

# Glycom Manufacturing A/S

Limfjordsvej 4, 6715 Esbjerg N

CVR no. 37 20 77 13

## Annual report 2021

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

On 8 July 2022

DocuSigned by:

*Anders Glargaard*

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Chairman of the annual general meeting

**Glycom Manufacturing 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 Glycom Manufacturing 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 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, 8 July 2022  
Executive Board:

DocuSigned by:  
  
4623F14DEDBF49F...  
Jesper Mørk

Board of Directors:

DocuSigned by:  
  
9CEA04659AA64C8...  
Joseph Maria Antonius  
Arets  
Chairman

DocuSigned by:  
  
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Jesper Mørk

DocuSigned by:  
  
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Anders Glargaard

## **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 2021 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 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, 8 July 2022

**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**

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# **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](http://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**

Joseph Maria Antonius Arets (Chairman)

Jesper Mørk

Anders Glargaard

## **Executive Board**

Jesper Mørk

## **Auditor**

KPMG

Statsautoriseret Revisionspartnerselskab

Frederiks Plads 42

DK-8000 Aarhus C

CVR no. 25 57 81 98

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**Management's review****Financial highlights**

| DKK'000                                      | 2021    | 2020    | 2019    | 2018    | 2017    |
|--|---------|---------|---------|---------|---------|
| Gross profit/loss                            | 208,378 | 168,693 | 230,351 | 126,690 | -19,998 |
| Operating profit/loss                        | 66,049  | 41,157  | 107,044 | 11,064  | -47,172 |
| Loss from financial income and expenses      | -3,158  | -9,562  | -14,885 | -19,746 | -5,133  |
| Profit/loss for the year                     | 49,033  | 31,248  | 72,741  | -6,158  | -40,622 |
| Total assets                                 | 756,683 | 881,097 | 890,810 | 700,551 | 693,127 |
| Investments in property, plant and equipment | 37,971  | 57,310  | 32,549  | 17,600  | 258,735 |
| Equity                                       | 520,450 | 471,417 | 440,169 | 367,428 | 354,978 |
| Return on assets                             | 8.1%    | 4.6%    | 13.5%   | 1.6%    | -8.4%   |
| Equity ratio                                 | 68.8%   | 53.5%   | 49.4%   | 52.4%   | 51.2%   |
| Average number of full-time employees        | 98      | 97      | 91      | 85      | 73      |

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**

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# **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 2021 shows a profit of DKK 49,033 thousand against a profit of DKK 31,248 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 520,450 thousand against an equity of DKK 471,417 thousand at 31 December 2020. Management considers the Company's financial performance in the year satisfactory.

2021 was a challenging year for Glycom Manufacturing as we progressed on many parameters not least the maturing of our production facility in Esbjerg, reaching the planned output, while achieving the expected production cost reductions a maturing organization can strive for. In addition, product quality met all applicable quality standards.

### **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 2022 The management expect a profit in the range of DKK 15,000 to DKK 20,000 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, and for the quality of our products. Across the production departments, employee surveys are regularly held to ensure ongoing evaluation with the purpose of increasing the overall employee satisfaction. Generally, a very low employee turnover rate has been maintained in Glycom Manufacturing, and the company is trying to keep the employee turnover at a low level.

### **Environmental matters**

Glycom Manufacturing's production takes place at its facility in Esbjerg. In the fourth full year of operation, Glycom Manufacturing A/S made several improvements within the environmental area. Noise measurements have been completed with positive results and the company's waste-sorting has improved significantly with several waste fractions for recycling. Waste water pollution control has been completed with positive outcome. The company's water and energy consumption were mapped for the entire production by process in order to get focus on improvement opportunities, specially due to the raising energy prices.

Projects related to recycling of water from the largest consumption areas has intense focus and an energy project related to one of our biggest energy-consuming processes has been ended. Glycom Manufacturing A/S continues to have a very positive and constructive dialog with the all the relevant departments of The Danish Environmental Protection Agency about possible continuous improvements.

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# **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.

## **Risks**

### **Operational risks**

Glycom Manufacturing's operational risk is mainly connected to its production facility in order 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.

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## Financial statements 1 January – 31 December

### Income statement

| DKK'000  | Note | 2021    | 2020    |
|--|------|---------|---------|
| <b>Gross profit</b>  |      | 208,378 | 168,693 |
| Staff cost   | 2    | -81,760 | -71,224 |
| Amortisation and depreciation of intangible assets and property, plant and equipment |      | -60,569 | -56,312 |
| <b>Profit before financial income and expenses</b>                                   |      | 66,049  | 41,157  |
| Financial income   | 3    | 1,036   | 6,375   |
| Financial expenses   | 4    | -4,194  | -15,937 |
| <b>Profit before tax</b>   |      | 62,891  | 31,595  |
| Tax on profit for the year   | 5    | -13,858 | -347    |
| <b>Profit for the year</b>   | 6    | 49,033  | 31,248  |

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## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000  | Note | 2021                  | 2020                  |
|--|------|-----------------------|-----------------------|
| <b>ASSETS</b>                                    |      |                       |                       |
| <b>Non-current assets</b>                        |      |                       |                       |
| <b>Intangible assets</b>                         |      |                       |                       |
| Acquired intangible assets                       | 7    | 39                    | 132                   |
|  |      | <u>39</u>             | <u>132</u>            |
| <b>Property, plant and equipment</b>             |      |                       |                       |
| Land and buildings                               | 8    | 165,603               | 175,187               |
| Plant and machinery                              |      | 326,125               | 360,809               |
| Fixtures and fittings, tools and equipment       |      | 2,421                 | 4,398                 |
| Property, plant and equipment under construction |      | 81,545                | 57,805                |
|  |      | <u>575,694</u>        | <u>598,199</u>        |
| <b>Total non-current assets</b>                  |      | <u>575,733</u>        | <u>598,331</u>        |
| <b>Current assets</b>                            |      |                       |                       |
| <b>Inventories</b>                               |      |                       |                       |
| Raw materials and consumables                    |      | 16,580                | 14,042                |
| Work in progress                                 |      | 26,128                | 5,325                 |
| Finished goods                                   |      | 41,977                | 36,013                |
|  |      | <u>84,685</u>         | <u>55,380</u>         |
| <b>Receivables</b>                               |      |                       |                       |
| Trade receivables                                |      | 52,687                | 17,475                |
| Receivables from group entities                  |      | 33,821                | 161,106               |
| Other receivables                                |      | 6,627                 | 38,265                |
| Prepayments                                      | 9    | 762                   | 7,357                 |
|  |      | <u>93,897</u>         | <u>224,203</u>        |
| <b>Cash at bank and in hand</b>                  |      | <u>2,368</u>          | <u>3,183</u>          |
| <b>Total current assets</b>                      |      | <u>180,950</u>        | <u>282,766</u>        |
| <b>TOTAL ASSETS</b>                              |      | <u><u>756,683</u></u> | <u><u>881,097</u></u> |

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## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000  | Note | 2021           | 2020           |
|--|------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>                        |      |                |                |
| <b>Equity</b>  |      |                |                |
| Contributed capital                                  |      | 111,516        | 111,516        |
| Retained earnings                                    |      | 408,934        | 359,901        |
| <b>Total equity</b>                                  |      | <b>520,450</b> | <b>471,417</b> |
| <b>Provisions</b>                                    |      |                |                |
| Provisions for deferred tax                          | 10   | 23,309         | 15,369         |
| <b>Total provisions</b>                              |      | <b>23,309</b>  | <b>15,369</b>  |
| <b>Liabilities other than provisions</b>             |      |                |                |
| <b>Non-current liabilities other than provisions</b> |      |                |                |
| Other payables                                       |      | 1,194          | 0              |
|  |      | 1,194          | 0              |
| <b>Current liabilities other than provisions</b>     |      |                |                |
| Bank debt  |      | 0              | 15             |
| Trade payables                                       |      | 19,967         | 32,797         |
| Payables to group entities                           |      | 170,980        | 341,188        |
| Corporation tax                                      |      | 5,918          | 0              |
| Other payables                                       |      | 14,865         | 20,311         |
|  |      | 211,730        | 394,311        |
| <b>Total liabilities other than provisions</b>       |      | <b>212,924</b> | <b>394,311</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | <b>756,683</b> | <b>881,097</b> |
| Accounting policies                                  | 1    |                |                |
| Contractual obligations, contingencies, etc.         | 11   |                |                |
| Mortgages and collaterals                            | 12   |                |                |
| Related party disclosures                            | 13   |                |                |

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

DKK'000

**Equity at 1 January 2021**

Profit appropriation

**Equity at 31 December 2021**

| Contributed<br>capital | Retained<br>earnings | Total equity   |
|------------------------|----------------------|----------------|
| 111,516                | 359,901              | 471,417        |
| 0                      | 49,033               | 49,033         |
| <u>111,516</u>         | <u>408,934</u>       | <u>520,450</u> |

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

### **Notes**

#### **1 Accounting policies**

The annual report of Glycom Manufacturing A/S for 2021 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.

Minor reclassifications in the comparative financial statements have been incorporated to enhance presentation. The reclassifications have no effect on profit before tax, profit for the year or equity.

#### **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 companys core activities, including gains on the sales of property, plant and equipment.

#### **Cost of good sales**

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

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

### **Notes**

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

##### **Other external expenses**

Other external expenses include the years expenses relating to the companys 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, other operating income and 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.



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### 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                        | 10-15 years |
| Fixtures and fittings, tools and equipment | 3-10 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.

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## **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.

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## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

| DKK'000                               | 2021          | 2020          |
|---------------------------------------|---------------|---------------|
| Wages and salaries                    | 73,424        | 63,750        |
| Pensions                              | 5,943         | 5,372         |
| Other social security costs           | 1,011         | 719           |
| Other staff costs                     | 1,382         | 1,383         |
|                                       | <u>81,760</u> | <u>71,224</u> |
| Average number of full-time employees | <u>98</u>     | <u>97</u>     |

By reference to section 98b (3), (ii), of the Danish Financial statement Act, remuneration to Management is not disclosed.

#### 3 Financial income

| DKK'000                             | 2021         | 2020         |
|-------------------------------------|--------------|--------------|
| Interest income from group entities | 879          | 5,918        |
| Other financial income              | 157          | 0            |
|                                     | <u>1,036</u> | <u>6,375</u> |

#### 4 Financial expenses

|                                    |              |               |
|------------------------------------|--------------|---------------|
| Interest expense to group entities | 3,839        | 2,567         |
| Other financial expenses           | 355          | 13,370        |
|                                    | <u>4,194</u> | <u>15,937</u> |

#### 5 Tax on profit for the year

|   |               |            |
|---|---------------|------------|
| Current tax for the year                    | 5,918         | 0          |
| Adjustment to deferred tax for the year     | 7,940         | 317        |
| Adjustments to tax regarding previous years | 0             | 30         |
|   | <u>13,858</u> | <u>347</u> |

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| DKK'000  | 2021   | 2020                             |
|--|--------|----------------------------------|
| <b>6 Profit appropriation</b>                          |        |                                  |
| Retained earnings                                      | 49,033 | 31,248                           |
|  | 49,033 | 31,248                           |
| <br><b>7 Intangible assets</b>                         |        |                                  |
|  |        | Acquired<br>intangible<br>assets |
| DKK'000  |        |                                  |
| Cost at 1 January 2021                                 |        | 958                              |
| Cost at 31 December 2021                               |        | 958                              |
| Amortisation and impairment losses at 1 January 2021   |        | 826                              |
| Amortisation   |        | 93                               |
| Amortisation and impairment losses at 31 December 2021 |        | 919                              |
| <b>Carrying amount at 31 December 2021</b>             |        | <b>39</b>                        |

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#### 8 Property, plant and equipment

| DKK'000   | Land and<br>buildings | Plant and<br>machine-<br>ry | Fixtures<br>and<br>fittings,<br>tools and<br>equip-<br>ment | Property,<br>plant and<br>equip-<br>ment<br>under<br>construct-<br>ion | Total          |
|---|-----------------------|-----------------------------|---|--|----------------|
| Cost at 1 January 2021                                    | 208,698               | 498,063                     | 10,515  | 57,805   | 775,081        |
| Additions   | 0                     | 0                           | 0   | 37,971   | 37,971         |
| Transferred   | 812                   | 12,432                      | 987   | -14,231  | 0              |
| Cost at 31 December 2021                                  | 209,510               | 510,495                     | 11,502  | 81,545   | 813,052        |
| Depreciation and impairment<br>losses at 1 January 2021   | 33,511                | 137,254                     | 6,117   | 0  | 176,882        |
| Depreciation  | 10,396                | 47,116                      | 2,964   | 0  | 60,476         |
| Depreciation and impairment<br>losses at 31 December 2021 | 43,907                | 184,370                     | 9,081   | 0  | 237,358        |
| <b>Carrying amount at<br/>31 December 2021</b>            | <b>165,603</b>        | <b>326,125</b>              | <b>2,421</b>  | <b>81,545</b>  | <b>575,694</b> |

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#### 9 Prepayments

Prepayments consists of expenses relating to the subsequent period.

#### 10 Deferred tax

| DKK'000  | 2021          | 2020          |
|--|---------------|---------------|
| Deferred tax at 1 January                                    | 15,369        | 15,022        |
| Deferred tax adjustment for the year in the income statement | 7,940         | 347           |
|  | <u>23,309</u> | <u>15,369</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.

##### Operating lease obligations

The Company has entered into operating leases with a remaining term of 6 years. The total lease obligations are listed below.

| DKK'000           | 2021       | 2020       |
|-------------------|------------|------------|
| Lease obligations | <u>834</u> | <u>221</u> |

#### 12 Mortgages and collaterals

Land and buildings with carrying value of DKK 165,603 thousand as of 31 December 2021 has been provided as collateral for debt to credit institutions. There are no debt to credit institutions as of 31 December 2021.

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#### 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 companies at the above addresses.

##### Related party transactions

| DKK'000                                  | <u>2021</u> |
|--|-------------|
| Sale of products to group entities       | 52,679      |
| Purchase of services from group entities | 4,569       |

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.

By reference to section 98b (3), (ii), of the Danish Financial statement Act, remuneration to Management is not disclosed.