

PRESS RELEASE



LOTUS BAKERIES AND FOUNDERS OF NATURAL BALANCE FOODS ANNOUNCE STRATEGIC PARTNERSHIP IN WHOLEFOOD SNACKING



Lotus Bakeries (“Lotus”) today announces that it has entered into a strategic partnership with Natural Balance Foods (“NBF”), the pioneering British wholefood company, which is revolutionary within the snacking sector with its range of innovative wholefood bars and snacks, made with 100% natural ingredients, sold under the Nākd and Trek brands.

Over the last three years, NBF has grown sales threefold, primarily driven by an explosive demand for its all-natural products across the UK’s major grocery and retail, as increasingly health-conscious consumers gravitate towards healthy and tasty snacking solutions.

Nākd, NBF’s flagship brand, is beloved by consumers for its range of innovative and delicious products, free from gluten, dairy, wheat, and added sugars or syrups. Popular flavours include Cashew Cookie, Cocoa Orange, Cocoa Delight, and Berry Delight.



The business, which has c40 employees, was founded in 2004 by Californian brothers Jamie and Greg Combs (the “Founders”), who have successfully led the rapid, mainstream emergence and acceptance of wholefood alternative products. Net Sales Value of NBF for the year to 31st March 2015 was £20m, and is estimated to be approximately £33m in the current year.

Lotus has great respect for what has been realised by NBF's founders and its management team, not only in terms of its growth, which is truly impressive, but particularly by their vision of wholefood snacking. The founders have been pioneers in the UK market by successfully championing a totally innovative snacking philosophy which is natural, unprocessed and extremely tasty.

Lotus and the Founders share the same ambitions to further grow the Nākd and Trek brands, by growing the UK market and continuing targeted international expansion. Lotus has strong knowledge and long experience in internationalising consumer goods. Through the multiple Lotus sales offices in over 15 countries NBF will have access to new markets and resources as well as an excellent platform to further grow outside the UK bringing wholefood snacking alternatives to more people in more places more quickly. The Founders, who have had active & inspiring roles in the management of NBF, and have been crucial to its success, will continue to lead and run the company.

Lotus has acquired just over 67% of the shares of Natural Balance Foods from the external, non-active investors, whereas the Founders have kept most of their shares. Both partners, Lotus and the Founders, see the transaction as a long term joining of forces. In the new partnership there is a clear agreement that the DNA of the brands will be kept unchanged. The price paid represents a multiple of c1.8x the expected current year Net Sales.

Jan Boone, CEO of Lotus is delighted with this partnership: *"As a group, Lotus Bakeries has traditionally focused mainly on the indulgent segment of biscuits and snacking. Additionally we recognize there is a growing global demand for healthy, unprocessed and tasty alternatives.*

The Nākd and Trek brands, which are complementary to our current product and brand portfolio, will ensure Lotus has the right product and brand offering for all consumers.

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 the Nākd and Trek brands, as we have done in the past for the Peijnenburg, Dinosaurus, Annas Pepparkakor and Snelle Jelle brands, whilst leveraging our unique capabilities to drive growth."

Greg and Jamie Combs, the Founders of NBF expressed their enthusiasm towards the partnership: *"Today is an exciting and pivotal moment for the growth of wholefood snacking. Over a decade ago, we founded Natural Balance Foods with the dream of a 'Wholefood Revolution', where natural, delicious and affordable snacks would be mainstream and beloved around the world. This strategic partnership will be enormously helpful in that important effort and we are delighted to have Lotus by our side. Lotus can assist significantly in international expansion, whilst supporting our passionate commitment to the principles and purpose of our company, brands and products. We look forward to continuing to lead the way in the food industry alongside our new friends and partners."*

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

Natural Balance Foods was advised by Stamford Partners LLP (financial), KPMG LLP (accounting), and Eversheds LLP (legal).

Lotus Bakeries in a nutshell

Lotus Bakeries focuses on authentic specialties from the biscuit and cake world: original caramelized biscuits (Biscoff), gingerbread, cake specialties, waffles and pepparkakor biscuits. Lotus Bakeries, with headquarters in Belgium, is a dynamic, internationally oriented company with production facilities in Belgium, the Netherlands, France and Sweden, own sales organisations in approximately 10 European countries, in the United States, Hong Kong, China, South Korea and Chile and works with commercial partners for the other countries. With 1,291 employees, Lotus Bakeries produces and sells high-quality, tasty products under the Lotus, Peijnenburg and Annas brand names. By maintaining a healthy balance between tradition and innovation, Lotus Bakeries indulges consumers with a unique range of products. In 2014 the Group achieved a turnover of EUR 347.9 million. The shares of Lotus Bakeries are listed on Euronext Brussels.

In the UK Lotus Bakeries commercialises mainly the Biscoff biscuits and Biscoff spread.

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

Further information on Natural Balance Foods can be found at www.naturalbalancefoods.com