed-term contract, both full-time and part-time and are working in the (1) Marketing Department (excluding designers), (2) Sales Department (excluding the field representatives and supportive functions), (3) Category Development (excluding supportive functions), (4) Procurement Department and (5) General Managers.

V.1.5. Our actions and performance

Our Code of Conduct was comprehensively revised in 2025 to reflect evolving best practices and stakeholder expectations. All office-based employees completed training and formally acknowledged the revised Code. A subsequent rollout for production-site employees is planned to begin in 2026, taking into account the additional complexity of providing access to the online training platform across all sites. The training includes a requirement for all employees to attest to the Code of Conduct and the Code is part of the onboarding pack for new employees at all our sites.

At the end of 2025, 97.2% of all active office employees signed and completed the training on the new Code of Conduct (version 3, launched in 2025). 99.9% of the production employees signed the previous Code of Conduct (version 1 or 2). The production employees will be asked to sign the new Code of Conduct (version 3) in 2026, simultaneously with a training module tailored to these employees.

V.1.6. Payment practices

Lotus Bakeries has standard payment terms ranging from 30 to 60 days, unless a specific legal requirement applies. The company does not have a specific payment term depending on the size of the vendor. The objective is to settle an invoice according to the due date agreed with the vendor.

In 2025, the average time to settle an invoice was 37 days (2024: 36 days). We do not have any outstanding legal proceedings regarding late payments.

V.2. CYBERSECURITY

V.2.1. Why do we care?

As Lotus Bakeries advances the digitalisation of its operations and integrates next-generation technologies, exposure to cyber threats increases. Cyber incidents could compromise business-critical information, disrupt essential systems, and affect the secure processing of customer-related data.

A cybersecurity breach or prolonged system disruption could lead to financial loss, operational downtime, and reputational damage. For customers, it may reduce confidence in the company’s ability to safeguard data and deliver reliable, uninterrupted service.

V.2.2. Our approach and policies

Guided by a robust ISO 27001 governance framework, proactive cybersecurity measures and a persistent focus on compliance with all legal and regulatory obligations, we continuously strengthen our information security to protect the availability, confidentiality, and integrity of our data.

In alignment with our zero trust security strategy, we protect our data through risk-based controls, applying strict least-privilege principles across all information systems.

We continue to foster a strong culture of information security awareness across the organisation, ensuring that every employee is trained in general information security principles and equipped to recognise and prevent phishing attempts.

Our information security programme, fully endorsed by management, reflects our commitment to best-in-class security practices and continuous improvement. We will demonstrate full compliance to the NIS2 EU directive by advancing toward ISO 27001 certification as part of our multi-year Cybersecurity Governance strategy.

The ICT department oversees the development, implementation, and maintenance of the Group's Information Security Policy, ensuring alignment with strategic priorities and regulatory requirements. Cybersecurity risk measures are approved by the Executive Committee and Board of Directors, which provides oversight through regular reporting from the ICT organisation.

V.2.3. Our target

Protect our data, systems and operations

The KPI related to this target are as follows:

> Lotus Bakeries aims to achieve NIS2 compliance through ISO 27001 certification, targeting prioritised legal entities by 2026 and completing certification for the remaining entities in 2027-2028.
> Zero security information incidents with material business impact.

V.2.4. Our actions and performance

In 2025, we have initiated the ISO 27001 Information Security Management System (ISMS), by establishing a structured and risk-based framework, including a business impact and risk assessment for the whole Group, to safeguard our information assets.

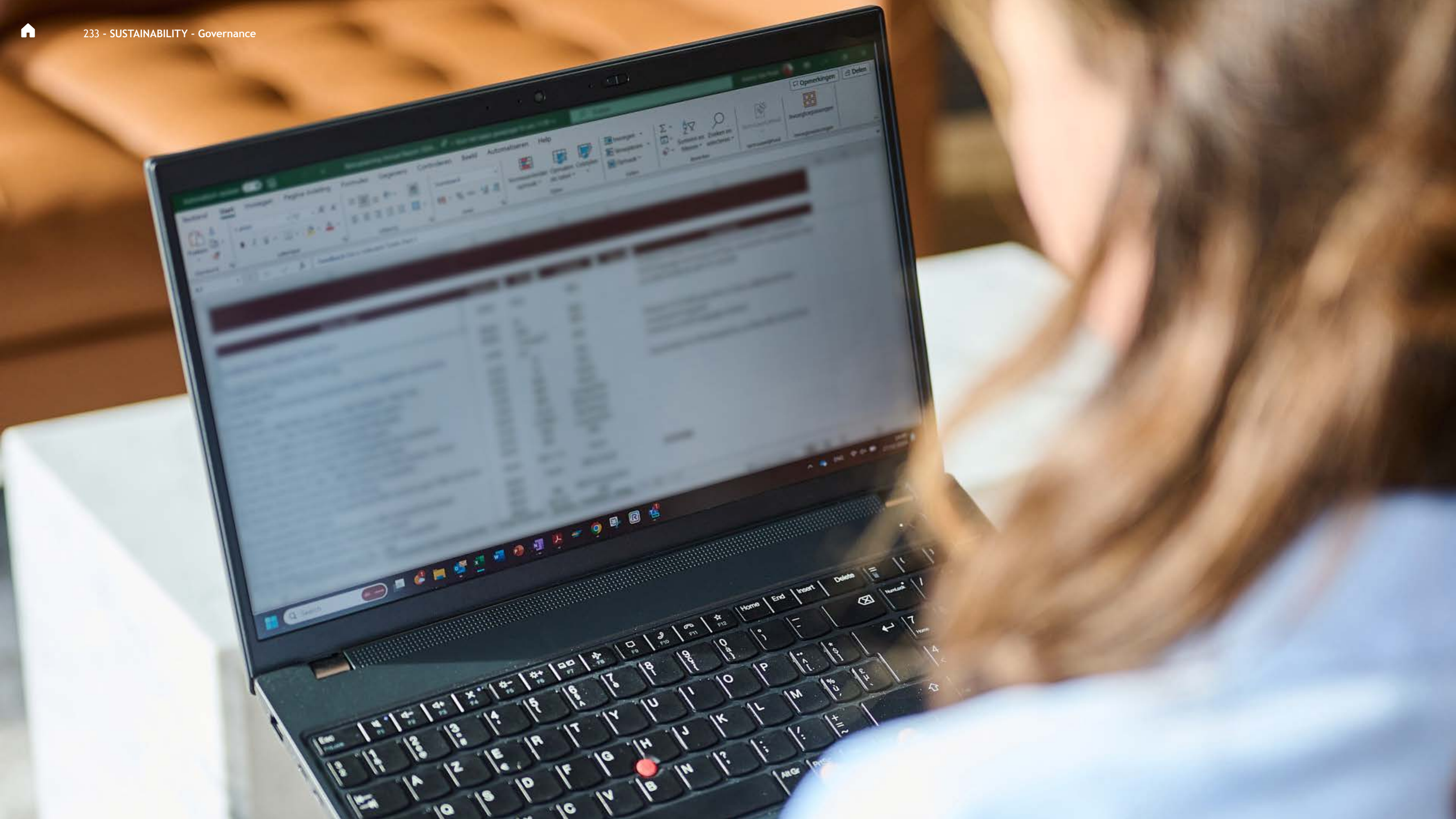
Additionally, we ensured timely registration under the Belgian and the Czech NIS2 national laws.

Our structured incident response approach is supported by a clearly defined policy and regularly tested procedures, ensuring that we remain well prepared to respond effectively to potential threats.

Last year, while the scope of PC users has increased due to regional expansion, we managed to train close to 84% of all PC users (2024: 88%) on information security awareness.

In 2025, no information security incidents (2024: none) with material business impact were recorded.

Looking ahead to 2026, we will continue implementing the ISMS to achieve ISO 27001 certification. Meanwhile strengthening our information-security risk management by implementing risk measures, e.g. strengthen security risk management with our suppliers.



VI. SUSTAINABLE SOURCING

OUR COMMITMENT

Lotus Bakeries strengthens its commitment to sustainability and social responsibility by fostering strong, ethical supplier relationships, participating in sustainable programmes, and implementing robust due diligence systems to support worker welfare and break the cycle of poverty. The company also aims to collaborate with suppliers to identify low-carbon alternatives, such as deforestation-free commodities and regenerative agriculture, advancing its carbon reduction efforts and enhancing the appeal of its products to consumers.

OUR FOCUS AREAS

SUSTAINABLE SOURCING

Supplier management and partnering in the value chain

Sustainable sourcing programmes

OUR TARGETS AND PERFORMANCE

Supplier management and partnering in the value chain	UNIT	BASE YEAR (BASELINE)	TARGET	STATUS 2025	STATUS 2024
100% of Lotus Bakeries' key suppliers signed or endorsed our Supplier Code of Conduct by 2027	%	2020 (62%)	100%	96.3%	96.4%
100% of commodities subject to EUDR are sourced deforestation-free through sourcing these commodities covered by an EUDR Due Diligence Statement by December 30, 2025	%	2025	100%	EUDR not enforced, pending final legislation	n.a.
100% of key suppliers of deforestation-linked commodities subject to EUDR are assessed and scored on sustainability criteria as per EUDR by December 30, 2025	%	2025	100%	100%	n.a.
100% of key palm oil suppliers have signed or endorsed the principles set out in Lotus Bakeries' Palm Oil Policy	%	2011 (100%)	100%	100%	100%

Sustainable sourcing programmes	UNIT	BASE YEAR (BASELINE)	TARGET	STATUS 2025	STATUS 2024
100% of our production sites which process palm oil have achieved the RSPO certificate	%	2011 (100%)	100%	100%	100%
100% of our procured soy flour is traceable to plantations in regions which aren't subject to deforestation	%	2022 (100%)	100%	100%	100%
100% of our procured eggs are sourced from cage-free hens	%	2012 (100%)	100%	100%	100%

SDGs LINKED TO OUR ESG GUIDING PRINCIPLE

VI.1. WHY DO WE CARE?

By building strong relationships with suppliers and upholding ethical business standards, such as respecting human rights and applying sound governance practices, we can contribute to preserving the environment and contribute to social welfare.

Participation in sustainable programmes, such as those focused on social welfare and good agricultural practices, can enhance the appeal of Lotus Bakeries' offerings to customers and consumers.

By having a due diligence system, we may initiate a chain of actions upstream, ultimately addressing the hardships faced by workers and contributing to breaking the cycle of poverty.

Engaging in partnerships and collaborations with suppliers to identify low-carbon alternatives to high-emission raw materials can facilitate progress towards carbon reduction. Among these possibilities are deforestation-free commodities and regenerative agriculture.

VI.2. OUR APPROACH AND POLICIES

Lotus Bakeries only purchases raw and packaging materials from approved suppliers. We assess our partnerships on multiple criteria including, but not limited to sustainability, commercial, planning & logistics, and quality of the goods and services supplied.

Sustainable Sourcing policy

The objective of our Sustainable Sourcing Policy is to ensure greater resilience in our supply chain by preserving the environment while ensuring welfare for all along its value chain and by setting high ethical business standards. The policy is available on our corporate website. This policy has direct links to our Human Rights Policy, Environmental Policy, Sustainable Packaging Policy and our Code of Conduct (see V.1.3.).

As palm oil is an important raw material for the Group, and often associated with environmental and social risks, we have a separate Palm Oil Policy that we ask our key palm oil[19] suppliers to adhere to.

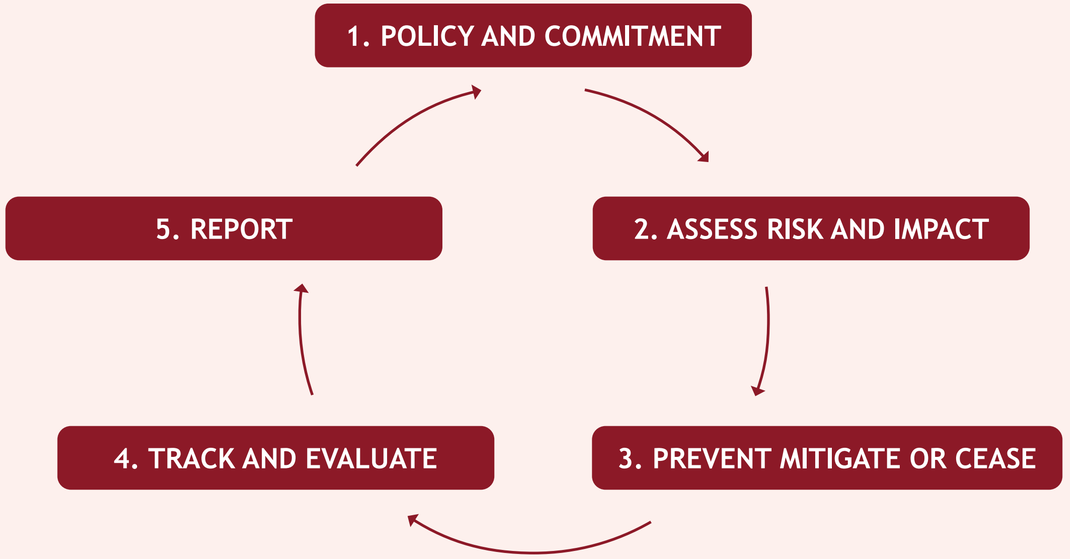
Due diligence of our partners in the value chain

An essential component in selecting a new supplier is the **supplier due diligence process**. Lotus Bakeries engages with suppliers to gain visibility in the supply chain to increase the traceability of the origins of its raw materials and to gain further understanding on how these are produced. This allows the performance of a proper due diligence.

[19] We have defined key palm oil suppliers as those who supply products containing more than 50% palm oil and in which the ingredient makes up at least 5% of the recipe.

THE SUPPLIER DUE DILIGENCE PROCESS AT LOTUS BAKERIES CONSISTS OF FIVE STEPS

1. Policy and commitment: Lotus Bakeries ensures full transparency to all its stakeholders by making its policies and commitments public. Lotus Bakeries places great importance on ethical business conduct, respecting human rights and labour regulations as well as minimising environmental impact as set forth in our Sustainable Sourcing Policy, our Human Rights Policy, our Environmental policies and our other policies. The principles and guidelines of the policies are reviewed by the EXCO. The full detailed policies are available on our corporate website.



2. Assess risk and impact: The aim is to assess risks in our supply by identifying, weighing and prioritising environmental risks, social risks and human rights in our supply chain. The basis for assessment are the principles set out in Lotus Bakeries' own Code of Conduct. These principles are imposed on our suppliers by signing the Supplier Code of Conduct (see V.1.3.3.). These include: lawful and ethical business practices such as respect for human rights, fair business practices, respect for the environment and traceability. Certification and sustainable programmes, such as RSPO-certified palm oil, are also considered.

3. Prevent, mitigate or cease risks: In case risks would be identified, Lotus Bakeries plans to take adequate and proportionate measures to mitigate the risk, with the option to conduct audits on supplier premises.

4. Track and evaluate: Lotus Bakeries has developed a Whistleblowing Policy which explains how one can raise concerns about suspected misconduct in confidence and without fear of retaliation.
We refer to V.1.3.2.

5. Report and communicate: Lotus Bakeries communicates annually via its Annual Report.

Supplier Code of Conduct

We expect our suppliers to implement the Supplier Code of Conduct[20] and to inform their employees, agents and subcontractors in a careful and transparent manner.

Sustainable sourcing programmes

Besides a diligent supplier selection process, we consider certificates and the participation in sustainable sourcing programmes as a criterium to avoid potential risks in supplier behaviour. The motivation for Lotus Bakeries to participate in these programmes is not only from a deforestation point of view, but also based on social consideration and to ensure animal welfare. You can find more information on our participation in these programmes below (see VI.4.2).

VI.3. OUR TARGETS

Conduct proper due diligence of suppliers

The KPIs related to this target are as follows:

> 100% of Lotus Bakeries' key suppliers signed or endorsed our Supplier Code of Conduct by 2027.
> 100% of Lotus Bakeries' key palm oil suppliers have signed or endorsed the principles set out in Lotus Bakeries' Palm Oil Policy.
> 100% of Lotus Bakeries' commodities subject to EUDR are sourced deforestation-free through sourcing these commodities covered by an EUDR Due Diligence Statement by December 30, 2025 (pending final legislation).
> 100% of key suppliers of deforestation-linked commodities subject to EUDR[21] are assessed and scored on sustainability criteria as per EUDR by December 30, 2025.

Participate in sustainable sourcing programmes for our key raw materials

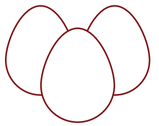
The KPI related to this target is as follows:

> 100% of our production sites which process palm oil have achieved the RSPO certificate.
> 100% of our procured soy flour is traceable to plantations in regions which aren't subject to deforestation.
> 100% of eggs sourced are from cage-free hens.

PALM OIL

SOY FLOUR

EGGS



[20] Supplier Code of Conduct will be reviewed in 2026.
[21] The commodities subject to EUDR, which are in scope for Lotus Bakeries, are palm oil, cocoa, soy & wood (paper & pulp)

VI.4. OUR ACTIONS AND PERFORMANCE

VI.4.1. Conduct proper due diligence of suppliers

Supplier Code of Conduct

The Supplier Code of Conduct is available in eleven languages and provided to the supplier in the language of the contract. This code has been an integral part of the standard contracts with our key suppliers. Our general purchase conditions are available on our website and contain a reference to the Supplier Code of Conduct.

In 2025, 96.3% of key suppliers[22] had signed the Supplier Code of Conduct (2024: 96.4%).

Supplier risk assessment

We have assessed a selected group of suppliers – representing more than 40% of our procurement expenditure – on the risk of child labour using UNICEF's Children's Rights in the Workplace index as a reliable, objective and independent tool. If the UNICEF index for the supplier's country is classified as 'basic', then no further investigation was done. If the country in scope is classified as 'enhanced risk' or 'heightened risk', additional documentation was requested to assess the risk on child labour. Child labour was not identified as a significant risk for our selected suppliers. We conduct this assessment on an annual basis, continuously expanding both the range of suppliers evaluated and the types of risks reviewed.

In 2025, in preparation of the European Deforestation Regulation (EUDR), Lotus Bakeries mapped its suppliers subject to the EUDR. In line with Article 12 of the EUDR, we have extended our due diligence on the EUDR-subject suppliers. A new procedure has been developed including the necessary information to collect from our suppliers and how we evaluate and score the suppliers. We engaged with the EUDR-subject suppliers, collected the information and populated the supplier score card. This allows us to properly assess the management of our suppliers to have no or only negligible risk of EUDR relevant commodities not being produced deforestation-free and or commodities not being produced in line with local labour laws.

Although the EUDR is not yet in force (delayed to 2026), 100% of Lotus Bakeries' EUDR-subject suppliers have been assessed, scored and cleared on sustainability criteria as per EUDR. No or negligible risk was found related to deforestation-free sourcing and production in line with local labour laws.

VI.4.2. Sustainable sourcing programmes

Palm oil

Palm oil is obtained by hot pressing the pulp of the palm fruit, a process that is more than 10,000 years old. Palm oil is not per se environmentally damaging, but the intensification and expansion of plantations can have environmental consequences, such as deforestation. It is therefore important to us that the palm oil that we use in our products has been produced sustainably and does not contribute to deforestation or the destruction of vulnerable areas.

Lotus Bakeries is committed to only purchase sustainable palm oil. We carefully select our key palm oil suppliers based on the NDPE principle (No Deforestation, No Peat, No Exploitation), which is incorporated in our purchasing standards. Lotus Bakeries has been member of RSPO since 2011. At the end of 2025, 100% of our production sites that use palm oil in their production process have been audited and were RSPO certified.

[22] 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.

Next to the RSPO certification, Lotus Bakeries has its own Palm Oil Policy which contains a section encouraging our suppliers to foster investment in sustainable agriculture and reforestation. In the policy, we ask our palm oil suppliers to invest in a number of projects to, among other things, rejuvenate forests and help farmers switch to sustainable cultivation. At the end of 2025, 100% of key palm oil suppliers had endorsed Lotus Bakeries' Palm Oil Policy.

Soy

Soy cultivation is associated with different negative environmental and social impacts, in particular deforestation. Next to six other commodities, soy has been identified in the European Deforestation Regulation as one of the commodities that can contribute to deforestation.

All of the soy flour Lotus Bakeries procures can be traced to plantations that are located in regions not identified as being subject to deforestation.

Cage-free eggs

Animal welfare is important to us and is in our case focused on the origin of our eggs. We only use cage-free eggs in our Lotus® Local Heroes. Cage-free refers to farm environments where chickens who produce eggs live in open indoor spaces. As of January 2012, we source 100% of our eggs from cage-free hens. Overall, cage-free represents an increased quality of life for hens as compared with those held in cages.

Other raw materials

Cocoa

100% of the cocoa butter, cocoa mass and chocolate used in our Lotus® Biscoff® chocolate bars, Enkhuizer® and Peijnenburg® products are certified by the Rainforest Alliance.

Non-GMO

Non-GMO means a food or ingredient has not been genetically engineered or modified from its natural state using laboratory techniques, but the food or ingredient is produced using natural methods and fostering biodiversity.

Lotus Bakeries recognises the consumer preferences for non-GMO products and therefore does not use GMO ingredients in its products.

Pulp- and paper-based packaging

Today, 84% of wood pulp and paper-based packaging of our products is FSC, PEFC or SFI-certified with the guarantee that the components come from sustainably managed forests. This preserves biological diversity and combats deforestation. In our new plant in Thailand, which started up partially in 2025, we source FSC-certified packaging, in line with our sustainable packaging vision. Read more about sustainable packaging in II.3.

Low-carbon commodities

As part of our carbon reduction goals, we will investigate the possibilities for low-carbon commodities. Among these possibilities are a focus on deforestation-free commodities and regenerative agriculture. Collaboration with raw material suppliers to consider low-carbon versions or alternatives to high-emitting raw materials are likely to contribute to GHG reduction.

Other commodities are currently not managed through a bespoke sustainability programme.

VII. ESG RECOGNITION AND OTHER CERTIFICATIONS

EcoVadis is a globally recognised rating platform that assesses corporate sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. The objective of the EcoVadis rating is to measure the quality of a company's Corporate Social Responsibility (CSR) management system annually through its policies, actions and results within a network of more than 150,000 rated companies.

Lotus Bakeries was awarded an EcoVadis Silver Medal in November 2025 for sustainability performance. Lotus Bakeries ranks in the 89th percentile placing us amongst the top 11%. We value the feedback and have taken steps to further enhance our ESG performance.

Sedex, the Supplier Ethical Data Exchange, is a collaborative platform that enables members to collect and share ethical data and identify risks in their supply chains. It is the world's largest data platform for supply chain assessment. Being a member of the Sedex community supports our commitment to fair labour practices, the well-being of our employees, business ethics and the environment.

Lotus Bakeries is a Sedex member with plants in Belgium, France, the Netherlands, South Africa, US and Thailand. Moreover, we passed a SMETA audit for our Lotus® Biscoff® plants in Belgium, US and Thailand.

CDP, the former Carbon Disclosure Project, runs the global disclosure system to manage environmental impacts. They have broadened the scope of this disclosure, to deforestation and water security. They have built a comprehensive global collection of self-reported data. By scoring business from A to D, they take organisations on a journey from disclosure to awareness up to management on several environmental topics.

Lotus Bakeries has a B on Climate Change, a B on Forest and a B- on Water in 2025. We commit to the feedback and set up action plans to mitigate risks and capitalise on the opportunities that CDP points out.

Sustainalytics is a company that rates the sustainability of listed companies based on their environmental, social and corporate governance performance. They measure how exposed a company is to industry-specific ESG risks and how well it deals with the risks. The rating scale is made up of five risk levels ranging from severe risk to negligible risk.

The lower the Sustainalytics score, the better the company is performing on sustainability criteria. The assessment of Lotus Bakeries by Sustainalytics is 25.0[23] (compared to 27.6 in October 2024). We appreciate the feedback and have taken initiatives in the course of 2025 to further improve our ESG performance.

GFSI, the Global Food Safety Initiative, promotes safe food for consumers worldwide by harmonising food safety standards and benchmarking private certification programmes. Companies can get certified to BRC standards or IFS Food Standards, both GFSI benchmarked standards, to prove their products and processes meet rigorous quality and safety benchmarks, building consumer trust and market access.

At the end of 2025, all Lotus Bakeries plants are certified by a GFSI recognised scheme such as the British Retail Consortium (BRC) or International Featured Standards (IFS).

[23] Latest update, October 2025

VIII. COMMUNITY ENGAGEMENT: FOUNDATION FOR EDUCATION

Every child deserves a strong and stable family. And for children from an underprivileged background, the Lotus Family gladly steps in to provide that strength and stability. More specifically, through our Foundation for Education.

VIII.1. WHY DO WE PUT EDUCATION IN THE SPOTLIGHTS?

Because it is the key to breaking the vicious circle of poverty. Quality education allows young adults to gain access to the labour market, earn an income and support a family. Moreover, it prepares them to consciously participate in decisions that affect them and share knowledge with others. These are all vital parts in shaping a better future for themselves and their society.

VIII.2. MISSION OF OUR FOUNDATION FOR EDUCATION

Lotus Bakeries aims to make a substantial contribution to carefully selected educational projects focusing on providing quality education to disadvantaged children and young people.

In the picture: The Kusasa Project

In 2025, our largest contribution went to The Kusasa Project, an independent primary school in South Africa's Western Cape. The school provides a critical educational foundation to underprivileged children of colour giving them the chance of a much brighter future. Every year, about 150 children become literate, compassionate, respectful, communicative, imaginative and multi-lingual students thanks to the school.

'At Lotus Bakeries, we are committed to supporting education as a fundamental right for every child. By supporting The Kusasa Project, we strive to make a substantial and lasting difference, both for the young people attending the school and their broader community.'

Jan Boone, CEO Lotus Bakeries

Other supported projects in 2025

> **Cunina** (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 150 children.

> **Entrepreneurs for Entrepreneurs** (the Democratic Republic of the Congo)
Literacy training for women: The 'Literacy for women as a weapon for their emancipation' project has been supported by Lotus Bakeries since 2021. The social and economic emancipation of women 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.
Young people in Walungu getting trained on sustainable agriculture and economy: With this project, Lotus Bakeries offers support to four technical agricultural schools in the Walungu region in Congo. Unemployment in this region is exceptionally high. Even young people who have completed their education are finding it difficult to find work. The project's goal is to support young people in their vocational training while also reinforcing their teachers' technical and entrepreneurial skills.

> **TAJO** (Belgium)
Through its support of the Ghent Talent Studio for Young People (TAJO), Lotus Bakeries makes a conscious decision to provide socially vulnerable young people in the Ghent and Kortrijk regions (Belgium) with new opportunities and to fuel their motivation to start studying. Young people are introduced to various professions and the corresponding skills and talents via interactive workshops. These workshops are led by experienced guest teachers and at least once a month, the young people get the opportunity to take a look behind the scenes inside inspiring companies. This way, young people can discover for themselves which fields appeal to them and what encourages them to study in a direction that will take them further, both at school and in society.

> **Langrug Community Centre** (South Africa)
At Langrug Community Centre (LCC), every person can create a better future for themselves and their families. It is more than just a community centre - it is a place of opportunity. Whether it's through skills training, education, employment initiatives, or simply a warm meal, the focus is on empowering people to take charge of their futures. The initiative is guided by a simple yet powerful vision: to create a Langrug where no one is left behind. They don't offer charity - they offer pathways to independence, dignity, and self-sufficiency.

> **Gammol** (Gambia)
Gammol is a Belgian non-profit organisation committed to the educational and healthcare needs in Gambia, where the availability of clean water and education are considered essential basic conditions. In addition to efforts to build schools, Gammol always sets clear expectations for the local communities it supports to ensure quality education. This involves paying attention to what subjects are taught, the appointment of teachers and their responsibilities. Providing quality education is one of the key goals, aimed at achieving self-reliance.

> **City Pirates** (Belgium)

The City Pirates community football project, which operates in eight locations in Antwerp (Belgium), uses football to give young people an opportunity and to learn skills. The project's main goal is to give underprivileged young people in the province of Antwerp a chance to get an education, a diploma, and a job. The development of skills in sports is closely associated with the promotion of social skills in which teamwork, perseverance, effort and discipline are key, along with equality, respect and commitment. All of this is focused on creating a stable and balanced future.

> **YouthStart** (Belgium)

The YouthStart project aims to teach vulnerable young people the fundamentals of entrepreneurship by having them become the entrepreneur of their own life. In just eight days, they discover their potential and can (re)launch themselves in the job market with confidence. During the training, they create a professional life plant based on their passions and talents, with the help of coaches.

> **VZW De Gooikenshoeve** (Belgium)

This project aims to provide psychologically and socially vulnerable young people and young adults (aged between 17 to 25) a worthwhile daytime activity in a small-scale, safe and warm environment. By doing this, they might find a way into normal social integration and interaction with others. Lotus Bakeries is keen to do its bit in this regard.

05

CORPORATE GOVERNANCE & RISK MANAGEMENT

CORPORATE GOVERNANCE & RISK MANAGEMENT

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 Decree of 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 the following provision:

> 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, 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 12, 2023 to increase the 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 three years starting on the date of the publication of the resolution of the Extraordinary General Meeting of May 12, 2023 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 12, 2023 within a period of three years commencing with the Extraordinary General Meeting of Shareholders of May 12, 2023 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.

As of December 31, 2025, 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, no new share options were issued in 2024 and 2025. As at December 31, 2025, the total number of unexercised share options was 1,885.

GRANTED IN	2020	2021	2022	2023
Number granted	962	660	792	618
Number exercised	(922)	(95)	-	-
Number expired	(40)	(46)	(20)	(24)
Available options	**-**	**519**	**772**	**594**

PURCHASE OF TREASURY SHARES

The Extraordinary General Meeting of May 8, 2020 authorised the Board of Directors of Lotus Bakeries NV for an unlimited period of time as follows regarding the selling of treasury shares:

> 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.

The Extraordinary General Meeting of May 12, 2023 authorised the Board of Directors of Lotus Bakeries NV as follows regarding the buying and selling of treasury shares:

> For a period of three 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 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.

In the course of 2025, 1,034 treasury shares were purchased. Lotus Bakeries has acquired these treasury shares in line with the existing remuneration policy and incentive plan. The weighted average share price of the 2025 acquisitions of the treasury shares was EUR 8,026.19. The total number of treasury shares in the portfolio at the end of the financial year is 3,960 shares. They represent an accounting par value of EUR 17,427.53 or 0.49% of the issued share capital.[1]

(1) Details of the disposals of treasury shares can be found in remuneration report p 266-267 and p 271-272 as well as in the consolidated financial statements note 21.1.

SHAREHOLDERS AND SHAREHOLDERS STRUCTURE

The shareholding structure of Lotus Bakeries NV on December 31, 2025:

	NO. OF SHARES	NO. OF VOTING RIGHTS[3]	% OF SHARES	% OF VOTING RIGHTS
Stichting Aandelen Lotus Bakeries [1]	408,007	816,014	50%	62.22%
Lotus Bakeries NV [2]	3,960	3,960	0.49%	0.30%
Publicly held	404,046	491,474	49.51%	37.48%
Total	**816,013**	**1,311,448**	**100%**	**100%**

(1) No legal or natural person has control over the Stichting aandelen Lotus Bakeries. The interest of Stichting Aandelen Lotus Bakeries in Lotus Bakeries NV follows from a disclosure concerning a transparency notification dated October 17, 2024. Pursuant to article 6 of the Law of May 2, 2007 on disclosure of participating interests.
(2) The voting rights of Lotus Bakeries NV are suspended.
(3) The discrepancy between the number of shares and the number of voting rights results from the double voting right attached to shares that have been continuously registered in the name of the same shareholder in the register of registered shares for at least two (2) years.

Communication according to article 14(1) of the law of May 2, 2007 on disclosure of major holdings.
Lotus Bakeries NV received no transparency notifications in 2025.

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 April 1, 2007.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS COMPOSITION

On May 13, 2025 the Ordinary General Meeting resolved to reappoint the following directors as non-executive directors for a term of four years:

> Vasticom BV, represented by its permanent representative, Jan Vander Stichele;
> Anton Stevens; and
> Benoit Graulich BV, represented by its permanent representative Benoit Graulich.

Furthermore, on May 13, 2025 the Ordinary General Meeting resolved to reappoint Palumi BV, represented by its permanent representative Peter Bossaert, as independent director for a term of four years.

The Ordinary General Meeting also took note of the end of the directorship of Mercuur Consult BV, represented by its permanent representative Jan Boone, and — following the co-optation of Stephenson NV on October 1, 2024 — resolved to confirm the appointment of Stephenson NV, represented by its permanent representative Jan Boone, as executive director of the company, and to reappoint Stephenson NV, represented by its permanent representative Jan Boone, as executive director for a term of four years.

CURRENT MEMBERS OF THE BOARD OF DIRECTORS

Managing Director, CEO:

> Stephenson NV, represented by its permanent representative Jan Boone
Current term of office ends: 2029 General Meeting

Non-Executive Directors:

> Vasticom BV, represented by its permanent representative Jan Vander Stichele (Chairman)
Current term of office ends: 2029 General Meeting
> Benoit Graulich BV, represented by its permanent representative Benoit Graulich
Current term of office ends: 2029 General Meeting
> Beneconsult BV, represented by its permanent representative Benedikte Boone
Current term of office ends: 2028 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: 2028 General Meeting
> Anton Stevens
Current term of office ends: 2028 General Meeting

Independent Directors:

> Palumi BV, represented by its permanent representative Peter Bossaert
Current term of office ends: 2029 General Meeting
> Lema BV, represented by its permanent representative Michel Moortgat
Current term of office ends: 2026 General Meeting
> Eagli BV, represented by its permanent representative Noelle Goris
Current term of office ends: 2027 General Meeting

Secretary:

> Brechtje Haan

Professional background of the Board of Directors:

Benedikte Boone - Non-Executive Director

> Mandate within Lotus Bakeries
- Member of the Board of Directors of Lotus Bakeries since 2012

> Academic background
- Master's degree in Applied Economic Sciences (KU Leuven)

> Career and relevant experience
- Held various positions at Creyf's Interim and Avasco Industries

> External board mandates
- Board member of several familyowned companies, including Bene Invest BV
- Board member of Deceuninck NV

Jan Boone - CEO / Managing Director

> Mandate within Lotus Bakeries
- Member of the Board of Directors since 2005
- Chief Executive Officer and Chairman of the Executive Committee since 2011

> Academic background
- Master's degree in Applied Economic Sciences (KU Leuven)
- Licence Spéciale en Révisorat (UMH)

> Career and relevant experience
- Started his career as an auditor at PwC
- From 2000 to 2005: Head of Corporate Controlling, member of the Executive Committee and the Board of Directors at Omega Pharma
- Active at Lotus Bakeries since 2005, initially as Managing Director and since 2011 as CEO

> External board mandates
- Member of the Board of Directors of Club Brugge since 2011
- Chair of the Board of Directors of Animal Care from 2017 to 2024
- Member of the Board of Directors of Tomorrowland since 2023

Emanuel Boone - Non-Executive Director

> Mandate within Lotus Bakeries
- Member of the Board of Directors of Lotus Bakeries since 2022

> Academic background
- Master's degree in Bioscience Engineering (KU Leuven)

> Career and relevant experience
- From 2003 to 2012: technical and operational roles at various breweries (Heineken / AlkenMaes and Van Steenberge Brewery)
- Active as a business and process consultant for breweries and malt houses since 2012

> External board mandates
- Board member of Herbafrost NV since 2022

Sofie Boone - Non-Executive Director

> Mandate within Lotus Bakeries
- Member of the Board of Directors of Lotus Bakeries since 2016

> Academic background
- Master's degree in Pharmaceutical Sciences (KU Leuven)
- Postgraduate degree in Business Economics (VLEKHO)
- Business Management for Pharmacists (Vlerick Business School)

> Career and relevant experience
- From 1996 to 2001: deputy and licensed pharmacist
- Owner and managing pharmacist of Apotheek Boone in Tervuren since 2002
- Volunteer pharmacist at the Red Cross Tervuren since 1999

Peter Bossaert - Independent Director

> Mandate within Lotus Bakeries
- Member of the Board of Directors of Lotus Bakeries since 2017
- Member of the Remuneration and Nomination Committee since 2024

> Academic background
- Master's degree in Business Engineering (University of Antwerp)

> Career and relevant experience
- From 1989 to 1997: various marketing and sales roles at Unilever and FrieslandCampina
- Active at Medialaan (today DPG Media) from 1989 to 2018, as CEO since 2012
- CEO of the Royal Belgian Football Association (RBFA) from 2018 to 2023
- Executive Chair at International Food Services since 2023

> External board mandates
- Independent director at Van de Velde NV since 2025 and member of the Remuneration and Nomination Committee and the Audit Committee since 2025

Noelle Goris - Independent Director

> Mandate within Lotus Bakeries
- Member of the Board of Directors of Lotus Bakeries since 2023

> Academic background
- Master's degree in Law (KU Leuven)
- Master of Business Administration (Solvay Business School Brussels)

> Career and relevant experience
- Started her international sales & marketing career at Procter & Gamble since 1997
- Managing Director Greater Europe Distributor Operations at Procter & Gamble from 2014 to 2016
- Worked at Coty from 2016 to 2020, as General Manager Export Europe and as General Manager Travel Retail from 2018 to 2020
- VP Global Travel Retail, APAC & Distribution Markets and member of the Management Board at La Prairie Group (Zurich), part of the Beiersdorf Group, since 2020

> External board mandates
- Member of the Advisory Board of Hello Hossy since 2020

Benoit Graulich - Independent Director

> Mandate within Lotus Bakeries

- Member of the Board of Directors of Lotus Bakeries since 2009
- Member of the Audit & Sustainability Committee since 2009
- Chair of the Remuneration and Nomination Committee since 2009

> Academic background

- Master's degree in Law, Business Administration and Finance (KU Leuven)

> Career and relevant experience

- Started his career at PwC and subsequently at Paribas Bank / Artesia Bank
- Partner at EY since 2000
- Managing Partner at Bencis Capital Partners (currently)

> External board mandates

- Several board mandates at Cofinimmo
- Board mandate at BMT International NV

Michel Moortgat - Independent Director

> Mandate within Lotus Bakeries

- Member of the Board of Directors of Lotus Bakeries since 2018
- Chair of the Audit & Sustainability Committee since 2018
- Member of the Remuneration and Nomination Committee since 2025

> Academic background

- Master's degree in Commercial and Financial Sciences (ICHEC Brussels)
- MBA (Vlerick Business School)

> Career and relevant experience

- Active at Duvel Moortgat since 1991
- CEO of Duvel Moortgat since 1998

> External board mandates

- Member of the Board of Directors of Cartamundi from 2014 to 2019

Anton Stevens - Non-Executive Director

> Mandate within Lotus Bakeries

- Member of the Board of Directors of Lotus Bakeries since 2002

> Academic background

- Master's degree in Law (Ghent University)
- Master's degree in Notarial Law (Ghent University)

Jan Vander Stichele - Non-Executive Director, Chairman of the Board of Directors

> Mandate within Lotus Bakeries

- Member of the Board of Directors of Lotus Bakeries since 2005
- Chair of the Board of Directors (currently)
- Member of the Remuneration and Nomination Committee from 2005 to 2025
- Member of the Audit & Sustainability Committee since 2005

> Academic background

- Master's degree in Civil Engineering (KU Leuven)
- Candidate degree in Applied Economic Sciences (KU Leuven)

> Career and relevant experience

- Technical Director of the Verlipack Group from 1990 to 1996
- Active within the Lotus Bakeries Group from 1996 to 2016, subsequently as Managing Director Lotus Bakeries France, General Manager Operations and Executive Director from 2011 to 2016

> External board mandates

- Chair of the Board of Directors of Flanders' FOOD since 2014
- Member of the Board of Directors of Frigilunch since 01/2019
- Member of the Board of Directors of AZORG since 09/2019
- Member of the Board of Directors of B.I.G. since 10/2019
- Member of the Board of Directors of Ardo Group since 01/2021
- Member of the Board of Directors of EPS since 09/2024
- Chair of the Board of Directors of Groupe Sébacoop since 09/2024
- Co-Chair of The Pulse Foundation since 09/2024
- Chair of the Federation of Belgian Enterprises (FEB) since 03/2026

ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors met six times in 2025. All directors were present at all meetings, except for Palumi BV, represented by its permanent representative, Peter Bossaert, who was excused for the Board Meeting held December 3, 2025. Within the Board of Directors, the following matters were discussed and resolved:

> Investment budget and global budget
> Financial results
> Growth plans and -strategy
> Reporting: financial and sustainability
> Sales results and channels
> Organisational changes
> Evolution of prices and availability of raw materials and packaging
> Price negotiations with customers
> Strategic global partnership Mondelēz
> Results at 31/12 and 30/06 and proposed press release
> General Meeting, amongst which:
  - Agenda
  - (Re)appointments
  - Dividend proposal
> Capex investments and expansions of capacity:
  - Europe, Belgium
  - Americas, United States
  - Asia, Thailand
  - Africa, South Africa
> Import tarrifs
> Product developments and innovations
> Reports and recommendations from the Committees
> Adjustments to the composition of the Remuneration & Nomination Committee
> Governance: development of a matrix mapping the sector- and market-specific experience as well as the management competencies of the Board members.
> Compliance: NIS2 and corporate compliance strategy

Over the course of 2025, the following topics within the Board of Directors led to the application of the conflict of interest procedure as set out in Articles 7:96 and 7:97 CAC.

> At the Board of Directors meeting of March 25, 2025 and before proceeding to the deliberation and decision-making, Vasticom BV, represented by its permanent representative Jan Vander Stichele; Stephenson NV, represented by its permanent representative Jan Boone; Anton Stevens; Palumi BV, represented by its permanent representative Peter Bossaert; and Benoit Graulich BV, represented by its permanent representative Benoit Graulich declared to have a conflict of interest in their reappointment.

The Board members declared a proprietary interest in the fee paid to the respective Board members. They therefore abstained from voting on this item.

AUDIT & SUSTAINABILITY COMMITTEE

The Audit & Sustainability 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. They collectively possess the necessary expertise relating to the activities of the company.

In 2025, the Audit & Sustainability Committee met three times. All directors were present at all meetings. The Auditor participated in two meetings, at which he presented his findings to the Audit & Sustainability Committee.

The subjects examined were:

> Audit plan of FY 2025 including scope and materiality determination
> Internal Control and IT General Control findings and recommendations
> Half-Year and Year-End reporting by Group auditor
> Non-audit services to be approved under applicable independence regulations
> Omnibus sustainability package
> CSRD benchmarking
> Corporate Governance, reporting, IFRS and other developments relevant for the Audit & Sustainability Committee

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee consists of two independent directors and one non-executive director. At the Board of Directors meeting of August 7, 2025 the Board resolved to adjust the composition of the Remuneration and Nomination Committee, which has since been composed as follows: The non-executive director is Benoit Graulich BV, represented by its permanent representative Benoit Graulich (Chairman). The independent directors are Lema NV, represented by its permanent representative Michel Moortgat, and Palumi BV, represented by its permanent representative Peter Bossaert. Vasticom BV, represented by its permanent representative Jan Vander Stichele, will be permanently invited as an observer. All members have both HR management and remuneration policy experience.

The Committee met twice in 2025, with all members present. The subjects examined were:

> Remuneration Policy and its application
> Remuneration Report
> Remuneration and evaluation of CEO and Executive Committee
> Strategy for attracting and retaining top talent

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**, CEO

Jan Boone 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, where he also sat on the Executive Committee and Board of Directors. Jan Boone moreover sits on the Board of Directors of FC Bruges and Tomorrowland and was Chairman of the Board of Directors of Animal Care Group (2017-June 2024). Jan joined Lotus Bakeries as General Manager and member of the Board of Directors in May 2005. He was appointed CEO and Managing Director of Lotus Bakeries in 2011.

> **Isabelle Maes**, CMO Lotus Bakeries & CEO Natural Foods

Isabelle Maes 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. Since 2019, Isabelle has been a member of the Board of Directors of Van de Velde and serves as Chair of the Audit Committee. Isabelle joined Lotus Bakeries in 2014. 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. Since 1 May 2023, Isabelle has additionally taken on the role of CMO of the Lotus Bakeries Group, with responsibility Global Marketing of Lotus® Biscoff® and Lotus™ Natural Foods, and Global Commercial Excellence.

* **Jan Boone**, permanent representative of Stephenson NV, **Isabelle Maes**, permanent representative of Valseba BV, **Mike Cuvelier**, permanent representative of Cumaco BV, **Ignace Heyman**, permanent representative of Heycom BV, **John Van de Par**

> **Mike Cuvelier**, CFO

Mike Cuvelier began his career in 1996 as an auditor for PwC. Between 2000 and 2013, he fulfilled various controlling roles at Bekaert in the US, Asia and finally Vice President Control Global Business Platforms in Belgium. From 2013 to 2016, Mike was CFO of the Unilin Group, part of Mohawk Industries. Mike has been CFO of Lotus Bakeries Group since September 2017.

> **Ignace Heyman**, COO

Ignace Heyman pursued a career in marketing in both Belgium and France, firstly 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 2012 to 2015, he was General Manager France. Ignace is COO of Lotus Bakeries Group since 2016.

> **John Van de Par**, CPO

John van de Par fulfilled various finance roles at Smurfit Westrock and Friesland Campina before joining Lotus Bakeries. He joined Lotus Bakeries in 2008 as Finance Director of Koninklijke Peijnenburg. He quite rapidly evolved to the role of Corporate Director at HQ and member of the EXCO. In 2013, he became the COO of Lotus Bakeries and in 2016, he became General Manager of Area Belgium. John Van de Par is Chief Procurement Officer of the Lotus Bakeries Group since October 2024 and is responsible for Group Procurement, Group Food Safety & Quality Assurance and Group R&D.

The members of the Executive Committee are appointed by the Remuneration and Nomination Committee. The Executive Committee held 18 official meetings in 2025. 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.

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.

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.

To strengthen the transparency regarding the background and experience of the Board and Executive Committee members, their sector & market specific experience and management competencies were mapped out beginning of 2025:

	% OF BOARD AND EXCO MEMBERS WITH EXPERIENCE
SECTOR SPECIFIC EXPERIENCE	
Multinational FMCG	100%
SPECIFIC MARKET KNOWLEDGE	
Continental Europe	86%
UK	71%
Americas	71%
Rest of the world	71%
MANAGEMENT COMPETENCES	
Independent Board membership mandates	50%
General management	79%
Risk, audit & finance management	71%
Environmental Strategy & Policy	86%
Social Strategy & Policy	79%
Governance Strategy & Policy	79%

More information about the Diversity Policy and diversity ratios within Lotus Bakeries can be found in chapter 4 'Care for Today, Respect for Tomorrow' of this Annual Report.

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 6, 2026. 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/results-presentations).

CREATING VALUE THROUGH CLARITY AND LONG-TERM COMMITMENT

Lotus Bakeries' longstanding public listing, combined with its stable family ownership, has shaped a unique approach to value creation built on transparency, consistency and long-term commitment. In this interview, CFO Mike Cuvelier reflects on how this balance supports sustainable growth, strengthens investor confidence and continues to broaden the company's international investor base.

Combining the best of two worlds

Lotus Bakeries' Initial Public Offering (IPO) dates back to 1988. The company has one of the longest-standing and most successful listings at the Brussels Stock Exchange. At the same time, the founding families Boone and Stevens always remained the long-term reference shareholder of the company and today still hold 50% of the shares and more than 60% of the voting rights. More importantly, three generations and only four Boone family members have led the company as CEO since it was founded in 1932. This combines the best of two worlds.

Our listing also gives us the drive to be ambitious and to consistently meet, and whenever possible exceed, our own and the markets' forecasts and performance standards. It also provides a professional and well-governed structure, a complete set of transparent financial reporting, and now also non-financial reporting. In addition, it increases our credibility externally and helps attract international talent.

'The family ownership provides strategic stability and a long-term vision and horizon, enabling us to make decisions that look far beyond the next reporting cycle. The public listing brings the professionalism, the transparency and the governance expected by the market. This combination allows us to operate strategically and decisively at the same time while delivering the financial consistency and predictability valued by investors.'

Mike Cuvelier, CFO

A clear example of this long-term vision is the significant investment programme in our production footprint over the past decade: the Biscoff® plants in the US and Thailand, and the BEAR® site in South Africa. These are long-term investments with shorter term costs and cash flow considerations, but they create a geographical footprint close to our markets that will allow organic sustainable growth for the next 25 years and future generations. These investments also bring positive social impact for our employees and their families. It reflects what being a family-owned business means to us: value creation that is financial, but also sustainable and social.

Attracting a broad and international investor base

Before the private placement of 2021, our investor communication was centred around some key reporting moments: the release of our annual and half year results and of course the annual shareholders' meeting. The private placement of 10% of the Stichting Aandelen Lotus Bakeries' shares marked a turning point. As an Executive Committee team, we started to engage with hundreds of international investors globally bringing our unique and compelling equity story to the world. The new international investor base expanded and so did the expectations. Professional investors expect a more frequent and ongoing dialogue with and access to management to discuss strategy and performance. Since then, we have adopted a more proactive investor relations approach, engaging regularly with institutional investors through one-to-one meetings and analyst conferences, in addition to our recurring reporting windows.

This increased visibility and access to a broader range of international investors supported the growth in our market capitalisation and led to the inclusion in several major European stock indices such as the Eurostoxx 600, MSCI Europe and finally also the BEL 20. This increased interest also encouraged a list of international sell-side analysts to initiate coverage on our stock.

Since 2020, the trading velocity of our free float has increased more than fourfold to above 40 per cent. This means that 40% of the publicly traded shares of the company switch hands at least once during a 12-month period. This level of liquidity makes our share more accessible and attractive to larger international asset funds that want to be able to trade their positions more frequently. Today, this liquidity is comparable to what you typically see at major global (food) companies. It reflects the growing maturity and visibility of our share.

Why investors see Lotus Bakeries as a high-quality stock

Investors today describe Lotus Bakeries as a high-quality stock, supported by a strong and committed family shareholder and a well-managed organisation. The strength and international scalability of our brand portfolios, Lotus® Biscoff® and Lotus™ Natural Foods are widely recognised. Our partnership with Mondelēz further supports the expansion of Biscoff® across categories and markets, while the new Biscoff® plant in Thailand strengthens our global footprint.

This is reflected in an exceptional track record of profitable growth, a very solid balance sheet and low leverage. For 25 consecutive years, Lotus Bakeries has delivered profitable growth and increased its dividend annually, earning the status of a dividend aristocrat. While our dividend yield remains modest, the majority of our net profit is reinvested in the business to support long-term value creation.

ESG: an integral, focused part of our story

Sustainability and transparent reporting have always been integral to how we operate. With new regulatory requirements for listed companies, such as the Corporate Sustainability Reporting Directive, we are further strengthening our commitment by aligning with the highest standards of reporting and governance. ESG is an integral part of our communication, rooted in our long-standing Care for Today and Respect for Tomorrow programme. Our priorities remain focused: greener production, close to 100% recyclability of packaging and working closely with commodity suppliers on deforestation and environmental impact. Our ambition is high but grounded in economic and practical reality.

The value of staying consistent

As our visibility grows, the way we communicate becomes increasingly important. We need to explain our strategy and our growth ambitions in a way that is consistent, measured and true to our long-term ambitions. It is essential that we stay close to what we aim for in the longer term and not be pulled away into short-term considerations. A strong track record helps, but credibility and predictability are what ultimately define the strength of investor relations. They are also what continue to attract shareholders who believe in the long-term equity story of Lotus Bakeries.

Mike Cuvelier – CFO

REMUNERATION REPORT

INTRODUCTION

The purpose of the 2025 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, 2026 for approval. The 2024 Remuneration Policy was adopted by 89.18% of the votes at the Ordinary General Meeting of May 13, 2025.

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 2025 remuneration report explains how the remuneration corresponds to the Remuneration Policy approved by the Board of Directors on April 16, 2021 with minor amendments approved by Board decision of March 25, 2025 for submission to the General Meeting. The amended Remuneration Policy was adopted on May 13, 2025 by the General Meeting with 89.18% 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 2025

Non-Executive and Executive Directors

The remuneration policy for directors of the company approved at the Ordinary General Meeting of May 13, 2025 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 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 members of the Audit & Sustainability 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 grant 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 Director 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.

Overview of remuneration

TOTAL REMUNERATION OF DIRECTORS (IN EUR)		1. FIXED REMUNERATION			2. VARIABLE REMUNERATION			3. EXTRA ORDINARY EXPENSES	4. TOTAL REMUNERATION	5. RATIO OF FIXED TO VARIABLE REMUNERATION
NAME & FUNCTION DIRECTOR	YEAR	BASE SALARY	ALLOWANCES	OTHER BENEFITS	PENSION COSTS	1 YEAR VARIABLE	MULTIPLE YEARS VARIABLE			
Stephenson NV, represented by Jan Boone, Executive (member BoD, CEO)	2025	20,000	/	/	/	/	/	/	20,000	100%/0%
	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
Vasticom BV, represented by Jan Vander Stichele, non-executive (Non-Executive Chairman BoD and member Audit & Sustainability Committee)	2025	45,000	/	/	/	/	/	/	45,000	100%/0%
	2024	50,000	/	/	/	/	/	/	50,000	100%/0%
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	2025	20,000	/	/	/	/	/	/	20,000	100%/0%
	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
Anton Stevens, non-executive (member BoD)	2025	20,000	/	/	/	/	/	/	20,000	100%/0%
	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
Beneconsult BV, represented by Benedikte Boone, non-executive (member BoD)	2025	20,000	/	/	/	/	/	/	20,000	100%/0%
	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	2025	20,000	/	/	/	/	/	/	20,000	100%/0%
	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
Palumi BV, represented by Peter Bossaert, non-executive (member BoD, member of the Remuneration and Nomination Committee)	2025	25,000	/	/	/	/	/	/	25,000	100%/0%
	2024	25,000	/	/	/	/	/	/	25,000	100%/0%
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit & Sustainability Committee and Chairman Remuneration and Nomination Commitee)	2025	30,000	/	/	/	/	/	/	30,000	100%/0%
	2024	30,000	/	/	/	/	/	/	30,000	100%/0%
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit & Sustainability Committee and member Nomination and Remuneration Committee)	2025	30,000	/	/	/	/	/	/	30,000	100%/0%
	2024	25,000	/	/	/	/	/	/	25,000	100%/0%
Eagli BV, represented by Noelle Goris (member BoD)	2025	20,000	/	/	/	/	/	/	20,000	100%/0%
	2024	20,000	/	/	/	/	/	/	20,000	100%/0%

Overview of remuneration

TOTAL REMUNERATION OF DIRECTORS (IN SHARES)	MAIN CONDITIONS OF SHARE-BASED PLANS					INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE
NAME & FUNCTION DIRECTOR	1. DETAILS OF THE PLAN	2. PERFORMANCE PERIOD	3. GRANT DATE	4. VESTING DATE	5. END RETENTION PERIOD	SHARES HELD AT THE START OF THE YEAR*	GRANTED SHARES	VESTED SHARES	SHARES SUBJECT TO A RETENTION PERIOD
Stephenson NV, represented by Jan Boone, executive (member BoD, CEO)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24
Vasticom BV, represented by Jan Vander Stichele, non-executive (Non-Executive Chairman BoD and member Audit & Sustainability Committee)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	50	10	10	60
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	12	4	4	16
Anton Stevens, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24
Beneconsult BV, represented by Benedikte Boone,non-executive (member BoD)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24

TOTAL REMUNERATION OF DIRECTORS (IN SHARES)	MAIN CONDITIONS OF SHARE-BASED PLANS					INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE
NAME & FUNCTION DIRECTOR	1. DETAILS OF THE PLAN	2. PERFORMANCE PERIOD	3. GRANT DATE	4. VESTING DATE	5. END RETENTION PERIOD	SHARES HELD AT THE START OF THE YEAR*	GRANTED SHARES	VESTED SHARES	SHARES SUBJECT TO A RETENTION PERIOD
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24
Palumi BV, represented by Peter Bossaert, non-executive (member BoD, member of the Remuneration and Nomination Committee)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Sustainability & Audit Committee and Chairman Remuneration and Nomination Commitee)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit & Sustainability Committee and member Nomination and Remuneration Committee)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	20	4	4	24
Eagli BV, represented by Noelle Goris (member BoD)	Fixed annual remuneration adopted at OGM of May 13, 2025	01/01/2025 until 31/12/2025	May 13, 2025	May 13, 2025	At least 1 year after end of directorship and 3 years after rewarding	4	4	4	8
Total:						**206**	**46**	**46**	**252**

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

Executive Committee

Furthermore, the Remuneration and Nomination Committee makes specific recommendations to the Board of Directors on the remuneration of members of the Executive Committee. In addition to the fixed remuneration, there is a variable compensation for members of the Executive Committee, 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 revenue growth achieved by Lotus Bakeries Group over the past financial year
- 1/3rd of the short-term bonus depends on the consolidated underlying operating result achieved during the past financial year
- 1/3rd of the short-term bonus depends on the consolidated underlying operating cash flow achieved during the past financial year

The Board of Directors approved the final, audited results on February 5, 2026 and, on this basis, on the advice of the Remuneration and Nomination Committee, established that all criteria were met. Consequently, 100% of the 2025 short-term bonus will be paid to all members of the Executive Committee in 2026.

> The criteria for determining the long-term bonus are only the following financial performance criteria:
- 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 underlying operating result as specified in the multi-year plan in place
- 1/3rd of the long-term bonus depends on the consolidated underlying 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 of three years. The Board of Directors approved the final, audited results on February 5, 2026 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 Committee in 2026.

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

The members of the Executive Committee are appointed on an independent basis.

There also exists a stock option plan with a fixed number of options for the members of the Executive Committee. Allocated options are not normally deemed to be vested 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 Committee will each have to own at least EUR 250,000 worth of shares in the company within three years of their appointment, which must be kept as long as they remain a member of the executive management. All members of the Executive Committee meet this requirement on December 31, 2025.

If a member of the Executive Committee 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. For this, 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 renumeration

TOTAL REMUNERATION OF CEO/EXCO (IN EUR)		1. FIXED REMUNERATION**			2. VARIABLE REMUNERATION			3. EXTRA ORDINARY EXPENSES	4. TOTAL REMUNERATION	5. RATIO OF FIXED TO VARIABLE REMUNERATION
NAME & FUNCTION	YEAR	BASE SALARY	ALLOWANCES	OTHER BENEFITS*	PENSION COSTS	1 YEAR VARIABLE	MULTIPLE YEARS VARIABLE			
Stephenson NV, represented by Jan Boone (CEO)	2025	1,385,532	/	52,485	226,454	730,431	730,431	/	3,125,332	53%/47%
	2024	1,324,854	/	52,485	216,233	698,442	698,442	/	2,990,455	52%/48%
Other members executive management	2025	2,816,529	/	142,040	446,712	1,187,864	1,187,864	/	5,781,009	59%/41%
	2024	2,497,547	/	142,040	399,773	1,042,604	1,042,604	/	5,124,569	58%/42%

* The other benefits relate primarily to insured benefits
** Excluding stock options - see table 'Overview of remuneration in options or shares'

Overview of renumeration in options or shares

		KEY CONDITIONS OF OPTION OR SHARE PLANS				INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE
NAME & FUNCTION	1. DETAILS OF THE PLAN	2. GRANT DATE	3. VESTING DATE	4. EXERCISE PERIOD (OPTIONS ONLY)	5. EXERCISE PRICE OF THE STOCK (OPTIONS ONLY)	OPTIONS OR SHARES ALREADY GRANTED BUT NOT VESTED AT THE START OF THE YEAR	OPTIONS OR SHARES GRANTED DURING THE YEAR	OPTIONS OR SHARES VESTED DURING THE YEAR	OPTION OR SHARES GRANTED BUT NOT DEFINITIVELY VESTED
Stephenson NV, represented by Jan Boone (CEO)	T2020	08/05/2021	01/01/2024	01/01/2024-07/05/2025	2,828.95	0	0	0	0
	U2021	18/05/2021	01/01/2025	01/01/2025-17/05/2026	4,517.14	130	0	130	0
	W2022	13/05/2022	01/01/2026	01/01/2026-12/05/2027	5,114.50	130	0	0	130
	Y2023	01/06/2023	01/01/2027	01/01/2027-31/05/2028	6,086.36	100	0	0	100
	Y2024	03/03/2025	06/01/2027	/	/	16	0	0	16
	Y2025	16/02/2026	16/02/2029	/	/	0	16	0	16
Valseba BV, represented by Isabelle Maes (CMO Lotus Bakeries & CEO Natural Foods)	T2020	08/05/2020	01/01/2024	01/01/2024-07/05/2025	2,828.95	0	0	0	0
	U2021	18/05/2021	01/01/2025	01/01/2025-17/05/2026	4,517.14	65	0	65	0
	W2022	13/05/2022	01/01/2026	01/01/2026-12/05/2027	5,114.50	65	0	0	65
	Y2023	01/06/2023	01/01/2027	01/01/2027-31/05/2028	6,086.36	50	0	0	50
	Y2024	03/03/2025	06/01/2027	/	/	8	0	0	8
	Y2025	16/02/2026	16/02/2029	/	/	0	8	0	8

		KEY CONDITIONS OF OPTION OR SHARE PLANS				INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE	DURING THE YEAR		CLOSING BALANCE
NAME & FUNCTION	1. DETAILS OF THE PLAN	2. GRANT DATE	3. VESTING DATE	4. EXERCISE PERIOD (OPTIONS ONLY)	5. EXERCISE PRICE OF THE STOCK (OPTIONS ONLY)	OPTIONS OR SHARES ALREADY GRANTED BUT NOT VESTED AT THE START OF THE YEAR	OPTIONS OR SHARES GRANTED DURING THE YEAR	OPTIONS OR SHARES VESTED DURING THE YEAR	OPTION OR SHARES GRANTED BUT NOT DEFINITIVELY VESTED
Cumaco BV, represented by Mike Cuvelier (CFO)	T2020	08/05/2020	01/01/2024	01/01/2024-07/05/2025	2,828.95	0	0	0	0
	U2021	18/05/2021	01/01/2025	01/01/2025-17/05/2026	4,517.14	65	0	65	0
	W2022	13/05/2022	01/01/2026	01/01/2026-12/05/2027	5,114.50	65	0	0	65
	Y2023	01/06/2023	01/01/2027	01/01/2027-31/05/2028	6,086.36	50	0	0	50
	Y2024	03/03/2025	06/01/2027	/	/	8	0	0	8
	Y2025	16/02/2026	16/02/2029	/	/	0	8	0	8
Heycom BV, represented by Ignace Heyman (COO)	T2020	08/05/2020	01/01/2024	01/01/2024-07/05/2025	2,828.95	0	0	0	0
	U2021	18/05/2021	01/01/2025	01/01/2025-17/05/2026	4,517.14	65	0	65	0
	W2022	13/05/2022	01/01/2026	01/01/2026-12/05/2027	5,114.50	65	0	0	65
	Y2023	01/06/2023	01/01/2027	01/01/2027-31/05/2028	6,086.36	50	0	0	50
	Y2024	03/03/2025	06/01/2027	/	/	8	0	0	8
	Y2025	16/02/2026	16/02/2029	/	/	0	8	0	8
John Van de Par (CPO)	Y2024	03/03/2025	06/01/2027	/	/	8	0	0	8
	Y2025	16/02/2026	16/02/2029	/	/	0	8	0	8
Total						**948**	**48**	**325**	**671**

During 2025, no stock options were granted to the members of the Executive Committee. Instead, shares will be awarded in 2026 as part of the compensation package 2025.

During 2025, the following stock options were executed by members of the Executive Committee:

EXECUTION OPTIONS CEO AND EXCO

NAME AND FUNCTION DIRECTOR	NUMBER OF SHARES EXERCISED	EXERCISE PRICE PER SHARE (EUR)
Stephenson NV, represented by Jan Boone (CEO)	200	2,828.95
Valseba BV, represented by Isabelle Maes (CMO Lotus Bakeries & CEO Natural Foods)	100	2,828.95
Cumaco BV, represented by Mike Cuvelier (CFO)	/	
Heycom BV, represented by Ignace Heyman (COO)	100	2,828.95
John Van de Par (CPO)	42	4,517.14

Severance payments

The members of the Executive Committee are remunerated on an independent basis and through a number of board mandates, and have a severance payment of maximum of 12 months of the fixed and variable remuneration. No severance payments were paid to Executive Committee members in 2025.

Executives

The remuneration policy of the executives is determined by the Executive Committee, the Remuneration and Nomination Committee approves. For this, 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.

Lotus Bakeries ensures coherence between the remuneration of Executive Committee members, senior executives, and other employees, taking into account market conditions for each category of staff. The policy is designed to attract, reward, and retain employees. The remuneration of senior executives consists, like that of Executive Committee members, of a fixed and variable component, supplemented by additional benefits such as a company car, mobile phone, and/or group insurance. The specific composition of these elements always depends on the individual's role as well as the local regulations applicable to the employee. Similar to the Executive Committee members, an incentive plan is currently in place for the other members of the Lotus Bakeries Leadership Team.[1]

(1) The Leadership Team comprises the Executive Committee, the General Managers and the Group & Global Directors

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

IN THOUSANDS OF EUR	2021	2022	2023	2024	2025
REMUNERATION OF NON-EXECUTIVE DIRECTORS					
Vasticom BV, represented by Jan Vander Stichele, Non-Executive (Non-Executive Chairman BoD and member Audit & Sustainabilitee Committee)	150	150	150	50	45
	100.0%	100.0%	100.0%	33.3%	90.0%
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	/	20	20	20	20
	/	/	100.0%	100.0%	100.0%
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, member of the Remuneration and Nomination Committee)	20	20	20	25	25
	100.0%	100.0%	100.0%	125.0%	100.0%
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit & Sustainability Committee and Chairman 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 & Sustainability Committee and member Remuneration & Nomination Committee)	25	25	25	25	30
	100.0%	100.0%	100.0%	100.0%	120.0%
Eagli BV, represented by Noelle Goris (member BoD), non-executive	/	/	/	20	20
	/	/	/	/	100.0%
REMUNERATION OF EXECUTIVE DIRECTOR					
Stephenson NV, represented by Jan Boone (Member BoD,CEO)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%

IN THOUSANDS OF EUR	2021	2022	2023	2024	2025
REMUNERATION CEO					
Jan Boone, CEO	2,058	2,325	2,651	2,990	3,125
Evolution (%)	104.9%	113.0%	114.0%	112.8%	104.5%
REMUNERATION OF OTHER MEMBERS OF THE EXECUTIVE COMMITTEE					
Total remuneration	3,636	4,097	4,457	5,125	5,781
Number of members executive management incl. CEO	5	5	5	5	5
Evolution (%)	105%	113%	109%	115%	113%
PERFORMANCE OF LOTUS BAKERIES					
Market capitalisation (on 31 dec)	4,561,513	5,157,202	6,715,787	8,796,620	6,405,702
Evolution market capitalisation (%)	152%	113%	130%	131%	73%
Revenue	750,251	877,451	1,062,962	1,231,914	1,355,061
Evolution revenue (%)	113%	117%	121%	116%	110%
EBIT(u)	123,805	140,188	172,974	206,692	232,409
Evolution EBIT(u) (%)	111%	113%	123%	119%	112%
EBITDA(u)	150,967	169,909	207,527	243,146	273,362
Evolution EBITDA(u) (%)	111%	113%	122%	117%	112%
Net result	90,743	103,283	129,333	152,482	172,269
Evolution net result (%)	110%	114%	125%	118%	113%
REMUNERATION OTHER EMPLOYEES					
Total remuneration	152,857	173,618	205,310	234,633	259,920
Number of employees (FTE)*	2,305	2,550	2,857	3,140	3,967
Evolution (%)	111%	114%	118%	114%	111%

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. Reference is made to chapter 4 'Care for Today, Respect for Tomorrow' of this Annual Report where the ratio between the highest paid individual (CEO) to the median annual total remuneration for all employees (excluding the highest-paid individual) is provided.

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

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 & Sustainability 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 & Sustainability Committee. The day-to-day management is delegated to the CEO, assisted by the EXCO. The Audit & Sustainability Committee receives regular reports on risk management.

As such, the enterprise risk management of Lotus Bakeries consists of 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. The double materiality methodology is used to identify and prioritise the main risks to which the Group is faced from two perspectives: financial materiality and impact materiality (see chapter I.4. of the Sustainability Statements).
- 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 programme 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:
  The Lotus Bakeries Code of Conduct establishes the foundation for ethical business practices throughout the organisation. In 2025, a comprehensive review of the Code was conducted to ensure alignment with the expanded operational and geographic scope of Lotus Bakeries Group, evolving stakeholder expectations, and recent regulatory changes. The updated Code of Conduct received Board approval in December 3, 2025. The Code of Conduct is organised into five distinct chapters, each addressing various aspects of business behaviour and providing specific guidance on how employees are expected to act.
- Anti-bribery & Corruption Policy:
  Lotus Bakeries introduced and implemented its group-wide Anti-Bribery and Corruption Policy in 2025. This policy aligns with international standards on anti-bribery and corruption and provides clear guidance for all Group employees on matters such as gifts and hospitality, donations and sponsorships, political involvement, conflicts of interest, and other critical areas.
- Data Protection Policy:
  The Data Protection Policy aims to keep the personal data of our employees, contractors, customers, business partners and consumers safe at all times and only process personal data in compliance with the EU General Data Protection Regulation (GDPR) or any other applicable data protection laws.
- Whistleblowing Policy:
  Lotus Bakeries has established a Whistleblowing Policy, accessible for internal and external stakeholders who wish to report a concern. The Lotus Bakeries Whistleblowing Policy sets out a procedure and guarantees that whistleblowers who report will suffer no adverse or negative consequences whatsoever of disclosing concerns in accordance with this procedure.
- 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 13, 2025 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, each employee clearly knows his role and responsibility.

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 & Sustainability 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 & Sustainability Committee.

The risk management programme 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 below 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	Safety & Quality	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 Lotus® 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 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 / Carbon reduction	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 13 factories. Beginning 2023, 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. This is translated into science-based climate targets for 2030 and 2050, which have been submitted to and validated by SBTi. 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 CSRD as adopted by the European Union. Furthermore, the Group monitors any emerging regulations which would impose specific carbon-reduction initiatives. Such initiatives could potentially impact the current operations and accelerate the transition to low-carbon production processes, materials and investments.
	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. The Group also monitors regulatory measures to limit the use of single-use packaging, such as packaging taxes. The Group is constantly scanning and improving the packaging portfolio based on fact-based methodologies. Lotus Bakeries investigates various alternatives to the classic fossil-based plastics currently in use. However, alternative materials need to guarantee the same level of product safety, processability and sustainability as the current materials used.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
	Sustainable sourcing	Lotus Bakeries is aware of the possible negative impact of cultivation of key raw materials (such as palmoil, cocoa) on the environment, in particular deforestation, as well as the possible social impact in the regions where these raw materials are cultivated. For Lotus Bakeries, it is important that our consumers and customers have confidence that the above mentioned raw materials 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 supply chain of key raw materials.
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. Group ICT has taken various measures to prevent, detect and limit the impact of cyber-attacks. 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, THB, 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.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
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, carbon reduction, intellectual property rights, anti-bribery and corruption, competition, data protection, export regulations, human rights and taxes. Relevant teams within the Group monitor closely any evolutions in the regulatory landscape to warrant compliance of the Group with regulatory initiatives as they emerge.
	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.

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FINANCIAL STATEMENTS

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GENERAL INFORMATION

Lotus Bakeries NV (the 'company') is a limited-liability company incorporated as a "naamloze vennootschap" ("NV") under Belgian law with company registration number 0401.030.860. Lotus Bakeries NV has its registered office at Gentstraat 1, 9971 Lembeke, Belgium. The shares of Lotus Bakeries NV are listed on the regulated market of Euronext Brussels.

Founded in 1932 by Jan Boone with the creation of the iconic Biscoff® cookie, Lotus Bakeries has grown into a global snacking company with a diverse brand portfolio. Alongside its universally loved Biscoff® brand, the Group offers a range of better-for-you snacking brands, including näkd.®, TREK®, BEAR®, Kiddylicious® and Peter's Yard®, as well as a range of local hero brands such as Lotus®, Suzy®, Dinosaurus®, Annas®, Peijnenburg® and Snelle Jelle®.

Headquartered in Belgium, Lotus Bakeries is a dynamic and internationally oriented company, with production facilities across Europe, the Americas, Asia and Africa. The Group is active in more than 70 countries through its own sales organisation and a network of commercial partners worldwide.

The Consolidated Financial Statements of Lotus Bakeries Group (the 'Group') for the year ended December 31, 2025 were authorised for issue on March 31, 2026.

These Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted for application within the European Union with comparative figures for 2024.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUR	NOTE	2025	2024
REVENUE	4	1,355,061	1,231,914
Raw materials, packaging and co-manufacturing		(461,405)	(419,957)
Services and other goods	5	(356,165)	(331,887)
Employee benefit expenses	6	(259,920)	(234,633)
Depreciation and amortisation expenses	7	(40,199)	(36,593)
Impairment on inventories and trade receivables	17, 18	(778)	69
Other operating expenses	8	(6,233)	(5,393)
Other operating income	8	2,047	3,109
UNDERLYING OPERATING RESULT - EBIT(u)		232,409	206,629
Non-underlying items	9	(4,813)	(5,165)
OPERATING RESULT - EBIT		227,596	201,463
Financial result	10	(2,399)	(2,213)
Interest income (expenses)		(235)	(942)
Foreign exchange gains (losses)		(1,431)	(358)
Other financial income (expenses)		(733)	(913)
RESULT BEFORE TAXES		225,197	199,250
Income taxes	11	(52,928)	(46,769)
NET RESULT		172,269	152,482
Attributable to non-controlling interests		11	(95)
Attributable to equity holders of Lotus Bakeries		172,258	152,577

IN THOUSANDS OF EUR	NOTE	2025	2024
NET RESULT		172,269	152,482
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss		(37,127)	27,116
Currency translation differences		(37,127)	27,116
Items that will not be reclassified to profit or loss		(1,420)	(636)
Remeasurement gains/(losses) on defined benefit plans		(1,669)	(636)
Fair value measurement of financial assets at FVOCI		248	-
Other comprehensive income		**(38,547)**	**26,480**
TOTAL COMPREHENSIVE INCOME		133,722	178,962
Attributable to non-controlling interests		(39)	(48)
Attributable to equity holders of Lotus Bakeries		133,760	179,010
EARNINGS PER SHARE	12		
Weighted average number of shares		812,323	811,863
Basic earnings per share (EUR)		212.07	187.82
Attributable to equity holders of Lotus Bakeries		212.06	187.93
Weighted average number of shares after effect of dilution		813,010	813,074
Diluted earnings per share (EUR)		211.89	187.54
Attributable to equity holders of Lotus Bakeries		211.88	187.65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUR	NOTE	DEC. 31, 2025	DEC. 31, 2024
ASSETS			
Non-current assets		**1,032,329**	**993,050**
Goodwill	13	222,841	230,070
Intangible assets	14	147,944	150,437
Property, plant and equipment	15	648,059	580,404
Investments in other companies	16	8,668	28,798
Deferred tax assets	11	3,957	2,485
Other non-current assets	20	860	856
Current assets		**504,192**	**399,134**
Inventories	17	103,833	90,473
Trade and other receivables	18	193,320	166,511
Current tax assets	11	3,019	4,356
Other financial assets	26	78,249	35,914
Cash and cash equivalents	19	121,885	98,314
Other current assets	20	3,886	3,565
TOTAL ASSETS		**1,536,521**	**1,392,183**

IN THOUSANDS OF EUR	NOTE	DEC. 31, 2025	DEC. 31, 2024
EQUITY AND LIABILITIES			
Equity		**859,602**	**791,155**
Share Capital	21	16,388	16,388
Treasury shares	21	(23,488)	(16,882)
Retained earnings		924,803	810,954
Other reserves		(58,101)	(19,305)
Non-controlling interests		-	-
Non-current liabilities		**337,404**	**261,987**
Interest-bearing liabilities	22	249,874	180,501
Deferred tax liabilities	11	78,388	74,624
Employee benefit obligations	23	7,294	4,901
Provisions		57	73
Other non-current liabilities	25	1,791	1,887
Current liabilities		**339,515**	**339,042**
Interest-bearing liabilities	22	62,376	100,810
Employee benefit obligations	23	463	463
Provisions		21	21
Trade and other payables	24	247,558	216,256
Current tax liabilities	11	25,519	18,446
Other current liabilities	25	3,579	3,046
TOTAL EQUITY AND LIABILITIES		**1,536,521**	**1,392,183**

CONSOLIDATED CASH FLOW STATEMENT

IN THOUSANDS OF EUR	2025	2024
OPERATING ACTIVITIES		
NET RESULT	172,269	152,482
Depreciation and amortisation expenses	40,199	36,593
Impairment of assets and results from disposal of assets	(125)	(114)
Change in provisions	(16)	100
Financial result	2,399	2,213
Income taxes	52,928	46,769
Employee share-based compensation expense	2,138	942
Gross cash provided by operating activities	**269,791**	**238,984**
Decrease/(Increase) in inventories	(13,359)	(13,568)
Decrease/(Increase) in trade and other receivables	(26,808)	(11,975)
Decrease/(Increase) in other assets	(321)	(713)
Increase/(Decrease) in trade and other payables	18,121	6,340
Increase/(Decrease) in other liabilities	(58)	570
Change in working capital	**(22,426)**	**(19,345)**
Income taxes paid	(41,488)	(37,546)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**205,878**	**182,093**

IN THOUSANDS OF EUR	2025	2024
INVESTING ACTIVITIES		
Acquisitions paid for (in)tangible assets	(112,976)	(117,605)
Proceeds received from disposal of (in)tangible assets	2	20
Proceeds from disposal of equity instruments	20,378	-
Cash invested in debt instruments	(46,482)	(37,208)
Proceeds / (Reimbursement) of long-term receivables	(4)	53
Interests received	2,914	3,093
NET CASH USED IN INVESTING ACTIVITIES	**(136,168)**	**(151,647)**
FINANCING ACTIVITIES		
Dividends paid	(61,735)	(47,014)
(Acquisition)/Disposal of treasury shares	(5,905)	2,392
Proceeds from interest-bearing liabilities	125,000	-
Reimbursement of interest-bearing liabilities	(95,000)	(9,500)
Reimbursement of lease liabilities	(7,658)	(6,831)
Interests paid	(4,257)	(3,772)
NET CASH FROM FINANCING ACTIVITIES	**(49,555)**	**(64,725)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**20,155**	**(34,280)**
Cash and cash equivalents as at January 1	98,314	131,231
Effect of exchange rate fluctuations	3,417	1,363
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31	**121,885**	**98,314**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN THOUSANDS OF EUR	ISSUED CAPITAL	SHARE PREMIUM	SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TRANSLATION DIFFERENCES	REMEASUREMENT GAINS/(LOSSES) ON DEFINED BENEFIT PLANS	OTHER RESERVES	EQUITY-PART OF THE GROUP	NON-CONTROLLING INTERESTS	TOTAL EQUITY
EQUITY AS AT JANUARY 1, 2025	**3,591**	**12,797**	**16,388**	**(16,882)**	**810,954**	**(17,764)**	**(1,541)**	**(19,305)**	**791,155**	**-**	**791,155**
Net result	-	-	-	-	172,258	-	-	-	172,258	11	172,269
Other comprehensive income	-	-	-	-	248	(37,078)	(1,669)	(38,746)	(38,498)	(50)	(38,547)
Total comprehensive income	**-**	**-**	**-**	**-**	**172,507**	**(37,078)**	**(1,669)**	**(38,746)**	**133,760**	**(39)**	**133,722**
Dividend to shareholders	-	-	-	-	(61,508)	-	-	-	(61,508)	-	(61,508)
Transactions with treasury shares	-	-	-	(6,606)	701	-	-	-	(5,905)	-	(5,905)
Employee share-based compensation expense	-	-	-	-	2,138	-	-	-	2,138	-	2,138
Impact written put options on non-controlling interests	-	-	-	-	11	(50)	-	(50)	(39)	39	-
Other	-	-	-	-	-	-	-	-	-	-	-
EQUITY AS AT DECEMBER 31, 2025	**3,591**	**12,797**	**16,388**	**(23,488)**	**924,803**	**(54,891)**	**(3,210)**	**(58,101)**	**859,602**	**-**	**859,602**
EQUITY AS AT JANUARY 1, 2024	**3,591**	**12,797**	**16,388**	**(18,797)**	**704,401**	**(44,880)**	**(905)**	**(45,785)**	**656,207**	**-**	**656,207**
Net result	-	-	-	-	152,577	-	-	-	152,577	(95)	152,482
Other comprehensive income	-	-	-	-	-	27,069	(636)	26,433	26,433	47	26,480
Total comprehensive income	**-**	**-**	**-**	**-**	**152,577**	**27,069**	**(636)**	**26,433**	**179,010**	**(48)**	**178,962**
Dividend to shareholders	-	-	-	-	(47,100)	-	-	-	(47,100)	-	(47,100)
Transactions with treasury shares	-	-	-	1,915	249	-	-	-	2,164	-	2,164
Employee share-based compensation expense	-	-	-	-	942	-	-	-	942	-	942
Impact written put options on non-controlling interests	-	-	-	-	(95)	47	-	47	(48)	48	-
Other	-	-	-	-	(20)	-	-	-	(20)	-	(20)
EQUITY AS AT DECEMBER 31, 2024	**3,591**	**12,797**	**16,388**	**(16,882)**	**810,954**	**(17,764)**	**(1,541)**	**(19,305)**	**791,155**	**-**	**791,155**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

1.1 BASIS OF PRESENTATION

The Consolidated Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

These Consolidated Financial Statements are presented in thousands of EUR and present the financial situation as at December 31, 2025. Due to rounding, numbers presented throughout these Consolidated Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The accounting principles have been consistently applied to all periods presented and are consistent with those applied in the audited Consolidated Financial Statements for the year ended December 31, 2024 of the Group.

The Consolidated Financial Statements have been prepared based on the historical cost methodology, except for certain financial instruments for which the fair value is used.

These financial statements are prepared on an accrual basis and on the assumption that the Group is in going concern and will continue in operation in the foreseeable future.

In 2025, the Group has not adopted any relevant new standards, amendments to standards or interpretations for the first time.

The following relevant new standards, amendments to standards or interpretations have been published, but are not yet mandatory for the first time for the financial year beginning January 1, 2025, and have not been early adopted:

> **IFRS 18 - *Presentation and Disclosure in Financial Statements*** (effective January 1, 2027). IFRS 18 will replace IAS 1 – *Presentation of Financial Statements*. The new standard aims to improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information.

The Group is currently in the process of analysing the potential impact of the implementation of IFRS 18. Based on a first assessment, the Group does not expect that the above-mentioned new pronouncement will have a material quantitative impact on the Consolidated Financial Statements. However, the new standard imposes new presentation requirements in the primary statements. The Group currently assesses that the new standard will mainly impact the presentation within the statement of profit or loss. As such, IFRS 18 distinguishes income and expenses by activity (operating, investing and financing). Therefore, new subtotals will be introduced into the statement of profit or loss, such as result before financing and income taxes presenting investment income (including interest income) separately from financing results. Furthermore, the new standard requires to classify foreign exchange differences in the statement of profit or loss in the same category (i.e. operating, investing or financing) as the income and expenses of the underlying transaction. The Group is currently assessing the impact of this requirement as currently, all foreign exchange differences recognised in the statement of profit or loss are presented in the financial result.

1.2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In order to prepare the financial statements in accordance with IFRS, management has to make judgements, estimates and assumptions which have an impact on the financial statements and notes.

Estimates and judgements made on the reporting date reflect existing conditions on that date (for example: market prices, interest rates and foreign exchange rates). Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Though these estimates are made by management based on maximum knowledge of ongoing business and of the actions that the Group may undertake, the actual results may be different.

No significant judgements have been made to prepare the current Consolidated Financial Statements.

No major sources of estimation uncertainty have been identified in the preparation of the current Consolidated Financial Statements, except for the ones applied in the recurring measurement of specific items of the statement of financial position, such as measurement of the recoverable amount of goodwill and intangible assets in the context of the annual impairment test and the measurement of the post-employment benefit liabilities.

Next to the above items, the company considers climate change and its sustainability commitments as one of the main items to consider in the determination of future estimates and judgements when preparing the Consolidated Financial Statements, particularly in the context of the targets included towards its Net Zero ambition as disclosed in the Sustainability Statements. As such, the company is aware that climate change can create disruptions in the supply chain and in the operating activities. Legislation requires significant investments to reach the sustainability targets defined. Therefore, Lotus Bakeries monitors and assesses how its business impacts the environment and the direct surroundings of its different locations. The Group assesses how sustainable CAPEX investments will impact in the future its cash forecasts, useful lives of assets... Furthermore, the changing customer behaviour to more healthy and sustainable products is considered a key item in identifying opportunities and business developments.

At this stage, the Group does not expect that climate change or other environmental related risks would have a significant impact on the financial statements in the short term. However, the Group monitors closely its consumptions and usage of key commodities to mitigate any potential impact. More details regarding the actions taken by the Group to reduce its greenhouse emissions are disclosed in the Sustainability Statements as prepared in accordance with CSRD.

The "Net Zero by 2050" target requires the Group to reassess its investment strategy and timing and alternatives of both CAPEX and OPEX investments. This will potentially impact the use of resources and available assets. As such, future financial statements would potentially be impacted through a revision of the useful lives of tangible assets, updated cash forecasts in impairment tests, investments in tools and assets improving our ecological footprint.

Despite geopolitical uncertainties and potentially further deterioration in global trade conditions, we remain firmly committed to our growth strategies for Lotus® Biscoff® and Lotus™ Natural Foods. The present macroeconomic environment brings unpredictability regarding financial markets and how factors like exchange rates and US customs tariffs may affect financial resources and the financial performance of the Group. However, our solid financial position and performance provide confidence that the Group is well positioned for the future.

1.3 CONSOLIDATION PRINCIPLES

The Consolidated Financial Statements comprise the financial statements of Lotus Bakeries NV and its subsidiaries (collectively referred to as the 'Group'). Intercompany balances and transactions between Group companies are eliminated.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group has control over an investee when it is exposed to, or has the right to, variable returns arising from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidation scope as from the date that the Group obtains control until the date such control ceases.

Acquisition of subsidiaries is accounted for according to the acquisition method. The cost of the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The cost includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair value at acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

The financial statements of the subsidiaries have the same financial year as the company and are prepared in accordance with the accounting principles of the Group.

Liabilities related to put options granted to non-controlling interests

The Group granted put options to non-controlling interests in a subsidiary, giving the holders the right to sell part or all of their investment in the subsidiary to the company. This put option on non-controlling interests (own equity instrument) gives rise to a gross liability that is initially recognised against equity and measured at the present value of the redemption amount (exercise price) in accordance with IAS 32 – *Financial Instruments: presentation*. This financial liability is included in the other non-current liabilities. This gross liability is subsequently measured at fair value. The difference between the value of the non-controlling interest and the fair value of the liability is allocated to the retained earnings (Group share), which are included in shareholders' equity.

This liability is adjusted at the end of each reporting period to reflect changes in the estimated exercise price of the option and the carrying amount of non-controlling interests. If the option comes to maturity without exercising, the liability is derecognised against non-controlling interests and retained earnings (Group share).

1.4 FOREIGN CURRENCIES

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in euro, the Group's reporting currency.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the closing rate on the reporting date. Resulting foreign exchange gains and losses are recognised in the statement of profit or loss.

Foreign exchange gains and losses that relate to interest-bearing liabilities and cash and cash equivalents are presented in the statement of profit or loss within the financial result. All other foreign exchange gains and losses are presented in the statement of profit or loss within operating result.

Financial statements of foreign entities

For foreign entities using a different functional currency than the euro:

> Assets and liabilities are translated to the euro using the exchange rate on the reporting date;
> Items of income and expenses are translated at monthly average exchange rate; and
> Equity items are translated at the historical exchange rate.

The resulting translation differences are recognised in other comprehensive income and accumulated in a separate component of equity (translation differences). These translation differences remain in equity up to the disposal of the relevant entity. In case of disposal, the accumulated amount in equity is reclassified to the statement of profit or loss as part of the result on disposal of the relevant foreign activity.

Goodwill arising from the acquisition of a foreign entity and fair value adjustments to the carrying amount of the acquired assets and liabilities at the date of acquisition, are considered as assets and liabilities of the foreign activity and are translated at the exchange rate on the reporting date.

The Group has no entities in hyperinflationary economies.

Exchange rates

The following exchange rates were used in preparing the financial statements:

	CLOSING RATE		AVERAGE ANNUAL RATE	
	2025	2024	2025	2024
EUR/CAD	1.609	1.495	1.617	1.482
EUR/CHF	0.931	0.941	0.933	0.953
EUR/CNY	8.226	7.583	8.250	7.789
EUR/CZK	24.237	25.185	24.260	25.117
EUR/GBP	0.873	0.829	0.875	0.847
EUR/KRW	1,696.940	1,532.150	1,718.426	1,475.212
EUR/SEK	10.822	11.459	10.899	11.433
EUR/THB	37.218	35.676	37.013	38.222
EUR/USD	1.175	1.039	1.171	1.082
EUR/ZAR	19.444	19.619	19.823	19.839

1.5 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Group are disclosed in the relevant notes as a separate paragraph.

2. CHANGES TO THE CONSOLIDATION SCOPE

In 2025, the Group has set up a new entity in Switzerland, Lotus Bakeries Corporate Switzerland AG, and in Singapore, Lotus Bakeries Southeast Asia Pte. Ltd.

In 2024, the Group has established a new entity in Canada, Lotus Montréal Canada Inc., and in Thailand, Lotus Asia Pacific Management Services Ltd.

The complete list of companies included in the consolidation scope is disclosed in note 32.

3. SEGMENT REPORTING

3.1 ACCOUNTING POLICY

Group revenue is centralised around a number of products that are all included in the traditional and natural snack segment. For these products, the Group is organised according to geographical regions for sales, production and internal reporting.

The result of a segment includes the income and expenses directly generated by a segment as well as the portion of the income and expenses that can be reasonably attributed to the segment. Intersegment price-fixing is defined based on the 'at arm's length' principle.

Considering that the chief operating decision maker (i.e. CEO) does not review on a regular basis items of the statement of financial position per segment, segment assets and liabilities are not disclosed.

For the purpose of sales, production and internal reporting, the Group is classified according to geographical regions in line with the organisational and managerial structure. Furthermore, aggregation of underlying countries into the below identified reportable segments have been done when such aggregation is consistent with the core principle of IFRS 8, the segments have similar long-term economic characteristics and the segments are similar in each of the following respects:

- The nature of products and services;
- The nature of the production processes;
- The procurement process;
- The type or class of customer for their products and services;
- The functional currencies of each market;
- The methods used to distribute their products to provide their services; and
- The nature of the regulatory environment.

The regions presented in the segment reporting, which are based on the internal reporting system, are composed as follows:

- Continental Europe: sales by sales offices in Continental Europe and intra-group sales by factories in Continental Europe (homogeneous activities within Europe, excluding UK activities, and including Belgium, France and other European countries);
- UK: sales by sales offices UK, Natural Balance Foods, Urban Fresh Foods, Kiddylicious and Peter's Yard;
- Americas: sales by sales offices in Americas and intra-group sales by the factory in the United States;
- Rest of the world: sales from Belgium to countries without own sales office and by own sales offices in China and South Korea.

3.2 SEGMENT INFORMATION

PERIOD ENDED DEC. 31, 2025

IN THOUSANDS OF EUR	CONTINENTAL EUROPE	UK	AMERICAS	REST OF THE WORLD	ELIMINATIONS/ GROUP	TOTAL
SEGMENT REVENUE	**792,991**	**333,117**	**224,339**	**211,945**	**(207,331)**	**1,355,061**
Revenue from external customers	660,624	269,821	217,296	207,319	-	1,355,061
Intersegment revenue	132,367	63,296	7,043	4,626	(207,331)	-
SEGMENT RESULT – EBIT(u)	**131,985**	**59,872**	**40,897**	**50,742**	**(51,088)**	**232,409**
Non-underlying items						(4,813)
Operating result – EBIT						**227,596**
Financial result						(2,399)
Result before taxes						**225,197**
Income taxes						(52,928)
Net result						**172,269**
OTHER SEGMENT INFORMATION						
Acquisitions:						
Tangible assets	52,599	4,069	15,143	50,160	6,739	128,711
Intangible assets	63	-	-	222	934	1,218
Depreciations and amortisations on (in)tangible assets	(23,871)	(2,926)	(8,081)	(1,271)	(4,050)	(40,199)

PERIOD ENDED DEC. 31, 2024

IN THOUSANDS OF EUR	CONTINENTAL EUROPE	UK	AMERICAS	REST OF THE WORLD	ELIMINATIONS/ GROUP	TOTAL
SEGMENT REVENUE	**736,587**	**311,348**	**185,655**	**187,416**	**(189,092)**	**1,231,914**
Revenue from external customers	606,265	265,031	182,452	178,165	-	1,231,914
Intersegment revenue	130,323	46,317	3,202	9,250	(189,092)	-
SEGMENT RESULT – EBIT(u)	**120,895**	**51,737**	**32,265**	**42,293**	**(40,561)**	**206,629**
Non-underlying items						(5,165)
Operating result – EBIT						**201,463**
Financial result						(2,213)
Result before taxes						**199,250**
Income taxes						(46,769)
Net result						**152,482**
OTHER SEGMENT INFORMATION						
Acquisitions:						
Tangible assets	38,099	7,856	8,597	66,568	4,587	125,707
Intangible assets	1	-	-	-	530	531
Depreciations and amortisations on (in)tangible assets	22,363	2,475	7,272	571	3,911	36,593

Sales between the various segments are carried out at arm's length.

The non-current assets (i.e. property, plant and equipment, right-of-use assets, intangible assets and goodwill) by location of assets are detailed on the right.

The Group's revenue by country are disclosed in note 4.

IN THOUSANDS OF EUR	2025	2024
Belgium	313,559	280,946
United Kingdom	209,417	222,090
Thailand	146,328	100,983
United States	135,246	145,212
The Netherlands	101,479	101,636
South Africa	66,562	63,773
Other	46,253	46,272
TOTAL	**1,018,844**	**960,911**

4. REVENUE

4.1 ACCOUNTING POLICY

Revenue is included in the statement of profit or loss when it is probable that the Group will receive economic benefits from the transaction and the revenue can be measured reliably.

Revenue of the Group is generated principally through the sale of goods with as only performance obligation the delivery of goods. Revenue recognition occurs at a point in time, when control of the asset is transferred to the customer, generally on delivery of the goods.

Customer contracts include trade discounts or volume rebates, which are granted to the customer if the delivered quantities exceed a certain threshold. In these cases, the transaction price includes a variable consideration. The effect of the variable consideration on the transaction price is taken into account in revenue recognition by estimating the probability of the realisation of the discount or rebate for each contract.

In the context of contracts with clients or as a result of business practices, Lotus Bakeries might pay certain amounts to its customer. The payments can be cash, either in the form of rebates or discounts, or could alternatively be a credit or some other form of incentive that reduces amounts owed to Lotus Bakeries by a customer. Amounts paid by Lotus Bakeries to customers on either a limited or a continuous basis may take various forms and are paid for a varying number of reasons, such as discounts, coupons, rebates, co-advertising, slotting or listing fees.

In accordance with IFRS 15, Lotus Bakeries accounts for such consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. It is therefore important to analyse the substance of such payment in order to properly reflect the substance of them, i.e. include in the transaction price of the transaction with the customer (revenue) or consider as a separate transaction (expense).

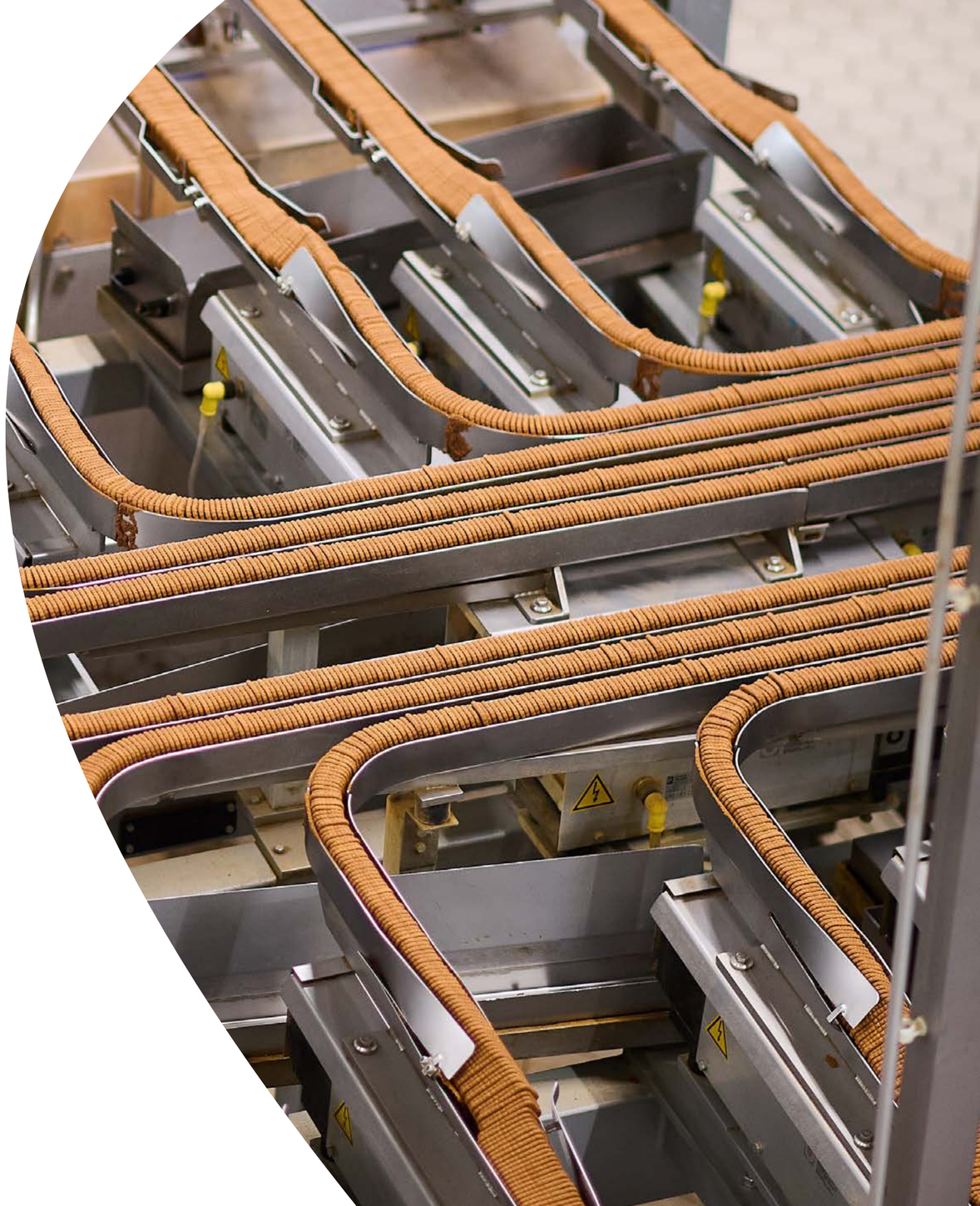
4.2 OVERVIEW

Revenue is generated at a point in time mainly by branded products (Lotus® Biscoff®, Lotus™ Natural Foods brands and Lotus® Local Heroes).

	LOTUS® BISCOFF®	LOTUS™ NATURAL FOODS	LOTUS® LOCAL HEROES
	The globalisation of Lotus® Biscoff® is the first pillar of our strategy. Biscoff® cookies and spread offer a universally loved caramelised taste and crunchy texture experience, which is quite unique in the food industry.	Since 2015, we have been investing in better-for-you snacks, delivered by strong brands, such as BEAR®, nākd.®, TREK®, Kiddylicious® and Peter's Yard®. The internationalisation of these brands forms the second pillar of our strategy.	Our third strategic pillar includes a wide range of local brands and products - waffles, pastry, gingerbread and cookies - that play an important role in their home market of Belgium, France, the Netherlands or Sweden.
SHARE OF REVENUE [1]	57%	25%	18%
2025 GROWTH	13%[2]	17%	2%
STRATEGIC AMBITION	Become the number 3 cookie brand in the world	Become a leader in the better-for-you snacking segment	Secure market leadership and strong cash flow

[1] FY 2025 branded revenue
[2] FY sales Biscoff Ice Cream included

We elaborate on the strategy behind our brand pillars and the main highlights of 2025 in chapter 3 of this Annual Report.



The sales generated in the country of domicile of the Group (Belgium) represent 13% of the Group's revenue. Sales to countries in our top four countries are presented in the table below. The sales in all other individual country represent less than 10% of the Group's revenue.

IN THOUSANDS OF EUR	2025	2024
Belgium	172,069	169,989
United Kingdom	267,561	265,781
United States	220,653	181,342
France	179,849	172,100
Other	514,930	442,703
TOTAL REVENUE	**1,355,061**	**1,231,914**

5. SERVICES AND OTHER GOODS

Services and other goods include mainly commercial and marketing expenses (59%), cost to serve expenses (16%), plant-related expenses (15%) and professional fees (7%).

The increase compared to 2024 mainly relates to increased sales and production volumes, next to increased costs for commercials and marketing to upscale the media investments.

6. EMPLOYEE BENEFIT EXPENSES

IN THOUSANDS OF EUR	2025	2024
Short-term employee benefits	207,330	187,419
Social security contributions	34,415	30,358
Defined contribution costs	1,729	4,059
Defined benefit costs	2,904	495
Other employee benefit expenses	13,542	12,301
TOTAL EMPLOYEE BENEFIT EXPENSES	**259,920**	**234,633**
Average number of employees	3,794	3,239
Number of employees as at the end of the year	4,164	3,364

The other employee benefit expenses include mainly the costs of training and other employee-related insurances.

7. DEPRECIATION AND AMORTISATION EXPENSES

IN THOUSANDS OF EUR	2025	2024
Amortisation of intangible assets (see note 14)	1,170	1,265
Depreciation of property, plant and equipment (see note 15)	32,159	29,191
Depreciation of right-of-use assets (see note 15)	6,870	6,137
TOTAL DEPRECIATION AND AMORTISATION EXPENSES	**40,199**	**36,593**

8. OTHER OPERATING INCOME AND EXPENSES

The other operating income consists primarily of external sales of raw materials and other non-core items, various costs recovered at the time of sale and indemnification payments.

The other operating expenses include local levies (property taxes, municipal taxes, packaging tax…) and penalties.

9. NON-UNDERLYING ITEMS

Non-underlying items include other operating income and expenses that do not belong to or derive from the recurring operating activities of the Group (normal course of business). This category includes primarily results from the disposal of fixed assets, any goodwill impairment losses, any impairment losses on fixed assets, expenses relating to the acquisition, disposal and start-up of new businesses, restructuring expenses and expenses relating to pandemics.

IN THOUSANDS OF EUR	2025	2024
Start-up costs related to capacity extensions	(4,822)	(3,792)
Acquisition-related costs	-	(1,075)
Product range & organisational restructuring	109	147
Other	(100)	(445)
TOTAL NON-UNDERLYING ITEMS	**(4,813)**	**(5,165)**

In 2025, the non-underlying items relate mainly to costs to support capacity expansion for Lotus® Biscoff® and the greenfield site in Thailand (Chonburi).

10. FINANCIAL RESULT

IN THOUSANDS OF EUR	2025	2024
Interest expenses	(3,299)	(4,448)
Interest income	3,064	3,505
Interest income (expenses)	**(235)**	**(942)**
Foreign exchange gains (losses)	**(1,431)**	**(358)**
Other financial income (expenses)	**(733)**	**(913)**
TOTAL FINANCIAL RESULT	**(2,399)**	**(2,213)**

The financial result of EUR -2.4 million consists mainly of interest expenses, net of cash deposit income, bank charges and a negative impact of realised and unrealised exchange results on balance sheet positions in foreign currencies.

The foreign exchange gains (losses) are related to the realisation and revaluation of financial positions mainly in GBP (pounds sterling) and USD (US dollars).

11. INCOME TAXES

11.1 ACCOUNTING POLICY

Income taxes include current and deferred taxes. Both taxes are recognised in the statement of profit or loss except if the underlying transaction has been recognised directly in other comprehensive income. If so, the related income taxes are also directly recognised in other comprehensive income.

Current taxes include the amount of tax payable on the taxable earnings for the period calculated at the tax rate applicable on the reporting date. They also include adjustments to income tax liabilities for previous years. In line with IAS 12 – *Income Taxes*, management assesses on a periodic basis the positions taken in tax declarations in respect of items subject to interpretation in the tax legislation, and records, if necessary, additional income tax liabilities based on the expected amounts payable to the tax authorities. The assessment is made for all fiscal periods still subject to controls by the authorities.

Deferred taxes are calculated using the balance sheet method and result mainly from temporary differences between the carrying amount of both assets and liabilities in the statement of financial position and their respective tax base. Deferred taxes are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred taxes are recognised at their nominal value and are not discounted.

Deferred tax assets from deductible temporary differences and unused tax losses carry forwards are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be offset.

The carrying amount of deferred tax assets is reassessed at each reporting date and reduced when it is no longer probable that the related tax savings can be generated. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future taxable profits allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

11.2 INCOME TAXES IN THE STATEMENT OF PROFIT OR LOSS

The income tax recognised in the statement of profit or loss can be detailed as follows:

IN THOUSANDS OF EUR	2025	2024
Current taxes in respect of the current year	(46,877)	(42,134)
Current taxes in respect of the prior years	446	467
Withholding Taxes	(987)	(1,174)
Deferred taxes in respect of the current year	(4,862)	(2,843)
Deferred taxes in respect of the prior year	(648)	(1,085)
TOTAL INCOME TAXES	**(52,928)**	**(46,769)**

The average effective tax rate in 2025 is constant to 2024 at 23.5%.

The income tax expense can be reconciled as follows:

IN THOUSANDS OF EUR	2025	2024
Result before taxes	**225,197**	**199,250**
Legal tax rate	25.00%	25.00%
Income tax expense computed at the legal tax rate	**(56,299)**	**(49,813)**
Effect of different tax rates in other countries	2,739	1,473
Deductions of taxable income	3,392	5,373
Tax adjustments for prior years	(202)	(618)
Disallowed expenses	(910)	(1,095)
Tax exempted income	8	56
Tax losses used for which no deferred tax asset has been recorded	-	37
Unrecognised deferred tax assets	(1,239)	(677)
Withholding tax	(987)	(1,174)
Other	355	(332)
TOTAL INCOME TAXES	**(52,928)**	**(46,769)**
Effective tax rate	23.5%	23.5%

In October 2021, the OECD reached agreement on the Pillar Two global minimum tax rules to address the tax challenges arising from digitalisation of the economy. The agreement includes a coordinated system of Global anti-Base Erosion (GloBE) rules that are designed to ensure large multinational companies pay a minimum level of tax on the income arising in each jurisdiction where they operate, establishing a global minimum corporate tax rate of 15% on the profit. This set of measures would be applied on a Country-by-Country basis to multinational companies with revenue exceeding EUR 750 million.

Therefore, the Group has recognised an estimated top-up tax relating to its activities in Switzerland.

11.3 INCOME TAXES IN THE STATEMENT OF FINANCIAL POSITION

Deferred taxes

The deferred tax assets and liabilities can be reconciled as follows:

IN THOUSANDS OF EUR	AS AT JAN. 1, 2025	RECOGNISED THROUGH THE STATEMENT OF PROFIT OR LOSS	RECOGNISED THROUGH EQUITY	EXCHANGE DIFFERENCES	AS AT DEC. 31, 2025
Intangible assets	(34,727)	(172)	-	806	(34,093)
Property, plant and equipment	(42,948)	(5,680)	-	2,064	(46,564)
Inventories	463	286	-	(51)	697
Employee benefit obligations	1,161	(28)	487	-	1,620
Other liabilities	(4,602)	632	-	(28)	(3,998)
Derivative financial instruments	-	-	-	-	-
Tax losses carried forward	2,757	1,201	-	(213)	3,745
Other	5,757	(1,749)	-	153	4,161
TOTAL DEFERRED TAXES	**(72,140)**	**(5,510)**	**487**	**2,732**	**(74,431)**
of which deferred tax assets	2,485				3,957
of which deferred tax liabilities	(74,624)				(78,388)

IN THOUSANDS OF EUR	AS AT JAN. 1, 2024	RECOGNISED THROUGH THE STATEMENT OF PROFIT OR LOSS	RECOGNISED THROUGH EQUITY	EXCHANGE DIFFERENCES	AS AT DEC. 31, 2024
Intangible assets	(33,820)	(76)	-	(831)	(34,727)
Property, plant and equipment	(38,452)	(3,471)	-	(1,025)	(42,948)
Inventories	666	(191)	-	(12)	463
Employee benefit obligations	998	(85)	95	153	1,161
Other liabilities	(4,113)	(513)	-	23	(4,602)
Derivative financial instruments	-	-	-	-	-
Tax losses carried forward	6,402	(3,760)	-	115	2,757
Other	2,414	4,170	-	(828)	5,757
TOTAL DEFERRED TAXES	**(65,905)**	**(3,927)**	**95**	**(2,403)**	**(72,140)**
of which deferred tax assets	2,120				2,485
of which deferred tax liabilities	(68,024)				(74,624)

The recognition of these deferred tax assets is supported by profit expectations in the foreseeable future.

At year-end 2025, the Group did not recognise deferred tax assets for unused tax losses for a total gross amount of EUR 7.5 million with a maturity of 5 years.

Current taxes

The current tax assets mainly relate to the excess of pre-payments made compared to the actual income tax payable for the year. The current tax liabilities include actual corporate taxes payable.

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's share in net result by the weighted average number of outstanding shares over the year (total number of shares – treasury shares).

Diluted earnings per share is calculated by dividing the Group's share in net result by the weighted average number of outstanding shares over the year, adjusted for the potential dilution of ordinary shares as a result of options granted under the stock option plan for management (see note 21).

IN THOUSANDS OF EUR	2025	2024
Net result - Basic and diluted earnings per share	**172,269**	**152,482**
of which attributable to equity holders of Lotus Bakeries	172,258	152,577
Weighted average number of shares - Basic earnings per share	**812,323**	**811,863**
Dilutive effect	688	1,211
Weighted average number of shares - Diluted earnings per share	**813,010**	**813,074**
BASIC EARNINGS PER SHARE (IN EUR)	**212.07**	**187.82**
of which attributable to equity holders of Lotus Bakeries	212.06	187.93
DILUTED EARNINGS PER SHARE (IN EUR)	**211.89**	**187.54**
of which attributable to equity holders of Lotus Bakeries	211.88	187.65

13. GOODWILL

13.1 ACCOUNTING POLICY

Goodwill arising from a business combination is initially measured at cost (i.e., the excess between the cost of the business combination and the Group's interest in the fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities assumed). After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Goodwill is tested for impairment annually or more often if events or changes in circumstances indicate that the carrying amount may have been impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date onwards, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

For sales, production and internal reporting, the Group is organised into geographic regions (see also note 3 Segment reporting). The segments consist of underlying business units. These business units represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. These business units are the cash-generating units to which goodwill is allocated.

13.2 OVERVIEW

The carrying amount of goodwill has been allocated to the various independent cash-generating units as follows:

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Lotus™ Natural Foods (Natural Balance Foods, Urban Fresh Foods, Kiddylicious and Peter's Yard)	170,227	176,975
Belgium	20,773	20,773
The Netherlands	17,151	17,151
Asia	7,310	8,096
Nordics	5,677	5,371
Other	1,704	1,704
TOTAL GOODWILL	**222,841**	**230,070**

IN THOUSANDS OF EUR	
Carrying amount as at January 1, 2024	**222,915**
Effect of movements in foreign exchange rates	7,155
Carrying amount as at December 31, 2024	**230,070**
Effect of movements in foreign exchange rates	(7,229)
CARRYING AMOUNT AS AT DECEMBER 31, 2025	**222,841**

13.3 IMPAIRMENT TEST

Goodwill, representing approximately 15% of the total assets of Lotus Bakeries at December 31, 2025, is tested for impairment every year during the fourth quarter after the budget process (or whenever there is a specific reason to do so) by comparing the carrying amount of each cash-generating unit (CGU) with its recoverable amount. The recoverable amount of a cash-generating unit is determined on the basis of the value in use.

The value in use is determined as the present value of expected future cash flows based on the current long-term planning of the Group. The discount rate used in determining the present value of expected future cash flows is based on a weighted average cost of capital (WACC) before taxes (pre-tax discount rate). The impairment test for goodwill is based on a number of critical judgements, estimates and assumptions.

The assumptions are consistent and reasonable for all cash-generating units, which are mainly located in Europe and the UK:

- Revenue and operating result: revenue and operating result reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit;
- The first year of the model is based on the budget for the year as approved by the board of directors, taking into account historical results and is management's best estimate of the free cash flow outlook for the current year;
- In years two to three of the model, free cash flows are based on Lotus Bakeries' long-term plan. The long-term plan is prepared country by country, based on reasonable internal plans that take into account the specific market situation and the past;
- Cash flows beyond the first three years are extrapolated by applying a perpetual growth rate which does not exceed the relevant long-term inflation rates;

> Projections are discounted at the pre-tax weighted average cost of capital (WACC). The WACC has been determined by jurisdiction and considering the specific risks related to each CGU. Main inputs include risk-free rate, market risk, risk premium and the cost of debt.

The impairment test is highly sensitive to the key assumptions, pre-tax discount rate and perpetual growth rate, which are detailed below:

IN THOUSANDS OF EUR	PRE-TAX DISCOUNT RATE 2025	PRE-TAX DISCOUNT RATE 2024	PERPETUAL GROWTH RATE 2025	PERPETUAL GROWTH RATE 2024
Lotus™ Natural Foods CGU's	6.3%-6.6%	8.4%-8.8%	2.0%	2.0%
Other CGU's	5.9%-6.8%	7.4%-8.9%	2.0%	2.0%

At the end of 2025, Lotus Bakeries has completed its annual impairment test of goodwill. The discount rates have been updated to reflect the changes of the risk-free rates on the market. These changes in key assumptions have impacted positively the different headrooms, and did not result in any impairment loss.

As part of the impairment test, the company carried out a sensitivity analysis for the key assumptions used, i.e. the pre-tax discount rate and perpetual growth rate. Here, a decrease in the perpetual growth rate by 100 basis points and an increase in the pre-tax discount rate by 100 basis points were applied. A change in the key assumptions used, as described above, does not lead to an impairment loss.

Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

14. INTANGIBLE ASSETS

14.1 ACCOUNTING POLICY

Intangible assets which are acquired separately are measured initially at cost. After initial recognition, intangible assets are measured at cost less accumulated amortisations and impairment losses.

Costs for internally generated intangible assets are recognised in the statement of profit or loss as incurred, unless they meet the criteria to be considered as development costs.

Intangible assets acquired in the context of a business combination are recognised separately in the statement of financial position at their estimated fair value at acquisition date. This concerns brands. The value of these brands was established as part of the valuation at fair value of the asset and liability components upon first consolidation.

The brands are not amortised as the useful life is deemed to be indefinite as based on all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group and are sustained by continuous marketing support. Therefore, an impairment test is performed to assess the recoverability of the brands on annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The indefinite useful life is re-assessed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospectively.

Intangible assets with a finite useful life are amortised on a straight-line basis over the estimated useful life and reviewed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation begins when the intangible asset is available for its intended use.

Investments in software and licences are amortised over a period of three to five years.

14.2 OVERVIEW

IN THOUSANDS OF EUR	BRANDS	SOFTWARE	TOTAL
Acquisition cost	149,601	13,989	163,590
Accumulated amortisation and impairment losses	(4,627)	(11,138)	(15,765)
CARRYING AMOUNT AS AT JANUARY 1, 2024	**144,974**	**2,851**	**147,825**
Acquisitions	-	531	531
Amortisation expense	-	(1,265)	(1,265)
Transfer from one heading to another	-	260	260
Effect of movements in foreign exchange rates	3,085	2	3,087
CARRYING AMOUNT AS AT DECEMBER 31, 2024	**148,059**	**2,379**	**150,437**
Acquisition cost	152,686	14,466	167,151
Accumulated amortisation and impairment losses	(4,627)	(12,087)	(16,714)
Acquisitions	-	1,218	1,218
Amortisation expense	-	(1,170)	(1,170)
Transfer from one heading to another	-	649	649
Effect of movements in foreign exchange rate	(3,189)	(2)	(3,191)
CARRYING AMOUNT AS AT DECEMBER 31, 2025	**144,869**	**3,074**	**147,944**
Acquisition cost	149,496	16,283	165,780
Accumulated amortisation and impairment losses	(4,627)	(13,209)	(17,836)

Intangible assets include brands and software investments. Software relates mainly to the capitalised external and internal costs connected with the further roll-out of the ERP information system SAP across the Lotus Bakeries Group.

The brands relate to the brands acquired by the company over the years:

> Peijnenburg®: base brand in the Netherlands;
> Dinosaurus®: brand acquired in 2012;
> Annas®: base brand for the Nordic region and base brand for the pepparkakor products outside the Nordic region;
> nākd.®: brand acquired in 2015 as part of the acquisition of Natural Balance Foods;
> BEAR®: brand acquired in 2015 as part of the acquisition of Urban Fresh Foods;
> Kiddylicious®: brand acquired in 2018;
> Kung Oscar®: brand acquired in 2022; and
> Peter's Yard®: brand acquired in 2022.

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Lotus™ Natural Foods (nākd.®, BEAR®, Kiddylicious®, Peter's Yard®)	73,280	76,862
Other brands (Dinosaurus®, Peijnenburg®, Annas®, Kung Oscar®)	71,590	71,196
TOTAL CARRYING AMOUNT	**144,869**	**148,059**

At year-end 2025, the Group tested the value of these brands to assess any recoverability issues. Taking into account the assumptions used, the value in use of the related cash-generating units exceeds its carrying amount and no impairment loss is recognised.

For more details on the impairment test conducted per CGU, we refer to note 13 on goodwill.

Although Lotus Bakeries believes that its assessments, assumptions and estimates are reasonable, actual results may differ from these estimates in the event of changed assumptions and conditions.

During 2025, the Group has incurred research and development expenses of EUR 2,214 thousands (2024: EUR 1,766 thousands), which are mainly composed of employee benefit expenses and consumables.

15. PROPERTY, PLANT AND EQUIPMENT AND LEASES

15.1 ACCOUNTING POLICY

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-produced assets includes direct material costs, direct labour costs and a proportional part of the production overhead.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Depreciation of an asset begins when the asset is available for its intended use.

The estimated useful lives are as follows:

Buildings, incl. warehouses	25-30 years
Plant and machinery	15-25 years
Furniture	15 years
Trucks	10 years
Office equipment and motor vehicles	5 years
Computer equipment	3-5 years

Land is not depreciated considering that it has an indefinite useful life.

The depreciation methods, residual values and the useful lives of the property, plant and equipment is reassessed and adjusted if appropriate, annually.

Leases

A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognised as a right-of-use asset and corresponding liability at the date the leased asset is available for use by the Group. The right-of-use assets are presented in the consolidated statement of financial position within the line item “Property, plant and equipment”.

The Group recognises right-of-use assets at cost, which consists of the initial measurement of the corresponding lease liabilities and any initial direct costs less lease incentives received.

These assets are generally depreciated on a straight-line basis over the lease term and are subject to impairment. If it is reasonably certain that the Group will exercise a purchase option, the asset shall be depreciated on a straight-line basis over its useful life.

Lease liabilities are measured at the present value of future lease payments over the lease term.

The lease payments are discounted using the Group’s incremental borrowing rate, i.e. the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, as the interest rate implicit in the lease cannot be readily determined.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

For leases with a term of 12 months or less (short-term leases) or leases of low-value items to which the Group applies the recognition exemptions available in IFRS 16, lease payments are recognised on a straight-line basis as an expense over the lease term.

15.2 OVERVIEW

IN THOUSANDS OF EUR	LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, OFFICE EQUIPMENT AND VEHICLES	ASSETS UNDER CONSTRUCTION	RIGHT-OF-USE ASSETS	TOTAL
Acquisition cost	260,318	439,530	20,307	46,257	28,181	794,593
Accumulated depreciation and impairment losses	(66,128)	(231,593)	(13,048)	-	(9,514)	(320,283)
CARRYING AMOUNT AS AT JANUARY 1, 2024	**194,190**	**207,937**	**7,259**	**46,257**	**18,667**	**474,311**
Acquisitions	7,823	15,033	1,425	95,171	6,255	125,707
Disposals	(59)	(54)	-	-	(188)	(301)
Depreciation expense	(7,229)	(20,056)	(1,905)	-	(6,137)	(35,328)
Transfers from one heading to another	2,330	16,142	608	(19,340)	-	(260)
Effect of movements in foreign exchange rates	5,058	4,098	67	6,662	391	16,275
CARRYING AMOUNT AS AT DECEMBER 31, 2024	**202,112**	**223,100**	**7,453**	**128,751**	**18,989**	**580,404**
Acquisition cost	274,544	460,651	21,252	128,751	32,149	917,347
Accumulated depreciation and impairment losses	(72,432)	(237,551)	(13,799)	-	(13,161)	(336,943)
Acquisitions	12,393	66,029	1,795	39,807	8,686	128,711
Disposals	(1)	(127)	-	(47)	(327)	(501)
Depreciation expense	(7,646)	(22,427)	(2,086)	-	(6,870)	(39,029)
Transfers from one heading to another	57,321	45,589	1,497	(105,056)	-	(649)
Effect of movements in foreign exchange rates	(7,966)	(7,719)	(83)	(4,623)	(485)	(20,877)
CARRYING AMOUNT AS AT DECEMBER 31, 2025	**256,214**	**304,444**	**8,576**	**58,832**	**19,993**	**648,059**
Acquisition cost	334,939	561,256	24,343	58,832	35,236	1,014,607
Accumulated depreciation and impairment losses	(78,725)	(256,812)	(15,767)	-	(15,243)	(366,548)

In 2025, an amount of EUR 120,025 thousands has been invested in property, plant and equipment. Lotus Bakeries continued to invest in the new greenfield production facility in Chonburi (Thailand), to support its growth ambitions in the Asia-Pacific region. The production was announced ahead of schedule, and by the end of 2025, the first cookies produced in Chonburi have been delivered to customers. The plant is expected to be fully completed and operational by the end of the first semester of 2026 at the latest, including capability of spread production and in-house bottling of spread jars. Furthermore, a new investment in spread production and bottling was done at the plant in Mebane (US). On top of the financial and ecological benefits of this localised production, it also eliminates the impact of import tariffs into the US.

In 2024, an amount of EUR 119,452 thousands has been invested in property, plant and equipment. Lotus Bakeries has further invested in Thailand (Chonburi) in the greenfield production facility for Lotus® Biscoff®. Furthermore, Lotus Bakeries has continued to invest in capacity and sustainability of its plant in South Africa (Wolseley) to support further growth of its hero concepts BEAR and nākd.

During 2025 and 2024, no government grants have been granted to the Group.

No pledges have been set on the items of property, plant and equipment.

15.3 RIGHT-OF-USE ASSETS

The carrying amount of the right-of-use assets is reconciled as follows:

IN THOUSANDS OF EUR	CARRYING AMOUNT AS AT JAN. 1, 2025	NEW LEASES	DEPRECIATIONS	OTHER MOVEMENTS	CARRYING AMOUNT AS AT DEC. 31, 2025
Land and buildings	10,406	3,671	(2,658)	(600)	**10,820**
Plant, machinery and equipment	551	91	(144)	(85)	**413**
Furniture, office equipment and vehicles	8,031	4,923	(4,068)	(126)	**8,760**
TOTAL RIGHT-OF-USE ASSETS	**18,989**	**8,686**	**(6,870)**	**(811)**	**19,993**

IN THOUSANDS OF EUR	CARRYING AMOUNT AS AT JAN. 1, 2024	NEW LEASES	DEPRECIATIONS	OTHER MOVEMENTS	CARRYING AMOUNT AS AT DEC. 31, 2024
Land and buildings	11,436	1,152	(2,558)	375	**10,406**
Plant, machinery and equipment	290	357	(98)	3	**551**
Furniture, office equipment and vehicles	6,942	4,746	(3,481)	(175)	**8,031**
TOTAL RIGHT-OF-USE ASSETS	**18,667**	**6,255**	**(6,137)**	**202**	**18,989**

In 2025 and 2024, additional right-of-use assets relate mainly to the lease of vehicles (transition to electric company cars) and warehouses.
The total cash outflow for leases in 2025 amounts to EUR 7,699 thousands (2024: EUR 6,819 thousands).

16. INVESTMENTS IN OTHER COMPANIES

In 2019, Lotus Bakeries created the corporate venture fund FF2032, establishing a platform for investment in promising brands and growth companies offering innovative products, technologies or market approaches within the food sector.

Considering that these investments do not provide the Group any control or significant influence, the investments are valued at fair value. An irrevocable election has been made at initial recognition to measure the investments subsequently at fair value through other comprehensive income (FVTOCI), with dividend income recognised in the statement of profit or loss. Investments for which no fair value can be determined reliably, are recognised at historical cost and are reviewed on a regular basis for impairment.

The Group, through its subsidiary FF2032, has minority shares in:

- Love Brands Inc., an American company which markets delicious crunchy corn snacks under the LOVE Corn name.
- Partake Foods, operating in the American market with cookies free from the top eight allergens.
- Oot Granola, a Dutch brand which markets fresh, organic and gluten-free granola that are low in sugars. Oot Granola has a pure online ‘direct-to-consumer’ concept.
- IQBAR, an American company manufacturing a set of plant-based nutritional bars that contain six brain nutrients and that tick all the boxes in terms of nutritional profile.
- Aura Bora, a US company which produces natural zero calorie sparkling water infused with real herbs, fruits and flowers.
- Fit Joy, a US company manufacturing grain-free pretzels. Their products are vegan, dairy-, gluten-, nut-free, and non-GMO.
- Lovebiotics, an American company which produces probiotic coconut yoghurt.

In 2025, The Good Crisp Company was acquired by a US private equity firm for undisclosed terms. As part of this transaction, the Group divested its minority stake. The result generated from the disposal is recognised in other comprehensive income.

17. INVENTORIES

17.1 ACCOUNTING POLICY

Inventories are measured at the lower of cost and net realisable value.

For raw materials, consumables and goods for resale, cost is measured at the purchase price on a FIFO basis.

The cost of finished products is the standard manufacturing cost price. This includes, in addition to direct production and material costs, a proportional part of the fixed and variable overhead costs based on the normal production capacity.

The net realisable value is defined as the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

17.2 OVERVIEW

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Raw materials and consumables	24,377	22,833
Work in progress	4,808	3,724
Goods for resale and finished goods	74,648	63,917
TOTAL INVENTORIES	**103,833**	**90,473**

Write-down on inventories of EUR 5,226 thousands (2024: EUR 3,266 thousands) mainly relate to finished products (2025: EUR 2,496 thousands; 2024: EUR 1,681 thousands), goods for resale (2025: EUR 1,212 thousands; 2024: EUR 613 thousands), packaging material (2025: EUR 1,086 thousands; 2024: EUR 628 thousands) and raw materials (2025: EUR 431 thousands; 2024: EUR 344 thousands).

18. TRADE AND OTHER RECEIVABLES

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Trade receivables	174,097	152,487
Less allowance for impairment of trade receivables	(1,140)	(1,286)
Trade receivables - net	**172,956**	**151,201**
VAT receivables	20,215	15,098
Other amounts receivable	148	213
Other receivables	**20,363**	**15,311**
TOTAL TRADE AND OTHER RECEIVABLES	**193,320**	**166,511**

The trade receivables represent an average of 47 days of customer credit (2024: 48 days).

With regard to trade receivables there are no indications that debtors will not meet their payment obligations. Nor are there any customers representing more than 10% of the consolidated revenue. IFRS 9 requires the company to recognise an allowance for expected losses on the recovery of trade receivables. This has no material impact.

More information regarding the credit risk is disclosed in note 26.

Movements on valuation for impairment of trade receivables are as follows:

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Opening balance	**1,286**	**1,294**
Allowances recognised	(42)	(24)
Amounts written off during the year as uncollectible	(71)	-
Effect of movements in foreign exchange rates	(33)	16
TOTAL ALLOWANCE FOR IMPAIRMENT OF TRADE RECEIVABLES	**1,140**	**1,286**

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank balances (current and deposit accounts) and other short-term highly liquid investments with maturities since acquisition date of three months or less.

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Short-term bank deposits	67,964	40,109
Cash at bank and on hand	53,921	58,205
TOTAL CASH AND CASH EQUIVALENTS	**121,885**	**98,314**

For the cash flow statement, cash and cash equivalents include cash and bank balances and term deposits. Any negative cash is included under current interest-bearing liabilities in the statement of financial position.

20. OTHER ASSETS

The other non-current and current assets include mainly cash guarantees and deferred charges relating to the operational activities of the Group.

21. EQUITY

21.1 ACCOUNTING POLICY

Ordinary shares are classified as equity. Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to owners of the company until the shares are cancelled or reissued. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends payable to shareholders of the company are recognised as a liability in the statement of financial position in the period in which the dividends are approved by the shareholders of the company.

21.2 SHARE CAPITAL

All shares are ordinary shares, registered or dematerialised. The ordinary share capital of the company issued and full paid consists of 816,013 shares (2024: 816,013 shares), of which 3,960 treasury shares (2024: 3,547 treasury shares).

The treasury shares have been purchased as part of the share option plans mentioned below.

The following table presents the number of shares outstanding:

NUMBER OF SHARES	SHARES ISSUED	TREASURY SHARES	OUTSTANDING SHARES
As at January 1, 2024	**816,013**	**(4,313)**	**811,700**
Treasury shares delivered for share option plans	-	766	766
Purchase/sale of treasury shares	-	-	-
As at December 31, 2024	**816,013**	**(3,547)**	**812,466**
Treasury shares delivered for share option plans	-	621	621
Purchase/sale of treasury shares	-	(1,034)	(1,034)
AS AT DECEMBER 31, 2025	**816,013**	**(3,960)**	**812,053**

Further details of the shareholding structure of Lotus Bakeries NV as of December 31, 2025 are disclosed in the Corporate Governance Statement in chapter 5.

21.3 CAPITAL RISK MANAGEMENT

The objective of Lotus Bakeries is to ensure that the Group can continue to operate as a going concern in order to generate a return for shareholders and provide benefits for other stakeholders. Furthermore, the Group aims for a capital structure (balance between debt and equity) that gives it the required financial flexibility to implement its growth strategy. The aim is to maintain the ratio of net financial debt (defined as interest-bearing liabilities minus cash and cash equivalents and term deposits minus treasury shares, and are reported excluding the 'lease liabilities') to underlying operating cash flow (EBITDA(u)) at what is considered as a reasonable level in the financial market.

21.4 SHARE-BASED PAYMENTS

21.4.1 Accounting policy

The stock option plan allows employees to acquire shares in the company at relatively advantageous conditions. The stock option plan is accounted for as equity-settled share-based payments. The exercise price of the option is equal to the average stock market closing price of the Lotus Bakeries share during the thirty calendar days preceding the date of offering. A personnel cost is recognised for options granted to employees as part of the stock option plan. The cost is determined based on the fair value of the stock options on the grant date and, together with an equal increase in equity, is recognised over the vesting period, ending on the date when the employees receive full right to the options. When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

21.4.2 Overview

Since 2012, each financial year the Board of Directors grants stock options to executives and senior management, based on category, results and performance. In accordance with the terms of the plan, as approved by shareholders, employees may be granted options to purchase ordinary shares at an exercise price as mentioned below.

Each option gives the holder the right to purchase one ordinary Lotus Bakeries share at a fixed exercise price. The exercise price is equal to the average closing stock market price of the underlying share during the thirty calendar days prior to the offering date. The granted options have a term of five years. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The stock options are only subject to services conditions so that it will vest gradually over the vesting period, i.e. three years. The options are exercisable if the option holder remains linked to the company or a related entity as an employee or executive director. These rights are retained in the event of retirement, early retirement, invalidity or death.

The stock option plans are considered equity-settled share-based payments.

The fair value of the options is estimated at the grant date, using the binomial valuation model. This valuation model is based on the following market data and assumptions: the share price at the time of allotment, the exercise price, the exercise arrangements, the estimated volatility, the dividend expectations and the risk-free interest rate. The fair value of the share options is recognised linearly over the vesting period.

The following table details the different plans granted and the assumptions used for the measurement of the fair value:

GRANTED IN	2020	2021	2022	2023	2024	2025
Number granted	962	660	792	618	-	-
Number exercised	(922)	(95)	-	-	-	-
Number expired	(40)	(46)	(20)	(24)	-	-
AVAILABLE OPTIONS	**-**	**519**	**772**	**594**	**-**	**-**
Key assumptions used for the measurement of the fair value						
Exercise period	01/01/2024 - 07/05/2025	01/01/2025 - 17/05/2026	01/01/2026 - 30/06/2027	01/01/2027 - 31/05/2028		
Exercise price (EUR)	2,828.95	4,517.14	5,057.32	6,086.36	-	-
Share price (EUR)	2,890.00	4,630.00	4,868.81	5,990.00	-	-
Expected volatility	25.07%	23.69%	25.39%	26.23%	-	-
Dividend yield	0.95%	0.94%	0.97%	0.95%	-	-
Risk-free rate	-0.36%	-0.34%	0.82%	2.57%	-	-
FAIR VALUE PER OPTION (EUR)	**471.65**	**720.51**	**790.38**	**1,167.59**		

The volatility is based on daily share prices of Lotus Bakeries over the last three years.

The following reconciles the options outstanding at the beginning and end of the year:

	WEIGHTED AVERAGE EXERCISE PRICE (EUR)	NUMBER OF OPTIONS
Outstanding options at January 1, 2024	**4,328**	**3,121**
Granted	-	-
Exercised	2,653	(645)
Expired	-	-
Outstanding options at December 31, 2024	**4,765**	**2,476**
Granted	-	-
Exercised	3,028	(527)
Expired	5,274	(64)
OUTSTANDING OPTIONS AT DECEMBER 31, 2025	**5,233**	**1,885**

The average share price in 2025 amounted to EUR 8,406 (in 2024: EUR 10,132). In 2025, a total expense of EUR 2,138 thousands was recognised (2024: EUR 942 thousands).

21.5 DIVIDENDS

The dividend related to 2024 was paid in 2025, in accordance with the decision taken at the Ordinary General Meeting of Shareholders of May 13, 2025. The shareholders approved a gross dividend of EUR 76 per share, resulting in a total dividend of EUR 61,735 thousands.

The Board of Directors will propose to the Ordinary General Meeting of Shareholders of May 12, 2026 to pay a gross dividend of EUR 90 per share for 2025, corresponding to a total dividend of EUR 73,085 thousands. This amount is not recognised as a debt at closing date.

22. INTEREST-BEARING LIABILITIES

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Bank loans	236,000	166,000
Lease liabilities	13,874	14,501
Non-current interest-bearing liabilities	**249,874**	**180,501**
Bank loans	55,000	95,000
Lease liabilities	7,376	5,810
Current interest-bearing liabilities	**62,376**	**100,810**
TOTAL INTEREST-BEARING LIABILITIES	**312,250**	**281,311**
of which bank loans	291,000	261,000
of which lease liabilities	21,250	20,311

All bank loans are denominated in EUR. These loans bear a fixed interest rate. The weighted average interest rate is 1.90% (2024: 1.28%).

In the second half of 2024, Lotus Bakeries anticipated the refinancing of an important amount of bank debts due for repayment in 2025 and 2026. To that end, new bilateral financing agreements were concluded with the three house banks KBC, BNP Paribas Fortis and Belfius for a total amount of EUR 225 million, the majority of which are bullet loans with fixed interest rates. The maturities are long term and up to 7 years until 2033. Next to the refinancing of debt, the new financing also supports the ongoing capacity investment programme. At closing 2025, an amount of EUR 125,000 thousands was withdrawn from these facilities to refinance the repayment of bank debts which became due.

The lease liabilities mainly relate to the lease of company cars and office buildings (see also note 15).

The following tables reconcile the movements of the interest-bearing liabilities to the cash flows arising from financing activities:

			NON-CASH MOVEMENTS				
IN THOUSANDS OF EUR	AS AT JAN. 1, 2025	CASH FLOWS	NEW LEASES AND LEASE MODIFICATIONS	EXCHANGE DIFFERENCES	RECLASSES	OTHER	AS AT DEC. 31,2025
Non-current interest-bearing liabilities							
Bank loans	166,000	125,000	-	-	(55,000)	-	236,000
Lease liabilities	14,501	-	9,268	(449)	(8,699)	(746)	13,874
Current interest-bearing liabilities							
Bank loans	95,000	(95,000)	-	-	55,000	-	55,000
Lease liabilities	5,810	(7,658)	-	(169)	8,699	693	7,376
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**281,311**	**22,342**	**9,268**	**(618)**	**-**	**(53)**	**312,250**

			NON-CASH MOVEMENTS				
IN THOUSANDS OF EUR	AS AT JAN. 1, 2024	CASH FLOWS	NEW LEASES AND LEASE MODIFICATIONS	EXCHANGE DIFFERENCES	RECLASSES	OTHER	AS AT DEC. 31, 2024
Non-current interest-bearing liabilities							
Bank loans	261,000	-	-	-	(95,000)	-	166,000
Lease liabilities	14,834	-	6,244	366	(6,752)	(191)	14,501
Current interest-bearing liabilities							
Bank loans	9,500	(9,500)	-	-	95,000	-	95,000
Lease liabilities	5,157	(6,831)	-	92	6,752	639	5,810
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**290,491**	**(16,331)**	**6,244**	**459**	**-**	**448**	**281,311**

23. EMPLOYEE BENEFIT OBLIGATIONS

23.1 ACCOUNTING POLICY

Short-term employee benefits

Bonuses for employees and management are calculated based on key financial objectives and individual objectives. The estimated amount of the bonuses is recognised as an expense in the period in which the related services have been rendered based on an estimate on the reporting date.

Post-employment benefits (pension plans)

Group companies operate various pension schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

In addition, there are also defined benefit pension plans in certain subsidiaries of the Group (mainly Germany, the Netherlands and France). Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For the defined benefit pension plans, the liability is measured at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Defined benefit costs are divided into 2 categories:

> Current service cost, past-service cost, gains and losses on curtailments and settlements;
> Net interest expense or income.

The current and past service cost, the net interest expense, the remeasurement of other long-term personnel expenses, administrative expenses and taxes for the reporting period are included in the personnel expenses in the statement of profit or loss. The remeasurement on the net defined benefit liability as a consequence of actuarial gains or losses is included in other comprehensive income.

23.2 OVERVIEW

The Group operates defined contribution plans and defined benefit plans.

For the defined contribution plans, the Group pays contributions to insurance companies. Management of the pension plan is outsourced to an insurance company. For 2025, the expense amounts to EUR 1,729 thousands compared to EUR 4,059 thousands for 2024 (see also note 6 on employee benefit expenses). The Group has no further obligations next to these contributions.

In the consolidated statement of financial position, the employee benefit liabilities consist of the following items:

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Non-current employee benefit obligations	7,294	4,901
Current employee benefit obligations	463	463
TOTAL EMPLOYEE BENEFIT OBLIGATIONS	**7,757**	**5,364**
of which post-employment benefits	7,757	5,364
of which termination benefits	-	-

The post-employment benefits are defined benefit pension plans granted by the Group in the Netherlands, France, Germany, Switzerland and Thailand.

Furthermore, as a result of the Belgian legislation applicable to pension plans (so-called 'Law Vandenbroucke'), all Belgian defined contribution plans have to be considered under IFRS as defined benefit plans. This 'Law Vandenbroucke', which came into force in 2004, states that in the context of defined contribution plans, the employer must guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions. As from January 1, 2016, these percentages have been reviewed and adjusted to a single rate which varies with the market rates, subject to a minimum of 1.75% and a maximum of 3.75%, reducing the risk for the employer. Because of this minimum guaranteed return for defined contribution plans in Belgium, the employer is exposed to a financial risk (there is a legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods). These plans should therefore be classified and accounted for as defined benefit plans under IAS 19.

The following tables reconcile the amounts recognised in the statement of financial position, the statement of profit or loss and the statement of comprehensive income:

IN THOUSANDS OF EUR	2025	2024
Defined benefit obligation	29,848	12,933
Fair value of plan assets	(22,092)	(7,569)
TOTAL POST-EMPLOYMENT OBLIGATIONS (FUNDED STATUS)	**7,757**	**5,364**
Current service cost	2,904	495
Past service cost	-	-
Service cost recognised as part of employee benefit expenses	**2,904**	**495**
Net interest expenses on post-employment liabilities	81	145
Total defined benefit cost (statement of profit or loss)	**2,985**	**640**
Remeasurements of defined benefit plans (other comprehensive income)	**1,965**	**731**

The following table reconciles the post-employment obligations:

IN THOUSANDS OF EUR	2025	2024
Net liability as at January 1	**5,364**	**4,518**
Service cost	2,904	495
Net interest expense	81	145
Remeasurements of defined benefit plans	1,965	731
Employer contributions	(2,558)	(525)
NET LIABILITY AS AT DECEMBER 31	**7,757**	**5,364**

For the defined benefit pension plan, the liabilities are measured on a discounted basis because they are settled many years after the employees render the related service. A qualified actuary has determined the present value of the defined benefit obligations and the fair value of the plan assets. These assets are held by an insurance company. The projected unit credit method was used to estimate the defined benefit obligations, the defined benefit cost and the remeasurements of the net liability. Provisions are determined by computing the actuarial value of future payments to the employees in question.

The plan assets consist of insurance contracts. The actual return on plan assets amounted to EUR 484 thousands for 2025 (2024: EUR -123 thousands).

Expected contributions to post-employment benefit plans for the year ending December 31, 2026 are EUR 2,888 thousands.

The principal assumptions used in determining post-employment obligations for the Group's plans are shown below:

DEC. 31, 2025	BELGIUM	THE NETHERLANDS	FRANCE	GERMANY	SWITZERLAND	THAILAND
Discount rate	4.00%	4.00%	2.84%	3.80%	1.13%	1.80%
Inflation rate	2.00%	1.75%	2.00%	2.00%	1.50%	2.00%

DEC. 31, 2024	BELGIUM	THE NETHERLANDS	FRANCE	GERMANY	SWITZERLAND	THAILAND
Discount rate	2.95%	3.50%	2.95%	3.20%	1.07%	-
Inflation rate	2.00%	1.50%	2.00%	2.00%	1.50%	-

Through its defined benefit plans, the Group is exposed to a number of risks, the most relevant are detailed below:

- Changes in bond yields: a decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.
- Salary risk: the majority of the plan's benefit obligations are calculated by reference to the future salaries of plan members. As such, a higher-than-expected salary increase of plan members will lead to higher liabilities.
- Longevity risk: pension plans provide for benefits for the life of the plan members, so increases in life expectancy will result in an increase in the plan's liabilities.

The actuary has performed a sensitivity analysis on the above actuarial assumptions. As such, both the discount rate and the inflation rate were altered by 50 basis points. A change in the estimates used does not lead to a material impact on the Consolidated Financial Statements.

24. TRADE AND OTHER PAYABLES

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
Trade payables	**199,002**	**172,664**
Employee benefit liabilities	45,503	41,200
VAT payables	1,554	1,640
Other payables	1,499	751
Other payables	**48,556**	**43,592**
TOTAL TRADE AND OTHER PAYABLES	**247,558**	**216,256**

25. OTHER LIABILITIES

The other non-current liabilities relate to put options granted to third parties with respect to the remaining non-controlling interests in Natural Balance Foods Ltd., where these put options give holders the right to sell (part of) their investment in this subsidiary. At the end of December 2025, Lotus Bakeries held 97.9% of the shares, with the remaining 2.1% still held by the founders.

These put options are unconditional and the exercise price depends on the future financial performance (revenue and operating result) of Natural Balance Foods Ltd. In accordance with IAS 32, where non-controlling interests hold put options giving them the right to sell their investment, a financial liability is recorded for the present value of the exercise price expected to be paid.

These put options are classified as level 3 instruments in accordance with the fair value hierarchy of IFRS 7 – *Financial Instruments: Disclosures*.

The counterpart of this liability is a cancellation of the underlying non-controlling interest. The difference between the value of the non-controlling interest and the fair value of the liability is added to the consolidated reserves, which are included in shareholders' equity.

The other current liabilities include mainly accrued expenses and deferred income.

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

26.1 ACCOUNTING POLICY RELATING TO FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: financial assets at fair value and financial assets at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell an asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets at amortised cost

Financial assets (such as loans, trade receivables, other financial assets, cash and cash equivalents) are subsequently measured at amortised cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Other financial assets include term deposits with an original maturity exceeding three months.

Trade and other receivables after and within one year are recognised initially at transaction price and subsequently measured at amortised cost, i.e. at the net present value of the receivable amount, using the effective interest rate method, less allowances for impairment.

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade receivables, the Group applies the simplified approach in accordance with IFRS 9 – *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The amount of the allowance is deducted from the carrying amount of the asset and is recognised in the statement of profit or loss under “Impairment on inventories and trade receivables”.

Financial assets at fair value

Financial assets at fair value consist of equity instruments held in companies in which the Group does not exercise control nor significant influence.

An irrevocable election can be made at initial recognition to measure the investment subsequently at fair value through other comprehensive income (FVTOCI), with dividend income recognised in the statement of profit or loss. This classification is determined on an instrument-by-instrument basis. As such, changes in fair value are directly recognised in a separate component of other comprehensive income. For listed companies, the share price is the best estimate of the fair value. Investments for which no fair value can be determined, are recognised at historical cost.

26.2 ACCOUNTING POLICY RELATING TO FINANCIAL LIABILITIES

Financial liabilities (including interest-bearing financial liabilities, trade payables and other financial liabilities) are classified at amortised cost, except for derivative instruments. However, currently, the Group does not hold any derivative positions.

Interest-bearing financial liabilities are initially recognised at fair value less direct attributable transaction costs. After initial recognition, the interest-bearing financial liabilities are recognised at the amortised cost price based on the effective interest rate method.

Trade payables and other debts are recognised at their nominal value. A financial obligation is derecognised once the obligation is fulfilled, settled or lapsed.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

26.3 OVERVIEW OF FINANCIAL INSTRUMENTS

The table below summarises all financial instruments by category in accordance with IFRS 9:

IN THOUSANDS OF EUR	IFRS 9 CATEGORY	DEC. 31, 2025	DEC. 31, 2024
Non-current financial assets		**8,668**	**28,798**
Investments in other companies	At fair value through OCI	8,668	28,798
Current financial assets		**373,091**	**285,428**
Trade receivables	At amortised cost	172,956	151,201
Other financial assets	At amortised cost	78,249	35,914
Cash and cash equivalents	At amortised cost	121,885	98,314
TOTAL FINANCIAL ASSETS		**381,759**	**314,226**
Non-current financial liabilities		**251,665**	**182,388**
Interest-bearing liabilities	At amortised cost	249,874	180,501
Other non-current liabilities	At fair value through P&L	1,791	1,887
Current financial liabilities		**261,377**	**273,474**
Interest-bearing liabilities	At amortised cost	62,376	100,810
Trade payables	At amortised cost	199,002	172,664
TOTAL FINANCIAL LIABILITIES		**513,042**	**455,863**

The fair value of the financial assets and liabilities measured at amortised cost approximate their carrying amount.

The financial instruments measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include input for the asset or liability that are not based on observable market data (unobservable input).

The fair values of the derivatives of the Group are based on level 2 inputs as defined under IFRS 7.27.

The fair value of the other non-current liabilities (put options, see note 25) is based on level 3 input.

No transfers between the different fair value hierarchy levels took place in 2025 and 2024.

26.4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

Currency risk

The functional currency of the company is EUR, which is also the Group’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 profit or loss.

As the Group is operating in various jurisdiction with different currencies, the Group is subject to foreign currency risks. The main foreign currency transactions (mainly sales and purchase transactions) take place in USD, GBP, THB, SEK, ZAR, CNY, KRW, CZK and CHF. The Group did not enter into any currency hedging arrangements in order to cover this risk.

The Group actively monitors its transactional currency exposures and consequently takes actions to mitigate any risks related to the outstanding foreign currency positions.

The following table presents the carrying amounts of the Group's main foreign currency denominated monetary assets and monetary liabilities at the end of the year:

	ASSETS		LIABILITIES	
IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024	DEC. 31, 2025	DEC. 31, 2024
EUR	758,432	604,904	(998,597)	(832,565)
USD	181,420	193,049	(166,002)	(171,356)
THB	63,749	36,395	(63,326)	(37,973)
GBP	61,734	64,791	(48,236)	(42,923)
ZAR	12,020	12,167	(11,536)	(11,870)
SEK	9,988	2,029	(2,873)	(2,941)
CNY	8,738	6,971	(1,886)	(1,664)
CHF	3,791	1,784	(378)	(40)
CAD	2,053	146	(353)	(126)
KRW	1,668	2,856	(126)	(139)

Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As the Group only has fixed rate financial instruments at year-end 2025, it considers this risk to be limited and therefore no sensitivity analysis has been prepared.

Commodity price risk

Commodity price risk arises from transactions to purchase raw materials and energy on the market. The risk relates to the exposure of the Group to fluctuations in the prices of commodities which are necessary for the manufacturing of products.

To mitigate the risk of unfavourable price evolutions, the Group enters into forward agreements with fixed prices for the key commodities (executory contracts) and closely monitors the price trends on the market.

At year-end 2025, the Group did not enter into any hedging arrangements in order to cover this risk.

Credit risk

Credit risk is the risk that one party to an agreement will cause a financial loss to another party by failing to discharge its obligation. Credit risk covers trade receivables, cash and cash equivalents, short-term deposits and other financial assets.

The credit risk is managed on a group basis. It is the Group's policy to deal with creditworthy partners to avoid significant risk exposure.

The Group has a diversified international customer portfolio, consisting mainly of large retail, cash-and-carry and foodservice companies in various countries. For export outside Europe, the US, South Korea and China, the Group requires the use of letters of credits or credit insurance. Strict procedures and rules are in place to accurately monitor customers and mitigate and manage any potential risks as quickly and effectively as possible.

For trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type).

Available liquidities are placed with several highly reputable financial institutions.

The maximum credit risk to which the Group is theoretically exposed as at the reporting date is the carrying amount of the financial assets.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group's main sources of cash inflows are currently obtained through capital increases and external financing through bank loans from Belgian and international financial institutions.

The following table details the Group's remaining contractual maturity of its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows.

DEC. 31, 2025 IN THOUSANDS OF EUR	WITHIN ONE YEAR	>1 AND <5 YEARS	>5 YEARS
Bank loans	55,939	138,825	120,971
Lease liabilities	7,871	14,003	527

DEC. 31, 2024 IN THOUSANDS OF EUR	WITHIN ONE YEAR	>1 AND <5 YEARS	>5 YEARS
Bank loans	96,219	99,641	75,547
Lease liabilities	6,378	13,231	2,096

The unused committed credit lines amounted to EUR 150,100 thousands at year-end 2025 (2024: EUR 150,100 thousands).

No debt covenants are applicable on the current credit lines.

27. RELATED PARTIES

A list of all Group companies is provided in note 32. Further details of the shareholding structure of Lotus Bakeries NV as at December 31, 2025 are disclosed in the Corporate Governance Statement in chapter 5.

Balances and transactions between Lotus Bakeries NV and its subsidiaries, which are related parties of the company, have been eliminated in consolidation and are not disclosed in this note.

Key management personnel is composed of all members of the Board of Directors and members of the Executive Committee. For information on the remuneration of the CEO, the remuneration of the executive managers and the remuneration of the board members in 2025, we refer to the remuneration report included in chapter 5.

Apart from the key management remuneration, no significant transactions occurred with related parties.

28. COMMITMENTS

CAPITAL COMMITMENTS

As at December 31, 2025, the Group has EUR 39,002 thousands of commitments (2024: EUR 62,351 thousands) for the acquisition of property, plant and equipment.

CONTRACTS FOR RAW MATERIALS AND FINISHED PRODUCTS

Purchased but not yet delivered raw materials and finished products in 2025 and 2024 are detailed below:

IN THOUSANDS OF EUR	2025	2024
Less than one year	210,945	173,234
More than one year and less than five years	20,439	21,074
TOTAL	**231,384**	**194,307**

OTHER RIGHTS AND COMMITMENTS

Bank guarantees as at December 31, 2025 amounted to EUR 1,898 thousands (2024: EUR 1,732 thousands).

Lotus Bakeries commits itself not to dispose of, mortgage or pledge any fixed assets without prior consultation with the credit-granting institutions. These assets serve as guarantee for the loans ('full negative pledge').

29. SUBSEQUENT EVENTS

No significant events have occurred since December 31, 2025 which would have a material impact on the 2025 financial statements.

30. MANAGEMENT RESPONSIBILITY STATEMENT

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS (International Financial Reporting Standards), give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the subsidiaries included in the consolidation as a whole, and that the Annual Report includes a fair review of the important events that have occurred during the year 2025 and of the major transactions with the related parties, and their impact on the Consolidated Financial Statements, together with a description of the principal risks and uncertainties with which the company is confronted.

Lembeke, March 31, 2026
On behalf of the Board of Directors

Jan Boone, CEO

31. AUDIT FEES

Deloitte Bedrijfsrevisoren BV, represented by Kurt Dehoorne, certified auditor, was appointed as Auditor of Lotus Bakeries NV on May 13, 2025 by the Ordinary General Meeting of Shareholders for a term of three years. Its mandate expires immediately after the 2028 Ordinary General Meeting of Shareholders.

IN THOUSANDS OF EUR	2025	2024
Audit fees		
Lotus Bakeries NV	175	148
Lotus Bakeries Group	478	473
Additional services rendered by the Auditor or its related parties		
Other audit-related fees	30	213
Tax fees	419	17
Other non-audit fees	11	155
TOTAL	**1,113**	**1,006**

32. CONSOLIDATION SCOPE

NAME	ADDRESS	VAT OR NATIONAL NUMBER	2025 %	2024 %
Lotus Bakeries België NV	Gentstraat 52, 9971 Lembeke, BE	VAT BE 0421.694.038	100.00	100.00
Interwaffles SA	Rue de Liège 39, 6180 Courcelles, BE	VAT BE 0439.312.406	100.00	100.00
Lotus Bakeries Corporate NV	Gentstraat 1, 9971 Lembeke, BE	VAT BE 0881.664.870	100.00	100.00
Lotus Bakeries NV	Gentstraat 1, 9971 Lembeke, BE	VAT BE 0401.030.860	100.00	100.00
Cremers-Ribert NV	Gentstraat 52, 9971 Lembeke, BE	VAT BE 0427.808.008	100.00	100.00
Biscuiterie Willems BV	Nieuwendorpe 33 Bus C, 9900 Eeklo, BE	VAT BE 0401.006.413	100.00	100.00
Lotus Bakeries France SAS	Place du Château 9 bis, 59560 Comines, F	VAT FR93 320 509 755	100.00	100.00
Biscuiterie Vander SAS	Place du Château 9 bis, 59560 Comines, F	VAT FR28 472 500 941	100.00	100.00
Biscuiterie Le Glazik SAS	815 Avenue du Pays Glazik, 29510 Briec-de-l'Odet, F	VAT FR95 377 380 985	100.00	100.00
Enkhuizer Koekfabriek BV	Oosterdijk 3e, 1601 DA Enkhuizen, NL	VAT NL823011112B01	100.00	100.00
Koninklijke Peijnenburg BV	Nieuwendijk 45, 5664 HB Geldrop, NL	VAT NL003897187B01	100.00	100.00
Peijnenburg's Koekfabrieken BV	Nieuwendijk 45, 5664 HB Geldrop, NL	VAT NL001351576B01	100.00	100.00
WK Koek Bakkerij BV	Streek 71, 8464 NE Sintjohannesga, NL	VAT NL006634151B01	100.00	100.00
WK Koek Beheer BV	Streek 71, 8464 NE Sintjohannesga, NL	VAT NL006634199B01	100.00	100.00
Lotus Bakeries Nederland BV	Nieuwendijk 45, 5664 HB Geldrop, NL	VAT NL004458953B01	100.00	100.00
Lotus Bakeries GmbH	Roßstraße 92, 40476 Düsseldorf, DE	VAT DE 811 842 770	100.00	100.00
Lotus Bakeries Réassurances SA	74, Rue de Merl, 2146 Luxembourg, L	R.C.S. Luxembourg B53262	100.00	100.00
Lotus Bakeries International und Schweiz AG	Neuhofstrasse 24, 6340 Baar, CH	VAT CHE-105.424.218	100.00	100.00
Lotus Bakeries Corporate Switzerland AG	Neuhofstrasse 24, 6340 Baar, CH	VAT CHE-345.298.240	100.00	-
FF2032 AG	Neuhofstrasse 24, 6340 Baar, CH	VAT CHE-241.819.783	100.00	100.00
Lotus Bakeries CZ Ltd.	Americká 415/36, 120 00 Praha 2, CZ	VAT CZ 271 447 55	100.00	100.00
Lotus Bakeries North America Inc.	1000 Sansome Street Suite 350, San Francisco, CA 94111-1323, USA	IRS 94-3124525	100.00	100.00
Lotus Bakeries US, LLC	2010 Park Center Drive, Mebane, NC 27302, USA	IRS 82-1300286	100.00	100.00
Lotus Bakeries US Manufacturing, LLC	2010 Park Center Drive, Mebane, NC 27302, USA	IRS 82-2542596	100.00	100.00
Lotus Bakeries Austria GmbH	Fleischmarkt 1/6/12, 1010 Wien, AT	VAT ATU72710827	100.00	100.00
Lotus Bakeries UK Ltd.	First Floor Premises, Whitecroft House, 51 Water Lane, Wilmslow, Cheshire SK9 5BQ, UK	VAT GB 896 168 761	100.00	100.00

NAME	ADDRESS	VAT OR NATIONAL NUMBER	2025 %	2024 %
Natural Balance Foods Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 841 254 348	97.90	97.90
Urban Fresh Foods Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 883 060 032	100.00	100.00
The Kids Food Company Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 977 396 157	100.00	100.00
Peter's Yard Wholesale Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 938 740 100	100.00	100.00
Lotus Bakeries Espana S.L.	C/ Severo Ochoa, 3, 2a Planta Oficina 8A, 28232 Las Rozas (Madrid), ES	VAT ESB80405137	100.00	100.00
AB Annas Pepparkakor	Radiovägen 23, SE 135 48 Tyresö, SE	VAT SE556149914501	100.00	100.00
Annas - Lotus Bakeries Holding AB	Radiovägen 23, SE 135 48 Tyresö, SE	Registration no. 556757-7241	100.00	100.00
Lotus Bakeries Asia Pacific Ltd.	Level 16, The Lee Garden Two, 28 Yun Ping Road, Causeway Bay, HK	Inland Revenue Department file no. 22/51477387	100.00	100.00
Lotus Montréal Canada Inc.	1, Place Ville Marie, Bureau 3000, CA	1179981312	100.00	100.00
Lotus Bakeries China Ltd.	Room 01.02.06, Floor 15, No. 511 Weihai Road, Jing'an Disctrict, Shanghai 200041, P.R. CN	Registration no. 913100000781169357	100.00	100.00
Lotus Asia Pacific Management Services Ltd.	No. 725, S-Metro Building, 11th Floor, Unit No. 1102 Sukhumvit Road, Klongton Nua ub-Distrit, Wattana District, Bangkok 10110, TH	VAT 0105567212789	100.00	100.00
Lotus Bakeries Italia S.r.l.	Regus Dante Cairoli, Via Dante 16, Quartiere Castello, 20121 Milan, IT	VAT IT03029890211	100.00	100.00
Lotus Bakeries Japan G.K.	Regus Shiodome – office no. 1493F Shiodome Building1-2-20 Kaigan, Minato-Ku, JN	0104-03-030721	100.00	100.00
Lotus Bakeries Korea Co. Ltd.	4/F, AIA Tower, 16 Tongil-ro-2-gil, Jung-gu, Seoul 04511, KR	Registration no. 128-81-19621	100.00	100.00
Lotus South Africa Manufacturing Ltd.	Erf 4109 Voortrekker Road, Wolseley, Western Cape 6830, ZA	VAT 4190279762	100.00	100.00
Lotus Asia Pacific Manufacturing Ltd.	Summer Hill, Unit TT11, 3rd Floor, No. 1106 Sukhumvit Road, Phrakhanong Sub-district, Klongtoey District, Bangkok 10110, TH	VAT 0105565109964	100.00	100.00
Lotus Bakeries Australia PTY Ltd.	Regus – Level 45, 680 George Street, Sydney NSW 2000, AU	665 233 545 (ACN) 44 665 233 545 (ABN)	100.00	100.00
Lotus Bakeries Southeast Asia Pte. Ltd.	12 Marina View, #11-01, Asia Square Tower 2, 018961 Singapore	Entity UEN: 202556355W	100.00	-

33. ALTERNATIVE PERFORMANCE MEASURES

Underlying net result

The Underlying net result is determined by excluding the non-underlying items and the related tax effects from the net result. The Underlying net result is used as the basis for dividend distribution.

IN THOUSANDS OF EUR	2025	2024
Net result	**172,269**	**152,482**
Non-underlying items	4,813	5,165
Tax effect on non-underlying items	(5)	(1,358)
UNDERLYING NET RESULT	**177,077**	**156,289**

Underlying EBIT

EBIT(u) (Underlying operating result) is defined as the operating result after deducting the non-underlying items.

Underlying EBITDA

EBITDA(u) (Underlying operating cash flow) is defined as the EBIT(u) excluding depreciations and amortisation expenses, impairments on inventories and trade receivables and other non-cash costs.

IN THOUSANDS OF EUR	2025	2024
Operating result — EBIT	**227,596**	**201,463**
Non-underlying items	4,813	5,165
EBIT(u)	**232,409**	**206,629**
Depreciation and amortisation expenses	40,199	36,593
Impairment on inventories and trade receivables	778	(69)
Other	(24)	(7)
EBITDA(u)	**273,362**	**243,146**

Non-underlying items

Non-underlying items are those items that are considered by management not to relate to transactions, projects and adjustments to the value of assets and liabilities taking place in the ordinary course of activities of the company. Non-underlying items are presented separately, due to their size or nature, so as to allow users of the Consolidated Financial Statements of the company to get a better understanding of the normalised performance of the company. Non-underlying items relate to:

- expenses relating to business combinations and other acquisitions of investments;
- changes to the Group structure, including costs related to the liquidation of subsidiaries and the closure, opening or relocations of activities;
- impairment of assets and major litigations.

Net financial debt

Net financial debt is defined as interest-bearing liabilities (excluding lease liabilities recognised in accordance with IFRS 16) deducted with cash and cash equivalents, term deposits and treasury shares.

IN THOUSANDS OF EUR	2025	2024
Interest-bearing liabilities (note 22)	312,250	281,311
Minus lease liabilities recognised as a result of IFRS 16 (note 22)	(21,173)	(20,311)
Minus cash and cash equivalents (note 19)	(121,885)	(98,314)
Minus other financial assets (term deposits) (note 26)	(78,249)	(35,914)
Minus treasury shares (note 21)	(23,488)	(16,882)
NET FINANCIAL DEBT	**67,454**	**109,890**

CONDENSED STATUTORY FINANCIAL STATEMENTS - LOTUS BAKERIES NV

STATUTORY BALANCE SHEET

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
ASSETS		
FIXED ASSETS	**681,634**	**681,524**
II. Intangible assets	-	-
IV. Financial fixed assets	681,634	681,524
CURRENT ASSETS	**112,024**	**18,620**
VII. Amounts receivable within one year		
A. Trade debtors	80,888	201
B. Other amounts receivable	623	1,239
VIII. Current investments		
A. Own shares	23,488	16,882
B. Other investments	6,435	-
IX. Cash at bank and in hand	534	263
X. Deferred charges and accrued income	56	35
TOTAL ASSETS	**793,658**	**700,144**

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024
EQUITY AND LIABILITIES		
EQUITY	**198,176**	**184,006**
I. Contribution		
A. Share Capital	3,591	3,591
B. Share premium	12,797	12,797
III. Reserves		
A. Reserves not available	23,919	17,313
B. Untaxed reserves	545	545
C. Available reserves	157,324	149,760
PROVISIONS AND DEFERRED TAXES	**1,244**	**125**
VIII. Amounts payable after more than one year	**325,000**	**200,000**
A. Financial debts	325,000	200,000
IX. Amounts payable within one year	**204,520**	**316,013**
A. Current portion of amounts payable after more than one year	-	140,315
B. Financial debts	115,670	103,376
C. Trade debts	14,649	10,136
E. Liabilities relating to taxes, wages and social security charges	909	-
F. Other amounts payable	73,292	62,186
X. Deferred income	**64,718**	**-**
TOTAL EQUITY AND LIABILITIES	**793,658**	**700,144**

STATUTORY INCOME STATEMENT

IN THOUSANDS OF EUR	2025	2024
I. OPERATING INCOME	**37,360**	**31,361**
II. Operating Charges		
B. Services and other goods	(22,108)	(21,928)
F. Provisions for risk and charges	(1,119)	(313)
G. Other operating charges	(115)	(107)
I. Non-recurring operating charges	-	-
III. OPERATING PROFIT	**14,018**	**9,013**
IV. Financial Income		
A. Income from financial fixed assets	81,404	37,590
B. Income from current assets	8	7
C. Other financial income	1,161	608
D. Non-recurring financial income	-	-
V. Financial Charges		
A. Debt charges	(7,757)	(7,888)
C. Other financial charges	(658)	(303)
D. Non-recurring financial charges	-	-
VI. RESULT FOR THE PERIOD BEFORE TAXES	**88,176**	**39,027**
VIII. Income taxes	(911)	-
NET RESULT	**87,265**	**39,027**

IN THOUSANDS OF EUR	2025	2024
Result allocation		
A. Profit to be appropriated		
1. Gain of the period available for appropriation	87,265	39,027
B. Withdrawals from capital and reserves		
2. From reserves	-	22,970
C. Increase in equity		
3. To other reserves	(13,930)	(228)
F. Profit to be distributed		
1. Dividends	(73,085)	(61,519)
2. Director's entitlements	(250)	(250)

ACCOUNTING PRINCIPLES

1. ASSETS

1.1. Formation expenses

Formation expenses are recorded at cost and depreciated at 100%.

1.2. Intangible fixed assets

Intangible fixed assets are recorded at purchase or transfer price. The amortisation percentages applied are:

> brands: 10%
> software: 33%

1.3. Financial fixed assets

Financial fixed assets are valued at acquisition price or contribution value without supplementary costs.

Reductions in value are applied where the estimated value of the financial fixed assets is less than the accounting value and where the loss of value so determined is of a lasting nature in the opinion of the Board of Directors.

The estimated value of the financial fixed assets is determined at the end of the accounting period based on the most recent available balance sheet and other relevant data.

Reductions in value are reversed, up to the amount of the previously recorded reductions in value, where the valuation at the closing date of the accounting period concerned significantly exceeds the previous valuation.

1.4. Receivables

The necessary reductions in value are applied to receivables, the collection of which is in doubt.

Receivables are recorded at their nominal value, less any credit notes remaining to be drawn up.

Receivables in foreign currencies are converted at the applicable exchange rate at balance sheet date.

Negative exchange rate differences arising from translation of non-EUR currencies are included in the income statement.

1.5. Investments and cash at bank and in hand

Treasury shares are valued at purchase price.

Cash at bank and in hand in foreign currency is converted at the applicable exchange rate at the reporting date.

Both the negative and the positive exchange rate differences are included in the income statement.

2. LIABILITIES

2.1. Provisions for liabilities and charges

Provisions are made for all normally foreseeable liabilities and charges.

2.2. Amounts payable within one year

Suppliers

Debts to suppliers are recorded at nominal value. Debts in foreign currencies are converted at the applicable rate at balance sheet date.

Exchange rate differences are processed in the same way as for foreign currency receivables.

3. ADDITIONAL DISCLOSURE

The company is part of a VAT unit that has been formed within the Group and to which the following companies belong:

> Lotus Bakeries NV;
> Lotus Bakeries België NV;
> Cremers-Ribert NV;
> Interwaffles SA;
> Lotus Bakeries Corporate NV;
> Biscuiterie Willems BV.

Consequently, the company is jointly and severally liable for the VAT debts of all the above companies.

RESULTS AND PROPOSAL FOR APPROPRIATION OF RESULTS

CONSOLIDATED

The consolidated net profit for 2025 amounted to EUR 172.3 million, compared to EUR 152.5 million in 2024.

STATUTORY

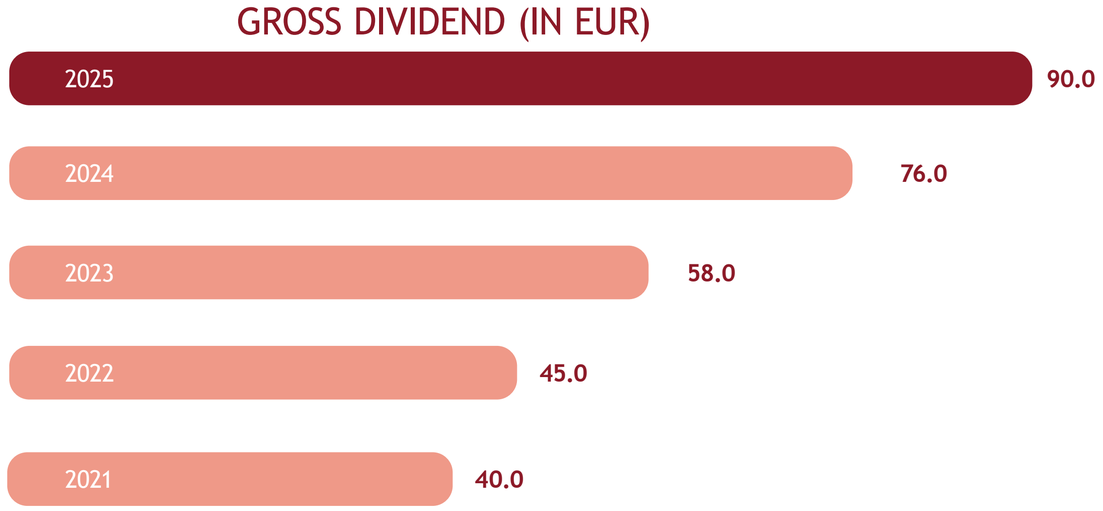
The 2025 results for the parent company Lotus Bakeries NV are as follows:

IN EUR	
Profit for the financial year	87,265,156
PROFIT FOR THE YEAR AVAILABLE FOR APPROPRIATION	**87,265,156**

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

IN EUR	
Allocation to other reserves	13,930,386
Transfer from reserves	-
Transfer to reserves	-
Distribution of a gross dividend	73,084,770
Distribution of emoluments to directors	250,000
TOTAL	**87,265,156**

The Board of Directors will propose at the Ordinary Shareholders Meeting of 12 May, 2026 that a gross dividend of EUR 90 per share for 2025 be paid compared to EUR 76 per share in 2024. This maintains the dividend policy of recent years, whereby at least one third of the underlying net result is paid out.



APPENDIX

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.

Impairment testing of goodwill and brands

Description of the key audit matter

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. As described in Note 13 and Note 14 respec-tively, goodwill and brands are subject to impairment testing on an annual basis or more frequently if there are indicators of impairment.

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 recognised 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.

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.

How our audit addressed the key audit matter

We evaluated the appropriateness of the group's accounting policies related to impairment of goodwill and brands and assessed compliance with IFRS.

We assessed the appropriateness of the disclosures on the goodwill and brands impairment in the annual report.

Our audit procedures included the evaluation of the design and implementation of internal controls over goodwill and brands impairment testing.

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 cash-flows to the latest budgets approved by the board of directors and internal forecasts.

Additionally, with the involvement of our internal valuation specialists, we gained an understanding of and we challenged:

- 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.

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.

Revenue recognition relating to commercial arrangements

Description of the key audit matter

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.

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.

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.

How our audit addressed the key audit matter

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.

We assessed the appropriateness of the disclosures on the revenue recognition relating to commercial arrangements in the annual report.

Our audit procedures included the evaluation of the design and implementation and the operating effectiveness of internal controls over accounting for such commercial arrangements.

Additionally, we challenged management's assumptions used in determining the commercial accruals through specific substantive audit procedures including:

> 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

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

Since 1932

LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED SUSTAINABILITY STATEMENTS OF LOTUS BAKERIES NV FOR THE YEAR ENDED 31 DECEMBER 2025

To the general shareholders' meeting.

In the framework of our legal limited assurance engagement on the consolidated sustainability statements of Lotus Bakeries NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our report on this mission.

We have been appointed by the general meeting dated 13 May 2025, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee, to perform a limited assurance engagement on the consolidated sustainability statements of the group, included in the section "Sustainability Statements" of the Annual Report as of 31 December 2025 and for the year then ended (the "consolidated sustainability statements").

Our mandate will expire on the date of the general meeting deliberating on the financial statements for the financial year ended 31 December 2027. We have performed our limited assurance engagement on the consolidated sustainability statements of the group for the first time during the current reporting period.

LIMITED ASSURANCE CONCLUSION

We have performed a limited assurance engagement on the consolidated sustainability statements of the group.

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 consolidated sustainability statements, in all material respects:

- have not been prepared in accordance with the requirements stipulated in article 3:32/2 of the Code of Companies and Associations, in accordance with the applicable European Sustainability Reporting Standards (ESRS);
- have not been prepared in accordance with the process carried out by the group to identify the information reported in the consolidated sustainability statements (the "process") as set out in the note "General Disclosures";
- do not comply with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the disclosures in subsection "EU Taxonomy" of the consolidated sustainability statement.

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (“ISAE 3000 (Revised)”), as applicable in Belgium.

Our responsibilities under this standard are described in more detail in the section of our report "Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statements”.

We have complied with all ethical requirements relevant to limited assurance engagements on the consolidated sustainability statements in Belgium, including those regarding independence.

We apply the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and the group’s officials all explanations and information required for our limited assurance engagement.

We believe that the evidence we have obtained in the framework of our limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS RELATING TO THE PREPARATION OF THE CONSOLIDATED SUSTAINABILITY STATEMENTS

The board of directors is responsible for designing and implementing a process and for disclosing this process in note “General Disclosures“ of the consolidated sustainability statements. This responsibility includes:

- understanding the context in which the group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The board of directors is also responsible for the preparation of the consolidated sustainability statements, which includes the information established by the process,

- in accordance with the requirements set out in article 3:32/2 of the Code of Companies and Associations, including the applicable European Sustainability Reporting Standards (ESRS);
- in compliance with the requirements of Article 8 of the Taxonomy Regulation regarding the disclosure of the information included in subsection “EU Taxonomy” within the environmental section of the consolidated sustainability statements.

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors deems necessary for the preparation of the consolidated sustainability statements that are free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee is responsible for overseeing the group’s sustainability reporting process.

INHERENT LIMITATIONS IN PREPARING THE CONSOLIDATED SUSTAINABILITY STATEMENTS

In reporting forward-looking information in accordance with ESRS, the board of directors is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and deviations may be of material importance.

RESPONSIBILITIES OF THE STATUTORY AUDITOR RELATING TO THE LIMITED ASSURANCE ENGAGEMENT ON THE CONSOLIDATED SUSTAINABILITY STATEMENTS

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated sustainability statements are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken based on the consolidated sustainability statements.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgement and maintain professional scepticism throughout the engagement. The work performed in an engagement aiming to obtain a limited level of assurance, for which we refer to the section “Summary of the work performed” is less in scope than in an engagement aiming to obtain a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

Since the forward-looking information in the consolidated sustainability statements and the assumptions on which it is based, relate to the future, they may be affected by events that may occur in the future and/

or by potential actions of the group. The actual outcomes are likely to be different from the assumptions made, as the anticipated events often do not occur as expected, and the deviation from them could be material. Therefore, our conclusion does not provide any assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statements.

Our responsibilities in respect of the consolidated sustainability statements, in relation to the process, include:

> obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process; and
> designing and performing procedures to evaluate whether the process is consistent with the group's description of its process, as disclosed in note "General Disclosures".

Our other responsibilities in respect of the consolidated sustainability statements include:

> acquiring an understanding of the group's control environment, the relevant processes, and information systems for preparing the consolidated sustainability statements, but without assessing the design of specific control activities, obtaining supporting information about their implementation, or testing the effective operation of the established internal control measures;
> identifying where material misstatements are likely to arise in the consolidated sustainability statements, whether due to fraud or error; and
> designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SUMMARY OF THE WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statements. The procedures in a limited assurance engagement vary in nature and timing and are less in extent than procedures performed 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 assurance engagement been performed.

The nature, timing and extent of the procedures selected depend on professional judgement, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statements, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the process, we:

> obtained an understanding of the process by:
- performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
- reviewing the group's internal documentation of its process; and
> evaluated whether the assurance evidence obtained from our procedures with respect to the process implemented by the group was consistent with the description of the process set out in note "General Disclosures".

In conducting our limited assurance engagement, with respect to the consolidated sustainability statements, we have:

- obtained an understanding of the group's reporting processes relevant to the preparation of its consolidated sustainability statements by obtaining an understanding of the group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statements but not with the purpose of providing a conclusion on the effectiveness of the group's internal control;
- evaluated whether the information identified by the process is included in the consolidated sustainability statements;
- evaluated whether the structure and the presentation of the consolidated sustainability statements has been prepared in accordance with the ESRS;
- performed inquires with relevant personnel and analytical procedures on selected information in the consolidated sustainability statements;
- performed substantive assurance procedures on selected information in the consolidated sustainability statements;
- compared disclosures in the sustainability statements with the corresponding disclosures in the financial statements and the Annual Report;
- obtained evidence on the methods and assumptions for developing estimates and forward-looking information as described in the section "Responsibilities of the statutory auditor related to the limited assurance engagement on the consolidated sustainability statements";
- obtained an understanding of the group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statements.

STATEMENT RELATED TO INDEPENDENCE

Our audit firm and our network have not performed any engagements which are incompatible with the limited assurance engagement, and our audit firm has remained independent of the group throughout the course of our mandate.

Signed at Ghent.

The statutory auditor

Deloitte Bedrijfsrevisoren BV
Represented by Kurt Dehoorne

STOCK MARKET AND SHAREHOLDERS' INFORMATION

1. 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.

2. LIQUIDITY

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

3. MARKET CAPITALISATION

On the basis of a total number of 816,013 ordinary shares and a closing share price of EUR 7,850.00, Lotus Bakeries' market capitalisation amounted to EUR 6,405.70 million at the end of 2025.

4. STOCK DATA ON THE LOTUS BAKERIES SHARE

SHARE PERFOMANCE DATA (IN EUR)	2025	2024	2023	2022	2021
Highest share price of period	11,100.00	12,580.00	8,420.00	6,630.00	6,080.00
Lowest share price of period	7,230.00	7,560.00	5,690.00	4,455.00	3,630.00
Share price as per closing date	7,850.00	10,780.00	8,230.00	6,320.00	5,590.00
Market capitalisation as per closing date (in millions of EUR)	6,405.70	8,796.62	6,715.79	5,157.20	4,561.51
Number of shares as per closing date	816,013	816,013	816,013	816,013	816,013
Ratio price/earnings (PER) as per closing date	37.02	57.40	51.63	49.62	49.99

5. FINANCIAL CALENDAR

EVENT	DATE
Ordinary and Extraordinary Shareholders' meeting	May 12, 2026
Dividend payable from	May 19, 2026
2026 half-year results	August 7, 2026

7. 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.

CONDENSED FIVE-YEAR CONSOLIDATED FINANCIAL STATEMENTS

IN THOUSANDS OF EUR	2025	2024	2023	2022	2021
REVENUE	**1,355,061**	**1,231,914**	**1,062,962**	**877,451**	**750,251**
Raw materials, packaging and co-manufacturing	(461,405)	(419,957)	(368,903)	(311,310)	(250,617)
Services and other goods	(356,165)	(331,887)	(277,024)	(218,277)	(192,231)
Employee benefit expenses	(259,920)	(234,633)	(205,310)	(173,618)	(152,857)
Depreciation and amortisation expenses	(40,199)	(36,593)	(32,857)	(25,245)	(23,115)
Impairment on inventories and trade receivables	(778)	69	(1,226)	(3,992)	(3,384)
Other operating expenses	(6,233)	(5,393)	(6,348)	(8,534)	(8,253)
Other operating income	2,047	3,109	1,681	3,711	4,011
UNDERLYING OPERATING RESULT - EBIT(u)	**232,409**	**206,629**	**172,974**	**140,188**	**123,805**
Non-underlying items	(4,813)	(5,165)	(2,544)	(3,807)	(4,135)
OPERATING RESULT - EBIT	**227,596**	**201,463**	**170,430**	**136,381**	**119,670**
Financial result	(2,399)	(2,213)	(2,533)	(2,354)	(2,373)
Interest income (expenses)	(235)	(942)	(1,560)	(2,565)	(2,766)
Foreign exchange gains (losses)	(1,431)	(358)	(119)	988	886
Other financial income (expenses)	(733)	(913)	(854)	(777)	(493)
RESULT FOR THE PERIOD BEFORE TAXES	**225,197**	**199,250**	**167,897**	**134,027**	**117,297**
Income taxes	(52,928)	(46,769)	(38,565)	(30,744)	(26,554)
NET RESULT	**172,269**	**152,482**	**129,333**	**103,283**	**90,743**
Attributable to non-controlling interests	11	(95)	72	43	(24)
Attributable to equity holders of Lotus Bakeries	172,258	152,577	129,261	103,240	90,767

IN THOUSANDS OF EUR	DEC. 31, 2025	DEC. 31, 2024	DEC. 31, 2023	DEC. 31, 2022	DEC. 31, 2021
NON CURRENT ASSETS	**1,032,329**	**993,050**	**875,583**	**820,000**	**690,120**
Goodwill	222,841	230,070	222,915	225,246	224,846
Intangible assets	147,944	150,437	147,825	146,735	144,745
Property, plant and equipment	648,059	580,404	474,311	428,244	307,725
Investments in other companies	8,668	28,798	27,504	16,806	9,755
Deferred tax assets	3,957	2,485	2,120	2,212	2,182
Other non-current assets	860	856	908	757	867
CURRENT ASSETS	**504,192**	**399,134**	**367,920**	**275,036**	**301,972**
Inventories	103,833	90,473	76,906	70,361	57,901
Trade and other receivables	193,320	166,511	152,044	120,074	105,164
Current tax assets	3,019	4,356	4,888	4,947	5,276
Other financial assets	78,249	35,914	-	-	-
Cash and cash equivalents	121,885	98,314	131,231	76,435	132,160
Other current assets	3,886	3,565	2,852	3,219	1,471
TOTAL ASSETS	**1,536,521**	**1,392,183**	**1,243,503**	**1,095,036**	**992,092**
EQUITY	**859,602**	**791,155**	**656,207**	**572,141**	**519,532**
NON-CURRENT LIABILITIES	**337,404**	**261,987**	**349,943**	**266,186**	**289,450**
Interest-bearing liabilities	249,874	180,501	275,834	196,066	218,837
Deferred tax liabilities	78,388	74,624	68,024	63,716	64,243
Employee benefit obligations	7,294	4,901	4,183	4,411	4,020
Provisions	57	73	101	122	116
Derivative financial instruments	-	-	-	107	371
Other non-current liabilities	1,791	1,887	1,801	1,765	1,863
CURRENT LIABILITIES	**339,515**	**339,042**	**237,352**	**256,709**	**183,110**
Interest-bearing liabilities	62,376	100,810	14,657	70,178	17,439
Employee benefit obligations	463	463	335	232	333
Provisions	21	21	21	21	21
Trade and other payables	247,558	216,256	205,110	172,995	154,377
Current tax liabilities	25,519	18,446	14,173	10,367	5,850
Other current liabilities	3,579	3,046	3,056	2,917	5,091
TOTAL EQUITY AND LIABILITIES	**1,536,521**	**1,392,183**	**1,243,503**	**1,095,036**	**992,092**

ESRS DISCLOSURE REQUIREMENTS INDEX

ESRS REFERENCE	DESCRIPTION	ANNUAL REPORT REFERENCE
ESRS 2 - General disclosures		
ESRS 2 - BP 1	General basis for preparation of sustainability statements	I.1.
ESRS 2 - BP 2	Disclosures in relation to specific circumstances	I.1.
ESRS 2 - GOV 1	Role of the administrative, management and supervisory bodies	Corporate Governance
ESRS 2 - GOV 2	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	Corporate Governance
ESRS 2 - GOV 3	Integration of sustainability-related performance in incentive schemes	Corporate Governance
ESRS 2 - GOV 4	Statement on due diligence	I.2.2.
ESRS 2 - GOV 5	Risk management and internal controls over sustainability reporting	Risk Management
ESRS 2 - SBM 1	Strategy, business model and value chain	Lotus Bakeries, nice to meet you, Our brand strategy and Consolidated Financial Statement
ESRS 2 - SBM 2	Interests and views of stakeholders - general	I.3.2.
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.2 - I.4.5.
ESRS 2 - IRO 1	Description of process to identify and assess material impacts, risks and opportunities	I.4.2.
ESRS 2 - IRO 2	Disclosure Requirements in ESRS covered by sustainability statements	Appendix
ESRS E1 - Climate Change		
ESRS 2 - GOV 3	Integration of sustainability-related performance in incentive schemes	Corporate Governance
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.2 - I.4.5. + II.1.1. + II.2.1.
ESRS 2 - IRO 1	Description of processes to identify and assess material climate-related impacts, risks and opportunities	I.4.2. + II.1.4.
E1-1	Transition plan for climate change mitigation	II.1.4.
E1-2	Policies related to climate change mitigation and adaptation	II.1.2.
E1-3	Actions and resources in relation to climate change policies	II.1.5. + II.2.4.
E1-4	Targets related to climate change mitigation and adaptation	II.1.3. + II.2.3.
E1-5	Energy consumption and mix	II.2.5.
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	II.1.6.
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	II.1.7.
E1-8	Internal carbon pricing	II.1.8.
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in

ESRS REFERENCE	DESCRIPTION	ANNUAL REPORT REFERENCE
ESRS E5 - Resource use and circular economy		
ESRS 2 - IRO 1	Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	I.4.2 - I.4.5. + II.3.1
E5-1	Policies related to resource use and circular economy	II.1.3.2
E5-2	Actions and resources related to resource use and circular economy	II.1.3.4
E5-3	Targets related to resource use and circular economy	II.1.3.3
E5-4	Resource inflows	II.1.3.5
E5-5	Resource outflows	II.1.3.5
E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in
ESRS S1 - Own workforce		
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.2 - I.4.5. + III.1.1.
S1-1	Policies related to own workforce	III.2.2. + III.3.1.
S1-2	Processes for engaging with own workers and workers' representatives about impacts	III.2.3.
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	III.2.3.
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	III.2.5.
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	III.2.4. + III.3.2.
S1-6	Characteristics of undertaking's employees	III.2.5.
S1-7	Characteristics of non-employees in undertaking's own workforce	Phase-in
S1-8	Collective bargaining coverage and social dialogue	III.2.5.
S1-9	Diversity metrics	III.2.5.
S1-10	Adequate Wages	III.2.5.
S1-11	Social protection	III.2.5.
S1-12	Persons with disabilities	III.2.5.
S1-13	Training and skills development metrics	III.2.5.
S1-14	Health and safety metrics	III.3.3.
S1-15	Work-life balance metrics	III.2.5.
S1-16	Remuneration metrics (pay gap and total remuneration)	III.2.5.
S1-17	Incidents, complaints and severe human rights impacts	V.1.3.4.

ESRS REFERENCE	DESCRIPTION	ANNUAL REPORT REFERENCE
ESRS S4 - Consumers and end-users		
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.2 - I.4.5. + IV.1.
S4-1	Policies related to consumers and end-users	IV.2.1. + IV.3.2.
S4-2	Processes for engaging with consumers and end-users about impacts	IV.2.2. + IV.3.3.
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	IV.2.2. + IV.3.3.
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	IV.2.4. + IV.3.5.
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)	IV.2.3. + IV.3.4.
ESRS G1 - Business conduct		
ESRS 2 - GOV 1	Role of administrative, supervisory and management bodies	I.2 + V.1.2.
ESRS 2 - IRO 1	Description of processes to identify and assess material impacts, risks and opportunities	I.4.2
G1-1	Business conduct policies and corporate culture	III.2.2. + V.1.2.
G1-2	Management of relationships with suppliers	VI.2.
G1-3	Prevention and detection of corruption or bribery	V.1.3.6.
G1-4	Incidents of corruption or bribery	V.1.3.6.
G1-5	Political influence and lobbying activities	Not applicable
G1-6	Payment practices	V.1.6.

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

This appendix is an integral part of the ESRS 2. The table below illustrates the datapoints in ESRS 2 and topical ESRS that derive from other EU legislation.

DISCLOSURE REQUIREMENTS AND RELATED DATAPOINT	SFDR	PILLAR 3	BENCHMARK	EU CLIMATE LAW	REFERENCE
ESRS 2 GOV-1 Board's gender diversity § 21 (d)	•		•		Sust. Statements - III.2.5
ESRS 2 GOV-1 Percentage of board members who are independent § 21 (e)			•		Corporate Governance
ESRS 2 GOV-4 Statement on due diligence § 30	•				Sust. Statements - I.2.2.
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities § 40 (d) i	•	•	•		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production § 40 (d) ii	•		•		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons § 40 (d) iii	•		•		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco § 40 (d) iv			•		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 § 14				•	Sust. Statements - II.1.4.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks § 16 (g)		•	•		Not applicable
ESRS E1-4 GHG emission reduction targets § 34	•	•	•		Sust. Statements - II.1.3.
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) § 38	•				Sust. Statements - II.2.5.
ESRS E1-5 Energy consumption and mix § 37	•				Sust. Statements - II.2.5.
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors §s 40 to 43	•				Sust. Statements - II.2.5.
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions § 44	•	•	•		Sust. Statements - II.1.6.
ESRS E1-6 Gross GHG emissions intensity §s 53 to 55	•	•	•		Sust. Statements - II.1.6.
ESRS E1-7 GHG removals and carbon credits § 56				•	Sust. Statements - II.1.7.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks § 66			•		Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk § 66 (a) ESRS E1-9 Location of significant assets at material physical risk § 66 (c) "		•			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes § 67 (c)		•			Phased-in

DISCLOSURE REQUIREMENTS AND RELATED DATAPOINT	SFDR	PILLAR 3	BENCHMARK	EU CLIMATE LAW	REFERENCE
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities § 69			•		Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, § 28	•				Not material
ESRS E3-1 Water and marine resources § 9	•				Not material
ESRS E3-1 Dedicated policy § 13	•				Not material
ESRS E3-1 Sustainable oceans and seas § 14	•				Not material
ESRS E3-4 Total water recycled and reused § 28 (c)	•				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations § 29	•				Not material
ESRS 2- SBM3 - E4 § 16 (a) i	•				Not material
ESRS 2- SBM3 - E4 § 16 (b)	•				Not material
ESRS 2- SBM3 - E4 § 16 (c)	•				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies § 24 (b)	•				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies § 24 (c)	•				Not material
ESRS E4-2 Policies to address deforestation § 24 (d)	•				Not material
ESRS E5-5 Non-recycled waste § 37 (d)	•				Not material
ESRS E5-5 Hazardous waste and radioactive waste § 39	•				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour § 14 (f)	•				Sust. Statements - V.1.3.1.
ESRS 2- SBM3 - S1 Risk of incidents of child labour § 14 (g)	•				Sust. Statements - V.1.3.1.
ESRS S1-1 Human rights policy commitments § 20	•				Sust. Statements - V.1.3.4.
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, § 21			•		Sust. Statements - I.1.4. + V.1.3.1.
ESRS S1-1 Processes and measures for preventing trafficking in human beings § 22	•				Sust. Statements - V.1.3.1.
ESRS S1-1 Workplace accident prevention policy or management system § 23	•				Sust. Statements - III.3.1.
ESRS S1-3 Grievance/complaints handling mechanisms § 32 (c)	•				Sust. Statements - III.2.3.
ESRS S1-14 Number of fatalities and number and rate of work-related accidents § 88 (b) and (c)	•		•		Sust. Statements - III.3.3.
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness § 88 (e)	•				Sust. Statements - III.3.3.
ESRS S1-16 Unadjusted gender pay gap § 97 (a)	•		•		Sust. Statements - III.2.5.
ESRS S1-16 Excessive CEO pay ratio § 97 (b)	•				Sust. Statements - III.2.5.
ESRS S1-17 Incidents of discrimination § 103 (a)	•				Sust. Statements - V.1.3.5.

DISCLOSURE REQUIREMENTS AND RELATED DATAPOINT	SFDR	PILLAR 3	BENCHMARK	EU CLIMATE LAW	REFERENCE
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD § 104 (a)	•		•		Sust. Statements - V.1.3.1.
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain § 11 (b)	•				Not material
ESRS S2-1 Human rights policy commitments § 17	•				Not material
ESRS S2-1 Policies related to value chain workers § 18	•				Not material
ESRS S2-1Non- respect of UNGPs on Business and Human Rights principles and OECD guidelines § 19	•		•		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, § 19			•		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain § 36	•				Not material
ESRS S3-1 Human rights policy commitments § 16	•				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines § 17	•		•		Not material
ESRS S3-4 Human rights issues and incidents § 36	•				Not material
ESRS S4-1 Policies related to consumers and end-users § 16	•				Sust. Statements - IV.2.1. + IV.3.2.
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines § 17	•		•		Sust. Statements - V.1.3.1.
ESRS S4-4 Human rights issues and incidents § 35	•				Sust. Statements - V.1.3.4.
ESRS G1-1 United Nations Convention against Corruption § 10 (b)	•				Sust. Statements - V.1.3.6.
ESRS G1-1 Protection of whistleblowers § 10 (d)	•				Sust. Statements - V.1.3.2.
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws § 24 (a)	•		•		Sust. Statements - V.1.3.6.
ESRS G1-4 Standards of anti-corruption and anti-bribery § 24 (b)	•				Sust. Statements - V.1.3.6.

GLOSSARY

CONCEPT	TOPIC	DEFINITION
BVCM	ESG	Beyond Value Chain Mitigation - Mitigation action or investments that fall outside a company's value chain, including activities that avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere.
CAGR	Finance	Compound Annual Growth Rate
Carbon credit	ESG	Tradable unit that represents one metric tonne of avoided GHG emissions, reduced GHG emissions or GHG removals.
CEFLEX	ESG	Circular Economy for Flexible Packaging - Collaboration of over 180 European companies, associations and organisations representing the entire value chain of flexible packaging.
CO_2e	ESG	Carbon dioxide equivalent - Metric measure used to compare the emissions from various greenhouse gases on the basis of their global warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
CoC	ESG	Code of Conduct -
CSDDD	ESG	Corporate Sustainability Due Diligence Directive - EU directive that requires companies to identify, assess and mitigate sustainability risks in their value chains.
CSRD	ESG	Corporate Sustainability Reporting Directive - EU directive that places extended requirements on corporate sustainability reporting.
D4ACE	ESG	Design for a circular economy - Guidelines developed by CEFLEX to increase mechanical recyclability for polyolefin-based flexible packaging.
DMA	ESG	Double Materiality Assessment
EBIT(u)	Finance	Underlying operating result - Operating result after deducting the non-underlying items.
EBITDA(u)	Finance	Underlying operating cash flow - EBIT(u) excluding depreciations and amortisation expenses, impairments on inventories and trade receivables and non-cash costs related to share-based payment plans.
Employee	ESG	An individual who is in an employment relationship with the undertaking according to national law or practice.
Employee turnover rate	ESG	Calculated as the overall number of FTEs leaving since the beginning of the year divided by the average FTE for the year.
EOL	ESG	End-of-Life - The final stages of a product's existence.
ESRS	ESG	European Sustainability Reporting Standards - Set of standards for sustainability reporting, developed as part of the EU strategies for sustainable finance.
EUDR	ESG	European Deforestation Regulation - EU regulation that sets out detailed rules designed to prevent the importation and exportation of specific products linked to deforestation and forest degradation.
FLAG	ESG	Forest, Land, and Agriculture - Sectors, emissions, methodologies and targets that are related to Forest, Land and Agriculture.

CONCEPT	TOPIC	DEFINITION
FSC	ESG	Forest Stewardship Council - International, non-governmental organisation dedicated to promoting responsible management of the world's forests.
FSQMS	ESG	Food Safety and Quality Management System
FTE	ESG	Full-Time Equivalent - Unit to measure employees in a way that makes them comparable although they may work a different number of hours per week.
GDPR	ESG	General Data Protection Regulation - Legal framework that sets guidelines for the collection and processing of personal information from individuals who live in and outside of the European Union (EU).
GFSI	ESG	Global Food Safety Initiative
GHG	ESG	Greenhouse Gases - Gasses which absorb and re-emit infrared radiation, thereby trapping it in Earth's atmosphere and causing the GHG effect. They include carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).
GHG Protocol	ESG	Comprehensive global standardised frameworks to measure and manage GHG emissions from private and public sector operations, value chains, and mitigation actions. The GHG Protocol supplies the world's most widely used GHG accounting standards. The Corporate Accounting and Reporting Standard provides the accounting platform for virtually every corporate GHG reporting program in the world.
IRO	ESG	Impact, risk, opportunity - IROs serve as the foundation for determining what's material in a company's sustainability report. By identifying and assessing them, businesses can prioritise key sustainability issues and ensure their reporting aligns with the European Sustainability Reporting Standards (ESRS).
Leadership Team	Organisation	Executive Committee, General Managers and Corporate Directors.
NDPE	ESG	No Deforestation, No Peat, No Exploitation - Strict policy for a sustainable palm oil supply chain.
NFD - Net financial debt	Finance	Interest-bearing liabilities (excluding lease liabilities recognised in accordance with IFRS 16) deducted with cash and cash equivalents, term deposits and treasury shares.
Non-employee	ESG	An individual who is not in an employment relationship with the undertaking but whose work is controlled by it and who performs roles that are the same as or similar to those of its employees or is otherwise engaged in the company's core business.
Non-FLAG	ESG	Sectors, emissions, methodologies and targets that are not related to Forest, Land and Agriculture.
Non-underlying items	Finance	Those items that are considered by management not to relate to transactions, projects and adjustments to the value of assets and liabilities taking place in the ordinary course of activities of the Company. Non-underlying items are presented separately, due to their size or nature, so as to allow users of the consolidated financial statements of the Company to get a better understanding of the normalised performance of the Company.
Own operations	ESG	The activities, processes and systems that a company performs using company-owned and controlled resources to deliver its products or services to customers.
PEFC	ESG	Program for the Endorsement of Forest Certification - International, non-profit, non-governmental organization which promotes sustainable forest management through independent third-party certification.

CONCEPT	TOPIC	DEFINITION
PPWR	ESG	Packaging & Packaging Waste regulation - EU regulation that aims to minimise the quantities of packaging and waste generated while lowering the use of primary raw materials and fostering the transition to a circular, sustainable and competitive economy.
Primary deforestation-linked commodities	ESG	The commodities in scope for the SBTi-target set by Lotus Bakeries Group linked to deforestation-free commodities, is limited to the procured palm oil and cocoa.
Primary packaging	ESG	Primary packaging directly protects the product and informs the consumer. It is all packaging that a consumer takes home when purchasing the product.
Rate of recordable work-related accidents for own employees	ESG	The number of work-related injuries with at least 1 day of absence of own employees divided by the number of total hours worked by own employees and multiplied by 1 million hours.
Recall	ESG	The withdrawal of a product up to consumer level. Generally this is organised with a press announcement.
RSPO	ESG	Roundtable on Sustainable Palm Oil - Global, non-profit organisation uniting stakeholders from all across the palm oil value chain to develop and implement global standards for sustainable palm oil.
SBTi	ESG	Science Based Targets initiative - Corporate climate action organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis.
SDG	ESG	Sustainable Development Goals - Global call to action to end poverty, protect the earth's environment and climate, and ensure that people everywhere can enjoy peace and prosperity. The SDGs were adopted by the United Nations in 2015.
Secondary packaging	ESG	Secondary packaging further protects the product and groups different primary packages for distribution. Used to distribute to and often showcase at the retailer.
SFI	ESG	Sustainable Forestry Initiative - Forest certification programme in North America, covering a wide range of criteria and indicators that address various aspects of forest management.
SKU	ESG	Stock Keeping Unit - Unique identifier used in retail and manufacturing to keep track of inventory.
Technical recyclability rate	ESG	The technical recyclability rate is determined per packaging component on the basis of the state-of-the-art design guidelines for recyclability. The average technical recyclability is a weighted average, based on the packaging weight of each packaging component.
Tertiary packaging	ESG	Tertiary packaging is used to guarantee the protection of the product during shipment via pallet, typically not seen by consumers.
TFA	ESG	Trans-fatty acid - Unsaturated fatty acids that come from either industrial or natural sources.
TOP-culture	ESG	Team, Open Dialogue and Passion - These form the cornerstones for our company culture.
Underlying net result	Finance	Determined by excluding the non-underlying items and the related tax effects from the net result. The Underlying net result is used as the basis for dividend distribution.

ABOUT THIS REPORT

REPORTING ORGANISATION

Lotus Bakeries is a limited-liability company incorporated as naamloze vennootschap NV under Belgian law. Identified by company registration number 0401.030.860, Lotus Bakeries NV has its registered office at Gentstraat 1, 9971 Lembeke, Belgium. The shares of Lotus Bakeries NV are listed on the regulated market of Euronext Brussels.

REPORTING PERIOD

Publication date: March 31, 2026. Authorised for issue by the Board of Directors on March 31, 2026.

The Annual Report 2025 covers the period between January 1, 2025 and December 31, 2025. The Annual Report is available online at www.lotusbakeries.com, where you can also find our previous Annual Reports, as well as our half-year reports. Hard copies on request.

SCOPE OF THE REPORT

This Annual Report covers all Lotus Bakeries entities worldwide. Additionally, the Sustainability Statement takes our value chain into account for ESG topics that emerged as material from our double materiality analysis.

The Consolidated Financial Statements 2025 have been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted for application within the European Union, while the Sustainability Statements 2025 were elaborated in accordance with the European Sustainability Reporting Standards (ESRS) as stated in the Corporate Sustainability Reporting Directive and as adopted by the European Union.

The condensed statutory financial statements disclosed at the end of the Consolidated Financial Statements are extracted from separate Belgian GAAP financial statements of the company and are included as required by article 3:17 of the Belgian Company Associations code.

The separate financial statements, together with the Annual Report of the Board of Directors to the general assembly of shareholders as well as the auditor's report, will be filed with the National Bank of Belgium within the legally foreseen time limits.

FORWARD-LOOKING STATEMENTS

This Annual Report 2025 contains forward-looking information that involves risks and uncertainties, including statements about Lotus Bakeries' plans, objectives, expectations and intentions. These statements are based on the current expectations and views of future events and developments of Lotus Bakeries and are naturally subject to uncertainty and changes in circumstances.

The forward-looking statements contained in this Annual Report 2025 include statements other than historical facts, typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates", "likely", "foresees" and words of similar import.

All statements other than statements of historical facts are forward-looking statements. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Lotus Bakeries. Should one or more of these risks, uncertainties, or contingencies materialise, or should underlying assumptions prove incorrect, actual results may differ materially from those anticipated, estimated, or projected. As a result, undue reliance should not be placed on these forward-looking statements, and Lotus Bakeries assumes no responsibility for the accuracy thereof.

LANGUAGE OF THE REPORT

Lotus Bakeries discloses its integrated Annual Report in the European Single Electronic Format (ESEF), both in Dutch and English. The Dutch version is the only official ESEF version, discharging our Group from the obligations included in the Transparency Directive.

Financial statements made available in pdf format, as well as financial statements prepared in ESEF-format in another language than Dutch, are therefore considered non-official versions and translations.

The official ESEF version prevails over all non-official and translated versions. The official ESEF version of the annual financial statements of the Group is filed on the website of the Group.

EXTERNAL AUDIT

Our external assurance provider Deloitte has issued an unqualified audit opinion with respect to the consolidated and separate financial statements of Lotus Bakeries. Furthermore, Deloitte also conducted assurance on our Sustainability Statements, including the EU taxonomy.

CONTACT DETAILS

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PRODUCTION

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