

NP Sweet A/S

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

CVR no. 33 57 68 54

Annual report 2017/18

Approved at the Company's annual general meeting on 6 July 2018

Chairman:



Lars Terp
Advokat





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of NP Sweet A/S for the financial year 1 March 2017 - 28 February 2018.

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 financial position of the Company at 28 February 2018 and of the results of the Company's operations for the financial year 1 March 2017 - 28 February 2018.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 6 July 2018

Executive Board:

Lars Bo Jørgensen

Suzanna Collette Bancroft

Board of Directors:

Rakesh Ranjan Sinha
Chairman

Louise Eksing

Suzanna Collette Bancroft

Michael Gerloff

Faith Sun

Ingo Sass



Independent auditor's report

To the shareholders of NP Sweet A/S

Opinion

We have audited the financial statements of NP Sweet A/S for the financial year 1 March 2017 - 28 February 2018, which comprise 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 28 February 2018 and of the results of the Company's operations for the financial year 1 March 2017 - 28 February 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities 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 and for such internal control as Management determines 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, Management is responsible for assessing the 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 6 July 2018
ERNST & YOUNG
Godkendt Revisionspartner ansj. i AB
CVR no. 30 70 02 28


Jan C. Olsen
State Authorised Public Accountant
MNE no.: mpe33717



Management's review

Company details

Name	NP Sweet A/S
Address, Postal code, City	c/o Nordic Sugar A/S Langebrogade 1, 1014 Copenhagen K
CVR no.	33 57 68 54
Established	17 March 2011
Registered office	Copenhagen
Financial year	1 March 2017 - 28 February 2018
Website	www.npsweet.com
E-mail	info@npsweet.com

Board of Directors	Rakesh Ranjan Sinha, Chairman Louise Eksing Suzanna Collette Bancroft Michael Gerloff Faith Son Ingo Sass
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Executive Board	Lars Bo Jørgensen Suzanna Collette Bancroft
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Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
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Management's review

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").

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.

Stevia market developments

Since stevia was approved as a food ingredient within the EU in late 2011 more than 2500 food and beverage products have been launched in the NPS Region using stevia as an ingredient. The pace, size and life time of such launches and rollouts so far peaked in 2015 and have for the financial year 2017/18 been below the level for 2015/16, as it was for 2016/17. The NP Sweet sales revenue for 2017/18 was modestly higher than for 2016/17.

Financial review

NP Sweet realised 2017/18 a gross profit of TEUR 262 (2016/17: TEUR 118) from stevia sales. The results before and after tax were a loss of TEUR 511 (2016/17: TEUR 637) and TEUR 503 (2016/17: TEUR 1,120) respectively. Despite the improvement from 2016/17 to 2017/18, results were behind expectations.

Calendar years 2018-2019 are not expected to bring sufficient growth in the Company's stevia sales in the NPS region to deliver satisfactory financial results for the Company.

Based on the outlook for the Company's stevia sales in the NPS region over the next years, seen relative to the cost needed to operate the Company, the Company's shareholders have decided to terminate the joint venture which is planned to take place as a solvent liquidation to be initiated during the financial year 2018/19. The aim is to terminate the Company's sales activities per 1 September 2018. The shareholders have issued a letter of comfort of total TEUR 1,000 to ensure the solvency of the company until its termination.



Financial statements 1 March 2017 - 28 February 2018

Income statement

Note	EUR'000	2017/18	2016/17
	Gross margin	262	118
5	Distribution costs	-625	-631
5	Administrative expenses	-54	-64
	Operating profit/loss	-417	-577
5	Research and development costs	-36	-35
	Profit/loss before net financials	-453	-612
	Financial expenses	-58	-25
	Profit/loss before tax	-511	-637
	Tax for the year	8	-483
	Profit/loss for the year	<u>-503</u>	<u>-1,120</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-503</u>	<u>-1,120</u>



Financial statements 1 March 2017 - 28 February 2018

Balance sheet

Note	EUR'000	2017/18	2016/17
	ASSETS		
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	2,642	3,646
		<u>2,642</u>	<u>3,646</u>
	Receivables		
	Trade receivables	209	231
	Receivables from associates	83	80
	Income taxes receivable	8	8
	Other receivables	11	0
		<u>311</u>	<u>319</u>
	Cash	673	483
	Total non-fixed assets	<u>3,626</u>	<u>4,448</u>
	TOTAL ASSETS	<u>3,626</u>	<u>4,448</u>



Financial statements 1 March 2017 - 28 February 2018

Balance sheet

Note	EUR'000	2017/18	2016/17
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	88	84
	Share premium account	5,472	4,876
	Retained earnings	-5,366	-4,863
	Total equity	194	97
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	177	173
	Payables to associates	3,246	4,178
	Other payables	9	0
		3,432	4,351
	Total liabilities other than provisions	3,432	4,351
	TOTAL EQUITY AND LIABILITIES	3,626	4,448

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Other matters
- 6 Contractual obligations and contingencies, etc.



Financial statements 1 March 2017 - 28 February 2018

Statement of changes in equity

EUR'000	Share capital	Share premium account	Retained earnings	Total
Equity at 1 March 2017	84	4,876	-4,863	97
Capital increase	4	596	0	600
Transfer through appropriation of loss	0	0	-503	-503
Equity at 28 February 2018	88	5,472	-5,366	194

The shareholders have issued a letter of comfort whereby each shareholder is committed to contribute EUR 0.5 million to the Company. The letter of comfort is valid until 28 February 2019



Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

1 Accounting policies

The annual report of NP Sweet A/S for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Basis of recognition and measurement

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 reliably measured.

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 reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below.

In recognising and measuring profits, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, impairment, accrued liabilities and reversal as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

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

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.



Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

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

Distribution costs

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

Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related 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 income and expense, realised and unrealised exchange rate gains and losses regarding receivables, liabilities and transactions in foreign currency.

Tax

Tax for the year, which comprises current tax for the year and changes in deferred tax, is recognised in the income statement.



Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

1 Accounting policies (continued)

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 at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets or liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected realised values to reduce future tax payments.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as 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.



Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

2 Recognition and measurement uncertainties

The Company's total basis for calculating tax assets is approx. EUR 4.901 thousand equivalent to a potential tax asset of approx. EUR 1.078 thousand. Based on the expected termination of the company before 28 February 2019, the Company has capitalised EUR 0 thousand in 2017/18 compared to a capitalisation of EUR 0 thousand in 2016/17

3 Other matters

Based on the outlook for the Company's stevia sales in the NPS region over the next years, seen relative to the cost needed to operate the Company, the Company's shareholders have decided to terminate the joint venture. The aim is to terminate the Company through a solvent liquidation to be initiated in the financial year 2018/19. The decision to terminate the Company in 2019 has not had any effect on the recognition and measurement of the assets and liabilities in the balance sheet at 28 February 2018.

4 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK 000	2017/18	2016/17	2015/16	2014/15	2013/14
Opening balance	84	82	80	76	74
Capital increase	4	2	2	4	2
	<u>88</u>	<u>84</u>	<u>82</u>	<u>80</u>	<u>76</u>

5 Staff costs

The Company has no employees.

6 Contractual obligations and contingencies, etc

Other contingent liabilities

Guarantee commitments	<u>63</u>	<u>75</u>
	<u>63</u>	<u>75</u>