


NP Sweet A/S

c/o Nordic Sugar A/S
Langebrogade 1, 1014 Copenhagen K

CVR No. 33 57 68 54



Annual report for the year ended 28 February 2015

Approved at the annual general meeting of shareholders on 9 June 2015

Chairman:

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Lars Terp

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Company details

Name	NP Sweet A/S
Address, Postal code, City	Langebrogade 1, 1014 Copenhagen K
CVR No.	33 57 68 54
Established	17 March 2011
Registered office	Copenhagen
Financial year	1 March - 28 February
Website	www.npsweet.com
E-mail	info@npsweet.com
Board of Directors	William George Mitchell Mats Gerhard Liljestam Jordi Jaume Ferre Sven Jansen Jason Stuart Hecker Ingo Sass
Executive Board	Lars Bo Jørgensen Suzanna Collette Bancroft
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Operating review

The Company's business review

NP Sweet A/S ("NP Sweet" or "NPS" or "the Company") was founded in March 2011 as a joint venture between the Nordzucker AG Group ("Nordzucker") and the PureCircle Limited Group ("PureCircle") with an ownership of 50% to each party.

The Company's business focuses on the development of stevia as the next mass volume natural sweetener ingredient for food and beverage manufacturers in the Central, Northern and Eastern European region ("the NPS Region"). All mass volume natural sweeteners have four characteristics:

- Great taste
- Economic pricing
- Scalable supply; and
- Sustainable supply

Sugar, starch sweeteners and stevia fulfil these four criteria. Of these, stevia has the added advantage of moderating calories in food and beverage formulations and has a low glycemic index making it safe for diabetics. Stevia has excellent formulation synergies with sugar.

The Company's business objective is to optimise the growth of the stevia market in the NPS Region both to support the growth of PureCircle's leading global stevia business and to complement Nordzucker's regional leading sugar business.

NP Sweet is a sales and marketing company that takes PureCircle's industry leading stevia ingredient portfolio to food and beverage customers across the NPS Region, leveraging Nordzucker's leading operational infrastructure in the process. The NP Sweet ingredient range is backed up by high quality technical support offering best in class application and formulation support.

Stevia market developments

Since stevia was approved as a food ingredient within the EU in late 2011 more than 1,500 food and beverage products have been launched in the NPS Region using stevia as an ingredient. The pace and size of such launches and rollouts is increasing, underpinned by positive consumer response. There was strong growth in the market in financial year 2014/15, as was reflected in NP Sweet's revenues.

Calendar year 2015 is expected to see a further step change in consumer demand for stevia sweetened products with a number of milestone launches known to be in the pipeline. These include Coca-Cola Life which launched nationally across the important Germany market on 4 May 2015.

Research and development activities

NP Sweet research and development focuses primarily on how different food and beverage products are best formulated to deliver outstanding taste profiles whilst moderating calories using PureCircle's unique range of stevia ingredients. The R&D activities are carried out partly in Nordzucker laboratories, partly in conjunction with PureCircle's global network of application laboratories and partly at third party facilities. During 2014/15, a R&D activity has included formulation work in the dairy, beverages, sauces, table tops and confectionery categories.

Recognition and measurement uncertainties

Reference is made to note 2 for more details.

Financial review

As a sales and marketing company, the NP Sweet financial results are sensitive to sales volumes: profitability will improve significantly as sales volumes increase. NP Sweet is the clear market leader in the NPS Region. With significant growth in market demand for stevia forecast, it is expected that sales volumes and profitability of the Company will increase significantly in the coming years. This is expected to underpin the future profitability of the Company, including realisation of its deferred tax assets (see note 2).

NP Sweet realised a gross profit of TEUR 163 (2013/14: TEUR 131) from sales made solely to European customers in the NPS Region.

The results before and after tax were a loss of TEUR 935 (2013/14: TEUR 1,178) and TEUR 935 (2013/14 TEUR 965) respectively. Results were in line with expectations.

The Company's ultimate shareholders have confirmed their support for the Company with appropriate financial resources.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of NP Sweet A/S for the financial year 1 March 2014 - 28 February 2015.

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 2015 and of the results of the Company's operations for the financial year 1 March 2014 - 28 February 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 9 June 2015

Executive Board:

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Lars Bo Jørgensen

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Suzanna Collette Bancroft

Board of Directors:

.....
William George Mitchell

.....
Mats Gerhard Liljestam

.....
Jordi Jaume Ferre

.....
Sven Jansen

.....
Jason Stuart Hecker

.....
Ingo Sass

To the shareholders of NP Sweet A/S

Independent auditors' report on the financial statements

We have audited the financial statements of NP Sweet A/S for the financial year 1 March 2014 - 28 February 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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.

Auditors' 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 auditors' 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 Company'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 Company'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 2015 and of the results of its operations for the financial year 1 March 2014 - 28 February 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 9 June 2015
ERNST & YOUNG
Godkendt Revisionspartnerselskab

Jan C. Olsen
State Authorised Public Accountant

Thomas Krath Jørgensen
State Authorised Public Accountant

Income statement for the period 1 March 2014 - 28 February 2015

Notes	<u>2014/15</u> EURt	<u>2013/14</u> EURt
Gross profit	163	131
3 Distribution costs	-899	-1,050
3 Administrative expenses	-70	-73
Development costs	<u>-108</u>	<u>-168</u>
Operating profit/loss	-914	-1,160
4 Financial expenses	<u>-21</u>	<u>-18</u>
Profit/loss before tax	-935	-1,178
5 Tax for the year	<u>0</u>	<u>213</u>
Profit/loss for the year	<u>-935</u>	<u>-965</u>
 Recommended appropriation of the profit/loss for the year		
Retained earnings	<u>-935</u>	<u>-965</u>
	<u>-935</u>	<u>-965</u>

Balance sheet at 28 February

Notes	<u>2015</u> EURt	<u>2014</u> EURt
Assets		
Current assets		
Manufactured goods and goods for resale	<u>1,974</u>	<u>4,179</u>
Inventories	<u>1,974</u>	<u>4,179</u>
Trade receivables	245	296
Receivables from group entities	0	18
⁶ Deferred tax assets	527	570
Other receivables	<u>156</u>	<u>645</u>
Receivables	<u>928</u>	<u>1,529</u>
Cash	<u>94</u>	<u>136</u>
Total current assets	<u>2,996</u>	<u>5,844</u>
Total assets	<u><u>2,996</u></u>	<u><u>5,844</u></u>

Balance sheet at 28 February

Notes	2015 EURt	2014 EURt
	<u> </u>	<u> </u>
Equity and liabilities		
Equity		
Share capital	80	76
Share premium account	3,379	2,385
Retained earnings/Accumulated loss	<u>-3,120</u>	<u>-2,185</u>
Total equity	<u>339</u>	<u>276</u>
Liabilities		
Bank debt	316	354
Trade payables	129	65
Payables to group entities	<u>2,212</u>	<u>5,149</u>
Short-term liabilities	<u>2,657</u>	<u>5,568</u>
Total liabilities	<u>2,657</u>	<u>5,568</u>
Total equity and liabilities	<u><u>2,996</u></u>	<u><u>5,844</u></u>

Statement of changes in equity

(EURt)	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1/3 2014	76	2,385	-2,185	276
Capital increase	4	996	0	1,000
Expenses relating to capital increase		-2	0	-2
Profit/loss for the year, cf. appropriation of profit/loss			-935	-935
Equity at 28/2 2015	<u>80</u>	<u>3,379</u>	<u>-3,120</u>	<u>339</u>

The shareholders have issued a letter of support whereby each shareholder is committed to contribute EUR 1 million to the Company. The letter of support is valid until 29 February 2016.

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 recognised 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

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish 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.

1. Accounting policies - continued

Distribution expenses

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

Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the Company, including expenses relating to management fee for administrative staff, management, office premises/expenses etc.

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 interest, realised and unrealised exchange rate gains and losses regarding receivables, liabilities and transactions in foreign currency.

Tax

Income tax, which comprises actual tax for the year and difference in deferred tax, is recognised in the income statement.

Balance sheet

Inventories

Inventories are measured at the lower of cost and net realisable 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 realisable 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.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

1. Accounting policies - continued

Corporation 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 balance sheet date, 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. Recognition and measurement uncertainties

The Company's total basis for calculating tax assets is approx. EURt 3,400 equivalent to a potential tax asset of approx. EURt 750. Based on expectations for the coming year's earnings, the Company has capitalised EUR 527 thousand thereof. The value and timing of the realisation of the deferred tax asset is dependent on the timing and size of the Company's future profitability and rates of tax payable.

3. Staff costs

The Company has no employees.

4. Financial expenses

Interest expenses, group entities

Other financial expenses

	2014/15 EURt	2013/14 EURt
	6	6
	<u>15</u>	<u>12</u>
	<u><u>21</u></u>	<u><u>18</u></u>

Notes

	<u>2014/15</u> EURt	<u>2013/14</u> EURt
5. Tax for the year		
Deferred tax adjustments in the year	0	-256
Change in tax rate	<u>0</u>	<u>43</u>
	<u><u>0</u></u>	<u><u>-213</u></u>

6. Deferred tax

	<u>Deferred tax liability[-] / assets[+] 2014/15 EURt</u>	<u>Deferred tax liability[-] / assets[+] 2013/14 EURt</u>
Tax loss	<u>527</u>	<u>570</u>
Total Tax assets [+]	<u><u>527</u></u>	<u><u>570</u></u>

	<u>28/2 2015</u> EURt	<u>28/2 2014</u> EURt
7. Contingent liabilities and other financial obligations		
Other contingent liabilities		
Guarantee commitments	<u>75</u>	<u>75</u>
	<u><u>75</u></u>	<u><u>75</u></u>

8. Related parties

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Nordic Sugar Holdning A/S, 50%	Langebrogade 1, 1411 Copenhagen K, Denmark
PureCircle (UK) Limited, 50%	Unit 135 Wharfdale Road, Winnersh Triangle, Berkshire RG41 5RB, United Kingdom