

Glycom Manufacturing A/S

Limfjordsvej 4, 6715 Esbjerg N

CVR no. 37 20 77 13

Annual report 2022

The annual report was presented and approved at the
Company's annual general meeting

On 28 June 2023

Kjeld Raunkjær Kjeldsen

DocuSigned by:

Kjeld Kjeldsen

7E28E0452C12481...

Chairman of the annual general meeting

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	10
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

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 Glycom Manufacturing 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 development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Esbjerg, 28 June 2023
Executive Board:

DocuSigned by:

97FAE6F0A7254D3...
Hervé Geoffrey Hartmann

Board of Directors:

DocuSigned by:

C50D83B9C2E04A4...
Robert David Ellis
Chairman

DocuSigned by:

7E28E0452612481...
Kjeld Raunkjær Kjeldsen

DocuSigned by:

97FAE6F0A7254D3...
Hervé Geoffrey Hartmann

Independent auditor's report

To the shareholder of Glycom Manufacturing A/S

Opinion

We have audited the financial statements of Glycom Manufacturing A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the 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, 28 June 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459



Niklas R. Filipen
State Authorised
Public Accountant
mne47781

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Management's review

Company details

Glycom Manufacturing A/S

Limfjordsvej 4

6715 Esbjerg N

Denmark

Telephone: +45 88 30 95 00
Website: www.glycom.com

CVR no. 37 20 77 13
Established: 5 November 2015
Registered office: Esbjerg
Financial year: 1 January – 31 December

Board of Directors

Robert David Ellis (Chairman)
Kjeld Raunkjær Kjeldsen
Hervé Geoffrey Hartmann

Executive Board

Hervé Geoffrey Hartmann

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Management's review**Financial highlights**

DKK'000	2022	2021	2020	2019	2018
Gross profit	116,734	208,378	168,693	230,351	126,690
Operating profit/loss	-28,958	66,049	41,157	107,044	11,064
Loss from financial income and expenses	-3,350	-3,158	-9,562	-14,885	-19,746
Profit/loss for the year	-27,129	49,033	31,248	72,741	-6,158
Total assets	764,559	756,683	881,097	890,810	700,551
Investments in property, plant and equipment	35,896	37,971	57,310	32,549	17,600
Equity	493,321	520,450	471,417	440,169	367,428
Return on assets	-3.8%	8.1%	4.6%	13.5%	1.6%
Equity ratio	64.5%	68.8%	53.5%	49.4%	52.4%
Average number of full-time employees	101	98	97	91	85

The financial ratios have been calculated as follows:

Return on assets

$$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$$

Equity ratio

$$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$$

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Management's review

Operating review

Principal activities

Glycom is dedicated to the scientific, clinical and commercial development of Human Milk Oligosaccharides (HMOs) for a broad range of health applications. Glycom is the world's leading HMO supplier and the only fully integrated HMO player with its own product development, preclinical and clinical development, regulatory team and large-scale production.

Development in activities and financial position

The income statement for 2022 shows a loss of DKK 27,129 thousand against a profit of DKK 49,033 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 493,321 thousand against an equity of DKK 520,450 thousand at 31 December 2021.

During 2022 we managed to significantly increase our customer base. Nevertheless, 2022 was a challenging year for Glycom Manufacturing A/S mainly due to significant increase in raw material and energy prizes increasing production costs to an extent where it was not possible to offset the increases by continuous improvement and other cost-reduction activities. As a consequence, it was not possible to reach the financial outlook from 2021 of a profit in range of 15,000 and 20,000 before tax. Despite challenging global supply chain issues, we still managed to fulfil all commitments to deliver products. We also continued the journey on maturing the organization towards improvements around safety and quality to prepare for the future growth.

The Company has received a letter of support from the Parent company, DSM Finance B.V, stating that they will provide any necessary financial support to enable the Company to meet its financial obligations. The letter of support is effective for a period of 12 months starting the 24th of March 2023.

Outlook

The company's main activities will still be development, manufacture, and sales of Human Milk Oligosaccharides primarily for the infant formula industry. For the year 2023 The management expect a profit in the range of DKK 5,000 thousand to DKK 15,000 thousand before tax.

Intellectual capital

Glycom Manufacturing employs several highly skilled team members and retention of key employees and employee satisfaction are therefore important, and so is being able to attract new highly skilled employees. Within the production of Glycom Manufacturing A/S, the company relies on several technicians, engineers and other highly skilled employees, which are key to the running and continuous optimization of the production processes, for the quality of our products, and to ensure a safe workplace. Across the production departments, employee surveys are regularly held to ensure ongoing evaluation with the purpose of increasing the overall employee satisfaction.

Environmental matters

Glycom Manufacturing's production takes place at its facility in Esbjerg. In the fifth full year of operation, Glycom Manufacturing A/S made several improvements within the environmental area during 2022. A focused multiple-year work continues on reducing the environmental footprint on both energy and water. Several projects related to reduction of water-usage and specific energy-consumption have been implemented, and more are planned for 2023.

Glycom Manufacturing A/S continues to have a very positive and constructive dialog with all the relevant departments authorities around environmental matters.

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Management's review

Operating review

Research and development activities

The Glycom R&D team has already identified pathways to HMOs accounting for most of the HMO content in Human Milk. In the coming years we will continue to commercialize additional HMOs. We will also focus on developing activities to continuously improve costs of manufacturing and to reduce the environmental footprint.

Risks

Operational risks

Glycom Manufacturing's operational risk is mainly connected to its production facility to meet supply orders. To this end, it will be important to ensure that any process issues are efficiently resolved, and that there is minimum unplanned downtime in the factory. In terms of equipment failure risk, the vast majority of the equipment remain newly acquired or renovated during the reconfiguration of the plant. Strategic spare parts are also kept in stock in case a failure should occur. Appropriate service agreements and insurances are also maintained to minimise the operations risks.

Financial risks

Given that the majority of Glycom Manufacturing's sale is made to customers abroad, the company's earnings, cash-flows and equity is influenced by the development in other currencies. The vast majority of the currency exposure is towards the euro, which is pegged to the Danish krone. For this reason, Glycom Manufacturing does not hedge against currency fluctuation as these are immaterial at current. Furthermore, Glycom Manufacturing has significant exposure to the general interest rate as the majority of the company's loans have variable interest rates. As such, an increase in the general interest level would negatively affect the company.

Glycom Manufacturing does not have any active financial hedging as of December 31, 2022.

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2022	2021
Gross profit		116,734	208,378
Staff cost	2	-81,289	-81,760
Amortisation and depreciation of intangible assets and property, plant and equipment		-64,403	-60,569
Profit/loss before financial income and expenses		-28,958	66,049
Financial income	3	86	1,036
Financial expenses	4	-3,436	-4,194
Profit/loss before tax		-32,308	62,891
Tax on profit for the year	5	5,179	-13,858
Profit/loss for the year	6	-27,129	49,033

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2022	2021
ASSETS			
Fixed assets			
Intangible assets			
Acquired intangible assets	7	0	39
		<u>0</u>	<u>39</u>
Property, plant and equipment			
Land and buildings	8	160,544	165,603
Plant and machinery		357,750	326,125
Fixtures and fittings, tools and equipment		1,314	2,421
Property, plant and equipment under construction		27,617	81,545
		<u>547,225</u>	<u>575,694</u>
Total fixed assets		<u>547,225</u>	<u>575,733</u>
Current assets			
Inventories			
Raw materials and consumables		18,938	16,580
Work in progress		21,053	26,128
Finished goods		69,710	41,977
		<u>109,701</u>	<u>84,685</u>
Receivables			
Trade receivables		6,741	52,687
Receivables from group entities		77,004	33,821
Other receivables		7,319	6,627
Prepayments	9	295	762
Corporation tax, joint taxation		9,256	0
		<u>100,615</u>	<u>93,897</u>
Cash at bank and in hand		<u>7,018</u>	<u>2,368</u>
Total current assets		<u>217,334</u>	<u>180,950</u>
TOTAL ASSETS		<u>764,559</u>	<u>756,683</u>

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		111,516	111,516
Retained earnings		381,805	378,678
Total equity		493,321	520,450
Provisions			
Provisions for deferred tax	10	24,801	23,309
Total provisions		24,801	23,309
Liabilities other than provisions			
Non-Current liabilities other than provisions			
Other payables		0	1,194
Total non-current liabilities		0	1,194
Current liabilities other than provisions			
Trade payables		17,895	19,967
Payables to group entities		212,253	170,980
Corporation tax, joint taxation		0	5,918
Other payables		16,289	14,865
		246,437	211,730
Total liabilities other than provisions		246,437	212,925
TOTAL EQUITY AND LIABILITIES		764,559	756,683
Accounting policies	1		
Contractual obligations, contingencies, etc.	11		
Mortgages and collaterals	12		
Related party disclosures	13		

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

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

DKK'000

Equity at 1 January 2022

Distribution of loss

Equity at 31 December 2022

Contributed capital	Retained earnings	Total equity
111,516	408,934	520,450
0	-27,129	-27,129
<u>111,516</u>	<u>381,805</u>	<u>493,321</u>

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Glycom Manufacturing A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for Koninklijke DSM N.V., Het Overloon 1, 6411 TE Heerlen, Netherlands.

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

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

Other operating income

Other operating income comprise items of a secondary nature relative to the company's core activities, including gains on the sales of property, plant and equipment.

Cost of goods sold

Cost of goods sold comprise raw materials and consumables consumed to achieve revenue for the year.

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external expenses

Other external expenses include the years expenses relating to the company's core activities including expenses relating to distribution, sales, marketing, administration, premises, bad debt, payments under operating leases etc.

Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue, cost of goods sold, other operating income and other external expenses have been aggregated into one item in the income statement called gross profit.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses from transactions denominated in foreign currencies etc.

Tax on profit for the year

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

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

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Acquired intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses. Acquired intangible assets are amortised on a straight-line basis over 3-5 years.

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.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10-20 years
Plant and machinery	5-15 years
Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Property, plant and equipment under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs 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 costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Glycom Manufacturing A/S

Annual report 2022

CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Where the net realisable value is lower than cost, inventories are written down to this lower value. 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.

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.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

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 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

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

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, contingencies, etc.

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK'000	2022	2021
Wages and salaries	72,391	73,424
Pensions	6,079	5,943
Other social security costs	885	1,011
Other staff costs	1,934	1,382
	<u>81,289</u>	<u>81,760</u>
Average number of full-time employees	<u>101</u>	<u>98</u>

The remuneration to the Executive Board in 2022 was DKK 2,351 thousand. By reference to section 98b (3), (ii), of the Danish Financial statement Act, remuneration to the Executive Board is not disclosed for 2021. No remuneration has been paid to the Board of Directors in 2022 and 2021 for their roles as Board members.

3 Financial income

DKK'000	2022	2021
Interest income from group entities	17	879
Other financial income	69	157
	<u>86</u>	<u>1,036</u>

4 Financial expenses

Interest expense to group entities	3,140	3,839
Other financial expenses	296	355
	<u>3,436</u>	<u>4,194</u>

5 Tax on profit for the year

Current tax for the year	-9,257	5,918
Adjustment to deferred tax for the year	1,492	7,940
Adjustments to tax regarding previous years	2,586	0
	<u>5,179</u>	<u>13,858</u>

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

DKK'000	2022	2021
6 Profit appropriation/distribution of loss		
Retained earnings	-27,129	49,033
	-27,129	49,033
 7 Intangible assets		
DKK'000		Acquired intangible assets
Cost at 1 January 2022		958
Cost at 31 December 2022		958
Amortisation and impairment losses at 1 January 2022		919
Amortisation		39
Amortisation and impairment losses at 31 December 2022		958
Carrying amount at 31 December 2022		0

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2022	209,510	510,495	11,502	81,545	813,052
Additions	714	2,156	0	33,026	35,896
Transferred	4,817	81,313	824	-86,954	0
Cost at 31 December 2022	215,041	593,964	12,326	27,617	848,948
Depreciation and impairment losses at 1 January 2022	43,907	184,370	9,081	0	237,358
Depreciation	10,590	51,844	1,931	0	64,365
Depreciation and impairment losses at 31 December 2022	54,497	236,214	11,012	0	301,723
Carrying amount at 31 December 2022	160,544	357,750	1,314	27,617	547,225

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

9 Prepayments

Prepayments consists of expenses relating to the subsequent period.

10 Deferred tax

DKK'000	2022	2021
Deferred tax at 1 January	23,309	15,369
Deferred tax adjustment for the year in the income statement	1,492	7,940
	<u>24,801</u>	<u>23,309</u>

11 Contractual obligations, contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, DSM Nutritional Products A/S, which acts as management company, 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 falling due for payment.

Glycom Manufacturing A/S is party to a few pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Company's financial position apart from what has already been recognised in the financial statements.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 5 years. The total lease obligations are listed below.

DKK'000	2022	2021
Lease obligations	<u>794</u>	<u>834</u>

The amount of the operating leases that are due within one year is DKK 234 thousand.

12 Mortgages and collaterals

Land and buildings with carrying value of DKK 160,544 thousand as of 31 December 2022 has been provided as collateral for debt to credit institutions. There is no debt to credit institutions as of 31 December 2022.

Glycom Manufacturing A/S
Annual report 2022
CVR no. 37 20 77 13

Financial statements 1 January – 31 December

Notes

13 Related party disclosures

Glycom Manufacturing A/S' related parties comprise the following:

Control

Glycom A/S, Kogle Allé 4, 2970 Hørsholm, Denmark, holds all shares in the Company.

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

The consolidated financial statements of Koninklijke DSM N.V. can be obtained by contacting the company at the above address.

Related party transactions

DKK'000	<u>2022</u>
Sale of products to group entities	132,453
Purchase of services from group entities	3,000

Payables and receivables to/from group entities are disclosed in the balance sheet and financial income and expenses are disclosed in note 3 and 4.

Remuneration to the Executive Board is disclosed in note 2.