

DuPont Nutrition Biosciences ApS

Langebrogade 1, 1411 Copenhagen K

CVR no. 11350356

Annual report 2020

Approved at the Company's annual general meeting on 6 August 2021

Chairman:

.....
Lisbeth Sørensen

CONTENTS

	Pages
COMPANY INFORMATION	1
MANAGEMENT'S REVIEW SUMMARY REPORT	2-3
INDEPENDENT AUDITOR'S REPORT	4-6
MANAGEMENT'S REVIEW	7-15
Financial highlights	7-8
Management commentary	9-15
FINANCIAL STATEMENTS	
Statement of profit or loss	16
Statement of financial position	17-18
Statement of changes in equity	19
Notes to the financial statements	20-34

DuPont Nutrition Biosciences ApS

COMPANY INFORMATION

Entity

DuPont Nutrition Biosciences ApS
Langebrogade 1
1411 Copenhagen K

Company CVR: 11350356

Financial year: 2020-01-01 - 2020-12-31

Board of Directors

Jan Vindberg-Larsen
Chairman

Flemming Jørgensen

Erik Wiberg-Lyng

Carsten Schrøder Nielsen

Anne Agger Sparsø
Elected by the employees

Flemming Kristensen
Elected by the employees

Auditors

PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup
Denmark

Executive Board

Carsten Schrøder Nielsen

Flemming Jørgensen

Jan Vindberg-Larsen

Erik Wiberg-Lyng

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW SUMMARY REPORT

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DuPont Nutrition Biosciences ApS for the financial year 1 January - 31 December 2020.

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

In our opinion, the company financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

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

6 August 2021
Executive Board:

Carsten Schrøder Nielsen

Flemming Jørgensen

Jan Vindberg-Larsen

Erik Wiberg-Lyng

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW SUMMARY REPORT

Board of Directors:

Jan Vindberg-Larsen
Chairman

Flemming Jørgensen

Erik Wiberg-Lyng

Carsten Schrøder Nielsen

Anne Agger Sparsø
Elected by the employees

Flemming Kristensen
Elected by the employees

DuPont Nutrition Biosciences ApS

Independent auditor's report

To the shareholders of DuPont Nutrition Biosciences ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the company at 31 December 2020, and of the results of the company operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DuPont Nutrition Biosciences ApS for the financial year 1 January - 31 December 2020, which comprise statement of profit or loss, statement of financial position, statement of changes in equity and notes, including a summary of significant accounting policies ("Financial Statements").

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

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 company 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, in our view 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.

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, 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.

DuPont Nutrition Biosciences ApS

Independent auditor's report

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 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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.
- 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 in-adequate, to modify our opinion. Our conclusion is 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 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.

Hellerup, 6 August 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33771231

DuPont Nutrition Biosciences ApS

Independent auditor's report

Torben Jensen
State Authorised Public Accountant
mne18651

Christian Bertelsen
State Authorised Public Accountant
mne36171

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Financial highlights

	2020	2019	2018	2017	2016
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Revenue	3,430	3,584	3,467	3,465	3,615
Gross margin	720	820	763	913	1,032
Profit before net financials	234	319	285	302	527
Share of net profit in subsidiaries	895	1,627	585	109	3,784
Profit/loss from net financials	4	29	22	(318)	29
Profit/loss for the year	1,124	1,792	799	(231)	3,729
Total assets	14,094	9,680	10,003	9,769	12,753
Portion relating to investments in items of property, plant and equipment	123	184	146	128	131
Equity	2,514	4,321	4,054	3,291	5,313
Financial ratios					
Gross margin	21	23	22	26	29
Equity ratio	18	45	41	34	42
Return on equity	33	43	22	(5)	64
Average number of full-time employees	1,031	1,067	1,047	1,040	1,100

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and ratios".

The financial ratios stated under "Financial highlights" have been calculated as follows:

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Financial highlights (continued)

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total Equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary

Business review

DuPont Nutrition Biosciences ApS is an indirectly owned subsidiary of DuPont de Nemours Inc. at 31 December 2020, and sells bio-based ingredients for use in food and beverages and industrial enzymes to a wide range of industries.

The majority of the products are sold on the European market and are products within the Nutrition & Biosciences Division. This Division sells cultures, emulsifiers, gums & systems, and natural sweeteners, which are mainly used in dairy products, baking, ice cream, beverages, confectionery, dietary supplements and chewing gum.

Further the Company has activities within Research and Development, Production, Distribution and a range of administrative functions. The management of the Nutrition & Biosciences Division and the European sales organisation (SAFI) are based in DuPont Nutrition Biosciences ApS.

On the production sites placed in Grindsted and Haderslev, we manufacture products within emulsifiers, standardised textural ingredients, cultures, functional systems and enzymes (mainly for the milling and bakery industries).

DuPont Nutrition Biosciences ApS is the parent company for a number of subsidiaries and the owner of all IP rights within bio-based food ingredients developed by DuPont Nutrition Biosciences ApS and subsidiaries.

Financial review

In 2020, DuPont Nutrition Biosciences ApS recorded revenue of MDKK 3,430 against MDKK 3,584 in 2019.

Profit before net financials is MDKK 234 against MDKK 319 in 2019

In 2020 DuPont Nutrition Biosciences ApS has received dividend income from investments for a total amount of MDKK 926 against MDKK 1,627 in 2019

The results are in line with expectations.

Financing

The Company has access to financing through other Group Companies, and through external banks having global agreements with the DuPont Group, and the IFF Group after 1 February 2021.

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary (continued)

Outlook

The Company's strategy for growth is to apply its science and technology to address challenges driven by global population growth. Applying science to deliver innovative solutions and new products in the marketplace generates shareholder value and profitable growth. The Company continues to achieve fixed cost, working capital and variable cost productivity through disciplined business processes.

The Company expects unchanged revenue and profit in 2021.

On 15 December 2019, IFF (NYSE: IFF) (Euronext Paris: IFF) (TASE: IFF) and DuPont (NYSE: DD) announced that they entered into a definitive agreement for the merger of IFF and DuPont's Nutrition & Biosciences (N&B) business in a Reverse Morris Trust transaction. The deal values the combined company at USD 45.4 billion on an enterprise value basis, reflecting a value of USD 26.2 billion for the N&B business based on IFF's share price as of 13 December 2019. Under the terms of the agreement, which has been unanimously approved by both Boards of Directors, DuPont shareholders will own 55.4% of the shares of the new company and existing IFF shareholders will own 44.6%. Upon completion of the transaction, DuPont will receive a one-time \$7.3 billion special cash payment, subject to certain adjustments. DuPont Nutrition Biosciences ApS forms part of DuPont's N&B business and will be part of the merger. The parties closed the deal on 1 February 2021.

Risks

In the ordinary course of business, the company is exposed to a variety of financial risks that include commodity price risk, credit risk, liquidity risk and interest rate risk. The policies and procedures in relation to the monitoring of these risks are undertaken in conjunction with the ultimate parent undertaking, DuPont de Nemours Inc., which includes entering into contractual arrangements in order to limit the adverse effects on the Group's financial performance.

Corporate social responsibility

In DuPont Group, sustainability is at the core of what we do - from sustainable sourcing and manufacturing to creating market-facing sustainable solutions and addressing the global food challenges.

DuPont Group's core values of Safety and Health, Protect the Planet, Highest Ethical Behavior, and Respect for People, are directly aligned with the principles set out in the UN Global Compact which DuPont Group became a signatory of in 2001. The core values reflect the way we work and how we operate every day - with our customers, with our partners from around the world, and in the communities in which we operate.

In DuPont Nutrition Biosciences ApS, we focus on three key policies: The DuPont Code of Conduct, the Human Rights Policy and the Safety, Health and Environmental Policy. The policies serve as a resource guide to help all employees make decisions that reflect DuPont Group's core values. The policies also reinforce our commitment to sustainability and are important to our stakeholders.

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary (continued)

Corporate social responsibility (continued)

Human rights

Risks

It is the assessment of the company, that the risk is highest in the sourcing process. The company sources from supplier globally, and has a large number of suppliers. The company address the risk by adhering to the below mentioned policies.

Policy

DuPont businesses systematically perform human rights reviews on an on-going basis for Contract Manufacturers and Field Labour. In addition, DuPont has the following policies and processes in place to uphold the protection and advancement of human rights wherever we operate:

Corporate policy on human rights

Human rights governance process (which includes a senior vice president, a steering team, and a leadership team)

Suppliers screenings for human rights

Requirement of adherence to human rights in our contracts

Periodic contract administration on-site assessments

Periodic Safety, Health and Environment audits of contractors the includes a human rights assessment

Results in the financial year

The company recorded zero violations of it's human rights policies in 2020.

Environmental aspects

DuPont leads the market with practical and sustainable solutions that yield ample and nutritious food supplies. We believe there is a science to feeding the world, and as a leader in Nutrition, we are committed to battling food insecurity, improving nutrition, and ensuring the safety of the food supply.

DuPont has identified opportunities related to climate change, including the need for climate adaptation, and DuPont considers this need in future product opportunities.

Climate impact

As the global population continues to grow, we face unprecedented challenges in sustainably addressing some of the world's toughest problems. Feeding the world, decreasing our dependence on fossil fuels, and protecting people and the environment are all critical issues that require long-term thinking and science-driven innovation. However, we recognize that we can't do this alone. Around the world, we are working with academia, governments, other companies and non-governmental organizations to deliver scientific innovations that lead to long-term, viable, sustainable solutions along our value chains.

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary (continued)

Corporate social responsibility (continued)

Climate impact (continued)

Risks

The assessment of the company is, that the highest risk is related to the production of products, and the potential impact on the environment and climate. However the company also identifies significant product potential, as the products of the company can help reduce the climate impact of food production, and reduce food waste.

Results in the financial year

The production of the company has been performed without the use of fossil fuels, and the company has supplied surplus heat to the local community to avoid waste, and to reduce environmental impacts.

During 2020 the company has decided to invest in solar power to further reduce the environmental footprint in the future.

Social and labour rights

Risks

The assessment of the company is, that child and forced labour are the highest risk areas, as the company sources globally.

Policy

Child and forced labour are pervasive problems throughout the world. As a global employer and purchaser of services and goods, DuPont has an important role to play in these issues. To this end, DuPont has adopted the following Principles to reinforce its core value of treating all people with dignity and respect:

DuPont will not tolerate the use of child or forced labour in any of its global operations and facilities.

We will not tolerate the exploitation of children, their engagement in unacceptably hazardous work, and the physical punishment, abuse, or involuntary servitude of any worker.

We expect the suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these Principles become known to DuPont and not be corrected, we shall discontinue the business relationship.

For purposes of these Principles, a "child" is anyone who is less than 15 years of age.

DuPont supports temporary workplace internship and apprenticeship education programs for younger persons as well as customary seasonal employment so long as such persons are closely supervised and their morals, safety, health and compulsory education are not compromised in any way.

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary (continued)

Corporate social responsibility (continued)

Social and labour rights (continued)

Results in the financial year

The company has not recorded any violations of the social and labour rights policy during 2020.

Anti-corruption and business ethics

Risks

The company has very clear policy against corruption, and highest ethical behaviour is part of the Core Values. The assessment of the company is, that the highest risk is related to ensuring, that all employees are aware, and understands the policy, and the importance of compliance.

Policy

All DuPont employees are expected to understand and comply with the DuPont Code of Conduct. It includes our company policies on matters of business ethics, anti-corruption, and conflicts of interest and requires every employee to conduct the company's business with integrity, in compliance with applicable laws, and in a way that excludes consideration of their own personal advantage.

The Code of Conduct explains in detail what we mean by our core value of highest ethical behaviour. Employees receive annual training and frequent communications on the Code of Conduct, and we provide training resources via our employee intranet. For example:

- Every year, all DuPont employees worldwide must complete the DuPont Code of Conduct course - covering ethics, anti-corruption, and related topics - and be certified in Business Ethics and Compliance.
- Periodically issued Business Ethics Bulletins and ETHICS Connections highlight positive and negative behaviours and increase our shared understanding of the Code of Conduct and the seriousness of ethical misconduct.
- New employees receive training on our core values and the DuPont Code of Conduct.
- Each DuPont function and business unit has an Ethics & Compliance Champion, who plays a key role in improving and advancing ethics and compliance within their part of the company and helps coordinate ethics and compliance training.

Results in the financial year

100% of employees completed the annual compliance training and certification, and no violations of of the DuPont Code of Conduct was recorded during 2020.

For more information about our corporate social responsibility, we refer to the 2020 report for the DuPont Group, which can be found at www.dupont.com

Goals and policies for the underrepresented gender

The Company has set goals for improving equal gender representation in Management.

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary (continued)

Goals and policies for the underrepresented gender (continued)

The Board of Directors

The goal is that the minority shall represent at least 25%
In 2020 the goal was achieved during the financial year, and the minority was represented by 25%.

On 1 January 2021 new board members were appointed, and on the date of approving the Financial Statement, the minority represents 0%. The company has appointed the most qualified persons for the positions. The company is actively working to promote equal gender representation, and diversity in general in both the Board of Directors, but also in all positions. The activities in 2021 will be reported as part of the Financial Statements covering the financial year 2021.

Additional Management

The goal is that the minority shall represent at least 30%
In 2020 the minority was represented by 40%, and the Company has achieved equal representation of gender in the management level below the Board of Directors.

Research and development activities

Application, research and development activities in Denmark are placed at the site in Brabrand. DuPont Nutrition Biosciences ApS continually invests in process development to increase efficiencies, reduce manufacturing costs, water and energy use and CO2 emissions. Our innovation is strategically positioned to address the needs of industry and society in the face of the global challenges in food, health, energy and chemicals.

Application is part of DuPont Nutrition Biosciences ApS' innovation network, which is a global network of innovation activities including research and development, applications, technical customer service, and analysis. In application DuPont Nutrition Biosciences ApS' bio-based ingredients are tested and evaluated in different food applications to ensure optimal use and benefit. The food application areas include bakery, beverage, confectionery, brewing, dairy, frozen desserts, fruit, poultry, seafood or oils and fats industrial products. Application also includes work within the general areas of food safety and health and nutrition across all industries.

The majority of applications are sales oriented (technical service and trouble shooting for the customers) based on known as well as perceived customer demands. Understanding our customers and their current and future needs is a crucial part of the innovation process, as it enables us to select and prioritise the projects to invest in.

Recognition and measurement uncertainties

The company's subsidiaries are recognized at cost and amount to MDKK 5,175.
Their value is assessed on an ongoing basis, however, this assessment contains a number of estimates and assumptions that may change and thus affect the overall value. Impairment recognized by the end of December is MDKK 2,059.

DuPont Nutrition Biosciences ApS

MANAGEMENT'S REVIEW

Management commentary (continued)

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

DuPont Nutrition Biosciences ApS

STATEMENT OF PROFIT OR LOSS

	Note	2020 MDKK	2019 MDKK
Revenue	3	3,430	3,584
Production costs		(2,710)	(2,764)
Gross margin		720	820
Development costs		(178)	(203)
Distribution costs		(402)	(512)
Administrative expenses	4	(361)	(328)
Other operating income		808	847
Other operating expenses		(353)	(305)
Profit before net financials		234	319
Share of net profit in subsidiaries		895	1,627
Share of net profit in associates		31	0
Financial income	5	61	87
Finance expenses	6	(59)	(58)
Profit before tax		1,162	1,975
Income tax	7	(38)	(183)
Profit for the year		1,124	1,792

DuPont Nutrition Biosciences ApS

STATEMENT OF FINANCIAL POSITION

	Note	31 December 2020 MDKK	31 December 2019 MDKK
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Patents and licences	8	94	116
		94	116
<i>Property, plant and equipment</i>			
Land and buildings	9	295	299
Plant and machinery		443	440
Fixtures and fittings, plant and equipment		25	21
Property, plant and equipment under construction		185	187
		948	947
<i>Other non-current assets</i>			
Investments in subsidiaries	10, 11, 12, 13	3,116	3,378
Investments in associates		51	67
Other securities and investments		6	0
Receivables from group enterprises		4,911	2,099
Other receivables		12	13
		8,096	5,557
Total non-current assets		9,138	6,620
<i>Inventories</i>			
Raw materials and consumables		104	133
Work in progress		136	147
Finished goods and goods for resale		264	281
		504	561
<i>Receivables</i>			
Trade receivables		179	242
Receivables from group enterprises		3,828	1,647
Other receivables		24	49
Prepayments	14	17	7
		4,048	1,945
Cash		404	554
Total current assets		4,956	3,060
TOTAL ASSETS		14,094	9,680

DuPont Nutrition Biosciences ApS

STATEMENT OF FINANCIAL POSITION (continued)

	Note	31 December 2020 MDKK	31 December 2019 MDKK
Equity and liabilities			
Equity			
Share capital	15	845	845
Profit and loss account		1,669	3,476
Total equity		<u>2,514</u>	<u>4,321</u>
Non-current liabilities			
Deferred tax		33	42
Other provisions		0	21
Payables to group enterprises		4,630	0
Deferred income		62	107
Total non-current liabilities		<u>4,725</u>	<u>170</u>
Current liabilities			
Trade payables		415	422
Payables to group enterprises		6,184	4,511
Other payables		165	150
Deferred income		45	47
Corporation tax payable		46	59
Total current liabilities		<u>6,855</u>	<u>5,189</u>
Total liabilities		<u>11,580</u>	<u>5,359</u>
Total equity and liabilities		<u>14,094</u>	<u>9,680</u>

DuPont Nutrition Biosciences ApS

STATEMENT OF CHANGES IN EQUITY

31 December

	Note	Share Capital MDKK	Retained earning MDKK	Total MDKK
Equity at 1 January 2020		845	3,476	4,321
Profit for the year	21	0	1,124	1,124
Extraordinary dividend paid during the year		0	(2,931)	(2,931)
Equity at 31 December 2020		845	1,669	2,514

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The annual report of DuPont Nutrition Biosciences ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Company has a deferred tax liability of 33 in 2020, the classification has been changed from current liabilities in 2019 to non current liabilities in 2020. This is considered a more correct representation, and the comparison number of 42 related to 2019 is therefore also reclassified accordingly.

1.1 Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the Company, as its cash flows are reflected in the consolidated cash flow statement.

1.2 Omission of consolidated financial statements

In accordance with section 112(2) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of DuPont Nutrition Biosciences ApS and subsidiaries are reflected in the consolidated financial statements of DuPont de Nemours Inc.

1.3 Financial statements

(a) 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 date of payment 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.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

1.4 Income statement

(a) Revenue

(i) Revenue from the sale of goods

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been passed on to the buyer and provided the income can be measured reliably and payment is expected to be received. The date at which the most significant rewards and risks are passed on is based on standardised terms of delivery based on Incoterms® 2010.

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(b) Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

(c) Production costs

Production costs comprise costs, including depreciation/amortisation charges and salaries, incurred in generating the year's revenue. Such costs include direct and indirect costs related to raw materials and consumables, wages and salaries, rent and leases as well as impairment losses on production plant.

(d) Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

(e) Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

(f) Other operating income

Other operating income comprises items secondary to the entities' activities.

(g) Other operating expenses

Other operating expenses comprise items secondary to the entities' activities.

(h) Profit/loss from investments in subsidiaries and associates

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

(i) Financial income and expenses

Financial income and expenses comprise interest income and expenses, charges in respect of finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

(j) Tax for the year

The Company is jointly taxed with Danish Group Companies.

DuPont Denmark Holding ApS acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(j) Tax for the year (continued)

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

1.5 Balance sheet

(a) Development projects, patents and licences

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licences are amortised over the term of the licence, however not exceeding 20 years.

(b) Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost, less impairments. To the extent that distributed dividends exceed the accumulated earnings after acquisition, dividends are recognised as a reduction of the cost of the investment.

(c) Impairment of assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

(d) Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and production overheads. Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(d) Inventories (continued)

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

(e) 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. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received.

(f) Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

(g) Other securities and investments

Other securities and investments, recognised under "Non-current assets", comprise unlisted securities measured at cost.

(h) Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Interest expenses on loans to finance the production of items of property, plant and equipment, and which relate to the production period, are recognised in cost. All other borrowing costs are recognised in the income statement.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Manufacturing plants	15 - 40 years
Administrative buildings	15 - 40 years
Plant and machinery	10 - 20 years
Other fixtures and fittings, plant and equipment	3 - 7 years

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(h) Property, plant and equipment (continued)

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

(i) Financial assets

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs. In case of evidence of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Other securities and investments comprise listed shares as well as unlisted shares which Management considers a long-term investment. Listed and unlisted shares are measured at fair value. Realised capital gains and losses are recognised in the income statement.

(j) Equity

(i) Dividend

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

(k) Income tax and deferred tax

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 and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(l) Provisions

Provisions comprise anticipated expenses relating to commitments, onerous contracts, restructuring, etc. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

(m) Liabilities

Liabilities are measured at net realisable value.

(n) Deferred income

Deferred income, recognised under "Liabilities", comprise payments received concerning income in subsequent years.

2. Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

3. Segment information

Geographical

	Note	2020	2019
		MDKK	MDKK
Denmark		130	147
EMEA (excluding Denmark)		2,510	2,651
North America		215	196
Latin America		225	228
Asia-Pacific		350	362
		<u>3,430</u>	<u>3,584</u>

4. Fees paid to auditors appointed at the annual general meeting

	2020	2019
	MDKK	MDKK
Fee for statutory audit	1	1
Assurance engagements	1	1
Total fee paid to Auditor	<u>2</u>	<u>2</u>

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

5. Financial income

	2020 MDKK	2019 MDKK
Interest income from group enterprises	18	13
Foreign exchange gains	38	49
Bank interest income	5	25
	<u>61</u>	<u>87</u>

6. Financial expenses

	2020 MDKK	2019 MDKK
Interest expenses, group enterprises	(20)	(17)
Foreign exchange losses	(17)	(41)
Other interest expenses	(10)	0
Interest on bank loans and overdrafts	(12)	0
	<u>(59)</u>	<u>(58)</u>

7. Tax for the year

	2020 MDKK	2019 MDKK
<i>Tax for the year</i>		
Current tax charge for the year	(50)	(67)
Adjustment of the deferred tax charge for the year	9	(8)
Other Taxes	(1)	(1)
Adjustment of prior-year taxes	4	(107)
	<u>(38)</u>	<u>(183)</u>

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

8. Intangible assets

31 December

2020

	Patents and licences MDKK	Total
Cost at 1 January 2020	763	763
Additions	2	2
Disposals	(37)	(37)
Transferred	(6)	(6)
Cost at 31 December 2020	<u>722</u>	<u>722</u>
Amortisation and impairment losses at 1 January 2020	647	647
Amortisation for the year	21	21
Disposals	(34)	(34)
Transfers	(6)	(6)
Amortisation and impairment losses at 31 December 2020	<u>628</u>	<u>628</u>
Carrying amount at 31 December 2020	94	94

9. Property, plant and equipment

	Land and buildings MDKK	Plant and machinery MDKK	Fixtures and fittings, plant and equipment MDKK	Property, plant and equipment under construction MDKK	Total
Cost at 1 January	953	1,489	359	187	2,988
Additions	5	39	9	69	122
Disposals	(10)	(26)	(68)	0	(104)
Transferred	20	45	12	(71)	6
Cost at 31 December	<u>968</u>	<u>1,547</u>	<u>312</u>	<u>185</u>	<u>3,012</u>
Depreciation and impairment losses at 1 January	655	1,049	338	0	2,042
Depreciation	30	81	10	0	121
Disposals	(12)	(25)	(68)	0	(105)
Transferred	0	(1)	7	0	6
Depreciation at 31 December	<u>673</u>	<u>1,104</u>	<u>287</u>	<u>0</u>	<u>2,064</u>
Carrying amount at 31 December	<u>295</u>	<u>443</u>	<u>25</u>	<u>185</u>	<u>948</u>

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

10. Investments in subsidiaries

	31 December 2020 MDKK	31 December 2019 MDKK
Cost at 1 January	5,634	5,634
Additions	19	0
Disposals	(478)	0
Cost at 31 December	5,175	5,634
Value adjustments 1 January	(2,257)	(2,256)
Reversal of value adjustments	198	0
Value adjustments at 31 December	(2,059)	(2,256)
Carrying amount at 31 December	3,116	3,378

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

10. Investments in subsidiaries (continued)

31 December

2020

Name and registered office	Voting rights %	Profit/loss MDKK	Equity MDKK
Danisco Cultor Trading Ltda.	99%	0	1
Danisco Flexible Brazil Ltda	99%	0	0
Danisco Chile S.A.	99%	9	323
Danisco Colombia Ltda.	99%	6	94
ApS Syntetic	100%	0	1
Cometra ApS	100%	2	17
Ydernæs 1 ApS	100%	1	2
Danisco Egypt Trading LLC	99%	4	20
Danisco Sweeteners Oy	100%	23	242
Danisco France SAS	100%	414	1,786
Danisco N&B Greece EPE	99%	0	0
Danisco Centro America S.A.	100%	0	3
Danisco Guatemala S.A.	99%	0	(6)
N&B International Holding BV	100%	0	139
Danisco India Pvt. Ltd.	99%	(40)	113
Danisco Japan Limited	100%	12	137
DuPont Nutrition Food Ingredients (Beijing) Co., Ltd.	100%	59	217
Danisco (China) Holding co. Ltd.	100%	(8)	652
Specialty Products Balkans d.o.o.	100%	0	0
DuPont Nutrition and Biosciences Commercial, S.de R.L. de C.V.	99%	41	775
DuPont Nutrition and Biosciences Mexico, S. de R.L. de C.V.	99%	5	1
Danisco Peru S.A.C.	99%	(2)	8
Danisco Poland Sp. z.o.o	100%	7	8
DuPont Nutrition and Biosciences Iberica, S.L.	100%	(23)	273
Danisco South Africa (Pty) LTd	100%	19	110
Danisco N&B Taiwan Ltd	100%	0	4
Danisco Dis Ticarat Limited Sirketi.	99%	4	45
Danisco Ukraine LLC	100%	6	37
Nutrition Biosciences Vietnam	100%	0	1
Danisco Austria GmbH	99%	6	23

All subsidiaries are considered separate entities.

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

11. Investments in associates

	31 December 2020 MDKK	31 December 2019 MDKK
Cost at 1 January	69	56
Additions	0	13
Disposals	(16)	0
Cost at 31 December	53	69
Value adjustments at 1 January	(2)	(2)
Value adjustments at 31 December	(2)	(2)
Carrying amount at 31 December	51	67

31 December 2020

Name and registered office	Voting rights %	Ownership %	Profit/loss MDKK	Equity MDKK
Solae Invest Ltda	20	20%	4	11
Inboise SA	10	10%	(3)	8

12. Financial assets

	Receivables from Group Enterprises MDKK	Total MDKK
Cost at 1 January 2020	2,099	2,099
Additions	2,812	2,812
Cost at 31 December 2020	4,911	4,911
Value adjustments at 31 December 2020	0	0
Carrying amount at 31 December 2020	4,911	4,911

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

13. Other securities and investments

	31 December 2020 MDKK	31 December 2019 MDKK
Cost at 1 January	38	38
Additions	7	0
Disposals	(23)	0
Cost at 31 December	22	38
Value adjustments at 1 January	(38)	(38)
Value adjustments in the year	22	0
Value adjustments at 31 December	(16)	(38)
Carrying amount at 31 December	6	0

14. Prepayments

	31 December 2020 MDKK	31 December 2019 MDKK
prepaid IT licences	3	2
Prepaid rent	0	1
Other	14	4
	17	7

15. Share capital

The Company capital is unchanged and comprises of 42,233,295 shares of 20 DKK, no shares carry any special rights.

31 December

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

	2020 MDKK	2019 MDKK	2018 MDKK	2017 MDKK	2016 MDKK
Key figures					
Balance at 1 January	845	845	845	845	954
Capital reduction	0	0	0	0	(109)
Balance at 31 December	845	845	845	845	845

The Company owns no treasury shares at the balance sheet date. Nor did it purchase or sell any treasury shares in the financial year.

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred tax

	31 December 2020 MDKK	31 December 2019 MDKK
<i>The deferred tax charge relates to:</i>		
Intangible assets	(17)	(22)
Property, plant and equipment	(35)	(34)
Current assets	(2)	(7)
Provisions	21	21
	<u>(33)</u>	<u>(42)</u>

17. Corporation tax payable

The Danish Tax Authorities have initiated a transfer pricing audit covering the years 2014 - 2017. DuPont Nutrition Biosciences ApS has incorporated a provision for this ongoing tax audit and related cost.

In case of a material increase of the taxable income resulting from this audit, DuPont Nutrition Biosciences ApS will seek to enter into Mutual Agreement Procedures to avoid double taxation.

The provision has been made on the basis of management's best estimate, and is therefore subject to material uncertainty.

18. Staff costs and incentive plans

	31 December 2020 MDKK	31 December 2019 MDKK
Wages and salaries	619	645
Pensions	51	51
Other social security costs	8	9
	<u>678</u>	<u>705</u>
Average number of full-time employees	<u>1,031</u>	<u>1,067</u>

Staff costs include remuneration to the Company's Executive Board, totalling MDKK 0 (2019: MDKK 0), and directors' fees to the members of the Company's Board of Directors, totalling MDKK 0 (2019: MDKK 0).

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

19. Contractual obligations and contingencies, etc.

19.1 Contingent assets

Contingent assets related to Intercompany Receivables

As a result of tax audits, the Danish Tax Authorities issued final and draft assessments in 2017 and 2018, increasing the taxable income of DuPont Nutrition Biosciences ApS for the years under audit. Following this and within the allowed timeline, the Company has entered into Mutual Agreement Procedures related to these increases of taxable income to avoid double taxation. Once an agreement is reached with the adjusting jurisdictions, the Company may invoice the related parties in those jurisdictions which can lead to an additional intra-group income of up to DKK 2.9 billion to be included in "Other operating income". No income is recognized, as it is not deemed virtually certain, as a Mutual Agreement Procedure is a lengthy process, with associated significant uncertainty surrounding the duration and outcome of the process.

Maturity of operating rental receivables

Note	2020	2019
	MDKK	MDKK
Within 1 year	1	1
Between 1 and 5 years	0	1
	<u>1</u>	<u>2</u>

19.2 Contingent liabilities

The Danish companies in the DuPont Group are jointly taxed and jointly liable for the total tax of the Group. The net payable tax is included in the annual report of DuPont Denmark Holding ApS, which is the administration company for the group taxation. Any later corrections of the taxable income may increase the total liable amount.

19.3 Operating lease liabilities

The Company solely has leases which by nature and content do not deviate from ordinary operating business needs. The leases cover buildings, and other equipment.

The Company has entered into rent agreements and operating leases at the following amounts:

Note	2020	2019
	MDKK	MDKK
Within 1 year	13	17
Between 1 and 5 years	16	38
	<u>29</u>	<u>55</u>

DuPont Nutrition Biosciences ApS

NOTES TO THE FINANCIAL STATEMENTS

19. Contractual obligations and contingencies, etc. (continued)

19.4 Other contingent liabilities

The Danish tax authorities have started an audit of the taxable income statements and transfer pricing covering the years 2014 to 2017. SKAT has suggested a material increase in the taxable income for the period under audit. Dupont Nutrition Biosciences ApS does not agree to the suggested increases, furthermore the audit is not yet finalized, thus no final conclusion has been reached. Based on this, we have included the audit as a contingent liability in the 2020 annual report.

The Company has provided a guarantee for financial and other support to enable continual going concern. The guarantee is provided for Group Enterprises: DuPont Nutrition Food Ingredients (Beijing) Co. Ltd., Danisco Holdings (UK) Ltd, Danisco (China) Holding Co. Ltd, and Danisco Africa Proprietary Limited.

	Note	2020 MDKK	2019 MDKK
Guarantees and other financial commitments		3	2

20. Related parties

20.1 Parties exercising control

The ultimate parent company of the group in which the Company is included as a subsidiary is DuPont de Nemours Inc., Delaware, USA. This company and its subsidiaries are considered related parties through the ownership of the Company. After 1 February 2021 the ultimate parent company is IFF Inc, New York, USA.

DuPont Denmark Holding ApS, Denmark holds the majority of the share capital in the entity.

In accordance with section 98c (7) of the Danish Financial Statements Act, all transactions with related parties have been conducted at arm's length.

The following companies have controlling influence of the Company; DuPont de Nemours Inc., USA (ultimate parent), DuPont Denmark Holding ApS (direct owner), Nutrition & Biosciences Inc, USA (indirect owner), N&H EMEA Holding B.V., Holland (indirect owner), Specialty Products N&H Inc, USA (indirect owner).

21. Appropriation of profit/loss

	31 December 2020 MDKK	31 December 2019 MDKK
Recommended appropriation of profit/loss		
Extraordinary dividend paid during the year	2,931	0
Transferred to reserves under equity	(1,807)	1,792
	1,124	1,792