

# DSM Nutritional Products A/S

Kirkebjerg Allé 88, 1., 2605 Brøndby

CVR no. 26 08 17 93

Annual report 2022

Approved at the Company's annual general meeting on 8 June 2023

Chairman of the meeting:  
DocuSigned by:

*Carina Marker*

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**DSM Nutritional Products A/S**

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## 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 DSM Nutritional Products A/S for the financial year 1 January – 31 December 2022.

The annual report has been 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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.

Brøndby, 8 June 2023

Executive Board:

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Ole Lund Svendsen

Chief Executive Officer

Board of Directors:

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Jan Hendrik Wolters

Chairman

DocuSigned by:



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Ole Lund Svendsen

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## **Independent auditor's report**

### **To the shareholder of DSM Nutritional Products A/S**

#### **Opinion**

We have audited the financial statements of DSM Nutritional Products A/S for the financial year 1 January – 31 December 2022, comprising income statement, balance sheet 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### **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 that 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.

## Independent auditor's report

### 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 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 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.

## Independent auditor's report

### 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.

Aarhus, 8 June 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant  
mne34459



Niklas R. Filipsen  
State Authorised  
Public Accountant  
mne47781

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## Management's review

### Company details

DSM Nutritional Products A/S

Kirkebjerg Allé 88, 1.

2605 Brøndby

CVR no. 26 08 17 93

Established 5 June 2001

Registered office: Brøndby

Financial year: 1 January – 31 December

### Board of Directors

Jan Hendrik Wolters, Chairman

Ole Lund Svendsen

Carina Marker

### Executive Board

Ole Lund Svendsen, Chief Executive Officer

### Auditor

KPMG

Statsautoriseret Revisionspartnerselskab

Frederiks Plads 42

8000 Aarhus C

CVR no. 25 57 81 98

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## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's main activities are sales ordering and promotion activities of vitamins and fine chemicals in Denmark, Finland, Norway, Sweden and Baltics as a representative of DSM Nutritional Products Europe Ltd., Basel and other DSM Nutritional Products companies.

#### **Development in activities and financial position**

The income statement for 2022 shows a profit of DKK 10,699 thousand against a profit of DKK 8,870 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 12,172 thousand.

#### **Events after the balance sheet date**

Since year-end no events have occurred, which could have a significant impact on the Company's financial position.



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## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2022	2021
<b>Gross profit</b>		49,094	44,967
Staff costs	2	-35,394	-33,472
Other operating costs		0	-37
<b>Profit before financial income and expenses</b>		13,700	11,458
Financial income	3	49	0
Financial expenses	4	-24	-77
<b>Profit before tax</b>		13,725	11,381
Tax on profit for the year		-3,026	-2,511
<b>Profit for the year</b>		<u>10,699</u>	<u>8,870</u>
<b>Proposed profit appropriation</b>			
Proposed dividends for the year		11,000	11,400
Retained earnings		-301	-2,530
		<u>10,699</u>	<u>8,870</u>

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**Financial statements 1 January – 31 December****Balance sheet**

DKK'000	Note	2022	2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial assets</b>			
Deposits		389	360
<b>Total fixed assets</b>		389	360
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		20,571	17,691
Tax receivables		68	334
Deferred tax asset		57	32
Other receivables		165	176
Prepayments		353	347
		21,214	18,580
<b>Cash at bank and in hand</b>		746	781
<b>Total current assets</b>		21,960	19,361
<b>TOTAL ASSETS</b>		22,349	19,721

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## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		500	500
Retained earnings		672	973
Proposed dividends for the financial year		11,000	11,400
<b>Total equity</b>		<b>12,172</b>	<b>12,873</b>
<b>Current liabilities other than provisions</b>			
Trade payables		654	119
Payables to group entities		3,143	309
Other payables		6,380	6,420
		<b>10,177</b>	<b>6,848</b>
<b>Total liabilities other than provisions</b>		<b>10,177</b>	<b>6,848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,349</b>	<b>19,721</b>

1 Accounting policies

5 Contractual obligations, contingencies, etc.

6 Related parties

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**Financial statements 1 January – 31 December****Statement of changes in equity**

DKK'000	Contributed capital	Retained earnings	Proposed dividends	Total
<b>Balance at 1 January 2022</b>	500	973	11,400	12,873
Distributed dividends	0	0	-11,400	-11,400
Transferred over the profit appropriation	0	-301	11,000	10,699
<b>Balance at 31 December 2022</b>	500	672	11,000	12,172

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## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies**

The annual report of DSM Nutritional Products A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option form higher reporting classes.

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

#### **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 rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. 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.

### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

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

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## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Other external costs**

Other external costs comprise costs for distribution, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

##### **Staff costs**

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. The item is net of refunds from public authorities.

##### **Other operating income and costs**

Other operating income and costs comprise items secondary to the activities of the entities.

##### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, gain and losses on payables and receivables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### **Tax on profit for the year**

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

##### **Deposits**

Deposits are measured at amortised cost.

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**Financial statements 1 January – 31 December****Notes****1 Accounting policies (continued)****Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

**Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for 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 value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future as a set-off against tax on future income, set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

**Prepayments**

Prepayments comprise prepayment of costs incurred relating to periods subsequent to the recognition of the obligation.

**Cash at bank and in hand**

Cash at bank and in hand comprise cash.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities" and "Payables to group entities" respectively.

**Equity***Proposed dividends*

The proposed dividend for the year is disclosed as a separate item under equity.

**Liabilities other than provisions**

Liabilities are measured at amortised cost, which usually corresponds to nominal value.

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**Financial statements 1 January – 31 December****Notes****1 Accounting policies (continued)****Leases**

Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

	DKK'000	2022	2021
<b>2</b>	<b>Staff costs</b>		
	Wages and salaries	32,044	30,375
	Pensions	3,008	2,806
	Other social security costs	70	115
	Other staff costs	272	176
		<u>35,394</u>	<u>33,472</u>
	Average number of full-time employees	<u>33</u>	<u>30</u>

**3 Financial income**

	DKK'000	2022	2021
	Interest income from group entities	41	0
	Other financial income	8	0
		<u>49</u>	<u>0</u>

**4 Financial expenses**

	DKK'000	2022	2021
	Interest expense to group entities	24	77
		<u>24</u>	<u>77</u>



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## **Financial statements 1 January – 31 December**

### **Notes**

#### **5 Contractual obligations, contingencies, etc.**

##### **Contingent liabilities**

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly-taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

##### **Lease obligations**

The Company has entered into operating leases with a remaining term of 35 months totalling an obligation of DKK 1,281 thousand as of 31 December 2022 (31 December 2021: DKK 1,660 thousand). Of the total obligation, DKK 943 thousand falls due within 12 months from the balance sheet date (31 December 2021: DKK 955 thousand).

The Company has entered into rental lease obligations with a remaining term of 6 months totalling an obligation of DKK 751 thousand as of 31 December 2022 (31 December 2021: DKK 734 thousand).

#### **6 Related parties**

##### **Consolidated financial statements**

DSM Nutritional Products A/S is part of the consolidated financial statements of Koninklijke DSM N.V., Het Overloon 1, 6411 TE Heerlen, the Netherlands, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements can be obtained by contacting the parent Company at the address above.