

DSM Nutritional Products A/S

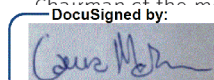
Kirkebjerg Allé 88, 1., 2605 Brøndby

CVR no. 26 08 17 93

Annual report 2021

Approved at the Company's annual general meeting on 17 June 2022

Chairman of the meeting:

DocuSigned by:


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Carina Marker

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Notes	12

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 17 June 2022

Executive Board:

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Ole Lund Svendsen
Chief Executive Officer

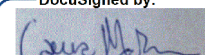
Board of Directors:

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Jan Hendrik Wolters
Chairman

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Ole Lund Svendsen

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Carina Marker

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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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, den 17 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Mikkel Trøjborg Knudsen
State Authorised
Public Accountant
mne34459



Niklas R. Filipsen
State Authorised
Public Accountant
mne47781

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

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
Frøderiks Plads 42
8000 Aarhus C
CVR no. 25 57 81 98

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

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 2021 shows a profit of DKK 8,870 thousand against a profit of DKK 11,661 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 12,873 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.

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit		44,967	45,576
Staff costs	2	-33,472	-29,238
Other operating costs		-37	-1,263
Profit before financial income and expenses		11,458	15,075
Financial income		0	5
Financial expenses	3	-77	-129
Profit before tax		11,381	14,951
Tax on profit for the year		-2,511	-3,290
Profit for the year		<u>8,870</u>	<u>11,661</u>
Proposed profit appropriation			
Proposed dividends for the year		11,400	21,000
Retained earnings		-2,530	-9,339
		<u>8,870</u>	<u>11,661</u>

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
ASSETS			
Fixed assets			
Financial assets			
Deposits		360	360
Total fixed assets		360	360
Current assets			
Receivables			
Receivables from group entities		17,691	35,794
Tax receivables		334	0
Deferred tax asset		32	32
Other receivables		176	66
Prepayments		347	334
		18,580	36,226
Cash at bank and in hand		781	724
Total current assets		19,361	36,950
TOTAL ASSETS		19,721	37,310

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500	500
Retained earnings		973	3,503
Proposed dividends for the financial year		11,400	21,000
Total equity		12,873	25,003
Current liabilities other than provisions			
Trade payables		119	432
Payables to group entities		309	270
Other payables		6,420	10,442
Tax payables		0	1,163
		6,848	12,307
Total liabilities other than provisions		6,848	12,307
TOTAL EQUITY AND LIABILITIES		19,721	37,310

1 Accounting policies

4 Contractual obligations, contingencies, etc.

5 Related parties

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends	Total
Balance at 1 January 2021	500	3,503	21,000	25,003
Distributed dividends	0	0	-21,000	-21,000
Transferred over the profit appropriation	0	-2,530	11,400	8,870
Balance at 31 December 2021	<u>500</u>	<u>973</u>	<u>11,400</u>	<u>12,873</u>

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of DSM Nutritional Products A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option for higher reporting classes.

Change in accounting policies

The Company has changed its accounting policies regarding the presentation of the income statement which has been changed from functional presentation of expenses to presentation of expenses based on nature. The change in accounting policies was made in order to give a more true and fair view of the Company's activities. The change does not affect current year's or prior year's profit, tax for the year, total assets or equity.

Minor reclassifications in the comparative figures for 2020 have been made to enhance the true and fair view of the Company's activities, results and financial position.

The comparative figures have been restated to reflect the changed accounting policies.

Besides the aforementioned change in accounting policies, 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.

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

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 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.

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.

Deposits

Deposits are measured at amortised cost.

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

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.

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".

Equity

Proposed dividends

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

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.

Liabilities other than provisions

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

DSM Nutritional Products A/S
Annual report 2021
CVR no. 26 08 17 93

Financial statements 1 January – 31 December

Notes

	DKK'000	2021	2020
2	Staff costs		
	Wages and salaries	30,375	26,530
	Pensions	2,806	2,490
	Other social security costs	115	80
	Other staff costs	176	138
		<u>33,472</u>	<u>29,238</u>
	Average number of full-time employees	<u>30</u>	<u>28</u>
3	Financial expenses		
	DKK'000	2021	2020
	Interest expense to group entities	<u>77</u>	<u>129</u>
		<u>77</u>	<u>129</u>

4 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 30 months totalling an obligation of DKK 1,660 thousand as of 31 December 2021 (31 December 2020: DKK 1,872 thousand).

The Company has entered into rental lease obligations with a remaining term of 6 months totalling an obligation of DKK 490 thousand as of 31 December 2021 (31 December 2020: DKK 461 thousand).

5 Related parties

Control

DSM Nutritional Products A/S is part of the consolidated financial statements of Koninklijke DSM N.V., registered office, which is the smallest group in which the Company is included as a subsidiary.