


NP Sweet A/S

Nordic Sugar A/S
Langebrogade 1, 1014 Copenhagen

CVR No. 33 57 68 54



Annual report for the year ended 28 February 2014

Approved at the annual general meeting of shareholders on 9 July 2014

As chairman:

.....
Lars Terp

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Company details

c/o Name	Nordic Sugar A/S
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CVR No.	33 57 68 54
Home Page	www.npsweet.com
Mail@address	info@npsweet.com
Tel.	+45 32 66 25 00
Supervisory board	William George Mitchell Mats Liljestam Jordi Jaume Ferre Sven Jansen Magomet Malsagov Ingo Sass
Executive board	Lars Bo Jørgensen Jordi Jaume Ferre
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Gyngemose Parkvej 50, 2860 Søborg, Denmark Tel. +45 70 10 80 50 Telefax +45 35 87 22 00

Management's review

The company's business review

NP Sweet was founded on 17 March 2011 as a partnership between Nordzucker AG ("Nordzucker") and PureCircle Limited ("PureCircle") with an ownership of 50% to each party focused on providing natural ingredient solutions to food and beverage manufacturers across Central, Northern and Eastern Europe ("the NPS Region").

PureCircle is the world's leading stevia producer and marketer and Nordzucker is the leading producer and marketer of sugar and related products in the NPS region. NP Sweet is a sales and marketing business that combines PureCircle's global leadership in innovative stevia ingredients with Nordzucker's distribution across the NPS region. In addition NP Sweet is a leader in the development of Stevia-Sucrose ingredients.

Stevia is a plant extract from nature that meets consumer demand for sweetness without calories. The stevia plant belongs to the sunflower family. Leaves from the stevia plant are treated with hot water to extract the sweet steviol glycosides, also called stevia, that are then purified into a powder or a crystallized form. Stevia is an intense sweetener, up to 400 times sweeter than sugar.

Stevia, in the form of steviol glycosides, was approved as a food additive within the EU on 11 November 2011. Following the EU approval, food and beverage producers' development and in market launches of stevia sweetened products has increased significantly with more than 1,000 new products in the NPS market by a wide range of food and beverage companies across most food categories including beverages, dairy products, table-top sweeteners and confectionery. The market for stevia is expected to continue to grow significantly as producers and consumers seeking natural solutions to the issues of obesity and diabetes come to appreciate the long term benefits of stevia.

Research & Development activities

NP Sweet's research and development activities focus on how stevia is incorporated into recipes for food and beverage. This involves formulation, lab-scale tests and pilot plant production trials and consumer taste panelling of recipes across all main food and beverage product categories including beverages, dairy products, fruit preparations, confectionery, sauces and table-top sweeteners.

In 2013/14 a particular focus has been on stevia products with special functionalities including the development and successful market introduction of Alpha ES (Extended Sweetness), which is a combination of proprietary stevia ingredients and gum arabic that ensures long lasting taste in chewing gum and other confectionery.

NP Sweet's R&D capability is underpinned by the experience and resources of its two shareholders and is supplemented with collaborative projects with chosen specialist partners including external institutes and universities. Since incorporation in 2011 NP Sweet has established itself as the leading stevia based application development business in the region.

Marketing activities

NP Sweet is a sales and marketing company that provides PureCircle's industry leading portfolio of stevia sweetening ingredients that offers customers a flexible natural sweetening solutions at all calorie reduction points. The unique product range is backed up by high quality technical support offering the best application development and formulation support in the region, by the industry's leading ingredient innovation pipeline.

NP Sweet's product and technical services are supported by Nordzucker's leading in region logistics and customer service organisation and the shareholders' global supply chain that uniquely offers quality control and traceability right back to the field for both stevia and sugar ingredients. Working with PureCircle, NP Sweet is leading the development of traceability and sustainability for the rapidly growing stevia industry worldwide.

Development in activities and financial position

The annual report is in euro, as the main part of the transactions is in this currency.

NP Sweet A/S realised a gross profit of TEUR 131 (2012/13 TEUR 127). The sales are solely to European customers in the NPS region.

The results before and after tax were a loss of TEUR 1,178 (2012/13 TEUR 858) and TEUR 965 (2012/13 TEUR 643) respectively.

The result for the year has developed as expected.

The company's shareholders are willing to support the company with necessary financial resources as required.

Post balance sheet events

On 29 April 2014 the shareholders injected an additional TEUR 500 as capital increase in the company.

Specific risks

Management consider the following matters to be the principal risks for the Company

Market risks:

There is market risk reflecting the fact that stevia has only recently been approved for use as a food ingredient in the NPS region. However management note the strong growth in usage of stevia and are confident of the long term development of the stevia market.

Credit risks:

The main credit risks include trade debtors. Trade debtors are spread in such a manner that the company's credit risks are not considered exceptional. The amounts of these balance sheet items are identical with the maximum credit risk.

Financial risks:

The management considers on an ongoing basis whether the capital structure is in accordance with the interests of the company and the shareholder. The overall objective is to have a capital structure which supports long-term growth and at the same time maximises the return for the company's stakeholders through an optimisation of the balance between equity and debt.

Statement by management on the annual report

Today, management has discussed and approved the annual report of NP Sweet A/S for the financial year 1 March 2013 - 28 February 2014.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 28 February 2014 and of the results of the company's operations for the financial year 1 March 2013 - 28 February 2014.

In our opinion, the management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 16 May 2014

Executive board:

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Lars Bo Jørgensen

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Jordi Jaume Ferre

Supervisory board:

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William George Mitchell

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Mats Liljestam

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Jordi Jaume Ferre

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Sven Jansen

.....
Magomet Malsagov

.....
Ingo Sass

To the shareholders of NP Sweet A/S

Report on financial statements

We have audited the financial statements of NP Sweet A/S for the financial year 1 March 2013 - 28 February 2014, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view.

The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 28 February 2014 and of the results of its operations for the financial year 1 March 2013 - 28 February 2014 in accordance with the Danish Financial Statements Act.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 16 May 2014
Ernst & Young
Godkendt Revisionspartnerselskab

Jan C. Olsen
state authorised public accountant

Income statement for the period 1 March 2013 - 28 February 2014

Notes	<u>2013/14</u> EURt	<u>2012/13</u> EURt
Gross margin	131	127
2 Distribution costs	1.050	729
2 Administrative expenses	73	49
Development costs	<u>168</u>	<u>201</u>
Operating profit/loss	-1.160	-852
3 Financial expenses	<u>18</u>	<u>6</u>
Pre-tax profit/loss	-1.178	-858
4 Tax for the year	<u>-213</u>	<u>-215</u>
Profit/loss for the year	<u>-965</u>	<u>-643</u>
 Recommended appropriation of the profit/loss for the year		
Retained earnings/accumulated loss	<u>-965</u>	<u>-643</u>
	<u>-965</u>	<u>-643</u>

Balance sheet at 28 February

Notes	<u>2014 EURt</u>	<u>2013 EURt</u>
Assets		
Current assets		
Manufactured goods and goods for resale	<u>4.179</u>	<u>3.269</u>
Inventories	<u>4.179</u>	<u>3.269</u>
Trade receivables	296	232
Receivables from group entities	18	0
⁵ Deferred tax assets	570	407
Other receivables	<u>645</u>	<u>100</u>
Receivables	<u>1.529</u>	<u>739</u>
Cash	<u>136</u>	<u>427</u>
Total current assets	<u>5.844</u>	<u>4.435</u>
Total assets	<u><u>5.844</u></u>	<u><u>4.435</u></u>

Balance sheet at 28 February

Notes	2014 EURt	2013 EURt
	<u> </u>	<u> </u>
Equity and liabilities		
Equity		
Share capital	76	74
Share premium account	2.385	1.889
Retained earnings/Accumulated loss	<u>-2.185</u>	<u>-1.220</u>
Total equity	<u>276</u>	<u>743</u>
Liabilities		
Bank debt	354	137
Trade payables	65	22
Payables to group entities	<u>5.149</u>	<u>3.533</u>
Short-term liabilities	<u>5.568</u>	<u>3.692</u>
Total liabilities	<u>5.568</u>	<u>3.692</u>
Total equity and liabilities	<u><u>5.844</u></u>	<u><u>4.435</u></u>

Statement of changes in equity

(EURt)	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings/accu- mulated loss</u>	<u>Total</u>
Equity at 1/3 2013	74	1.889	-1.220	743
Capital increase	2	498	0	500
Expenses relating to capital increase		-2	0	-2
Profit/loss for the year, cf. appropriation of profit/loss			-965	-965
Equity at 28/2 2014	<u>76</u>	<u>2.385</u>	<u>-2.185</u>	<u>276</u>

1. Accounting policies

The annual report of NP Sweet A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Recognition and measurement in general

Assets are recognised in the balance sheet when it is likely that future economic benefits will add value to the company, and the value of the asset can be measured in a reliable way.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will be paid out from the company, and the value of the liability can be measured in a reliable way.

Assets and liabilities are by first recognition measured to the cost price. The assets and liabilities are hereafter measured as described below.

Profits, losses and risks, which occur before the annual report is finalised, and which confirm or disconfirm statements existing at the day for the balance sheet are taken into consideration by recognition and measuring.

Income is recognised in the income statement when realised. Expenses are furthermore recognised, which are paid to secure the profit for the year including depreciation, write-downs, accrued liabilities and reversal as a result of change in accounting estimates of amounts, which previously have been recognized in the income statement.

Risk perception and risk management are mentioned in Management's review.

Reporting currency

The financial statements are presented in EUR, as the entity's most significant transactions are settled in EUR.

Currency translation

Transactions in foreign currency are translated by first recognition using the exchange rate prevailing at the day of the transaction. Currency adjustments arising from the difference between the exchange rate at the transaction date and the balance sheet date are recognised in the income statement under financial items.

Receivables, liabilities and other monetary items in foreign currency are translated using the exchange rate prevailing at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the date when the receivable or the liability occur or are recognised in the latest annual report is recognised in the income statement under financial items.

Income statement

Revenue

Revenue comprises invoiced sales of goods are recognised in the income statement, when the goods have been delivered and ownership risk have passed to the buyer, and if the income can be assessed in a reliable way and is expected to be received.

The revenue is measured to fair value of the agreed consideration excl. value added tax and other taxes charged on behalf of third party. All kind of discounts are recognised in the revenue.

Gross margin

With reference to section 32 of the Financial Statements Act, the items 'Revenue' and 'Production costs' are consolidated into one item called 'Gross margin'.

Cost of sales

Cost of sales includes purchase costs for goods for resale and other purchase costs.

Distribution expenses

Distribution and sales expenses comprise transportation costs, salary expenses for sales personnel, advertising and exhibition expenses and other indirect expenses.

1. Accounting policies - continued

Administrative expenses

Administrative expenses comprise expenses of the administrative staff and management and other indirect expenses.

Development costs

Research and development expenses are recognised in the income statement in the year in which they are incurred.

Financial expenses

Financial income and expenses comprise interests, realised and unrealised exchange rate gains and losses regarding receivables, liabilities and transactions in foreign currency.

Tax

Income tax, which comprise of actual tax for the year and difference in deferred tax, are recognised in the income statement.

Balance sheet

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, labour and production overheads.

Net realizable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to perform the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

Receivables

Receivables are measured to amortised cost price.

Write-downs are made for losses, if an objective indication is valued to occur, that a receivable has a decreased value.

Income tax

Current tax liabilities and receivables are recognised in the balance sheet as calculated tax of the taxable income for the year, adjusted for tax of taxable income for previous years and for paid taxes on account.

Deferred tax is measured according to the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of an asset or liability.

Deferred tax assets, including the tax base of tax losses carried forward, are recognised to the expected realised values to reduce future tax payments.

Deferred tax is measured according to the tax rules and tax rates, which are valid at the date for the balance sheet, and when the deferred tax is expected to be current tax. Change in deferred tax in consequence of changes in tax rates are recognised in the income statement.

Liabilities

Liabilities comprise financial liabilities to financial institutions and other liabilities owed to trade payables and related parties, which are measured to realisable value.

2. Staff costs

The company has no employees.

3. Financial expenses

Interest expenses, group entities	6	0
Other financial expenses	<u>12</u>	<u>6</u>
	<u>18</u>	<u>6</u>

4. Tax for the year

Deferred tax adjustments in the year	-256	-215
Change in tax rate	<u>43</u>	<u>0</u>
	<u>-213</u>	<u>-215</u>

5. Deferred tax

Tax loss	<u>570</u>	<u>407</u>
Total Tax assets [+]	<u>570</u>	<u>407</u>

6. Related parties

Information about shareholders holding 5% or more of the share capital or the voting rights

<u>Name</u>	<u>Domicile</u>
Nordic Sugar Holdning A/S, 50 %	Langebrogade 1, 1411 Copenhagen K, Denmark
PureCircle S.A., 50 %	Route de Pré-Bois 20, 1215 Genève 15, Switzerland

