



**HALF-YEAR REPORT
2024**

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01. CONSOLIDATED KEY FIGURES

INCOME STATEMENT ¹ (IN THOUSANDS OF EUR)	JAN-JUNE 2024	JAN-JUNE 2023	CHANGE %
REVENUE	599,255	501,125	+ 19.6%
EBIT(u) – Underlying operating result ²	97,463	78,430	+ 24.3%
EBITDA(u) – UNDERLYING OPERATING CASH FLOW³	115,819	95,789	+ 20.9%
Non-underlying items	(2,534)	(782)	- 224.2%
EBIT – Operating result ⁴	94,929	77,648	+ 22.3%
Financial result	(702)	(1,066)	+ 34.1%
Result for the period before taxes	94,227	76,583	+ 23.0%
Income taxes	(22,102)	(17,346)	- 27.4%
NET RESULT	72,125	59,237	+ 21.8%
Underlying net result	74,136	59,842	+ 23.9%
Total number of shares on June 30 ⁵	812,123	811,510	
KEY FIGURES PER SHARE (IN EUR)			
EBIT(u)	120.01	96.65	+ 24.2%
EBITDA(u)	142.61	118.04	+ 20.8%
Earnings per share (EPS)	88.83	73.02	+ 21.7%
STATEMENT OF FINANCIAL POSITION (IN THOUSANDS OF EUR)	JUNE 30, 2024	JUNE 30, 2023	CHANGE %
Balance sheet total	1,288,565	1,179,888	+ 9.2%
Equity	694,463	589,314	+ 17.8%
Investments ⁶	42,432	33,917	+ 25.1%
Net financial debt ⁷	150,102	184,412	- 18.6%

1 For more details on the income statement and the balance sheet, we refer to the condensed consolidated financial statements of this interim financial report.

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

3 EBITDA(u) is defined as EBIT(u) excluding depreciations and amortisations, provisions and amounts written off and non-cash costs valuation option and warrant plan.

4 EBIT is defined as EBIT(u) + non-underlying items.

5 Total number of shares as per June 30, excluding treasury shares.

6 Investments include capital expenditures and investments in other companies.

7 Net financial debt is defined as interest-bearing financial debts - cash and cash equivalents and term deposits - treasury shares, and are reported excluding the 'lease liabilities' that result from the implementation of IFRS 16 Leases. Including these 'lease liabilities', the net financial debt amounts to EUR 171 million.

The statutory auditor, PwC Bedrijfsrevisoren bv, represented by Lien Winne, has confirmed that the review has not to date revealed any material misstatement in the consolidated half year financial information, and that the accounting data reported in the press release is consistent, in all material respects, with the consolidated half year financial information from which it has been derived.

02. MANAGEMENT COMMENTS

2.1 LOTUS BAKERIES' REVENUE UP BY ALMOST 20% OR EUR 100 MILLION

Lotus Bakeries reports consolidated sales of EUR 599.3 million in the first half of 2024. This represents a year-on-year increase of 19.6% or EUR 98.1 million.

The sales growth is primarily driven by a robust and broad-based volume increase of more than 16% across geographical segments and across the three strategic pillars of Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes. Price increases have, combined with foreign currency impact, a limited contribution of 3% in the total revenue growth of 19.6%.

Continued momentum and outstanding volume growth for Lotus® Biscoff®

Lotus® Biscoff®, the Group's first and largest strategic pillar, realised outstanding volume growth of more than 20%. The Biscoff® growth strategy which was initialised in 2023 puts a clear focus on building penetration first for the hero products, Biscoff cookies and Biscoff spreads. Moreover, the strategy emphasises broadening the number of demand spaces beyond 'the best cookie with coffee' and the Biscoff partnerships with global CPG brands. Next to securing broad distribution and securing excellent in-store execution, media investments are a key activation lever of the strategy. A new and digital-only media plan was announced last year and the step-up in media investments in targeted growth markets went in full execution in the first half of 2024. The brand has continued momentum across its core concepts of Biscoff cookies, Biscoff sandwich cookies and Biscoff spread.

The growth of Lotus Biscoff in the first half of the year was geographically broad-based with strong performance in Continental Europe, the UK, the US and Asia-Pacific. In Continental Europe the growth is – amongst others – driven by larger consumer markets like Germany, the Netherlands and Spain that still have ample room to grow household penetration. Other notable penetration gains in the last 12 months have been realised in Canada and Australia.

The step-up in volume of Biscoff cookies, Biscoff sandwich cookies and Biscoff spread over the past 12 months was possible through increased production capacity made available by gradually gearing up towards full continuous production and shift regimes, by improved productivity and by the commissioning of a new production line in the plant in Mebane (US).



Lotus™ Natural Foods also continues to outperform the market with double digit growth

The second strategic pillar of Lotus Bakeries is **Lotus™ Natural Foods**. In the first half of 2024, all Natural Foods brands continue to outperform the market via a strong, double-digit growth. International Lotus Natural Foods activities outside the UK grew again by almost 30% in the first six months of this year and account for more than one third of total Lotus Natural Foods sales. Besides sustained good performance of BEAR® in the US, nākd® and Kiddylicious® also realise relevant distribution gains in several European markets. A recent strategic review confirms the international potential of the Group's healthy snacking portfolio under the brand umbrellas of BEAR, nākd, TREK® and Kiddylicious.

Also in the UK, Lotus Natural Foods realises sustained growth across all core concepts and further supported by promising innovations. The nākd Protein Bar and the BEAR Fruit Splits are two new products that were launched successfully in the course of 2023 and are in the meantime proven contributors to the growth of the Natural Foods business in the UK. Another interesting innovation in the UK was the TREK Power Biscoff bar, which was launched in 2024 and already became a top selling bar in the category.



Lotus® Local Heroes realise mid-single digit growth above historic trend

The third pillar of the Lotus Bakeries strategy is to focus on the **'local heroes'** in the home markets of Belgium, the Netherlands, France and Sweden. While the sales increase in 2023 was primarily driven by pricing, the local heroes' portfolio delivered mid-single digit volume growth in the first half of 2024. Belgium and France were the main contributors with increases for both pastry driven by the successful launch of the Cake Donut and for waffles driven by sustained growth of the Liège Waffle.

2.2 EBITDA(u) INCREASES MORE THAN 20%

The EBIT(u) (EUR 97.5 million or 16.3% on revenue) and the EBITDA(u) (EUR 115.8 million or 19.3% on revenue) increased by EUR 19.0 and EUR 20.0 million respectively compared with last year.

The increase of EBIT(u) and EBITDA(u) of 24.3% and 20.9% respectively confirms the robustness of the growth strategy. The strategic focus on Lotus® Biscoff® and Lotus™ Natural Foods allows to translate sustainable organic growth into solid profits and cash flow. The latter in turn allows to continue investments in the brands and in the expansion of production capacity to fuel and support further future growth.

With the exception of chocolate, the input and production costs for raw materials, packaging, co-manufacturing, utilities and labour have, on an aggregated level, stabilised year-over-year. The Biscoff® and BEAR® plants have been capable to deliver the additional output needed to fulfil market demand contributing positive operational leverage. This allows to continue to invest in strengthening the organisation further and to upscale the media investments, both key to sustain continued growth.

The non-underlying items of EUR -2.5 million relate mainly to costs to support capacity expansion for Lotus Biscoff on the greenfield site in Chonburi, Thailand.

The financial result of EUR -0.7 million consists mainly of interest expenses, net of cash deposit income, and bank charges.

Tax expense amounts to EUR 22.1 million or 23.5% of profit before tax. The effective tax rate is slightly higher than the 2023 full year tax rate and also linked to the increase of the corporate income tax rate in the UK from 19% to 25%.

Net profit increases by EUR 12.9 million compared to the first half of 2023 and amounts to EUR 72.1 million or 12.0% on revenue. Earnings Per Share (EPS) increased by 21.7% to EUR 88.8 per share. Underlying net result amounts to EUR 74.1 million or 12.4% on revenue. The underlying net result is the reported net result for the period excluding non-underlying items.

2.3 NET FINANCIAL DEBT REMAINS LOW AT 0.7 TIMES EBITDA(u)

Over the past 12 months, Lotus Bakeries has generated a record underlying operating cash flow (EBITDA(u)) of EUR 227.6 million. Investments over the last 12 months and 24 months were close to EUR 100 million and EUR 220 million respectively. Continued strong cash flow generation, combined with disciplined investments in maintenance capex and working capital control keeps the net financial debt/EBITDA(u) ratio at 0.7 at the end of June 2024. The reported net financial debt of Lotus Bakeries amounts to EUR 171.0 million and includes EUR 20.9 million of debt to be expressed by applying IFRS 16 Leases.

2.4 MONDELĒZ INTERNATIONAL AND LOTUS BAKERIES JOIN FORCES TO EXPAND THE BISCOFF BRAND IN INDIA AND CREATE CO-BRANDED CHOCOLATE INNOVATIONS IN KEY MARKETS

In June of 2024, Mondelez International and Lotus Bakeries announced a strategic partnership to expand and grow the Biscoff® cookie brand in India, and to develop exciting new chocolate products combining the unique, caramelised, crunchy Biscoff taste and texture with Mondelez's iconic Cadbury, Milka and other key chocolate brands in Europe, with potential options to expand into additional markets and/or adjacent segments.

Through this partnership, Mondelez will leverage its extensive distribution network and local market presence to manufacture, market, distribute and sell Biscoff cookies in India. Lotus Bakeries aims to achieve significant visibility and sales growth in this high-potential market, while Mondelez will build upon its already strong presence in both traditional and modern trade to expand its cookie offerings into high-demand premium spaces.

For Lotus® Biscoff®, this partnership allows to unlock the high-potential yet challenging Indian market. Today, Lotus Biscoff sales in India account for less than 0.5% of total Biscoff sales. To successfully operate in India, it is required to have thorough market knowledge, strong local presence, a vast supply chain and distribution network and a customised pricing strategy. Lotus Bakeries is convinced that working together with a strong and respected partner as Mondelez in India will create optimal value for both companies. Lotus Bakeries is providing Mondelez India with a licence to manufacture, market and sell Biscoff cookies in India but retains control over the Biscoff branding, the product taste and texture, product specifications and quality and most importantly the confidentiality of the recipe.

In addition to growing Biscoff in India, the two companies will work together to develop and market co-branded chocolate products in other markets. While specific formats are still in the early stages of development, the companies aim to bring new innovations to the chocolate category that will surprise and delight consumers. The first co-branded products are expected to launch in early 2025, with Cadbury and Biscoff in the United Kingdom, as well as Milka and Biscoff in Europe.

For the entire licence scope, Lotus Bakeries retains ownership of the brand identity and Biscoff's global brand guidelines, both present and future, will be adhered to. The direct sales and profit contribution of this partnership are expected to be limited in the first years.

CEO Jan Boone about the new partnership:

“We are thrilled to join forces with the world’s number-one cookie player, Mondelez International, and we are grateful for their belief in our Biscoff® brand. We look forward to building on their commercial expertise and market-specific knowledge and presence in India, and we believe now is the right time to expand our distribution in this growing market. Additionally, we are excited to add our Biscoff brand to one of the world’s leading chocolate companies. Our delicious flavours complement each other perfectly, and we’re confident that our shared commitment to innovation and quality will delight customers and consumers.”

2.5 APPOINTMENT OF CHIEF PROCUREMENT OFFICER

John Van de Par, Dutch national, is appointed as Chief Procurement Officer (CPO) as of October 1, 2024. As CPO, John will be leading amongst other the Corporate departments Procurement, Quality and R&D. He joined Lotus Bakeries in 2008 as Finance Director of Koninklijke Peijnenburg, after having had a career at Friesland Campina. He quite rapidly evolved to the role of Corporate Director at HQ and in 2016 he became General Manager of Area Belgium, his current position.

In the Executive Committee, John is the successor of William Du Pré who retires after a career of more than 40 years at Lotus Bakeries. He rose through the ranks, took several roles in sales and marketing, successfully led Area Belgium as General Manager for many years and became a member of the Executive Committee in 2016. John will join the five-headed Executive Committee led by CEO Jan Boone and further consisting of Isabelle Maes (CMO Lotus Bakeries and CEO Natural Foods), Ignace Heyman (COO) and Mike Cuvelier (CFO).

2.6. CONCLUSION AND OUTLOOK

In the first six months of 2024, Lotus Bakeries' consolidated sales increased by almost 20% or EUR 100 million to reach EUR 599.3 million. More specifically, the first half of the year is marked by an outstanding volume growth, exceeding expectations going into the year and contributing more than 16% to the total growth. Strong performance was recorded across the three strategic pillars, Lotus[®] Biscoff[®], Lotus[™] Natural Foods and Lotus[®] Local Heroes.

Lotus Biscoff's volume growth of more than 20% stands out, building on continued momentum for the brand and on the Biscoff[®] growth strategy initialised in 2023. The steep increase in demand for Biscoff is broad-based across the hero concepts Biscoff cookies and Biscoff spread. The Biscoff plants in Lembeke (Belgium) and Mebane (US) have delivered record output to fulfil this additional volume. The increased production capacity was made available by gearing up towards full and continuous production and shift regimes, increased productivity on prior years' production line start-ups and the commissioning of a new production line in the plant in Mebane (US). In the meantime, the greenfield project in Thailand is progressing according to plan and remains on track to go live with commercial production in the first half of 2026 at the latest.

The increased capacity requirements compounding over recent periods challenge the plant teams to gear up shift regimes and to explore relentlessly further production efficiencies. The outlook for Biscoff in the second half of the year remains positive while recent half year's growth rates need to be tempered. An increasing comparable in the second half of the year, a further phase out of the annualised pricing impact and limitations of installed and available production lines to generate ever more incremental output warrant some caution in the forecast for the second half of 2024 and 2025. The first production line in Thailand is planned to start up in the first half of 2026 at the latest. Until that step-up is realised, production planning and output need to be diligently balanced with evolution and mix of demand.

The teams are equally challenged to execute effectively and timely the committed and ongoing expansion projects. At the same time, a step-up and acceleration of the expansion plans is necessary. Therefore, the previously announced investment programme of EUR 200 million for 2024 and 2025 combined will be increased to EUR 275 million and is forecasted to be almost evenly split over the two years.

CEO Jan Boone at the end of the first half of the year:

“After growing more than 20% and reaching the billion euro sales milestone in 2023, I did not expect we would add another 20% or EUR 100 million of sales already in this first half year of 2024. The strong volume growth for Lotus[®] Biscoff[®] and Lotus[™] Natural Foods underlines the continued momentum and potential of the brands.

We are a growth company and we need to support and invest in the brands accordingly. That is also why we announced a step-up in media investments in Lotus Biscoff as one of the key activation levers of the Biscoff growth strategy. This will be a long term and sustained investment needed to further build on our global awareness and ambition for Biscoff.”



– Jan Boone, CEO Lotus Bakeries

03. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUR	JAN-JUNE 2024	JAN-JUNE 2023
REVENUE	599,255	501,125
Raw materials, packaging and co-manufacturing	(201,890)	(169,457)
Services and other goods	(158,715)	(132,586)
Employee benefit expenses	(117,021)	(100,035)
Depreciation and amortisation expenses	(17,879)	(15,928)
Impairment on inventories and trade receivables	(235)	(1,182)
Other operating expenses	(6,965)	(4,198)
Other operating income	912	692
UNDERLYING OPERATING RESULT - EBIT(u)	97,463	78,430
Non-underlying items	(2,534)	(782)
OPERATING RESULT - EBIT	94,929	77,648
Financial result	(702)	(1,066)
Interest income (expenses)	(347)	(919)
Foreign exchange gains (losses)	30	130
Other financial income (expenses)	(386)	(277)
RESULT FOR THE PERIOD BEFORE TAXES	94,227	76,583
Income taxes	(22,102)	(17,346)
NET RESULT	72,125	59,237
Attributable to non-controlling interests	17	50
Attributable to equity holders of Lotus Bakeries	72,108	59,187
OTHER COMPREHENSIVE INCOME		
<i>Items that may be subsequently reclassified to profit and loss</i>	<i>11,554</i>	<i>(5,568)</i>
Currency translation differences	11,554	(5,649)
Gain/(Loss) on cash flow hedges, net of tax	-	81
<i>Items that will not be reclassified to profit and loss</i>	<i>-</i>	<i>126</i>
Remeasurement gains/(losses) on defined benefit plans	-	126
Other comprehensive income	11,554	(5,442)
TOTAL COMPREHENSIVE INCOME	83,680	53,795
Attributable to non-controlling interests	45	82
Attributable to equity holders of Lotus Bakeries	83,635	53,713
EARNINGS PER SHARE		
Weighted average number of shares	811,922	811,214
Basic earnings per share (EUR)	88.83	73.02
Attributable to equity holders of Lotus Bakeries	88.81	72.96
Weighted average number of shares after effect of dilution	813,181	812,157
Diluted earnings per share (EUR)	88.70	72.94
Attributable to equity holders of Lotus Bakeries	88.67	72.88

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUR	JUNE 30, 2024	DECEMBER 31, 2023
ASSETS		
Non-current assets	914,403	875,583
Goodwill	227,771	222,915
Intangible assets	149,169	147,825
Property, plant and equipment	506,689	474,311
Investments in other companies	27,836	27,504
Deferred tax assets	2,068	2,120
Other non-current assets	870	908
Current assets	374,162	367,920
Inventories	90,873	76,906
Trade and other receivables	179,062	152,044
Current tax assets	4,497	4,888
Cash and cash equivalents	95,658	131,231
Other current assets	4,072	2,852
TOTAL ASSETS	1,288,565	1,243,503
EQUITY AND LIABILITIES		
Equity	694,463	656,207
Share Capital	16,388	16,388
Treasury shares	(17,740)	(18,797)
Retained earnings	730,046	704,401
Other reserves	(34,231)	(45,785)
Non-controlling interests	-	-
Non-current liabilities	352,188	349,943
Interest-bearing liabilities	276,161	275,834
Deferred tax liabilities	70,127	68,024
Employee benefit obligations	3,968	4,183
Provisions	84	101
Other non-current liabilities	1,849	1,801
Current liabilities	241,913	237,352
Interest-bearing liabilities	8,207	14,657
Employee benefit obligations	335	335
Provisions	21	21
Trade and other payables	216,803	205,110
Current tax liabilities	12,681	14,173
Other current liabilities	3,865	3,056
TOTAL EQUITY AND LIABILITIES	1,288,565	1,243,503

CONSOLIDATED CASH FLOW STATEMENT

IN THOUSANDS OF EUR	JAN-JUNE 2024	JAN-JUNE 2023 ¹
OPERATING ACTIVITIES		
NET RESULT	72,125	59,237
Depreciation and amortisation expenses	17,879	15,928
Impairment of assets and results from disposal of assets	(2)	(15)
Change in provisions	(17)	(644)
Financial result	702	1,066
Income taxes	22,102	17,346
Employee share-based compensation expense	249	235
Gross cash provided by operating activities	113,039	93,152
Decrease/(Increase) in inventories	(13,968)	(15,247)
Decrease/(Increase) in trade and other receivables	(25,678)	(26,534)
Decrease/(Increase) in other assets	(1,219)	(1,111)
Increase/(Decrease) in trade and other payables	14,574	15,515
Increase/(Decrease) in other liabilities	1,256	1,054
Change in working capital	(25,035)	(26,321)
Income taxes paid	(20,552)	(17,392)
NET CASH PROVIDED BY OPERATING ACTIVITIES	67,452	49,438
INVESTING ACTIVITIES		
Investments paid for (in) tangible assets	(46,467)	(29,528)
Investments paid for financial assets	(332)	(8,351)
Proceeds / (Reimbursement) of long-term receivables	38	(264)
Interests received	1,691	809
NET CASH USED IN INVESTING ACTIVITIES	(45,070)	(37,334)
FINANCING ACTIVITIES		
Dividends paid	(47,014)	(36,470)
(Acquisition)/Disposal of treasury shares	1,427	(123)
Proceeds from interest-bearing liabilities	-	88,000
Reimbursement of interest-bearing liabilities	(7,000)	(34,000)
Reimbursement of lease liabilities	(3,286)	(2,247)
Interests paid	(1,643)	(2,111)
NET CASH FROM FINANCING ACTIVITIES	(57,516)	13,049
NET CHANGE IN CASH AND CASH EQUIVALENTS	(35,133)	25,154
Cash and cash equivalents on January 1	131,231	76,435
Effect of exchange rate fluctuations	(440)	(2,307)
CASH AND CASH EQUIVALENTS AS AT JUNE 30	95,658	99,282

¹ The presentation of the consolidated cash flow statement has been reviewed at the end of 2023. For consistency purposes, the presentation of the comparative cash flow statement has been aligned. Main change relates to the gross presentation of interests received and interests paid, where the interests received are now presented as part of the investing activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN THOUSANDS OF EUR	ISSUED CAPITAL	SHARE PREMIUM	SHARE CAPITAL	TREASURY SHARES
EQUITY AS AT JANUARY 1, 2024	3,591	12,797	16,388	(18,797)
Net result of the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Dividend to shareholders	-	-	-	-
Transactions with treasury shares	-	-	-	1,058
Employee share-based compensation expense	-	-	-	-
Impact written put options on non-controlling interests	-	-	-	-
EQUITY AS AT JUNE 30, 2024	3,591	12,797	16,388	(17,740)
EQUITY AS AT JANUARY 1, 2023	3,591	12,797	16,388	(18,976)
Net result of the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Dividend to shareholders	-	-	-	-
Transactions with treasury shares	-	-	-	(296)
Employee share-based compensation expense	-	-	-	-
Impact written put options on non-controlling interests	-	-	-	-
Other	-	-	-	-
EQUITY AS AT JUNE 30, 2023	3,591	12,797	16,388	(19,272)

RETAINED EARNINGS	TRANSLATION DIFFERENCES	REMEASUREMENT GAINS/(LOSSES) ON DEFINED BENEFIT PLANS	CASH FLOW HEDGE RESERVES	OTHER RESERVES	EQUITY - PART OF THE GROUP	NON-CONTROLLING INTERESTS	TOTAL EQUITY
704,401	(44,880)	(905)	-	(45,785)	656,207	-	656,207
72,108	-	-	-	-	72,108	17	72,125
-	11,527	-	-	11,527	11,527	28	11,554
72,108	11,527	-	-	11,527	83,635	45	83,680
(47,100)	-	-	-	-	(47,100)	-	(47,100)
370	-	-	-	-	1,427	-	1,427
249	-	-	-	-	249	-	249
17	28	-	-	28	45	(45)	-
730,046	(33,326)	(905)	-	(34,231)	694,463	-	694,463

611,180	(35,607)	(764)	(81)	(36,451)	572,141	-	572,141
59,187	-	-	-	-	59,187	50	59,237
-	(5,681)	126	81	(5,475)	(5,475)	32	(5,442)
59,187	(5,681)	126	81	(5,475)	53,713	82	53,795
(36,531)	-	-	-	-	(36,531)	-	(36,531)
173	-	-	-	-	(123)	-	(123)
235	-	-	-	-	235	-	235
50	32	-	-	32	82	(82)	-
(203)	-	-	-	-	(203)	-	(203)
634,091	(41,256)	(637)	-	(41,893)	589,314	-	589,314

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Declaration of conformity

These condensed consolidated financial statements for the half-year ended June 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union. These half-year financial statements also meet the requirements imposed by the Royal Decree of November 14, 2007.

The activity of the Group is only in limited cases subject to seasonality throughout the year. Therefore, the additional disclosure of financial information for the 12-month period ended on the interim reporting date, encouraged in IAS 34.21, is not provided.

The accounting principles applied in this report are the same as those used in the previous financial year. The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2024 but have no impact on the results, reporting or financial statements of Lotus Bakeries:

- **Amendments to IAS 1 – Presentation of Financial Statements:** Classification of Liabilities as current or non-current. The amendments affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

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, 2024, and have not been early adopted:

- **IFRS 18 – Presentation and Disclosure in Financial Statements** (effective January 1, 2027, but not yet endorsed in EU). IFRS 18 will replace IAS 1 – Presentation of Financial Statements. The new standard will 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 does not expect that the above-mentioned standard will have a material impact on the consolidated financial standards.

Segment information

At year-end 2023, we have reviewed the reportable segments and have therefore restated the comparative disclosure to align with the organisational and managerial alignment. For more information on the change, we refer to the consolidated financial statements as per December 31, 2023.

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.

Sales between the various segments are carried out at arm's length.

PERIOD ENDED JUNE 30, 2024

IN THOUSANDS OF EUR	CONTINENTAL EUROPE	UK	AMERICAS	REST OF THE WORLD	ELIMINATIONS / GROUP	TOTAL CONSOLIDATED
SEGMENT REVENUE	364,588	153,038	82,873	89,317	(90,561)	599,255
Revenue from external customers	299,734	131,909	82,873	84,739	-	599,255
Intersegment revenue	64,854	21,129	-	4,578	(90,561)	-
SEGMENT RESULT - EBIT(u)	58,174	29,022	12,101	17,346	(19,179)	97,463
Non-underlying items						(2,534)
Operating result - EBIT						94,929
Financial result						(702)
Profit for the period before taxes						94,227
Income taxes						(22,102)
Result after taxes						72,125
OTHER SEGMENT INFORMATION						
Acquisitions:						
Tangible assets	15,534	1,415	1,725	25,462	1,125	45,260
Intangible assets	1	-	-	-	107	108
Depreciations and amortisations on (in)tangible assets	10,947	1,193	3,525	253	1,960	17,879

PERIOD ENDED JUNE 30, 2023

IN THOUSANDS OF EUR	CONTINENTAL EUROPE	UK	AMERICAS	REST OF THE WORLD	ELIMINATIONS / GROUP	TOTAL CONSOLIDATED
SEGMENT REVENUE	312,017	131,713	70,093	62,406	(75,104)	501,125
Revenue from external customers	257,331	114,820	70,093	58,881	-	501,125
Intersegment revenue	54,685	16,893	-	3,525	(75,104)	-
SEGMENT RESULT - EBIT(u)	43,765	25,980	10,876	12,767	(14,960)	78,430
Non-underlying items						(782)
Operating result - EBIT						77,648
Financial result						(1,066)
Profit for the period before taxes						76,583
Income taxes						(17,346)
Result after taxes						59,237
OTHER SEGMENT INFORMATION						
Acquisitions:						
Tangible assets	12,324	5,218	9,426	798	1,627	29,394
Intangible assets	-	-	-	-	49	49
Depreciations and amortisations on (in)tangible assets	9,815	796	3,322	232	1,764	15,928

Treasury shares

On June 30, 2024, Lotus Bakeries owned 3,890 out of the 816,013 total issued shares. These treasury shares, which have been purchased for the purpose of the option plans programme for senior staff members and Group management, have been deducted from equity.

On December 31, 2023, Lotus Bakeries owned 4,313 out of the 816,013 total issued shares.

Dividends

On May 14, 2024, EUR 47,328,754 of gross dividends in respect of the financial year 2023 became payable.

On May 12, 2023, EUR 36,720,585 of gross dividends in respect of the financial year 2022 became payable.

Commitments

On June 30, 2024, the Group has outstanding commitments for the acquisition of property, plant and equipment of EUR 92.4 million (EUR 16.3 million as of June 30, 2023).

Risks and uncertainties

There are no material changes related to the risks and uncertainties for the Group as explained in the 'Report of the Board of Directors' of the 2023 Annual Report.

The information on risks and uncertainties has been disclosed in the 2023 Annual Report (Chapter 4 – Report of the Board of Directors).

Transactions with related parties

The related party transactions with shareholders and parties related to the shareholders have not substantially changed in nature and impact compared to the year ended December 31, 2023 and hence no updated information is included in these interim financial statements.

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, for which reason no further details are included in these financial statements.

Subsequent events

No significant events have occurred since June 30, 2024 which would have a material impact on the condensed consolidated financial statements.

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	JAN-JUNE 2024	JAN-JUNE 2023
Net result	72,125	59,237
Non-underlying items	2,534	782
Tax effect on non-underlying items	(523)	(177)
UNDERLYING NET RESULT	74,136	59,842

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) after excluding depreciations and amortisation expenses, impairments on inventories and trade receivables and non-cash costs related to share-based payment plans.

IN THOUSANDS OF EUR	JAN-JUNE 2024	JAN-JUNE 2023
Operating result – EBIT	94,929	77,648
Non-underlying items	2,534	782
EBIT(u)	97,463	78,430
Depreciation and amortisation expenses	17,879	15,928
Impairment on inventories and trade receivables	235	1,182
Other	243	249
EBITDA(u)	115,819	95,789

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	JUNE 30, 2024	DECEMBER 31, 2023
Interest-bearing liabilities	284,368	290,491
Minus lease liabilities recognised as a result of IFRS 16	(20,868)	(19,991)
Minus cash and cash equivalents	(95,658)	(131,231)
Minus treasury shares	(17,740)	(18,797)
NET FINANCIAL DEBT	150,102	120,472

AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

Introduction

We have reviewed the accompanying condensed consolidated financial statements consisting of the consolidated statement of financial position of Lotus Bakeries NV and its subsidiaries as of 30 June 2024 and the related consolidated income statement and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the 6-month period then ended, as well as the explanatory notes to the condensed consolidated financial statements. The board of directors is responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Ghent, August 8, 2024

PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
represented by
Lien Winne*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Lien Winne BV

DECLARATION BY THE PERSONS RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the six-months period ended June 30, 2024, which have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union, give us a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the scope of consolidation, and that the Half-Year Financial Report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with related parties, and their impact on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties.

In the name of and for the account of the Board of Directors,

Jan Boone
CEO

Lembeke, August 9, 2024

CONTACT

For further information about the data of this report
or more information about the Lotus Bakeries Group,
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