

PRESS RELEASE



LOTUS BAKERIES IS PROUD TO ANNOUNCE ACQUISITION OF URBAN FRESH FOODS LTD.

Lotus Bakeries ("Lotus") today proudly announces that it has acquired 100% of the shares of Urban Fresh Foods ("UFF"), the innovative British healthy food company, which makes delicious natural fruit snacks and cereals with 100% natural ingredients and absolutely no added nonsense, under the BEAR and Urban Fruit brands.

Jan Boone, CEO of Lotus, said: *"The mission of Lotus is to create delicious products and brands to meet all consumer needs, both in the more indulgent and healthy snacking segments. That is why we are delighted to announce today the partnership with these magnificent brands."*

Based out of their "Cave" in London, UFF was founded in 2007 by husband and wife team Hayley and Andrew Gait-Golding, who were joined shortly after by former innocent drinks director Giles Brook who invested in 2009. UFF is focused on a simple need to deliver no-nonsense foods that bridge the gap between "happy and healthy". The business, which now has 40 employees, has delivered over 375 million portions of fruit and has seen rapid growth over the past six years with average annual growth in excess of 50%. This has been driven by an explosive demand for its healthy fruit snacks across the UK's major grocery and retail channels. Net revenue of UFF for the year 2016 is estimated to be at least 27 million GBP with strong profitability of 18% Earnings before Taxes.

Hayley and Andrew Gait-Golding (Founders) and Giles Brook (Partner) will continue to run the business from its London offices.



BEAR, UFF's flagship brand, is loved by parents and children alike for its range of innovative and delicious pure fruit snacks. With a range that spans the fruit snacking, baby, and breakfast cereal categories, it has gained momentum through its focus on delicious natural recipes, and also through its interactive and playful approach such as the Yoyo collector cards. As a result BEAR receives over 3,000 letters a week from kids. BEAR Yoyos and Paws are made from gently baked pure fruit that is picked in season, with no added sugar, concentrates, preservatives or stabilisers. After just six years, BEAR is now the UK's No.1 kids' fruit snacking brand with market share in excess of 30% and is available in over 18,000 stockists. In 2013, the business created BEAR Alphabites, the UK's first children's breakfast cereal with no refined sugar or salt and then recently launched its new Claws range in October 2015 incorporating two thirds fruit and one third vegetables.



Urban Fruit, the contemporary range targeted at 25-45 year olds, was created to help busy young adults get access to delicious natural snacks that deliver on taste and engagement. Consistent with the brand promise, the range also contains no added sugars, sulphites or oils, and was the first to bring more exciting fruits such as strawberries and raspberries to consumers. Capitalising on the recent ban of confectionery at check-outs, the brand is available in both on-the-go and sharing bag formats, and has seen rapidly accelerating revenue through on-the-go sales.



Lotus is impressed by what has been achieved by UFF's Founders and its management team in terms of growth, passion and vision, and strongly admires the impact that the business has had in helping consumers get access to healthy, delicious foods.

Lotus wants to make exciting, healthy snacking options more readily available to a large consumer base of both adults and children in Europe and beyond. That is why four months ago, Lotus Bakeries entered into a strategic partnership with the British wholefood company, Natural Balance Foods, makers of bars and snacks with 100% natural ingredients, sold under the Nākd and Trek brands.

Lotus has extensive knowledge and experience in driving international brand development and growth in consumer goods. With offices in Europe, the US and Asia, it has direct access to local markets and a great platform to boost growth outside the UK.

Lotus has acquired 100% of the shares of UFF. The price paid represents a multiple of c14X expected Earnings before Taxes.

Jan Boone, CEO of Lotus, is delighted with this new acquisition:

"We are looking forward to building upon UFF's success together with Hayley, Andrew and Giles. As a group, Lotus Bakeries wants to offer both more indulgent specialties and healthy snacking alternatives. Additionally we recognize there is a growing global demand for healthy alternatives hence we invested in Natural Balance Foods in the summer and now are delighted to add the brands of UFF. With this acquisition we will lead the way and become the true "Category Captain" of the healthy snacking category in the UK and abroad.

Every strong brand has its own personality, its specific DNA and consumers. In that regard, Lotus will respect and maintain the identity and characteristics of both BEAR and Urban Fruit brands, as we have done recently for the Nākd and Trek brands and before for Peijnenburg, Dinosaurus, Annas Pepparkakor and Snelle Jelle brands, whilst leveraging our unique capabilities to drive growth.

With this acquisition we strengthen our position in the UK, which becomes our biggest country in branded turnover, followed by Belgium, the Netherlands and France."

From UFF, Hayley and Andrew Gait-Golding and Giles Brook, expressed their excitement about the new partnership for their business, brands and people:

"We are delighted to be partnering with Lotus, a family business with entrepreneurial roots, who, like ourselves, have a hunger to create positive change in the world, helping consumers get access to healthier, nutritionally dense food products like BEAR and Urban Fruit. Lotus will help us maintain our growth story in the UK, where BEAR has become the No.1 kids' fruit snacking brand. In terms of overseas markets, Lotus will be an invaluable partner when it comes to the internationalisation of our two brands. With our goal being to deliver one billion portions of fruit and vegetables to consumers by 2018 we are really excited by the potential of this partnership and look forward to working with Jan, Isabelle and the team at Lotus to help consumers be "healthy and happy"."

Lotus Bakeries in a nutshell

Lotus Bakeries is active worldwide in biscuits, cakes and snacks with the Lotus, Lotus Biscoff, Dinosaur Lotus, Lotus Suzy, Peijnenburg, Snelle Jelle, Annas, Nākd and Trek brands. Lotus Bakeries, with headquarters in Belgium, is a dynamic, internationally oriented company with production facilities in Belgium, the Netherlands, France and Sweden, and 15 own sales organizations in Europe, the United States and Asia. Lotus Bakeries also works with commercial partners in forty countries worldwide. Lotus Bakeries has 1,321 employees. By maintaining a healthy balance between tradition and innovation, the Lotus brand indulges consumers with a unique range of high-quality, tasty products. With Peijnenburg and Snelle Jelle, the company is a market leader in gingerbread in the Netherlands. Under the Nākd and Trek brands, Lotus Bakeries offers tasty snacks, manufactured from all-natural, unprocessed ingredients, with no added sugar. In 2014 the Group achieved a turnover of EUR 347.9 million. The shares of Lotus Bakeries are listed on Euronext Brussels.

About Urban Fresh Foods - BEAR & Urban Fruit

Urban Fresh Foods, was founded in 2007 by husband and wife team Hayley and Andrew Gait-Golding, who were joined shortly after by former innocent drinks director Giles Brook who invested in 2009 and together they launched the BEAR brand to join the already successful Urban Fruit brand. Annual sales have grown in excess of 50% each year over the last six years thanks to continued growth in the UK, international expansion, and new product launches. Famous for their no nonsense approach to food (no sugar, no concentrates, or any other funny business) they are best known for their BEAR Yoyos launched in 2009, and have since expanded their portfolio in fruit snacking, and also into the cereal and baby categories. They are a team of 40, based out of their "Cave" in Farringdon, London, UK.

Lotus Bakeries was advised by PwC (accounting), DLA Piper LLP (legal), and Bain & Company (commercial).

Urban Fresh Foods Limited was advised by Houlihan Lokey (financial), PwC (accounting), and Joelson Wilson LLP (legal).

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

Further information on Urban Fresh Foods Limited can be found at www.bearnibbles.co.uk and www.urbanfruit.co.uk

