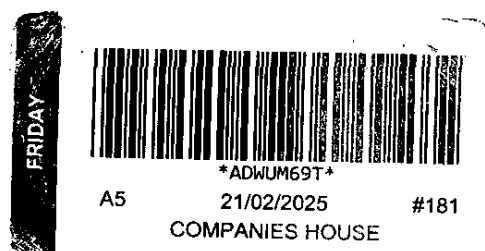


Fleet Topco Limited

Strategic Report, Directors' Report and Consolidated
Financial Statements
for the period from 6 February 2023 to
31 December 2023



Company information**Directors**

Shane Farragher
Paul Forman
Yoram Knoop
Alexander Pollard
Barbara Rauber
Mark Taylor

Registered office

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Auditor

Forvis Mazars LLP
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Strategic report

For the period ended 31 December 2023

Introduction

The directors present the strategic report for the period ended 31 December 2023.

Fair review of the business

The Group was incorporated on 6 February 2023 in order to facilitate the acquisition of the Flavour & Fragrance ingredients businesses of International Flavors & Fragrances, Inc ("IFF"). The sale and purchase agreement was signed on 16 February 2023. From 6 February 2023 until 1 August 2023 the Group and Company were dormant. Completion occurred on 1 August 2023 and the Group has traded since that date. The acquired assets and liabilities in the Group are a carve out from IFF entities.

The following entities were newly incorporated as part of the establishment of the group structure

Fleet Topco Limited (parent)
Fleet Loanco Limited (management of loan notes)
Fleet Securityco Limited (intermediate holding co for banking group)
Fleet Debtco Limited (management of external third party debt)
Fleet Holdco Limited (structural holding company)
Natara Global Limited (UK trader and holder of other non US assets)
Natara Global Inc (US trader and holder of US assets)

The intention under new private equity ownership is to invest and leverage the group's position through its wide product portfolio and geography, to become the independent partner of choice for the Flavours & Fragrances industry whilst maintaining its strong position as key supplier to IFF.

The strategy is to invest in the facilities to improve operational process and capacity, adopt a proactive sales approach, improve systems and accelerate innovation. With new branding as Natara, the group has adopted its strategy to thrive in this dynamic environment. Going forward, Natara will capitalise on emerging trends in the flavour and fragrance industry, leveraging its expertise in natural ingredients to meet the growing demand for health and wellness products. Plus, with a new emphasis on a customer-centric approach paired with a renewed commitment to excellence, Natara can continue shaping the future of the industry.

The period between February and August involved detailed legal processes relating to the carve out, as well as establishing a structure for the carved out entities to continue to trade smoothly under new ownership and leadership. These processes included the change of control, the change of business names, and the severing of many internal IFF group support structures that the Group benefitted from as part of IFF. This work was undertaken throughout the 1st half of 2023, and legal completion took place on 1st August. The trading names of the new business are Natara Global Limited (in the UK) and Natara Global, Inc (in the USA), with all other trading entities including Natara where feasible to do so.

Following the carve out, a new management and leadership team has been brought together with considerable experience in the flavour and fragrance sector, as well as other related industries. Furthermore, functional expertise in IT, operations and supply chain and finance has substantially grown. This new team will focus on product development and complementary markets to support the 1,000 products the group already has in its portfolio. This portfolio allows the group to offer a wide range of both natural and aroma chemical products to customers all over the world. The global reach of the group is underpinned by four manufacturing facilities in the United Kingdom, United States and China. There are further distribution points in Hong Kong and Mexico, with an additional distribution location in Brazil which joined the group post year end.

The Flavour and Fragrance market is quite consolidated with a relatively small number of large multi-national players in these markets, making up for the majority of the overall market. These companies then subsequently supply global food, drink and personal care producers. The group's product range and geographical reach allows it to meet the

demand of these global businesses which consolidate procurement and want consistency of supply across their global supply chain. The intention is for the group to leverage this reach, as well as build upon it both through organic product development.

Trade in the period between 1 August 2023 and 31 December 2023 was lower than normal historical run rate. The flavour and fragrance industry went through a period of record years and stocking up during the covid period (2021 - 22). 2023 saw the reverse, with several businesses destocking to more historically normal levels. Whilst this led to a reduction in revenues for 2023, relationships have been established with various key parties that the group will work with over the coming years. Just over a year after completing on the purchase of the group, the board are content with the progress made, both in terms of internal adjustment to a new structure and ways of working, and in terms of the relationships forged with business stakeholders all over the world.

The results presented in the profit and loss account are primarily a function of this destocking activity across the business and industry. However, the profit and loss account also reflects the considerable one off costs associated with an acquisition of this scale.

There was a considerable volume and carrying value of inventory on the books at acquisition, some of which was slow moving or obsolete. While a significant portion of the inventory was fully provided for in the fair value exercise, further inventory was identified subsequently as being slow moving or obsolete. This has led to additional provisioning at the period end. Some acquired inventory was valued using adjusted sales values, rather than actual costs of production. This means margins in initial trade are lower than they will become once revalued items are all sold on. Margins will therefore improve during 2024.

Restructuring costs totaled \$21.0m, being the costs of the acquisition itself, and costs of restructuring activity post acquisition. These costs are non recurring.

Group financing costs reflect the capital structure, with preference shares, loan notes and external debt all components of the capital. Preference share and loan note interest is accrued only and is not a cash flow. Cash is required solely to service the debt from the senior facilities agreement.

The directors remain confident that the business will generate consistent and growing returns and that debt will be serviced through organic cash generation.

In addition to financial reporting, the Group also manages its operations through a group wide review of strategic KPIs focusing on safety, profitability, inventory management and customer deliveries. Of these the health and safety measurements are considered to be the most important, and the business continues to strive to ensure safe processes and practices along with leading manufacturing environments.

The Group also continues to invest in new product development. The business closed the period with a significant order book. As a result, the business is well placed to exploit future growth opportunities which will drive top line performance in 2025 and beyond.

Section 172(1) Statement

The directors, having prepared the strategic report have complied with Section 414 – Section 172 (1) statement of the Companies Act 2006 (“The Statement”). The statement has been prepared for the group as a whole and provides that a director must act in a way that is consistent to promoting the success of the Group while having due regard for the various stakeholder groups engaged.

The group is also committed to ensuring all stakeholders are appropriately informed and aware not only of strategic business developments but also issues that may affect them.

The board of directors meet formally on a monthly basis, however also frequently during the month. Any appropriate matter raised by any external stakeholder is discussed in these reviews and agreed response covered as required

Regular reviews are held with key partners, including:

- A review of key health and safety KPI's and performance
- Key customers including orders being progressed, however also extended to significant developments in the market and R&D development projects that are under review
- Key suppliers which again centres around programmes and order fulfilment however also extended to cover appropriate wider issues
- With our banking partners, as evidenced by the support of various debt facilities
- Employees -the business ensures that regular employee councils are held and provide routine opportunities for employees across all areas to raise questions or suggestions along with routine agenda items for review for example health and safety
- The business also encourages wider relationships in local areas of operation including support for charity fund raisers across the community.

Principal risks and uncertainties

COVID-19 Risk

The business performance during the period to 31 December 2023 is continuing to address some of the challenges of the pandemic period. The industry observed some overstocking as a result of supply chain issues caused by lockdown,

Legislative risk

Legislative risk has been mitigated through various audits undertaken across the business locations. Sites are subject to Good Manufacturing Practices (GMP) audits and certain premises are also registered with the US Food and Drug Administration (FDA).

Financial risk management and objectives

Foreign exchange risk

The Group is exposed to currency exchange rate risk due to sales invoice currencies not being fully aligned with the currency in which costs are incurred. Foreign exchange will continue to be reviewed by the board to ensure manageable risks are mitigated where possible.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows.

Credit risk

The Group offers credit terms to customers which allows for payment after the delivery of the goods or services. The Group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by only offering deferred terms to customers who satisfy certain credit worthiness procedures and demonstrate an appropriate payment history.

This report was approved by the board on 19 February 2025 and signed on its behalf by:



A Pollard
Director

Directors' report

For the period ended 31 December 2023

The directors present their report and the financial statements for the period ended 31 December 2023.

Principal activities

The principal activity of the Group is the manufacturing and sale of flavours and fragrances related products.

Review of the business

The Group was incorporated on 6 February 2023 in order to facilitate the acquisition of the Flavour & Fragrance ingredients businesses of International Flavors & Fragrances, Inc ("IFF"). The sale and purchase agreement was signed on 16 February 2023. Completion occurred on 1 August 2023 and the Group has traded since that date. From 6 February 2023 until 1 August 2023, the Group was dormant. The acquired assets and liabilities in the Group are a carve out from IFF entities.

Results and dividends

Turnover of \$37.6m was generated in the period between August – December 2023. In addition to the industry destocking mentioned in the strategic report, this trading period also included a shut down ahead of Christmas across various parts of the group, limiting sales activity in the holiday period. Fixed costs, both those included in cost of sales and administrative costs, continued to be incurred through the shut down, impacting margins.

The accounting for the acquisition means that acquired inventory was fair valued. Therefore the inventory cost to the Group was in many cases based on an adjusted sales value, rather than a cost of production. While this is primarily an accounting exercise, it does impact margins for the products sold, with the estimated impact \$4.1m. The fair value exercise extended to inventory sold intra-group. The fair valuation exercise did not make an adjustment for any inventory acquired from IFF which had previously been bought/sold intra-group, and so no provision for unrealised profit was included in the acquisition balance sheet. The one off impact of introducing this provision is a \$3.9m reduction to inventory and cost of sales. Finally, while acquired inventory was reviewed on the date of acquisition for potential obsolescence or other provision requirement, further inventory was discovered between August and December 2023, that had been acquired as part of the purchase from IFF, that also required provisions. These provisions total \$1.7m. Where practical, the impact of this additional cost has been identified separately in the profit and loss presentation. The aggregate impact is a \$9.7m charge to cost of sales which would not be underlying in the normal course of business.

Administrative expenses include various new running costs required to run this new group business. There was \$21.0m of non recurring costs, which are presented as exceptional on the face of the consolidated statement of profit and loss.

Group finance costs are incurred on external debt, loan notes and preference shares. The cumulative charge for the period in respect of these items was \$14.4m – of which \$5.6m was a cash cost.

The financial statements include an impairment charge of \$14.9m against the acquisition goodwill. The directors initially performed an impairment review on a whole group basis, which did not immediately highlight any indication of impairment. The directors consider group operations to be one single CGU, as a result of the global nature of major customers in the Flavour and Fragrance space, and the fact these customers procure across the entire group portfolio of products simultaneously rather than by individual product. The directors do not conclude that any single group output from any location can reasonably be sold on a standalone basis to the group's major customers ; rather the evidence is product sales across the group are supported by the ability to sell the entire group product portfolio to customers which require and demand the extended range the group seeks to provide.

Nevertheless, to facilitate the resolution of the audit in its first period, the directors agreed with the auditors to assess cashflows on the basis that each individual manufacturing country represented a standalone CGU. This work was carried out and ultimately indicated an impairment in one CGU, primarily arising because of a mismatch between the cash inflows assigned to each CGU, and the corresponding assets against which those cash inflows were being considered. The directors regard this as a technical accounting impairment. The directors do not believe there has been

any change in the overall performance or prospects for the business between the date of acquisition and the date of signing the financial statements. However, the exercise to split the group into multiple CGUs required considerable judgement and subjectivity in both allocating group cash inflows across the CGUs, as well as allocating assets to those CGUs. This led to a shortfall in cash inflows being allocated to some CGUs, compared with the assets allocated against them. The impairment is also considered to be an indirect result of the structure of the acquisition deal, with multiple entities as purchasers of the group. For example, the group's main UK trader, Natara Global Limited, only generates around 60% of group revenues from external sources, but purchased all intangible assets arising from the business combination. Importantly, had the impairment exercise been performed on the day of acquisition, with cashflows assigned to CGUs in a manner consistent with the impairment review, and with group assets allocated in line consistently with the allocation used for the impairment review, the goodwill would on the day of acquisition have been considered impaired at a similar level to the adjustment proposed at the balance sheet date.

The directors are content that there has been no adverse change in expectations or prospects for the group between the time of acquisition and the date of signing these financial statements.

The directors will reconsider the appropriate number of CGUs generating wholly independent cash flows before the 2024 audit is carried out.

The Group recorded a loss of \$55.5m for the period. No dividends are proposed in respect of the trading period.

Post balance sheet events

As part of the overall acquisition of trade and assets from IFF, the company completed the acquisition of a Brazilian subsidiary, Natara Global Ltda, post year end. The consideration was \$1.3m and the transaction will be disclosed in full in the financial statements for the year ended 31 December 2024.

Aligned to the acquisition of trade and assets from IFF, the company also entered into a supply agreement with IFF for a period of 10 years. As part of this agreement, IFF committed to purchasing certain volumes of product at certain margins, with potential 'annual shortfall' settlements in the event such volumes were not ordered. In respect of 2023 contracted volumes, a settlement of \$2.9m was reached between the Company and IFF in respect of this 'annual shortfall' for the period to 31 December 2023. \$1.9m is included in these financial statements as an asset. The remaining \$1.0m is disclosed as a contingent asset.

Directors and Officers insurance

The Company has purchased insurance against Directors and Officers liability, for the benefit of the Directors and Officers of the Company and wider group.

Future developments

The Group concluded the acquisition of its Brazilian subsidiary in April 2024, as mentioned above, and has begun to review IT and information systems as it plans its future structure and growth.

Directors

The directors who served during the year were:

S Farragher (appointed 6 February 2023)
S Fisher (appointed 1 August 2023, resigned 5 February 2024)
P Forman (appointed 1 August 2023)
Y Knoop (appointed 1 August 2023)
B Rauber (appointed 5 February 2024)
M Taylor (appointed 6 February 2023)
J Lamont (appointed 5 February 2024, resigned 15 November 2024)
A Pollard (appointed 15 November 2024)

Going concern

The directors have prepared cashflow forecasts for the Natara group for the period from the balance sheet date through to 28 February 2026, which give the directors reasonable confidence that the group and the company will have adequate resources to meet operating liabilities as they fall due for the foreseeable future.

To satisfy themselves that the group has adequate resources, the directors have performed the following procedures: considered the assumptions underlying the cashflow forecasts ; reviewed order books and sales activities supporting forecast sales ; performed testing on the base forecasts to ensure any downside risk can be managed and does not cause any liquidity or covenant compliance issues ; reviewed forecast covenant compliance for the duration of the going concern period ; and considered all other information that is relevant to the future operations and cashflows of the group. On the basis of their assessment, the directors have a reasonable expectation that the group and company will be able to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (UK adopted IFRS). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

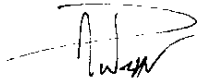
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Forvis Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 February 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A Pollard', with a stylized flourish at the end.

A Pollard

Director Independent auditor's report to the members of Fleet Topco Limited

Opinion

We have audited the financial statements of Fleet Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2023 which comprise statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (UK adopted IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Strategic Report, Directors' report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Strategic Report and Directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs (UK) 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, pension legislation, the Companies Act 2006 and environmental permitting regulations.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to: posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;

- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Elisa Howe

Elisa Howe (Feb 19, 2025 16:59 GMT)

Elisa Howe (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor

Two Chamberlain square
Birmingham
B3 3AX

Date **19/02/2025**

Fleet Topco Limited
Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income
For the period from 6 February 2023 to 31 December 2023

	Note	Underlying \$'000	Exceptional \$'000	Total \$'000
Revenue	[6]	37,626	-	37,626
Cost of sales	[7]	(31,040)	(9,698)	(40,738)
Gross profit / (loss)		6,586	(9,698)	(3,112)
Selling and distribution expenses		(1,832)	-	(1,832)
Administrative expenses		(6,712)	-	(6,712)
Operating loss	[8]	(1,958)	(9,698)	(11,656)
Non recurring acquisition and structural costs	[7]			(21,022)
Impairment of acquisition goodwill	[10]			(14,900)
Finance income	[9]			112
Finance cost	[9]			(14,443)
Net finance costs				(14,331)
Loss before income taxes				(61,909)
Income tax credit	[18]			3,974
Total comprehensive loss for the period				(57,935)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

There were no recognised gains and losses for the period other than those included in the statement of comprehensive income.

Fleet Topco Limited

Consolidated Financial Statements

Consolidated statement of financial position
As at 31 December 2023

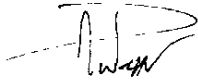
Company No : 14641115

	Note	31 December 2023 S'000
Non-current assets		
Intangible assets	[10]	117,219
Property, plant and equipment	[11]	32,521
Deferred tax assets	[18]	4,908
Right-of-use assets	[19]	1,587
Total non-current assets		156,235
Current assets		
Inventories	[13]	29,844
Cash and cash equivalents	[14]	10,103
Trade and other receivables	[12]	30,174
Current tax assets	[18]	136
Total current assets		70,257
Total assets		226,492
Equity		
Share capital	[15]	31
Share premium account	[15]	944
Retained earnings		(57,935)
Total equity		(56,960)
Non-current liabilities		
Loans and borrowings	[16]	243,946
Lease liabilities	[19]	123
Deferred tax liabilities	[18]	19,506
Trade and other payables	[17]	1,074
Total non-current liabilities		264,649
Current liabilities		
Lease liabilities	[19]	278
Current tax liabilities	[18]	368
Trade and other payables	[17]	18,157
Total current liabilities		18,803
Total equity and liabilities		226,492

Fleet Topco Limited

Consolidated Financial Statements

The financial statements were approved and authorised for issue by the board and were signed on behalf on 19 February 2025.

A handwritten signature in black ink, appearing to be 'A Pollard', written over a horizontal line.

A Pollard
Director

The notes to the financial statements form part of these financial statements.

Fleet Topco Limited
Consolidated Financial Statements

Consolidated statement of changes in equity
For the period from 6 February 2023 to 31 December 2023

					\$'000
	Total equity attributable to the owners				
	Share capital	Share premium	Other reserves	Retained earnings	Total
On incorporation	-	-	-	-	-
Net loss for the period	-	-	-	(57,935)	(57,935)
Total comprehensive loss for the period	-	-	-	(57,935)	(57,935)
Total Other Components of Equity	-	-	-	-	-
<i>Equity transactions with owners</i>					
Issue of ordinary units	31	944	-	-	975
Balance at 31 December 2023	31	944	-	(57,935)	(56,960)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Fleet Topco Limited
Consolidated Financial Statements

Consolidated statement of cash flows

For the period from 6 February 2023 to 31 December 2023

	Note	For the period from 6 February 2023 to 31 December 2023 \$'000
Cash flows from operating activities		
Loss for the period		(57,935)
Finance income	[9]	(112)
Finance costs	[9]	14,443
Income tax charge		(3,974)
Operating loss		(47,578)
Adjustments for:		
Depreciation	[11 + 19]	2,238
Amortisation	[10]	2,437
Impairment	[10]	14,900
Decrease in inventory		14,597
Increase in trade and other receivables		(11,010)
Increase in trade and other payables		9,731
Net tax paid		(387)
Net cash used in operating activities		(15,074)
Cash flows from investing activities		
Acquisition of business, net of cash acquired		(204,739)
Purchase of intangible assets	[10]	(1,222)
Purchase of property, plant and equipment	[11]	(454)
Disposal of property, plant and equipment	[11]	34
Interest received	[9]	112
Net cash used in investing activities		(206,269)
Cash flows from financing activities		
Proceeds from issuance of shares	[15]	975
Lease payments		(75)
Proceeds from loans and borrowings		236,507
Interest paid		(5,959)
Net cash generated from financing activities		231,448
Net cash inflow		10,103
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period		10,103

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

1. General information

Fleet Topco Limited (the “Company”) is a private limited company incorporated, domiciled, and registered in England in the UK. The registered number is 14641115 and the registered address is Zinc Works Road North Gare, Seaton Carew, Hartlepool, England, TS25 2DT.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the ‘Group’). A list of subsidiaries is included in Note 23. The principal activity of the Group is the manufacturing and sale of flavours and fragrances related products.

Fleet Topco Limited is the ultimate parent company of a number of entities specifically incorporated to acquire the trade and assets of a Flavour and Fragrance (‘F&F’) business from International Flavors & Fragrances Inc (‘IFF’), a US listed entity. The Group trades under the Natara name, and the main UK trader is Natara Global Limited.

The Company was incorporated on 6 February and therefore the prior period comparatives are not applicable. The Company was dormant from 6 February 2023 to 31 July 2023. On 1 August 2023 the Group completed the purchase of the trade and assets of IFF’s Flavour and Fragrance business and commenced trading from that date.

2. Basis of preparation and consolidation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorised for issue by the Company’s board of directors on 19 February 2025.

Details of the Group’s accounting policies, including changes thereto, are included in Note 4.

The consolidated financial statements are presented in US Dollars (\$), which is the Group’s functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units, unless otherwise stated.

3. Going concern

The directors have prepared cashflow forecasts for the Natara group for the period from the balance sheet date through to 28 February 2026, which give the directors reasonable confidence that the group and the company will have adequate resources to meet operating liabilities as they fall due for the foreseeable future.

To satisfy themselves that the group has adequate resources, the directors have performed the following procedures: considered the assumptions underlying the cashflow forecasts ; reviewed order books and sales activities supporting forecast sales ; performed testing on the base forecasts to ensure any downside risk can be managed and does not cause any liquidity or covenant compliance issues ; reviewed forecast covenant compliance for the duration of the going concern period ; and considered all other information that is relevant to the future operations and cashflows of the group. On the basis of their assessment, the directors have a reasonable expectation that the group and company will be able to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

4. Summary of significant accounting policies, methods, and critical accounting estimates

A summary of the principal accounting policies, all of which have been applied consistently throughout the period by the Group unless otherwise stated, is set out in this note below.

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4.1. Basis of consolidation

i) Business combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (refer Note 10). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (refer Note 5.6).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.2. Revenue

The Group manufactures a range of flavour and fragrance ingredients which are sold to flavour and fragrance houses for onward processing and inclusion in food and personal care products. Revenue is measured as the fair value of the consideration receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised when the control of the goods have been transferred. Control is transferred when the products have been shipped to the agreed location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted responsibility of the goods. A receivable is recognised when

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all the performance obligations are met, since this is the point in time when the consideration is unconditional, because only the passage of time is required before the payment is due.

4.3. Cost of goods sold

Cost of Goods sold comprises all those costs directly incurred by the Company, including depreciation and an appropriate proportion of overheads, in order to bring each product sold to its saleable condition.

4.4. Research and development

Expenditure on research and development is charged to the income statement in the year in which it is incurred.

4.5. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment loss.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is provided on all assets, other than freehold land which is not depreciated, to write-off their cost, less any estimated residual values, on a straight-line basis over their expected useful economic lives.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Freehold buildings	0 to 48 years
Leasehold land and buildings (right of use assets)	41 to 44 years
Machinery and equipment, and Vehicles and lifts	0 to 27 years
Furniture and fixtures	0 to 15 years

Assets in the course of construction are not depreciated until they are available for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.6. Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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4.7. Inventories

Inventories are valued at the lower of cost and net realisable value. Manufactured products and work in progress are valued at material cost plus an appropriate proportion of production overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Inventories are reviewed on a monthly basis for any items which are obsolete or slow moving, and a provision made accordingly.

4.8. Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to a deferred income account and are released as income by equal annual amounts over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expected expenditure to which they relate.

4.9. Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

4.10. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rate at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

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ii. *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the date of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

4.11. Income taxes

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no

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longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.12. Intangible assets and goodwill

Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Other intangible assets, including customer relationships, patents, trademarks that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current periods are as follows:

Product IP	15 years
Customer relationships	9.4-11.8 years
Computer software	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.13. Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Preference shares

The Group's redeemable preference shares are classified as financial liabilities because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as incurred.

Non-redeemable preference shares are classified as equity because they bear discretionary dividends, do not contain any obligation to deliver cash or other financial assets, and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders.

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4.14. Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains

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a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- repayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - i) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - ii) the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

4.15. Impairment

i. Non-derivative financial assets

Financial instruments and contract assets

The Group applies the simplified approach to measuring expected credit losses ("ECL") for trade receivables (including lease receivables), as permitted by IFRS 9 Financial Instruments. Under the simplified approach, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. However, based on historical default rates and forward-looking information, the Group has determined that there is no significant ECL on its trade receivables and financial assets as of 31 December 2023.

For other financial assets, the Group applies the general approach to measuring ECL. Under the general approach, the Group recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. As of 31 December 2023, the Group has assessed that there is no significant increase in credit risk for its financial assets and, consequently, no ECL has been recognised.

The Group continuously monitors the credit risk of its financial assets and updates its assessment of ECLs at each reporting date, taking into consideration both historical data and forward-looking information.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;

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- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is unlikely to be recovered, based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.16. Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme which is open to new employees. Costs of contributions made by the Group are recognised in the income statement as they fall due.

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4.17. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying assets or the site on which it is located.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determined its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

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From 1 January 2021, where the basis for determining future lease payments changed as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.18. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

For the financial period, the Group has applied fair value measurement to its derivatives (interest rate swaps), loans and borrowings and non-current trade receivables, which are categorised within Level 2 of the fair value hierarchy (see Note 22.4).

The carrying values of the Group's other financial assets and liabilities approximate their fair values due to their short-term nature or the market rates at which they are priced. As a result, these assets and liabilities are not subject to fair value measurement for reporting purposes.

Fair Value Hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy:

Level 1: valuation technique using quoted market price. These are financial instruments with quoted prices for identical instruments in active markets that can be accessed at the measurement date.

Level 2: valuation technique using observable inputs. These are financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable. The Group's interest rate swaps fall under this category.

Level 3: valuation technique with significant unobservable inputs. These are financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

4.19. Critical accounting judgments and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Useful economic lives of tangible assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 11 for the carrying amount of the property plant and equipment.

Inventory provisioning

The Group is subject to changing consumer demands and trends. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated salability of finished goods and future usage of raw materials. See Note 13 for the net carrying amount of the inventory and associated provision.

Intangible assets and impairment testing

The Group has acquired various intangible assets and goodwill arising from business combinations. The annual amortisation charge for intangibles is sensitive to changes in the estimated useful economic lives and residual values of the intangible assets. The overall carrying value of intangible assets is also sensitive to changes in the assumptions regarding future business performance, long term growth rate and WACC. See Note 10 for the assumptions used within the impairment review.

5. Business combinations

5.1. Summary of acquisition

On 1 August 2023, the Group completed the acquisition of 100% of defined trade, assets and shares of the Flavour and Specialty Ingredients business (the “Acquired business” or “Fleet”) of a global manufacturer and distributor of cosmetic active and natural health ingredients firm International Flavors & Fragrances Inc (“IFF”) for a headline consideration of \$220.0 million and an equity value \$206.4 million for all cash consideration.

Fleet Topco Limited, and its subsidiary group of companies, was formally established to facilitate the acquisition.

5.2. Consideration transferred

The total consideration transferred for the acquisition was \$206,400,000 which was paid in cash.

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5.3. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	\$'000
Product IP	43,600
Customer relationship – IFF	12,000
Customer relationship – External Customers	17,100
Property, plant and equipment	34,300
Right-of-use assets	1,600
Inventories	44,400
Trade receivables	17,700
Prepayments	600
Other receivables	800
Cash and cash equivalents	500
Accrued expenses	(2,900)
Lease liabilities (long term)	(200)
Lease liabilities (current)	(200)
Deferred tax liabilities (net)	(19,200)
Trade payables	(4,500)
Net identifiable assets acquired	<u>145,700</u>
Goodwill	<u>60,700</u>
Net assets acquired	<u>206,400</u>

The goodwill is attributable to the Group's ability to generate revenue from external customers, secure income from existing customers and from existing Product IP beyond the useful life of the intangible assets and the workforce.

The entire amount of goodwill recognised is expected to be deductible for tax purposes.

5.4. Acquired receivables

The fair value of acquired trade receivables is \$17,700,000. The gross contractual amount for trade receivables due is \$17,700,000, with a nil loss allowance recognised on acquisition.

5.5. Revenue and profit contribution

The acquired business contributed revenues of \$37,626,313 and net loss of \$55,535,000 to the Group for the period from 1 August 2023 to 31 December 2023. There are no other group revenues or operations except for those acquired as part of the above business combination.

5.6. Acquisition-related costs

Acquisition related costs of \$14,703,500 that were not directly attributable to the issue of shares are included in the statement of profit or loss and in operating cash flows in the statement of cash flows.

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6. Revenue

The Group generates revenue primarily from the sale of flavours and fragrances related products to its customers.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market:

	For the period from 6 February 2023 to 31 December 2023 \$'000
Analysis of revenue by geographical market is as follows:	
United Kingdom	1,542
Rest of Europe	6,792
Far East	12,001
Americas	15,028
Rest of the World	2,263
Total	37,626

Revenue is recognised at a point in time when control of the goods gets transferred to the customer, generally upon delivery. Due to the nature of the Group's business, which involves trading products, there are no material contract assets or liabilities, and no unsatisfied/partially unsatisfied performance obligations at the reporting date.

7. Exceptional costs

The Statement of profit or loss and other comprehensive income includes the following items presented as exceptional.

	Cost of sales (\$'000)	Non recurring acquisition and structural costs (\$'000)	Total (\$'000)
Excess costs arising from fair value	4,152		4,152
Provision on acquired inventory	1,676		1,676
Unrealised profit	3,870		3,870
Acquisition and structural costs		19,727	19,727
Warranty & indemnity insurance		1,295	1,295
	9,698	21,022	30,720

The excess costs from fair value arise because acquired inventory is not recorded at the lower of the selling entity's cost and NRV. Instead, it is valued at fair value less costs to sell. This increased the cost of sales charge on those items by a total of \$4,152k. There remains some acquired stock within the cost of inventory – the remaining fair value uplift within inventory will be expensed in the year to 31 December 2024, after which time this item will not recur.

The group acquired inventory of \$44.4m as part of the acquisition (see note 5). In the period between August and December 2023, some of this acquired inventory was identified as slow moving, obsolete or not required in normal business operations. A provision was recorded against these items amounting to \$1,676k. This item will not recur in future periods as all inventory that was identified as being slow moving pre change of ownership has now been identified and provided for as at 31 December 2023.

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The inventory at year end included various items which had been sold between group company members. The intra-group revenue was eliminated in the consolidation process. However, the individual company balance sheets included \$3,870k of unrealised profit, which required removal on consolidation. This one off charge occurs because the inventory at acquisition was subject to fair value. Therefore no corresponding unrealised profit adjustment was on the acquisition balance sheet in respect of inventory which had been subject to intra-group sales. This newly introduced unrealised profit adjustment will remain on the balance sheet, its value changing only to the extent that the quantity of intra-group inventories moves up or down over time. As such, this adjustment is one off in nature and this charge is therefore presented as non underlying.

Acquisition and structural costs of \$19,727k represent the fees incurred in acquiring control of the group, together with some of the costs incurred in reorganizing internal structures post acquisition. This item includes \$1,572k of costs that were incurred in 2024, but which related to activities arising from the acquisition. This item is not expected to be repeated in future periods.

A warranty and indemnity policy was taken out in advance of acquisition to insure against certain acquisition risks over the future period, at a cost of \$1,295k. This was a one off item and will not repeat in future periods.

8. Operating profit or loss

The loss on ordinary activities before interest and taxation is stated after:

	For the period from 6 February 2023 to 31 December 2023 \$'000
Depreciation	
- Owned assets (Note 11)	2,156
- Right-of-use assets (Note 19)	82
Amortisation (Note 10)	2,437
Impairment (Note 10)	14,900
Acquisition and structural costs (Note 7)	19,727
Staff costs including defined contribution pension costs (Note 20)	7,452
Short term lease rentals	58
Inventories written off	109
Inventory recognised as an expense	20,405
Auditors' remuneration	
- Fees payable to the company auditors for the audit of the Group financial statements	145
- Fees payable to the company auditors for tax services	-

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9. Net finance costs

**For the period from 6
February 2023 to
31 December 2023
S'000**

Finance income

Interest income under the effective interest method on cash and cash equivalents held at amortised cost

112

112

Finance costs

Interest expense on financial liabilities not measured at FVTPL:

- Interest expense on preference shares	3,611
- Interest expense on borrowings and loan notes	9,462
- Interest expense on lease liabilities	6

Fair value loss on derivative financial instruments held at FVTPL

1,039

Agency fee

16

Bank charges

309

14,443

Net finance costs in profit or loss

(14,331)

10. Intangible assets

10.1. Reconciliation of carrying amount

S'000

	Software	Product IP	Customer relationships	Goodwill	Total
<u>Cost</u>					
On incorporation	-	-	-	-	-
Acquisitions through business combinations	11	43,627	29,037	60,655	133,330
Additions	1,222	-	-	-	1,222
Foreign exchange	3	-	-	-	3
At 31 December 2023	1,236	43,627	29,037	60,655	134,555
<u>Accumulated amortisation</u>					
On incorporation	-	-	-	-	-
Charge for the period	92	1,212	1,132	-	2,436
Impairment	-	-	-	14,900	14,900
At 31 December 2023	92	1,212	1,132	14,900	17,336
Carrying amounts					
At 31 December 2023	1,144	42,415	27,905	45,755	117,219

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10.2. Amortisation

The amortisation of intangible assets is included in 'administrative expenses' in the consolidated statement of profit or loss.

10.3. Security

At 31 December 2023, all intangible assets were pledged as security for liabilities as a part of a loan agreement entered between the Group and Ares Management Limited.

10.4. Impairment

An impairment review was carried out by computing a fair value less cost to dispose ('FVLCD') for the group as a whole, and applying this fair value across each group operating region – based on an allocation of assets and cashflows as illustrated below and with the following assumptions applied to the fair value computation.

\$m	UK	USA	China	Total
Goodwill allocated	56.3	2.3	1.9	61
Intangible assets (excl goodwill)	70	-	-	70
Other assets	20	20	24	64
Total assets (inc goodwill)	131	31	33	195
Fair value less cost to dispose (FVLCD)	136	66	22	224
Impairment	n/a	n/a	(15)	n/a
Key assumptions used to determine FVLCD				
Revenue growth (2024-28)	11.6%	11.6%	11.6%	11.6%
WACC	12%	12%	13%	12%
Long term growth rate	2.6%	2.4%	1.8%	2.6%
Effective tax rate	25.1%	26.8%	25.0%	25.5%

Group Goodwill of \$60.7m was attributed to each of the above portions of the group activities in line with the table above – these apportionments are broadly aligned to the proportion of group cash anticipated to be generated from each relevant CGU.

Cashflows were projected over 5 years, with a terminal value approach applied to cashflows generated after year 5. The cashflows for years 1-5 are derived from the group strategy prepared in summer 2024. The goodwill inherently assumes that cash will be generated beyond the end of the 5th year. Management believe that this is reasonable given that the output is primarily a food product in a growing sector where consumption is likely to continue and indeed increase over the duration of the forecast period.

Revenue growth is based on the directors' view of the business, the expected growth in the sector as a whole, together with an assessment of Group specific actions which have been identified.

Long term growth rate was derived using the growth rates in the relevant trading locations, using growth rates from the Economist Intelligence Unit as at 31 December 2023.

WACC was derived using inputs relevant to the Group's market, together with company specific risk premium adjustment. An additional risk premium was added when assessing China, to reflect the additional risk from that location.

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Costs of disposal were assumed to be 3% of the FVLCD for each region.

Sensitivity

A sensitivity exercise was performed as part of a general overall review of the potential exposure from a change of forecast assumption. The sensitivity was performed across the group as a whole and in the exercise the group restricted assumed revenue growth to 5% per year while maintaining EBITDA margin at current forecast margins on the lower revenue base, by way of controlling and mitigating overhead costs in order to preserve EBITDA margin at the forecast level. The result of this sensitivity exercise indicated such a reduction in revenue growth rate, when combined with an appropriate reduction in overhead costs in mitigation, would reduce the overall fair value less cost to dispose by around \$7m.

Using the assumptions above, there is indication of impairment in China, and no indication of impairment in either of UK or USA. However, if the assumptions applied in the impairment review for either UK or US were changed and lower than the following, this would give rise to potential impairment in either of these notional CGUs.

Assumptions where FVLCD = Assets	UK	USA
Revenue growth (2024-28)	11.3%	3.9%
WACC	12.6%	46.0%
Long term growth rate	2.0%	(31.5)%
Effective tax rate	28.5%	66.5%

The directors are content that, other than the assumptions assessed above, there are no other material assumptions that might give rise to an impairment. However, given the allocation of assets applied to the UK enterprise, when compared against UK specific cash flows, the directors note that there is limited downside headroom available in the UK.

Events leading to an impairment

The acquisition gave rise to goodwill balances of \$60.7m as a result of directors and shareholder expectations of future cash generation from the group.

The directors do not consider that there has been any significant change in expected business performance, compared with expectations at the time of acquisition. Indeed at a whole group level, FVLCD arising from the impairment review performed in respect of the 31 December 2023 balance sheet date is more than \$220m, considerably in excess of overall group assets (around \$195m pre impairment).

The directors believe that the group activities represent one single Cash Generating Unit (CGU), with cashflows that are not largely independent across its global operations. However, the directors were unable to illustrate sufficiently to the audit teams, using current business information, this cash inflow and customer interdependence. As a result, the directors agreed with the audit team to split the business into 3 separate CGUs, one for each of UK, USA and China.

Group assets were then allocated across these 3 notional CGUs and cash inflows were attributed to the CGUs. The CGUs represent the 3 geographies in which the group has manufacturing and production operations and is therefore able to produce outputs for the purpose of cash inflow generation. There is no duplication of outputs across any of the geographies, and therefore all geographies are integral to the production of the group's product portfolio.

The splitting of assets into notional CGUs resulted in acquired assets being allocated to UK (67%), USA (17%) and China (16%). In particular, all identified intangible assets were allocated specifically to the UK, being the location where management sits, and where the overall control of key customers and IP is managed.

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The business then considered whole group cash inflows, and allocated these across UK (60%), USA (30%) and China (10%), broadly in line with the proportion of external revenue reported in these geographies (although not necessarily reflective of revenues derived either from customers in those regions, or revenues derived directly from the manufacturing operations in those regions).

Consequently, a higher proportion (30%) of group cashflow is considered to be generated from the USA, compared with the proportion of group assets (17%) attributed to the USA. Conversely, 70% of group cashflow is considered to be generated from UK and China, compared with the 83% of assets being attributed to these CGUs for this purpose.

Viewing the group as a whole, the directors do not observe any indication of impairment. However, at a China level, the smaller proportion of cash inflows being attributed to the region, when compared with the proportion of group assets attributed to them, means that there is a deficit in identified cashflows, compared with the assets allocated to the region.

While the directors are content that China, in its group manufacturing role providing intermediate products for the group as well as selling to external customers, contributes to the group beyond its asset carrying values, the external cashflows indicate that nevertheless there is an impairment within that region, given the assets allocated to the region.

Overall impairment

An impairment of \$12.5m identified above relating to the shortfall between China generated external cashflows and the assets required to be supported by those cashflows was identified from the workings described above.

It remains the directors view that there has been no reduction in performance of the group, or its future potential, in the time from acquisition to the signing of these financial statements. They regard this impairment as a technical accounting impairment, reflecting the inherent judgement required to agree on a number of group CGUs, as well as the judgement required to then determine allocation of cash inflows and assets across those CGUs, in a group whose operations are significantly intertwined both in manufacturing operations and commercial interactions.

Importantly, had the impairment exercise been performed on the day of acquisition, with cashflows assigned to CGUs in a manner consistent with the impairment review, and with group assets allocated in line consistently with the allocation used for the impairment review, the goodwill would on the day of acquisition have been considered impaired at a similar level to the adjustment proposed at the balance sheet date.

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11. Property, plant and equipment

11.1. Reconciliation of carrying amount

						\$'000
	Land and buildings	Machinery and equipment	Furniture and fixtures	Vehicles and lifts	Assets under construction	Total
Cost						
On incorporation	-	-	-	-	-	-
Acquisition through business combinations	17,452	16,271	403	131	-	34,257
Additions	-	6	6	-	278	290
Foreign exchange	399	(69)	(165)	-	-	165
Disposals	-	(34)	-	-	-	(34)
At 31 December 2023	17,851	16,174	244	131	278	34,678
Accumulated depreciation						
On incorporation	-	-	-	-	-	-
Charge for the period	1,016	1,047	83	11	-	2,156
At 31 December 2023	1,016	1,047	83	11		2,156
Carrying amounts						
At 31 December 2023	16,835	15,127	161	120	278	32,521

Property, plant and equipment does not include right-of-use assets. Details of right-of-use assets are disclosed in Note 19.1.

11.2. Measurement

The cost model is used for measurement of Property, Plant and Equipment and all assets have been acquired at fair value.

11.3. Security

At 31 December 2023, all fixed assets with a total carrying amount \$32,521,000 were pledged as security for liabilities as a part of a loan agreement entered between the Group and Ares Management Limited.

12. Trade and other receivables

	31 December 2023
	\$'000
Included within current assets	
Trade receivables	22,352
Prepayments and accrued income	3,851
Other receivables	3,971
	30,174

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12.1. Credit and market risks, and impairment losses

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 22.3.

13. Inventories

	31 December 2023
	\$'000
Raw material and consumables	4,640
Work in progress	2,314
Finished goods	22,890
	<u>29,844</u>

For the period ended 31 December 2023, inventories amounting to \$20,405k were recognised as an expense and included in 'cost of sales'.

Included within the inventories figures above is an impairment provision of \$1,676k booked in the period.

At 31 December 2023, all the inventories were pledged as security for liabilities as a part of a loan agreement entered between the Group and Ares Management Limited.

14. Cash and cash equivalents

	31 December 2023
	\$'000
Bank balances	10,103
	<u>10,103</u>

15. Capital and reserves

Share capital

	31 December 2023
	\$'000
On incorporation	-
Issued in cash	31
In issue 31 December 2023	<u>31</u>

Share premium

	31 December 2023
	\$'000
On incorporation	-
Issued in cash	944
In issue 31 December 2023	<u>944</u>

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Ordinary shares

During the period the Group issued 975,000 ordinary shares which are classified in the following classes:

Class	Number of shares	Nominal value per share (\$)
A1	523,438	0.01
A2	351,072	0.01
B1	1,915	0.01
B2	3,575	0.5
C1	55,000	0.01
C2	40,000	0.5

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time pro rata to their respective shareholdings. This is subject to: redemption in full of all preferences shares/preference dividends, any restrictions in the financing documents and the Board recommending payment of the same.

An A1 share shall entitle the holder to one vote at general meetings of the Group. A2, B1, C1, C2 ordinary shares shall carry no right to receive notice of or attend or vote in any circumstances at any general meeting of the Group or vote in relation to a written resolution of the Group.

15.1 Nature and purpose of reserves

Retained earnings: This represents the retained earnings of the Group.

15.2 Dividends

The Group has not declared or paid any dividends during the period ended 31 December 2023.

16. Loans and borrowings

	31 December 2023
Included within non-current liabilities	\$'000
Preference shares	72,530
Secured borrowings	99,759
Unsecured loan notes	71,657
	243,946

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Preference shares

During the period the Group issued 12.5% preference shares to Exponent Private Equity Partner GP IV LLP, Ares Capital Europe VI (G) Unlevered, Ares Capital Europe VI (G) Levered, Ares Capital Europe VI (E), Ares Capital Europe VI (E) II, Unlevered L.P., Ares Capital Europe VI (E) II, Levered L.P, VG ACM EU PSD, Ares European Credit Strategies Fund VII (Palo Verde), L.P., Ares Credit Strategies Insurance Dedicated Fund Series of SALI Multi Series Fund, L.P., Ares Diversified Credit Strategies Fund (S),L.P., Paul Forman, YKnoop Investments B.V. which are classified as financial liabilities. The Company shall redeem these shares upon sale or listing.

These shares carry a fixed cumulative preferential dividend at the rate of 12.5% per annum. Each preference dividend shall be paid on the earlier of (i) the date on which the dividend is paid on any ordinary shares and (ii) the date of redemption of any preference shares.

Dividend payable on preference shares as on 31st December 2023 is presented as 'finance cost' in the statement of profit or loss.

A preference share shall not entitle the holder to any further rights of participation in the profits of the Group.

Secured borrowings

Secured borrowings represents loan and interest payable to Ares Management Limited ("Ares"). The loan is repayable in full on or before 1 August 2030 and carries interest at SOFR + 7.00% or 7.25% depending on the leverage at each period end. Interest is charged and settled on a quarterly basis. The Group is entitled to begin to repay capital against this loan on or after 1 August 2025.

The facility is secured by fixed and floating charges over the assets of the Group, as well as the assets of Natara Global Limited and Natara Global Inc, fellow group companies.

Unsecured loan notes

During the period, the Group issued 12.5% loan notes, which are classified as financial liabilities. These loan notes are to be repaid on the earlier of an exit event (which is defined as sale, listing or winding up) or 1 August 2033.

Interest on such loan notes shall accrue daily and shall compound on each compounding date at a rate equal to the interest rate. The Group shall have sole discretion to decide on the payment terms of such accrued interest.

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Reconciliation of movements of liabilities to cash flows arising from financing activities

					\$'000
	Preference shares	Borrowings	Loan notes	Leases	Total
Balance on incorporation	-	-	-	-	-
Proceeds from loans and borrowings	68,919	99,909	68,064	-	236,892
Payment of lease liabilities	-	-	-	(75)	(75)
Interest payment	-	(5,635)	-	-	(5,635)
Total changes from financing cash flows	68,919	94,274	68,064	(75)	231,182
Other changes					
New leases (on acquisition)	-	-	-	469	469
Transaction fee	-	(385)	-	-	(385)
Interest expense	3,611	5,870	3,593	7	13,081
Balance as at 31 December 2023	72,530	99,759	71,657	401	244,347

17. Trade and other payables

	31 December 2023 \$'000
Included within current liabilities	
Trade payables	12,742
Employee benefits payable	247
Accruals and deferred income	3,026
Government grant (Note 1 below)	528
Other payables	1,614
	18,157
	31 December 2023 \$'000
Included within non- current liabilities	
Trade payables	35
Derivative liability (Note 2 below)	1,039
	1,074

Information about the Group's exposure to currency and liquidity risks is included in Note 20.

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Note 1: Government grant

In 2023, the Group was awarded a TVBSS grant by UMi Commercial Ltd, amounting to £425,000 (\$541,000) under Section 31 of the UK Local Government Act 2003 to help implement a project to develop land and buildings and purchase plant and equipment leading to the creation of 21 new jobs and safeguarding of 24 existing jobs at Zinc Works Road, North Gare, Seaton Carew, Hartlepool, TS25 2DT and Belasis Avenue, Stockton-on-Tees, TS23 1LQ. The project completed in mid-2023, with the claims for the grant payment meeting the conditions of the Grant Offer Letter dated 6 January 2020 and its Schedules. The grant is being recognised as deferred income and is being amortised over the useful life of the assets attributed to the project.

In accordance with the terms of the grant, the Group, is subject to a monitoring and Reporting period of three years following the "No obligation to pay" date, being 30 November 2021. During the monitoring period, UMi Commercial Ltd, may require repayment of the TVBSS Grant already paid to the Group if, at any time before the end of the Monitoring Period (i.e. 30 November 2024, the Group breaches any of the conditions attached to the grant. Where, having received and retained the full amount of the grant, the Group does not meet the Job Target, the maximum grant payable as set out in the Grant Offer Letter will be reduced proportionately based on the anticipated average cost of each Job being created by the overall Project on the original Offer Letter. Upon demand, the Group will repay UMi Commercial Ltd any grant received in excess of the revised amount calculated under the agreement.

There are no unfulfilled conditions or other contingencies attached to this grant as on the reporting date. The Group did not benefit directly from any other forms of government assistance.

Note 2: Derivative liability

Derivative financial instruments liability represents the mark to market valuation, at the balance sheet date, of an Interest Rate Swap ("IRS") held by the Group. The IRS is held with HSBC Bank PLC to part mitigate against the variable interest payable in respect of the long-term loan taken from Ares. The maturity date of the IRS is 31st December 2026.

The Group has not applied hedge accounting and has measured the fair value of IRS through profit and loss.

18. Taxation

18.1 Taxation charge/(credit)

The tax charge is based on the profit on ordinary activities and represents:

	31 December 2023 \$'000
<i>Current tax</i>	
Current tax charge/(credit) on income for the period at statutory rate	-
Foreign tax	557
Total current tax	557

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	31 December 2023 \$'000
<i>Deferred tax</i>	
Origination and reversal of temporary differences	(4,531)
Total deferred tax charge/(credit)	(4,531)
	(3,974)
Total tax charge/(credit) in the Statement of profit or loss	(3,974)

18.2 Reconciliation of effective tax rate

		31 December 2023 \$'000
Profit on ordinary activities before taxation		(59,509)
Tax on profit on ordinary activities a standard CT rate (0.2401)	24.01%	(14,289)
<i>Effects of:</i>		
Variance in overseas tax rates	-0.02%	10
Impact of difference between CT & DT rate	-0.30%	(177)
Expenses not deductible for tax purposes	-11.27%	6,708
Tax losses/temp. differences for which no deferred income tax asset was recognised	-6.29%	3,741
Other movements	0.02%	(11)
State Taxes	-0.07%	44
Income tax charge	6.68%	(3,974)

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18.3 Movement in deferred tax balances

	31 December 2023
	\$'000
Deferred tax balance on incorporation	-
Deferred tax balance arising on transfer- (asset)/liability	
-Intangible assets	17,232
-Property, plant and equipment	<u>1,669</u>
	18,901
Deferred tax arising on business combinations (acquisition)	
-Intangible assets	-
-Property, plant and equipment	290
-Other timing differences	<u>(62)</u>
	228
Current period movement (credit)/charge recognised in income statement	
-Intangible assets	(680)
-Property, plant and equipment	(504)
-Tax losses	(1,734)
-Other timing differences	<u>(1,613)</u>
	(4,531)
Deferred tax balance as at 31 December 2023	<u>14,598</u>
Deferred tax asset	(4,908)
Deferred tax liability	<u>19,506</u>
Net deferred taxes	<u>14,598</u>

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18.4 Reconciliation of deferred tax assets

					\$'000
	Intangible assets	Property, plant and equipment	Tax losses	Other timing differences	Total
Balance at incorporation	-	-	-	-	-
Arising on transfer – (asset)/liability	(934)	-	-	-	(934)
Arising on business combinations	-	-	-	(73)	(73)
Recognised in the income statement	(94)	(470)	(1,734)	(1,603)	(3,901)
Balance at 31 December 2023	(1,028)	(470)	(1,734)	(1,676)	(4,908)

18.5 Reconciliation of deferred tax liabilities

			\$'000
	Intangible assets	Property, plant and equipment	Total
Balance at incorporation	-	-	-
Arising on transfer – (asset)/liability	18,166	1,669	19,835
Arising on business combinations	-	194	194
Recognised in the income statement	(586)	63	(523)
Balance at 31 December 2023	17,580	1,926	19,506

18.6 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect to the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	31 December 2023 \$'000	31 December 2023 \$'000
	<i>Gross amount</i>	<i>Tax effect</i>
Deductible temporary differences	18,467	4,580
Tax losses	138	41
	18,605	4,621

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19. Leases

Leases as lessee

The Group leases warehouse facilities and other equipment/vehicles used in the operation of business. The lease contracts generally run from 2-3 years. The warehouse leases were entered as combined leases of land and buildings by the Group.

The Group leases certain vehicles with contract terms of less than one year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Payments associated with such leases are recognised on a straight-line basis as an expense in the profit or loss.

The Group doesn't have any leases which fall into the category of low-value assets.

Information about leases for which the Group is a lessee is presented below:

19.1. Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset is as follows:

			S'000
	Leasehold land and buildings	Other equipment	Total
<u>Cost</u>			
On incorporation	-	-	-
Acquisitions through business combinations	1,257	345	1,602
Additions	67	-	67
Disposals	-	-	-
At 31 December 2023	1,324	345	1,669
<u>Depreciation</u>			
On incorporation	-	-	-
Charge for the period	41	41	82
Eliminated on disposal	-	-	-
At 31 December 2023	41	41	82
<u>Carrying amounts</u>			
On incorporation	-	-	-
At 31 December 2023	1,283	304	1,587

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19.2.Amounts recognised in profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	31 December 2023
	\$'000
Depreciation charge of right-of-use assets:	
<i>Land and buildings</i>	41
<i>Equipment</i>	41
Interest expense on lease liabilities (included in finance cost)	7
Expense relating to short-term leases (included in cost of goods sold, administrative expenses and selling expenses)	58
	<u>147</u>

19.3.Amounts recognised in statement of cashflows

The total cash outflow for the leases during the period ended 31 December 2023 was \$75,189.

19.4.Lease liabilities maturity profile

The maturity profile of the Group's lease liabilities is as follows:

	31 December 2023
	\$'000
Within one year	280
In more than one year but less than two years	<u>131</u>
	411
Effect of discounting	<u>(10)</u>
Lease liability	<u>401</u>
Lease liabilities – Current	278
Lease liabilities – Non-current	<u>123</u>
	<u>401</u>

The Group have no material liabilities under residual value guarantees and makes no material payments for variable payments not included in the lease liability.

20. Employee information

Staff costs during the period ended 31 December 2023 were as follows:

	For the period from 6
	February 2023 to
	31 December 2023
	\$'000
Wages and salaries	6,036
Social security costs	801
Pension costs	<u>615</u>
	<u>7,452</u>

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The average number of persons employed by the Group (including executive directors) during the period was 346, analysed by category as follows:

Functional area	Number of employees
Manufacturing	264
Sales and marketing	39
Administration	42
	345

21. Post-employment benefits

The Group offers pension plans to its new employees which is in the nature of a defined contribution arrangement.

Defined contribution plans offer employees individual funds that are converted into benefits at the time of retirement. The amount charged to the profit or loss in relation to defined contribution plans for the period ended 31 December 2023 was \$614,886. There was an amount of \$84,735 which was accrued, but not paid, in respect of these plans.

22. Capital and financial risk management

22.1. Financial assets and liabilities

The Group holds the following financial instruments:

Assets

	31 December 2023
	\$'000
Financial assets measured at amortised cost	
-Trade receivables	22,352
-Other receivables	201
-Cash & cash equivalents	10,103
	32,656

Liabilities

	31 December 2023
	\$'000
Financial liabilities measured at amortised cost	
-Trade payables	12,777
-Loans and borrowings	243,946
-Accrued expenses	3,027
-Employee benefits payable	247
-Lease liabilities	401
-Other payables	1,168
Financial liabilities measured at fair value	
-Derivative financial instruments measured at fair value through profit or loss	1,039
	262,605

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22.2. Capital management

For the purpose of the Group's capital management, capital includes issued capital, preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group considers capital to be net debt plus total equity. Net debt is calculated as total external borrowings (excluding intercompany liabilities) less cash at bank and in hand, current asset investments and derivative financial instruments. Total equity includes share capital, reserves and retained earnings as shown in Group's Balance Sheet.

22.3. Financial risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group has exposure to the following risks arising from financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before credit terms are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Group does not require collateral in respect of trade and other receivables.

The table below presents information on trade receivables past due and their associated expected credit losses:

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\$'000

31 December 2023	Trade receivables held at amortised cost						Total
	Current (not past due)	30 days or less	31-60 days	61-90 days	90-365 days	365 days +	
Gross carrying amount	17,699	2,299	1,551	205	595	5	22,354
Expected credit loss allowance	-	-	-	-	-	-	-
Net carrying amount	17,699	2,299	1,551	205	595	5	22,354

Cash and cash equivalents

The Group held cash and cash equivalents amounting to \$10,103,332 at 31 December 2023. The cash and cash equivalents are held with HSBC Bank plc and its counterparties which have the following credit ratings: A+ from Standard & Poor's (S&P), A1 from Moody's and AA- from Fitch.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the bank and its counterparties.

ii. Liquidity risk

The Group prepares both short- and medium-term cash projections to manage liquidity risk. Receivable and Payable days are measured and reviewed on a monthly basis, as is profitability and net working capital, to ensure that day to day operations are sustainably profitable and cash generative.

In addition to rolling 13-week cash forecasts to identify short- and medium-term liquidity challenges, the business has access to an RCF facility made available by HSBC Bank plc, and an acquisition fund made available by Ares that provides the flexibility to prioritise short term cash in the event an appropriate cash opportunity cannot be funded through short term organic activity.

The RCF has a value of \$15 million which can be drawn as cash, or cash equivalents, to support the working capital requirements of the group. The undrawn balance of this RCF at the balance sheet date amounted to \$14,485,000. The Group is restricted to drawing amounts in multiples of 250,000 in the drawn currency.

Maturities of financial liabilities

The following table shows the remaining contractual maturities of financial liabilities as at 31 December 2023. The amounts disclosed in the table are gross and undiscounted and include contractual interest payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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	\$'000					
Contractual maturities of non-derivative financial liabilities	0-12 months	1-3 years	3yrs +	Total contractual cash flows	Effect of discounting/transaction fee on loans	Carrying amount at 31 December 2023
Trade payables	7,978	35	-	8,013	-	8,013
Loans and borrowings	-	-	249,187	249,187	(5,241)	243,946
Interest on loans and borrowings	30,488	82,798	82,237	195,523	-	195,523
Accrued expenses	3,027	-	-	3,027	-	2,027
Employee benefits payable	247	-	-	247	-	247
Lease liabilities	280	131	-	411	(10)	401
Other payables	1,168	-	-	1,168	-	1,168
	43,189	82,964	331,424	457,576	(5,251)	452,326
Contractual maturities of derivative financial liabilities						
Interest rate swap	(1,065)	(2,131)	-	(3,196)		(3,196)
	(1,065)	(2,131)	-	(3,196)		(3,196)

iii. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group operates in various currencies across its operations, primarily USD, GBP and CNY. The primary exchange risk is in GBP, in which costs are incurred in excess of the GBP raised from sales. The group does not actively seek to hedge/fix this risk at the balance sheet date, as the exposure represents a long-term operational risk. However, the board of directors continue to assess this risk as the cost base of the group is established and will implement more formal foreign exchange management if the certainty of fixed exchange is deemed preferable to the potential gains or losses from market changes in currency.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in foreign currency units, was as follows:

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Particulars	31 st December 2023 (\$'000)			
	GBP	EUR	HKD	CNY
Trade receivables	564	1,366	-	3,329
Other receivables	201	-	-	-
Cash & cash equivalents	1,298	-	-	1,756
Trade payables	(2,145)	(207)	-	(588)
Employee benefits payable	(85)	-	-	(162)
Accrued expenses	(3,869)	-	-	(345)
Other payables	(1,168)	-	-	-
Lease liabilities	(318)	-	(35)	(51)
Net statement of financial statement exposure	(5,522)	1,159	(35)	3,939

Sensitivity analysis

A reasonable possible strengthening (weakening) of GBP, EUR, HKD and CNY against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in \$'000 31 December 2023	Profit/(loss) before tax		Equity	
	Strengthening	Weakening	Strengthening	Weakening
GBP (10% movement)	(552)	552	(552)	552
EUR (10% movement)	116	(116)	116	(116)
HKD (10% movement)	(3)	3	(3)	3
CNY (10% movement)	394	(394)	394	(394)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The Group adopts a policy of ensuring that between 80 and 90 percent of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using floating-to-fixed interest rate swaps.

As at the reporting date, the principal amount of floating rate borrowings the Group was exposed to was \$99,758,500.

Instruments used by the group

During the period, the Group entered into an Interest rate swap ("IRS") of notional amount \$84,000,000 with HSBC Bank PLC to part mitigate against the variable interest payable in respect of the long-term loan taken from Ares. The IRS in place covers approximately 84% of the loan. The carrying value of the IRS as on reporting date was \$1,038,532 which is shown under non-current liabilities in the Balance sheet. The swap contract requires settlement of net interest receivable or payable every 90 days and will mature on 31 December 2026.

It is a natural hedge, and the settlement does coincide with the dates on which interest is payable on the underlying borrowing. Hedge accounting as per IFRS 9 is not being applied.

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Sensitivity analysis

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Impact profit before tax \$'000
At 31 December 2023	
Variable-rate loan	(59)
Interest rate swap	50
	<u><u>(9)</u></u>

22.4.Accounting classifications and fair values

The following table shows fair values of financial assets and liabilities that are carried at fair value, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value.

	Carrying amount \$'000	Fair value level 2 \$'000
Financial liabilities measured at fair value		
Derivatives measured at fair value through profit or loss	1,039	1,039
Loans and borrowings	243,946	243,946
	<u><u>244,985</u></u>	<u><u>244,985</u></u>

There have been no transfers between levels of the fair value hierarchy as per IFRS 13 'Fair Value Measurement' in the reporting periods.

The following tables show the valuation technique used in measuring level 2 fair values for financial assets and liabilities in the statement of financial position.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Interest rate swaps	Present value of the estimated future cash flows based on observable yield curves.	Not applicable	Not applicable
Loans and borrowings	Presented value of expected payments, discounted using a risk-adjusted discount rate	Not applicable	Not applicable

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23. List of subsidiaries

The Group's subsidiaries at 31 December 2023 are set out below. The subsidiaries have a share capital consisting of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/country of incorporation	Ownership interest held by the group	Principal activities
Fleet LoanCo Limited	UK	100%	Intermediate holding company
Fleet SecurityCo Limited	UK	100%	Intermediate holding company
Fleet DebtCo Limited	UK	100%	Intermediate holding company
Fleet HoldCo Limited	UK	100%	Intermediate holding company
Natara Global Limited	UK	100%	Flavors and fragrances manufacture and selling
Natara Global Inc.	US	100%	Flavors and fragrances manufacture and selling
NataGlobal Ingredients de Mexico	Mexico	100%	Flavors and fragrances manufacture and selling
Natara Global Flavors & Fragrances (Pucheng) Co. Ltd	China	100%	Flavors and fragrances manufacture and selling
Natara Global International Trading Co., Ltd	China	100%	Flavors and fragrances manufacture and selling

24. Related party transactions

The ultimate controlling party of the Group is Exponent Private Equity Partners GB IV LLP ('Exponent'), which controls 52.3% of the ordinary share capital of Fleet Topco Limited.

24.1. Transactions with key management personnel

Key management personnel compensation comprised the following:

	2023
	\$'000
Short-term employee benefits	661
Post-employment benefits	6
KMP remuneration paid to 3rd party	350
KMP remuneration payable to Exponent	-
	1,017

The amounts set out above include remuneration in respect of the highest paid director which was \$296k in aggregate.

The Group didn't enter into any other transactions with Key management personnel during the period.

Fleet Topco Limited

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24.2. Transactions with related parties

The aggregate value of transactions and outstanding balances related to key management personnel are as follows:

	Transaction value for the period ended 31 December 2023 \$'000	Balance outstanding as at 31 December 2023 \$'000
Services received from Exponent for acquisition related activities	3,973	-
Subscription to ordinary share capital and share premium by Exponent	975	13
KMP remuneration payable to Exponent	-	-
	4,948	13

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within two months of the reporting date. None of the balances are secured. No expense has been recognised in the profit or loss for bad or doubtful debts in respect of amounts owed by related parties.

25. Commitments

During the period the Group entered into a contract to purchase property plant and equipment as part of its factory equipment for \$725,000. These commitments are expected to be settled in 2025.

26. Contingent assets

The Group has a supply agreement with International Flavors & Fragrances Inc ("IFF"). Under the supply agreement, IFF commit to purchasing certain volumes of products from the Group in each financial period. In the event those volumes are not ordered within the relevant period, future orders may be adjusted, or an annual shortfall payment may arise. In April 2024, the Group and IFF agreed a shortfall settlement for the period to 31 December 2023, whereby IFF would pay \$2.9m to the Group. Of this settlement, \$1.9m is included in the financial statements as an asset at the balance sheet date, since this portion of the shortfall was expected to lead to a cash inflow. The remaining \$1.0m is disclosed as a contingent asset at the balance sheet date and not included as an asset, since this portion was probable, but not certain, to lead to a cashflow. IFF paid the \$2.9m to the Group in April 2024.

27. Subsequent events

On 1 April 2024, the Group completed the acquisition, from International Flavors & Fragrances Inc ("IFF"), of the Brazil subsidiary, Natara Global Ltda. The purchase consideration for this acquisition was \$1.3m. This transaction was part of the wider agreement between Natara Global Limited and IFF. However, local regulation in Brazil dictated a completion date of 1 April 2024. No entries are included in these financial statements in relation to the acquisition of the Brazil entity. This acquisition will be fully disclosed in the financial statements of the Group for the year ended 31 December 2024.

On 31 October 2024, 10,000 fully paid up ordinary shares were cancelled by the Company. This cancellation arose following a change in staff equity holdings in the Company. The proceeds from those share issues were refunded to the relevant personnel. This amendment to the Company's share capital was filed at Companies' House on 23 January 2025.

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On 17 January 2025, the Company allotted and issued 2,500 new ordinary shares. These new ordinary shares were fully paid up on issue. This amendment to the Company's share capital was filed at Companies' House on 28 January 2025.

28. Controlling parties

The ultimate controlling party is Exponent Private Equity LLP (English LLP – OC306781). The registered office address of Exponent Private Equity LLP is 30 Broadwick Street, London, England, W1F 8JB.

Fleet Topco Limited
Consolidated Financial Statements

Fleet Topco Limited

Entity only Financial Statements
for the period from 6 February 2023 to
31 December 2023

While the consolidated financial statements of Fleet Topco Limited have been prepared in accordance with IFRS, the financial statements of the parent company have been prepared in accordance with FRS 101, as permitted by the Companies Act.

Fleet Topco Limited
Consolidated Financial Statements

Statement of profit or loss and other comprehensive income
For the period from 6 February 2023 to 31 December 2023

		For the period from 6 February 2023 to 31 December 2023 \$'000
Interest payable and similar expenses	Note [4]	(3,611)
Net finance cost		<u>(3,611)</u>
Loss before income tax		<u>(3,611)</u>
Income tax expense		-
Loss for the period		<u>(3,611)</u>
Total other comprehensive income		-
Total comprehensive loss for the period		<u>(3,611)</u>

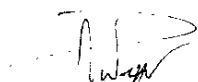
The above statement of profit or loss should be read in conjunction with the accompanying notes.

Fleet Topco Limited
Consolidated Financial Statements

Statement of financial position
As at 31 December 2023

	Note	31 December 2023 \$'000
Non-current assets		
Investment in subsidiary	[5]	69,894
		69,894
Current assets		
Debtors: amounts falling due within one year	[6]	35
		35
Creditors: amounts falling due within one year	[7]	(35)
Net current assets		-
Total assets less current liabilities		69,894
Creditors: amounts falling due after more than one year	[8]	(72,530)
Net assets		(2,636)
Capital and reserves		
Called up share capital	[9]	31
Share premium account	[9]	944
Profit and loss account		(3,611)
Total shareholders' funds		(2,636)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 February 2025.



A Pollard
Director

The notes on pages 10 to 15 form part of these financial statements.

Registered number: 14641115

Fleet Topco Limited
Financial Statements

Statement of changes in equity

For the period from 6 February 2023 to 31 December 2023

				\$'000
	Equity attributable to the owners			
	Share capital	Share premium	Retained earnings	Total
Balance at incorporation	-	-	-	-
Net loss	-	-	(3,611)	(3,611)
Total comprehensive loss for the period	-	-	(3,611)	(3,611)
<i>Equity transactions with owners</i>				
Issue of ordinary units	31	944	-	975
Balance at 31 December 2023	31	944	(3,611)	(2,636)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Fleet Topco Limited

Notes to the Financial Statements

Notes to the parent company financial statements

1 General information

Fleet Topco Limited (the "Company") is a private limited company incorporated, domiciled, and registered in England in the UK. The registered number is 14641115 and the registered address is Zinc Works Road North Gare, Seaton Carew, Hartlepool, England, TS25 2DT.

The principal activity of the Company is that of investment holding. Fleet Topco Limited is the ultimate parent company of a number of entities specifically incorporated to acquire the trade and assets of a Flavour and Fragrance ('F&F') business from IFF Inc, a US listed entity. The group trades under the Natara name, and the main UK trader is Natara Global Limited.

The Company was incorporated on 6 February and therefore the prior period comparatives are not applicable. The Company was dormant from 6 February 2023 to 31 July 2023. On 1 August 2023 the Group completed the purchase of the trade and assets of IFF Inc's F&F business and commenced trading from that date.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

These financial statements are presented in United States Dollar (USD) which is the currency of the primary economic environment in which the Company operates.

The following material accounting policies have been applied:

Financial reporting standard 101 - reduced disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes.
- Disclosures in respect of transactions with wholly owned subsidiaries,
- Disclosures in respect of capital management,
- The effects of new but not yet effective IFRSs,
- Disclosures in respect of the compensation of Key Management Personnel.
- Disclosures of transactions with a management entity that provides key management personnel services to the Company; and

As the consolidated financial statements of Fleet Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- a. IFRS 2 Share-Based Payments in respect of group settled share-based payments.
- b. Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;

Fleet Topco Limited

Notes to the Financial Statements

- c. Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- d. Certain disclosures required by IFRS 13 Fair Value Measurement, and the disclosures required by IFRS 7 Financial Instrument Disclosures.

3 Summary of significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to the period presented in these financial statements.

3.1 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Preference shares

The Company's redeemable preference shares are classified as financial liabilities because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as incurred.

3.2 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Amounts owed by group undertakings are initially measured at the transaction price and subsequently measured at amortised cost.

Financial liabilities

Basic financial liabilities, including amounts owed to group undertakings, are initially recognised at transaction price and subsequently carried at amortised cost.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Fleet Topco Limited

Notes to the Financial Statements

3.3 Impairment

At each reporting period end date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3.4 Investments

Investments in subsidiary entities are measured at cost less accumulated impairment.

3.5 Critical accounting judgments and estimation uncertainty

The preparation of financial statements requires management to make judgements, estimations and assumptions based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances, in the process of applying the Company's accounting policies. However, the nature of estimation means that actual outcomes could differ from those estimates.

The main judgement that may have a significant effect on the amounts recognized in the financial statements relates to the assumptions considered in assessing future cash flows for the purposes of the impairment review, as changes to those assumptions can give rise to significant changes in the overall cash flows projected in future periods.

The accounting estimates believed to require the most subjectivity or complexity are those relating to the future cash flows of the group referred to above, which in turn support the carrying value of investments in subsidiaries on the Company balance sheet

4 Interest payable and similar expenses

	For the period from 6 February 2023 to 31 December 2023
	\$'000
Interest on Preference shares	3,611
	3,611

Fleet Topco Limited
Notes to the Financial Statements

5 Investment in subsidiary

	Fleet Loanco Limited (\$'000)
On incorporation	-
Additions	69,894
As at 31st December 2023	<u>69,894</u>

Investment comprises equity shares in Fleet Loanco Limited. The Company acquired Fleet Loanco Limited ('FLL') on 6th February 2023 for an initial consideration of \$1. The Company obtained the single issued share in FLL, thereby controlling 100% of the voting equity interest. FLL was a newly established entity set up to be an intermediate holding company to assist with the future acquisition of various carved out operations from *International Flavors & Fragrances Inc* ('IFF'). On 1st August 2023, the Company invested a further \$69.8m of additional ordinary share capital into FLL to fund its subsidiary's successful acquisitions from IFF.

Fleet Loanco Limited is a private limited company incorporated, domiciled, and registered in England in the UK. The registered number is 14641292 and the registered address is Zinc Works Road North Gare, Seaton Carew, Hartlepool, England, TS25 2DT. The Company owns 100% of the ordinary shares of Fleet Loanco Limited.

6 Debtors: amounts falling due within one year

	31 December 2023 \$'000
Amount owed by group undertaking	23
Other receivables	12
	<u>35</u>

Amount due from group undertaking represents amount receivable from Natara Global Limited, being funds relating to fully paid newly issued share capital in the Company in December 2023. The proceeds from these shares have been deposited with Natara Global Limited.

7 Creditors: amounts falling due within one year

	31 December 2023 \$'000
Amount owed to group undertaking	35
	<u>35</u>

Amount owed to group undertaking represents unpaid subscription to the ordinary share capital of Fleet Loanco Limited.

Fleet Topco Limited
Notes to the Financial Statements

8 Creditors: amounts falling due after more than one year

	31 December 2023
	\$'000
12.5% Preference shares	68,919
Dividend payable on preference shares	3,611
	72,530

During the period Fleet Topco Limited issued 12.5% preference shares to Exponent Private Equity Partner GP IV LLP, Ares Capital Europe VI (G) Unlevered, Ares Capital Europe VI (G) Levered, Ares Capital Europe VI (E), Ares Capital Europe VI (E) II, Unlevered L.P., Ares Capital Europe VI (E) II, Levered L.P., VG ACM EU PSD, Ares European Credit Strategies Fund VII (Palo Verde), L.P., Ares Credit Strategies Insurance Dedicated Fund Series of SALI Multi Series Fund, L.P., Ares Diversified Credit Strategies Fund (S), L.P., Paul Forman, YKnoop Investments B.V. which are classified as financial liabilities. The Company shall redeem these shares upon sale or listing.

These shares carry a fixed cumulative preferential dividend at the rate of 12.5% per annum. Each preference dividend shall be paid on the earlier of (i) the date on which the dividend is paid on any ordinary shares and (ii) the date of redemption of any preference shares.

Dividend payable on preference shares as on 31st December 2023 is presented as 'interest payable and similar expenses' in the statement of profit or loss.

A preference share shall not entitle the holder to any further rights of participation in the profits of the Company.

9 Capital and reserves

Share capital

	No. shares	Amount (\$'000)
On incorporation	-	-
Issued over period	975,000	31
As at 31 st December 2023	975,000	31

Share premium

	No. shares	Amount (\$'000)
On incorporation	-	-
Issued over period	975,000	944
As at 31 st December 2023	975,000	944

Fleet Topco Limited

Notes to the Financial Statements

During the period the Company issued 975,000 ordinary shares which are classified in the following classes:

Class	Number of shares	Nominal value per share (\$)
A1	523,438	0.01
A2	351,072	0.01
B1	1,915	0.01
B2	3,575	0.50
C1	55,000	0.01
C2	40,000	0.50

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time pro rata to their respective shareholdings. This is subject to: redemption in full of all preferences shares/preference dividends, any restrictions in the financing documents and the Board recommending payment of the same.

An A1 share shall entitle the holder to one vote at general meetings of the Company. A2, B1, C1, C2 ordinary shares shall carry no right to receive notice of or attend or vote in any circumstances at any general meeting of the Company or vote in relation to a written resolution of the company.

Profit and loss account

The profit and loss account includes all current period profits and losses.

10 Related party transactions

The Company has a number of related parties including group undertakings.

The Company has taken advantage of the exemption granted by FRS 101, not to disclose transactions with group companies.

11 Profit / (loss) for the year

The Company has taken advantage of the provisions of section 408 of the Companies Act 2006 and has elected not to publish its own profit and loss account for the period. Of the group's retained losses for the period to 31 December 2023, a loss of \$3.6m is dealt with in the financial statements of the Company.

12 Subsequent events

On 31 October 2024, 10,000 fully paid up ordinary shares were cancelled by the Company. This cancellation arose following a change in staff equity holdings in the Company. The proceeds from those share issues were refunded to the relevant personnel. This amendment to the Company's share capital was filed at Companies' House on 23 January 2025.

On 17 January 2025, the Company allotted and issued 2,500 new ordinary shares. These new ordinary shares were fully paid up on issue. This amendment to the Company's share capital was filed at Companies' House on 28 January 2025.

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Companies House

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1 Company details

Company number 1 4 6 4 1 1 1 5

Company name in full Fleet Topco Limited

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Description of the original document

Document type ①
The original document included Consolidated filed directors report and financial statements, including an appended company only balance sheet and notes under different GAAP.
Only the appended company balance sheet and notes were filed.
The directors report and consolidated financials were omitted from the documents uploaded to the public record.

Date of registration of the original document 2 1 0 2 2 6 2 5

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A replacement document must only be filed where (i) a document has previously been delivered and either (ii) that document was not properly delivered or (iii) that document contained unnecessary material.

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② United Kingdom Societas (UKS)
If the form is being filed on behalf of a UKS please delete 'director' and insert details of which organ of the UKS the person authenticating has membership

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4

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You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Matt Melough**

Company name **Natara Global Limited**

Address **Zinc Works Road, North Gare**

Seaton Carew

Post town **Hartlepool**

County/Region

Postcode **T S 2 5 2 D T**

Country **England**

DX

Telephone

 Checklist

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- ☐ The correct person has authenticated the form in **either** Section 3a **or** Section 3b.
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