NOT FOR GENERAL CIRCULATION IN THE UNITED STATES

THIS OFFERING CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 3 apply throughout the attached offering circular dated 22 November 2022 (the **Offering Circular**) issued by Danube AG, to be renamed DSM-Firmenich AG (the **Company**), including this cover page (unless the context indicates otherwise).

ACTION REQUIRED BY DSM SHAREHOLDERS

The Offering Circular is important and should be read with particular attention to section 14 "*The Exchange Offer*", which commences on page 231.

PRIOR TO ANY DSM SHAREHOLDER TAKING ANY ACTION IN TERMS OF THE EXCHANGE OFFER, DSM SHAREHOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE CONTENTS OF THE OFFERING CIRCULAR IN FULL AND TO ONLY TAKE ACTION AFTER HAVING CONSIDERED THE POTENTIAL EFFECTS OF THE TRANSACTIONS DETAILED IN THE OFFERING CIRCULAR.

If you are in any doubt as to the action you should take, please consult your broker, banker, attorney, accountant or other professional adviser immediately.

The Company does not accept responsibility, and will not be held liable, for any action of, or omission by, any broker, including, without limitation, any failure on the part of the broker of any beneficial owner of DSM Ordinary Shares to notify such beneficial owner of the Transactions set out in the Offering Circular or to take any action on behalf of such beneficial owner.

IMPORTANT: You must read the following disclaimer before continuing.

The following disclaimer applies to the Offering Circular. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Company as a result of such access. You acknowledge that this electronic transmission and the delivery of the Offering Circular is confidential and intended only for you and you agree you will not forward, reproduce, copy or publish this electronic transmission or the Offering Circular (electronically or otherwise) to any other person, other than in compliance with the Offering Circular.

THIS OFFERING CIRCULAR IS NOT FOR GENERAL RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO, DIRECTLY OR INDIRECTLY, THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD VIOLATE APPLICABLE LAWS OR REGULATIONS. THE DISTRIBUTION OF THE OFFERING CIRCULAR MAY BE RESTRICTED BY APPLICABLE LAWS AND REGULATIONS IN CERTAIN JURISDICTIONS. NEITHER THE OFFERING CIRCULAR NOR ANY ADVERTISEMENT OR ANY OTHER RELATED MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.

Completion of the Transactions is subject to the satisfaction of a number of conditions as more fully described in this Offering Circular. Consequently, there can be no certainty that completion of the Transactions will be forthcoming.

All proprietary rights and interest in or connected with this Offering Circular shall vest in the Company, DSM or Firmenich, as the case may be. This electronic transmission disclaimer and the Offering Circular may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, other than in compliance with the provisions of the Offering Circular. Any forwarding, redistribution or reproduction of this electronic transmission or the Offering Circular in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of applicable laws and regulations.

Confirmation of your representation: This electronic transmission and the Offering Circular are delivered to you on the basis that you represent to DSM, Firmenich and the Company that you have understood and agree to the terms set out herein and that: (i) you are a person that is eligible to receive this electronic transmission and the Offering Circular, (ii) any DSM-Firmenich Ordinary Shares acquired by you in the Exchange Offer will not have been acquired by you with a view to their offer or resale to any person in circumstances that may give rise to any offer of DSM-Firmenich Ordinary Shares to the public, and (iii) you consent to delivery by electronic transmission.

The Offering Circular has been made available to you in an electronic form. By accessing the document following this disclaimer, you consent to receiving it in electronic form. A hard copy of the Offering Circular will be made available to you only upon request. You are reminded that the Offering Circular has been made available to you solely on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws and regulations of the jurisdiction which you are located in, or a resident of, and you may not deliver, nor are you authorised to deliver, the Offering Circular, electronically or otherwise, to any other person, other than as contemplated in the Offering Circular.

Restrictions and important information: You must read the contents of the Offering Circular having regard to the restrictions and important information set out under sections 16 "*Restrictions*" and 17 "*Important Information*". Nothing in this electronic transmission or the Offering Circular may be used for, or in connection with, or constitutes or forms part of, an offer of securities to the public for sale. DSM Shareholders that wish to exchange their DSM Ordinary Shares for DSM-Firmenich Ordinary Shares under the Exchange Offer should carefully read the restrictions described under section 14 "*The Exchange Offer*".

You are responsible for protecting against viruses and other destructive items: Your receipt of the Offering Circular via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

DANUBE AG

(*a company limited by shares (Aktiengesellschaft) incorporated under the laws of Switzerland, with its statutory seat in Kaiseraugst, Switzerland*)

Offer to exchange each DSM Ordinary Share for one DSM-Firmenich Ordinary Share and admission to listing and trading of up to 174,786,029 DSM-Firmenich Ordinary Shares on Euronext Amsterdam

This Offering Circular has been prepared in connection with: (i) the voluntary exchange offer to holders of ordinary shares in the issued share capital of Koninklijke DSM N.V. (**DSM**) (the **DSM Shareholders**) with a nominal value of €1.50 each (each such share, a **DSM Ordinary Share**) under the terms of which the DSM Shareholders will be entitled, subject to certain terms and conditions, to exchange each DSM Ordinary Share for one newly issued ordinary share in the capital of Danube AG, to be renamed DSM-Firmenich AG (the **Company**) with a nominal value of €0.01 each (each such share, a **DSM-Firmenich Ordinary Share**) (the **Offer Consideration**) (the **Exchange Offer**), and (ii) the admission to listing and trading of up to 174,786,029 DSM-Firmenich Ordinary Shares on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**). See section 13 "*The Merger*" for a description of the Admission and the Exchange Offer.

Application has been made to admit the DSM-Firmenich Ordinary Shares to listing and trading on Euronext Amsterdam, under the symbol "DSFIR". The DSM-Firmenich Ordinary Shares International Security Identification Number (**ISIN**) is CH1216478797. Trading in the DSM-Firmenich Ordinary Shares on Euronext Amsterdam is expected to commence at 09.00 hours CET on the same date as the Unconditional Date (the **First Trading Date**). The obligation of the Company, DSM and Firmenich International SA (**Firmenich**) to effect the Transactions and to declare the Exchange Offer unconditional is subject to Euronext Amsterdam having granted, and not having revoked, its approval of the request for the Admission as per the Unconditional Date. The Exchange Offer will not proceed if the conditions precedent thereto (the **Transaction Conditions**) are not timely fulfilled or waived, as applicable, in accordance with the terms of the Transaction Conditions as set out in section 14.13 "*The Transaction Conditions*".

This Offering Circular may not be used for, or in connection with, and does not constitute, or form part of, an offer by, or invitation by or on behalf of, the Company or any representative of the Company to purchase any securities, or an offer to sell or issue, or the solicitation to buy, securities by any person in any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction. In particular, and subject to certain exceptions, this Offering Circular is not for circulation in the United States. See section 16 "*Restrictions*" below.

Investing in DSM-Firmenich Ordinary Shares involves risks. See section 2 "*Risk Factors*" for a description of the material risk factors that should be carefully considered before investing in the DSM-Firmenich Ordinary Shares.

This Offering Circular is made available by the Company and the Company accepts full responsibility for the information contained in this Offering Circular. The Company declares that, to the best of its knowledge, the information contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect its import.

The Exchange Offer shall have an Acceptance Period of ten weeks. The Exchange Offer begins at 09.00 hours CET on 23 November 2022 and expires at 17.40 hours CET on 31 January 2023. The **Acceptance Closing Date** shall be the last day, after any extension(s), if any, of the Acceptance Period. Subject to satisfaction or waiver of the Transaction Conditions (as applicable), the Company shall declare the Exchange Offer unconditional within three Business Days from the Acceptance Closing Date (the **Unconditional Date**). The Unconditional Date is also the first trading date for the DSM-Firmenich Ordinary Shares on an "as-if-and-when-delivered" basis. Transfer of the DSM Ordinary Shares tendered under the Exchange Offer against payment of the Offer Consideration (**Settlement**) and thus delivery of the DSM-Firmenich Ordinary Shares will take place two Business Days after the Unconditional Date (the **Settlement Date**). At or following the Unconditional Date, the Company may announce a post-closing acceptance period of no more than two weeks (the **Post-Closing Acceptance Period**). DSM Shareholders who have validly tendered, or defectively tendered (provided that such defect has been waived by the Company), and transferred (*geleverd*) their DSM Ordinary Shares for acceptance under the Exchange Offer during the Post-Closing Acceptance Period will receive the Offer Consideration from the Company in respect of each tendered DSM Ordinary Share no later than two Business Days after expiration of the Post-Closing Acceptance Period (such date, the **Post-Closing Acceptance Settlement Date**). The shares in the capital of Firmenich will be contributed to the Company no later than on the fifth Business Day after the Post-Closing Acceptance Settlement Date (the **Firmenich Contribution Date**). The Admission, the Exchange Offer and the Firmenich Contribution are together referred to as the **Transactions**.

The delivery of the DSM-Firmenich Ordinary Shares will take place through the book-entry system of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland (**Euroclear Nederland**). Eligible DSM Shareholders that make valid elections to tender their DSM Ordinary Shares in exchange for DSM-Firmenich Ordinary Shares will receive their DSM-Firmenich Ordinary Shares, to be traded on Euronext Amsterdam, in accordance with the terms and conditions of the Exchange Offer. See section 12.9 "*Form of shares and transfer of shares*" for further details. Trading in DSM-Firmenich Ordinary Shares before the Settlement Date will take place on an "as-if-and-when-issued" basis. The delivery of the DSM-Firmenich Ordinary Shares may not take place on the Settlement Date, or at all, if the Exchange Offer does not proceed. Any dealings in DSM-Firmenich Ordinary Shares on Euronext Amsterdam prior to Settlement are at the sole risk of the parties concerned. ABN AMRO Bank N.V. (**ABN AMRO**) is acting as the Company's settlement agent and listing and paying agent for Euronext Amsterdam. J.P. Morgan Securities plc (**J.P. Morgan**) and Centerview Partners UK LLP (**Centerview**) have acted as financial advisers to DSM. Goldman Sachs International (**Goldman Sachs**) has acted as financial adviser to Firmenich. None of the Company, ABN AMRO, DSM, J.P. Morgan, Centerview, Firmenich, Goldman Sachs or Euronext Amsterdam N.V. accepts any responsibility or liability towards any person as a result of the annulment of any transactions in the DSM-Firmenich Ordinary Shares.

The DSM-Firmenich Ordinary Shares to be issued pursuant to the Exchange Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or registered or qualified under any laws or with any securities regulatory authority of any state, district or other jurisdiction of the United States, and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state and other securities laws. This Offering Circular does not constitute or form part of a public offer of securities in the United States or an offer to any person with a registered address in, or who is resident or located in, or who is organised under the laws of, the United States, except those DSM Shareholders who: (i) are "qualified institutional buyers" as such term is defined in Rule 144A under the U.S. Securities Act of 1933, as amended (each such person, a **QIB**), and (ii) to the Company's satisfaction (in its sole discretion), have duly completed and returned to the Company a letter confirming that they are QIBs and agreeing to certain transfer restrictions applicable to DSM-Firmenich Ordinary Shares as further described herein.

Neither the U.S. Securities and Exchange Commission, nor any U.S. state securities commission, has approved or disapproved of the DSM-Firmenich Ordinary Shares to be issued in connection with the Exchange Offer, or determined if this Offering Circular is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Offering Circular constitutes: (i) a prospectus for the purposes of the Admission and the Exchange Offer, and (ii) an offer memorandum (*biedingsbericht*) for the purpose of the Exchange Offer. This Offering Circular has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant implementing and delegated acts, the **Prospectus Regulation**) with respect to the prospectus elements and Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the **Wft**) in conjunction with Article 8 paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the **Decree**) with respect to the offer memorandum elements. Although the Offering Circular should be read in its entirety, information regarding the offer memorandum (*biedingsbericht*) may in particular be found in section 14 "*The Exchange Offer*" and information regarding the prospectus for the purposes of the Admission and the Exchange Offer may be found in the remainder of the document.

This Offering Circular has been approved as a prospectus for the purpose of the Prospectus Regulation and as an offer memorandum under Article 5:76 of the Wft by, and filed with, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as competent authority under the Prospectus Regulation and the Wft. As to the prospectus approval, the AFM only approves this Offering Circular as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Offering Circular, nor of DSM, Firmenich or the Company. Investors should make their own assessment as to the suitability of investing in the DSM-Firmenich Ordinary Shares.

The validity of this Offering Circular as a prospectus shall expire on the First Trading Date or 12 months after its approval by the AFM, whichever occurs earlier. The obligation to supplement this Offering Circular in the event of significant new factors, material mistakes or material inaccuracies (see section 17.19 "*Supplements*") shall cease to apply upon the expiration of the validity period of this Offering Circular as a prospectus.

This Offering Circular is dated 22 November 2022.

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1. SUMMARY

Introduction and warnings

This summary should be read as an introduction to the offering circular (the **Offering Circular**) relating to: (i) the offer to holders of ordinary shares (the **DSM Shareholders**) in the issued share capital of Koninklijke DSM N.V. (**DSM**) with a nominal value of €1.50 each (each such share, a **DSM Ordinary Share**) to, subject to certain terms and conditions, exchange each DSM Ordinary Share for one newly issued ordinary share in the capital of Danube AG, to be renamed DSM-Firmenich AG (the **Company**), with a nominal value of €0.01 each (each such share, a **DSM-Firmenich Ordinary Share**) (the **Offer Consideration**) (the **Exchange Offer**); and (ii) the admission to listing and trading of up to 174,786,029 DSM-Firmenich Ordinary Shares on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**). The Company is the issuer and offeror of the DSM-Firmenich Ordinary Shares and its legal and commercial name is Danube AG, which will be changed to DSM-Firmenich AG on or around the Admission. The Company is a company limited by shares (*Aktiengesellschaft*), incorporated and operating under the laws of Switzerland, with its statutory seat in Kaiseraugst, Switzerland. The Company is registered with the Commercial Register Office of the canton of Aargau under number CHE-441.853.769 and its Legal Entity Identifier (**LEI**) is 506700G44V67MPM4BI12. The Company's address is Wurmisweg 576, 4303 Kaiseraugst, Switzerland, its telephone number is +41 (0)61 815 17 26 and its website is www.creator-innovator.com. The DSM-Firmenich Ordinary Shares International Security Identification Number (**ISIN**) is CH1216478797.

This summary is to be read in conjunction with the Offering Circular (available on the website of the Company (www.creator-innovator.com)). This Offering Circular, including the summary, constitutes: (i) a prospectus for the purposes of the Admission and the Exchange Offer and (ii) an offer memorandum (*biedingsbericht*) for the purpose of the Exchange Offer. This Offering Circular has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant implementing and delegated acts, the **Prospectus Regulation**) with respect to the prospectus elements and Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the **Wft**) in conjunction with Article 8 paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the **Decree**) with respect to the offer memorandum elements. On 22 November 2022, this Offering Circular has been approved as a prospectus for the purpose of the Prospectus Regulation and as an offer memorandum under Article 5:76 of the Wft by, and filed with, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as competent authority under the Prospectus Regulation and the Wft. The AFM's address is Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands. Its telephone number is +31 (0)20 797 2000 and its website is www.afm.nl.

The Offering Circular contains information on the Company, DSM and Firmenich International SA (**Firmenich**) and their consolidated subsidiaries, including the financial information for the financial years ended 31 December 2021 (for DSM) and 30 June 2022 (for Firmenich) and the unaudited pro forma combined financial information of the Company for the full year ended 31 December 2021 and the half year ended 30 June 2022.

Any decision to invest in DSM-Firmenich Ordinary Shares should be based on a consideration of the Offering Circular as a whole by the investor and not just the summary. An investor could lose all or part of the capital invested. Where a claim relating to the information contained in, or incorporated by reference into, the Offering Circular is brought before a court, the plaintiff investor might, under the relevant national legislation, have to bear the costs of translating the Offering Circular, and any documents incorporated by reference in it, before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or where it does not provide key information when read together with the other parts of the Offering Circular in order to aid investors when considering whether to invest in DSM-Firmenich Ordinary Shares.

Key Information on DSM-Firmenich

Who is the issuer of the DSM-Firmenich Ordinary Shares?

Domicile and legal form. The Company is the issuer of the DSM-Firmenich Ordinary Shares and its legal and commercial name is Danube AG, which will be changed to DSM-Firmenich AG on or around the Admission. The Company is a company limited by shares (*Aktiengesellschaft*), incorporated and operating under the laws of Switzerland, with its statutory seat in Kaiseraugst, Switzerland. Effective as from the Contribution Completion Date, the Company will have a dual headquarter structure, with a headquarter, statutory seat, and exclusive tax residence in Kaiseraugst, Switzerland, and a headquarter located in Heerlen, the Netherlands, and later Maastricht, the Netherlands.

Principal activities. As at the date of this Offering Circular, the Company does not have operational activities. As at consummation of the Merger, DSM-Firmenich will be active in nutrition, beauty and well-being. The Company's business will be organised in four segments: (i) Animal Nutrition & Health, (ii) Perfumery & Beauty, (iii) Food & Beverage / Taste & Beyond, and (iv) Health, Nutrition & Care. Animal Nutrition & Health will have an extensive portfolio, structured into essential ingredients (vitamins, minerals, carotenoids and premixes) and performance solutions (such as feed enzymes, algae-based omega-3, eubiotics (for instance pre- and probiotics, organic acids and natural oils, and mycotoxins absorbers)) complemented by its precision services. Perfumery & Beauty consists of (i) fine fragrance, (ii) consumer fragrance, (iii) ingredients and (iv) personal care. Food & Beverage / Taste & Beyond's broad portfolio of products can be divided between: (i) taste, such as flavours, sweeteners, cultures, yeast extracts and enzymes, (ii) textures, such as bio-gums and pectin, (iii) health, such as vitamins, carotenoids, pre- and probiotics, nutraceuticals and lipids (omegas), and (iv) process and preservation, such as antioxidants, bio-protection and coatings. The Food & Beverage / Taste & Beyond business will also focus on the production of pet food. The Health, Nutrition & Care business focuses on the following product segments: (i) early-life nutrition, (ii) dietary supplements, (iii) i-Health, (iv) pharmaceutical ingredients, (v) medical nutrition, (vi) nutritional improvement for the malnourished, (vii) personalised nutrition, and (viii) biomedical solutions.

Share capital. As at the date of this Offering Circular, the Company's share capital amounts to CHF 100,000, divided into 100,000 fully paid-up registered shares with a par value of CHF 1.00 each. Upon completion of the Transactions, expected on or around 23 February 2023, the Company will have such amount of fully paid-in DSM-Firmenich Ordinary Shares with a par value of €0.01 each and registered with the commercial register equal to the outcome of the following formula: (all issued and outstanding DSM Ordinary Shares at the Contribution Completion plus the Net Dilutive Instruments) divided by 65.5 times 100. Therefore, the DSM-Firmenich share capital will be such as it would have been if 100% of DSM's issued and outstanding ordinary shares would have been tendered plus the Net Dilutive Instruments. Net Dilutive Instruments means the number of DSM Ordinary Shares to be issued in relation to the rights outstanding under the share incentive plans of DSM (the **DSM Incentive Plans**) calculated using the treasury stock method based on the closing share price of a DSM Ordinary Share on the third trading day before the Acceptance Closing Date. For example, if all issued and outstanding DSM Ordinary Shares equal 173,053,974 and the Net Dilutive Instruments equal 705,282, then the DSM-Firmenich Ordinary Shares issued upon Completion of the Transactions equal 265,281,307 resulting in a total amount of issued and outstanding capital of €2,652,813.07. In respect of the DSM-Firmenich Ordinary Shares not issued to former DSM Shareholders or former Firmenich Shareholders pursuant to the Exchange Offer and the Firmenich Contribution, respectively, minus such number of DSM-Firmenich Ordinary Shares equal to the Net Dilutive Instruments, the following will apply. In the event of a statutory buy-out procedure in accordance with section 2:359c of the Dutch Civil Code (**DCC**) or a buy-out procedure in accordance with section 2:92a of the DCC for the Company to acquire the DSM Ordinary Shares that have not been tendered under the Exchange Offer (the **Buy-Out**), such DSM-Firmenich Ordinary Shares will be sold prior to the end of 2023 with the aim to recover any cash payments made by the Company in connection with the Buy-Out. In the event of the implementation of a customary pre-wired back-end structure (the **Post-Offer Merger and Liquidation**), approximately 85% of the DSM-Firmenich Ordinary Shares not issued to former DSM Shareholders at Settlement minus the number of DSM-Firmenich Ordinary Shares equal to the Net Dilutive Instruments, will be received by non-tendering former DSM Shareholders in such Post-Offer Merger and Liquidation and the remaining approximately 15% will be sold prior to the end of 2023 with the aim to recover any cash payments made by the Company or DSM Holdco to the Dutch Tax Authorities in connection with the Post-Offer Merger and Liquidation. As of the Admission, the Company has only one category of shares (i.e. the DSM-Firmenich Ordinary Shares) issued and outstanding. The Company has not issued any participation certificates (*Partizipationsscheine*) or profit-sharing certificates (*Genussscheine*), nor has the Company issued any preference shares (*Vorzugsaktien*). Except in connection with employee compensation plans, the Company is expected to have no conversion or option rights outstanding regarding the DSM-Firmenich Ordinary Shares immediately following the completion of the Exchange Offer.

Major shareholders. As of the date of this Offering Circular, DSM is the sole shareholder of the Company. Following the Post-Closing Acceptance Settlement Date, the former DSM Shareholders will collectively own 100% of the Company's issued share capital. Following the Firmenich Contribution, it is envisaged that the former holders of shares in the issued share capital of Firmenich (the **Firmenich Shareholders**) will collectively own 34.5% of the Company's issued share capital and the former DSM Shareholders will be diluted to collectively own 65.5% of the Company's issued share capital. A group of former Firmenich Shareholders (the **Hedione Firmenich Shareholder Group**) will sign a relationship agreement with the Company, and a number of individual Firmenich Shareholders will enter into individual relationship agreements with the Company prior to or on the date that the Firmenich Contribution is completed. Based on the regulatory filings with the AFM, the following persons owned, directly or indirectly, in excess of 3% of DSM's capital and / or voting interest as of the date of this Offering Circular:

DSM Shareholders	Number of DSM Ordinary Shares	Number of DSM Preference Shares A	% of share capital	% of voting rights	% of share capital in the Company after the Firmenich Contribution(1)
BlackRock, Inc.	9,680,058	0	4.42%	5.54%	2.9%
Capital Research and Management Company	0	0	0%	4.89%	0%
NN Group N.V.	3,100,418	12,082,592	6.73%	6.73%	0.93%
ASR Nederland N.V.	248,066	17,520,000	7.85%	7.75%	0.07%
Coöperatieve Rabobank U.A.	0	14,437,408	5.85%	5.85%	0%

(1) This column presents the dilution of DSM's major shareholders as a result of the Firmenich Contribution, assuming that they will hold the same number of shares in the Company following Completion, and following the repurchase and cancellation of the DSM Preference Shares A by DSM. No commitments from DSM's shareholders in relation to the Exchange Offer have been provided.

Board of Directors Members. As of the date of this Offering Circular, the Company's board of directors consists of Eric Nicolas, Benedikt Suter and Silvia Sonneveld. As of the Settlement Date, the Company will have a two-tier management structure consisting of the board of directors (the **Board of Directors**) and the executive committee (the **Executive Committee**). The members of the Board of Directors of the Company will be: Thomas Leysen (chairman), Patrick Firmenich (deputy chair), Erica Mann, Corien Wortmann-Kool, André Pometta, Antoine Firmenich, Richard Ridinger, Pradeep Pant, Frits van Paasschen, John Ramsay, Carla Mahieu and one additional member that is expected to be appointed and elected together with the 11 other members in DSM-Firmenich's extraordinary meeting of shareholders that is expected to take place on 1 February 2023 (subject to any extension of the Acceptance Period). This additional member of the Board of Directors will be an independent member. The operational management of the Company's business is delegated to the Executive Committee. The members of the Executive Committee are: Dimitri de Vreeze (co-chief executive officer (**co-CEO**)), Geraldine Matchett (co-CEO), Emmanuel Butstraen (leading Integration), Sarah Reisinger (leading Science and Research), Ilaria Resta (leading Perfumery & Beauty), Patrick Niels (leading Taste & Beyond / Food & Beverage), Philip Eykerman (leading Health, Nutrition & Care), Ivo Lansbergen (leading Animal Nutrition & Health), Jane Sinclair (leading Legal) and Mieke Van de Capelle (leading People, Culture and Organisation).

Independent Auditor. KPMG AG will be the independent auditor of the Company.

What is the Key Financial Information Regarding DSM-Firmenich?

Selected financial information. The following tables set out the consolidated income statement, statement of financial position and statement of cash flows for DSM as of and for the years ended 31 December 2021, 2020 and 2019 and the six months ended 30 June 2022, and Firmenich as of and for the financial years ended 30 June 2022, 2021 and 2020. The selected consolidated financial information set out below has been derived from the consolidated financial statements of DSM and Firmenich for the respective financial years and, for DSM, the six months ended 30 June 2022, including the related notes thereto.

DSM

Key items of the Consolidated Income Statement data

	For the year ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022(1)	2021(1)
	(in € millions, unless indicated otherwise)				
Net sales	9,204	8,106	7,998	4,115	3,517
Operating profit	1,021	662	872	398	394
Net profit for the year available to holders of ordinary shares(2)	1,670	499	750	449	1,004
Net sales growth (%)	13.5	1.4	n/a	17.0	n/a
Operating profit margin (%)	11.1	8.2	10.9	9.7	11.2
Net basic EPS total(2)	9.68	2.91	4.27	2.60	5.82

(1) Following the announced sale of the Engineering Materials and Protective Materials businesses, their results have been reclassified to discontinued operations for the six months ended 30 June 2022. The comparative information for the six months ended 30 June 2021 has been restated to account for this.

(2) Including discontinued operations.

Summary of Consolidated Balance Sheet data

	As of 31 December			As of 30 June
	2021	2020	2019	2022
	(in € millions)			
Total assets	16,013	14,346	13,443	16,853
Total equity	9,397	7,487	7,835	9,823
Net debt	1,014	2,577	1,144	1,395

Summary of Consolidated Statement of Cash Flows data[1]

	For the year ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
	(in € millions)				
Cash provided by operating activities	1,427	1,494	1,385	299	579
Cash from / (used in) investing activities	208	(1,482)	(525)	(662)	970
Cash (used in) / from financing activities	(984)	83	(1,332)	(421)	(771)

(1) The statement of cash flows includes an analysis of all cash flows, including those related to discontinued operations.

Firmenich

Key items of the Consolidated Income Statement data

	For the year ended 30 June		
	2022	2021	2020
	(in CHF millions, unless indicated otherwise)		
Revenue	4,722.7	4,272.1	3,877.6
Operating profit	508.0	594.4	622.6
Net profit for the period attributable to equity holders of the parent	391.7	449.4	460.2
Year-on-year revenue growth (%)	10.5	10.2	0.1
Basic and diluted earnings per A share	483.57	554.88	568.11
Basic and diluted earnings per B share	48.36	55.49	56.81

Summary of Consolidated Statement of Financial Position data

	As of 30 June		
	2022	2021	2020
	(in CHF millions)		
Total assets	8,629.9	8,327.5	7,945.4
Total equity	4,296.6	4,068.5	3,522.4
Net debt	1,599.9	1,590.9	1,572.1

Summary of Consolidated Statement of Cash Flows data

	For the year ended 30 June		
	2022	2021	2020
	(in CHF millions)		
Cash flows from operating activities	620.8	693.3	641.9
Cash flows used in investing activities	390.8	(466.4)	(2,442.8)
Cash flows (used in) / from financing activities	(205.2)	(359.1)	2,139.3

Non-IFRS financial measures (unaudited). The tables below set out financial measures, which are not liquidity or performance measures under the International Financial Reporting Standards (**IFRS**) as adopted by the EU (**EU-IFRS**) or as issued by the International Accounting Standards Board (**IASB**), as the case may be, and which DSM and Firmenich consider to be alternative performance measures (**APMs**), for the periods indicated.

DSM

	For the year ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
	(in € millions, unless indicated otherwise)				
Continuing operations					
Net sales	9,204	8,106	7,998	4,115	3,517
Organic Net Sales	9,089	8,148	n/a	3,869	n/a
DSM Adjusted EBITDA[1]	1,814	1,534	1,551	746	693
DSM Adjusted EBITDA Margin (%)[2]	19.7	18.9	19.4	18.1	19.7
Adjusted Operating Profit[3]	1,139	929	989	450	423
Operating Profit[4]	1,021	662	872	398	394
Adjusted Net Profit[5]	858	711	752	335	294
Adjusted Net Operating Free Cash Flow[6]	949	872	736	-	202

	For the year ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
	(in € millions, unless indicated otherwise)				
ROCE (%)[7]	11.1	10.4	12.3	8.8	n/a
Working capital	1,805	1,591	1,852	1,919	n/a
Capital expenditure	608	573	564	266	212
DSM Net Debt	1,014	2,577	1,144	1,395	n/a

(1) **DSM Adjusted EBITDA** is defined as Operating Profit before depreciation, amortisation and impairments, adjusted for material items of profit / loss following acquisitions/divestments, restructurings and other circumstances that the management of DSM deemed necessary in order to provide clear reporting on the development of the business of DSM.

(2) **DSM Adjusted EBITDA Margin** is calculated as DSM Adjusted EBITDA divided by Net sales.

(3) **Adjusted Operating Profit** is defined as Operating Profit, adjusted for material items of profit / loss following acquisitions / divestments, restructurings and other circumstances that the management of DSM deemed necessary in order to provide clear reporting on the development of the business of DSM, and impairments of property, plant and equipment (**PP&E**) and intangible assets.

(4) **Operating Profit** is defined as Net sales less the cost of sales and Operating Expenses. **Operating Expenses** is defined as the sum of marketing and sales, research and development, general and administrative, other operating income and other operating expense.

(5) **Adjusted Net Profit** is defined as net profit from continuing operations adjusted for material items of profit / loss following acquisitions / divestments, restructurings and other circumstances that the management of DSM deemed necessary in order to provide clear reporting on the development of the business of DSM, impairments of PP&E and intangible assets, the APM adjustments to financial income and expense, the result relating to associates / joint ventures, and the income tax related to APM adjustments.

(6) **Adjusted Net Operating Free Cash Flow** is the cash flow from operating activities, corrected for the cash flow of the APM adjustments, minus capital expenditure and payments regarding drawing rights.

(7) **ROCE** (Return on Capital Employed) represents the Adjusted Operating Profit as a percentage of average capital employed, which is the average of quarterly totals of the carrying amount of intangible assets and PP&E, inventories, trade receivables and other receivables, less trade payables, other current liabilities, investment grants and customer funding.

Firmenich

	Financial year ended 30 June		
	2022	2021	2020
	(in CHF millions, unless indicated otherwise)		
Growth at Constant Currency[1]	11.2%	16.8%	2.8%
Revenue Growth on an Organic Basis at Constant Currency[2]	11.1%	4.7%	1.1%
EBITDA[3]	798.1	873.6	822.5
Firmenich Adjusted EBITDA[4]	904.5	815.9	858.8
Firmenich Adjusted EBITDA Margin[5]	19.2%	19.1%	22.1%
Free Cash Flow[6]	413.6	511.3	454.5
Firmenich Net Debt[7]	1,599.9	1,590.9	1,572.1

(1) **Growth at Constant Currency** for a period is defined as the year-over-year increase of revenue, where the revenue for that period is converted at the foreign exchange rates of the previous period and the revenue for the previous period is also converted at the foreign exchange rates of that period.

(2) **Revenue Growth on an Organic Basis at Constant Currency** for a period is defined as the year-over-year increase of revenue: (i) excluding the impact of business acquisitions and disposals for a period of 12 months following or preceding the date of such business acquisition or disposal, respectively, and (ii) where the revenue for that period is converted at the foreign exchange rates of the previous period and the revenue for the previous period is also converted at the foreign exchange rates of that period.

(3) **EBITDA** for a period is defined as earnings before financial income (expense), tax, depreciation and amortisation. It corresponds to operating profit before depreciation, amortisation and impairment losses.

(4) **Firmenich Adjusted EBITDA** for a period is defined as EBITDA adjusted to eliminate the impact of identified items of a non-recurring nature and / or not directly attributable to the operating performance that may materially distort period-to-period comparisons or the evaluation of Firmenich's ongoing business performance. The defined list of adjustments comprises restructuring and transformation costs, acquisition and disposal-related costs, gain and loss on disposals of intangible assets and property, plant and equipment, and other items of a one-time and / or non-operating nature, which may include elements such as legal claims and settlements, or curtailments of defined benefits pension plans.

(5) **Firmenich Adjusted EBITDA Margin** for a period is defined as Firmenich Adjusted EBITDA for that period as a percentage of revenue for that period.

(6) **Free Cash Flow** for a period is defined as cash flows from operating activities less purchases of intangible assets and PP&E, net of disposals.

(7) **Firmenich Net Debt** for a period is defined as the sum of short-term and long-term financial debt less cash, cash equivalents and short-term financial investments.

Pro forma combined financial information. The unaudited pro forma combined financial information, which has been prepared using the historical consolidated financial information of DSM and Firmenich for the year ended 31 December 2021, is presented for illustrative purposes only and should not be considered to be an indication of the profit / (loss) or financial position of the Company.

Unaudited pro forma combined balance sheet

	As of 30 June
	2022
	(in € millions)
Total assets	36,696
Total equity	24,706

Unaudited pro forma combined income statement

	For the year ended 31 December	For the six months ended 30 June
	2021	2022
	(in € millions)	
Net sales	11,444	6,521
Operating profit	816	388
Net profit for the years attributable to owners of the parent	872	260

Other key financial information. No profit forecast has been included in the Offering Circular. There is no qualification in the independent auditor's reports provided by the independent auditor on the audited consolidated financial statements of DSM for each of the years ended 31 December 2021 and 31 December 2020 and Firmenich's audited consolidated financial statements for the financial years ended 30 June 2022 and 2021.

What are the key risks that are specific to the Company?

Any investment in the DSM-Firmenich Ordinary Shares is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of DSM-Firmenich and the DSM-Firmenich Ordinary Shares. The following is a summary of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on DSM-Firmenich's business, financial condition, results of operations and prospects. In making the selection, the Company has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on DSM-Firmenich's business, financial condition, results of operations and prospects, and the attention that the Board of Directors and Executive Committee would, on the basis of current expectations, have to devote to these risks if they were to materialise (not in order of materiality):

- DSM and Firmenich have incurred, and DSM-Firmenich will incur, significant transaction costs in connection with the Transactions and, as from completion of the Transactions, DSM-Firmenich will incur significant integration costs, which may be significantly higher than currently estimated;
- DSM-Firmenich may fail to successfully integrate the businesses of DSM and Firmenich and therefore may fail to realise some or all of the anticipated cost savings, synergies, growth opportunities and other benefits;
- Risks associated with the Merger may cause a loss of management personnel or other key employees due to uncertainties associated with the integration following the consummation of the Merger;
- DSM-Firmenich will be exposed to the geopolitical and economic conditions of the countries and regions in which it will operate;
- DSM-Firmenich will be dependent on raw materials and energy, which are subject to shortages, supply chain disruptions and price volatility;
- DSM-Firmenich will be dependent on a limited number of suppliers and toll manufacturers for some of its raw materials;
- DSM-Firmenich will operate in highly competitive market environments that are continuously and rapidly evolving and its failure to innovate or adequately respond to market trends could limit DSM-Firmenich's potential for profit and growth;
- DSM-Firmenich may be unable to adequately respond to rapidly changing customer and consumer preferences;
- DSM-Firmenich will make significant investments in research and development, which may not necessarily lead to profitable results;
- DSM-Firmenich will be subject to fluctuations in foreign exchange rates;
- DSM-Firmenich will be exposed to credit risks; and
- DSM-Firmenich will be exposed to the risk that new tax and social security laws, treaties, regulations or practices are introduced and that existing tax and social security laws, treaties, regulations or practices, or the interpretation and enforcement thereof, are changed.

Key information on the DSM-Firmenich Ordinary Shares

What are the main features of the DSM-Firmenich Ordinary Shares?

Type, class and ISIN. The Admission consist of an admission to listing and trading of up to 174,786,029 DSM-Firmenich Ordinary Shares on Euronext Amsterdam. The DSM-Firmenich Ordinary Shares are ordinary shares in the share capital of the Company with a nominal value of €0.01 each. The DSM-Firmenich Ordinary Shares are denominated and will trade in Euro on Euronext Amsterdam. The DSM-Firmenich Ordinary Shares' ISIN is CH1216478797.

Rights attached to the DSM-Firmenich Ordinary Shares. The DSM-Firmenich Ordinary Shares will be eligible for any dividends which the Company may declare on the DSM-Firmenich Ordinary Shares after the Settlement Date or any other distributions declared and paid on them. Each DSM-Firmenich Ordinary Share entitles its holder, upon registration in DSM-Firmenich's share register with its name and address (in case of legal entities, the registered office) as a shareholder with voting rights, the right to attend and to cast one vote at the general meeting (*algemene vergadering*) of the Company (the **General Meeting**). Beneficial owners holding shares through the facilities of Euroclear Nederland may vote and attend General Meetings through voting arrangements entered into between the Company, Euroclear Nederland and ABN AMRO if they provide disclosure on their identity through ABN AMRO. There are no restrictions on voting rights attached to the DSM-Firmenich Ordinary Shares, except that no person or group of persons may exercise voting rights of more than 20% of the share capital, unless such person or group of persons has acquired 75% of the share capital (whereas for Firmenich Shareholders, the threshold is 30%, and whereas the restriction does not apply to a person acting solely as a nominee upon instruction of beneficial owners who would not, if they were shareholders, be subject to such restriction). Each holder of DSM-Firmenich Ordinary Shares shall, subject to exceptions, have a pre-emptive right in respect of the DSM-Firmenich Ordinary Shares to be issued in proportion to the number of DSM-Firmenich Ordinary Shares already held by it. Such a pre-emptive right may, however, be excluded or limited.

Dissolution and liquidation. The General Meeting may at any time resolve the dissolution and liquidation of the Company in accordance with applicable law and its articles of association. The liquidation shall be carried out by the Board of Directors then in office, unless the General Meeting appoints other persons or entities as liquidators. The liquidators shall have unencumbered power and authority to liquidate all corporate assets and liabilities and wind up the Company. Upon discharge of all liabilities, the assets of the Company shall be distributed to the prospective shareholders of the Company (the **DSM-Firmenich Shareholders**) proportionally to the par values of their shares. Any amount not paid in by a DSM-Firmenich Shareholder shall be set off against its liquidation dividend.

Restrictions on free transferability of the DSM-Firmenich Ordinary Shares. Under Swiss law and the articles of association of the Company (the **Articles of Association**), a disposition of shares in the form of uncertificated securities which are not entered into the main register of a custodian must be effected by way of a written declaration of assignment and requires, as a condition for validity, notification to the Company. In contrast, a disposition of shares which exist in the form of book-entry securities based on uncertificated securities entered into the main register of a custodian can solely be effected by entries in securities accounts in accordance with applicable law, without prerequisite notification to the Company; a disposition of such shares by way of assignment without corresponding entry in a securities account is excluded. In addition, Art. 685f of the Swiss Code of Obligations (as in force starting from 1 January 2023) (the **CO**) requires that off-exchange acquisitions are only effective if the acquirer applies for registration in the share register. The acquisition of DSM-Firmenich Ordinary Shares through the exercise of option rights and the further transfer of registered shares is subject to the applicable transfer restrictions under the Articles of Association.

Dividend Policy. The Company may declare and pay dividends in the future. The Board of Directors may propose to pay dividends, but only the General Meeting may resolve (by a majority of the votes cast) to pay out any dividend. Under Swiss law, the Company may pay dividends only if it has sufficient distributable profits from the previous business year or has brought forward profits from previous business years, or if the Company has distributable reserves, each as evidenced by the Company's audited standalone statutory balance sheet prepared pursuant to Swiss law and after allocations to reserves as required by Swiss law and by the Articles of Association have been deducted. Dividends will be paid to the DSM-Firmenich Shareholders in proportion to the par value of the relevant shares held. Since the Company conducts its operations through its subsidiaries, associated companies and joint ventures, the amount of its distributable profits depends significantly on its subsidiaries, associated companies and joint ventures generating profits and distributing them to the Company. The Company intends to retain part of its future profits in order to fund the ongoing growth and development of its business and, therefore, targets paying between 40-60% of its total net income in dividends to the DSM-Firmenich Shareholders. However, special provisions apply to dividends relating to the financial year of 2022, which will be paid out of the capital contribution reserves only.

Where will the DSM-Firmenich Ordinary Shares be traded?

Application has been made to admit the DSM-Firmenich Ordinary Shares to listing and trading on Euronext Amsterdam, under the symbol "DSFIR". Trading in the DSM-Firmenich Ordinary Shares on Euronext Amsterdam on an "as-if-and-when-delivered" basis is expected to commence at 09.00 hours CET on the same date as the Unconditional Date (the **First Trading Date**), which is currently expected to occur on 1 February 2023, subject to any extension of the Acceptance Period. Prior to the Admission, there has been no public trading market for the DSM-Firmenich Ordinary Shares.

What are the key risks that are specific to the DSM-Firmenich Ordinary Shares?

The following is a summary of selected key risks that relate to the DSM-Firmenich Ordinary Shares:

- The market price of the DSM-Firmenich Ordinary Shares will fluctuate and may decline;
- The Company cannot assure investors that an active trading market will develop for the DSM-Firmenich Ordinary Shares and, if a market does develop, the market price of the DSM-Firmenich Ordinary Shares may be subject to greater volatility than the market price of DSM Ordinary Shares; and
- Subject to certain exceptions, DSM Shareholders and other prospective investors in certain jurisdictions may not be able to participate in the Exchange Offer or, after consummation of the Merger, elect to receive share dividends, if any.

Key Information on the Exchange Offer and the Admission

Under which conditions and timetable can I invest in the DSM-Firmenich Ordinary Shares?

Transactions. The Exchange Offer shall have an acceptance period of ten weeks beginning at 09.00 hours CET on 23 November 2022 and expiring at 17.40 hours CET on 31 January 2023 (the **Acceptance Period**). The **Acceptance Closing Date** shall be the time and date on which the Exchange Offer expires. Subject to satisfaction or waiver of the Transaction Conditions (as applicable), the Company shall declare the Exchange Offer unconditional within three Business Days (a **Business Day** being a day (other than a Saturday or Sunday) on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business) from the Acceptance Closing Date (the **Unconditional Date**). The Unconditional Date is also the **first trading date** for the DSM-Firmenich Ordinary Shares on an "as-if-and-when-delivered" basis. Transfer of the DSM Ordinary Shares tendered under the Exchange Offer against payment of the Offer Consideration (**Settlement**) and thus delivery of the DSM-Firmenich Ordinary Shares will take place two Business Days after the Unconditional Date (the **Settlement Date**). At or following the Unconditional Date, the Company may announce a post-closing acceptance period of no more than two weeks (the **Post-Closing Acceptance Period**). DSM Shareholders who have validly tendered, or defectively tendered provided that such defect has been waived by the Company, and transferred (*geleverd*) their DSM Ordinary Shares for acceptance under the Exchange Offer during the Post-Closing Acceptance Period will receive the Offer Consideration from the Company in respect of each tendered DSM Ordinary Share no later than two Business Days after expiration of the Post-Closing Acceptance Period (such date, the **Post-Closing Acceptance Settlement Date**). The shares in the capital of Firmenich will be contributed to the Company no later than on the fifth Business Day after the Post-Closing Acceptance Settlement Date (the **Firmenich Contribution Date**). If, after the Post-Closing Acceptance Period, the Company holds less than 95%, but at least 80% of the DSM Ordinary Shares, the Company may decide to implement the Post-Offer Merger and Liquidation. Furthermore, if after the Post-Closing Acceptance Period, the Company holds at least 95% of the DSM Ordinary Shares, the Company will commence the Buy-Out.

DSM EGM. On the date of this Offering Circular, DSM issued a shareholders circular to the DSM Shareholders (the **DSM Circular**) in relation to the extraordinary general meeting of the DSM Shareholders (the **DSM EGM**). At the DSM EGM, the Exchange Offer will be discussed and recommended to the DSM Shareholders for acceptance and the DSM Shareholders will be requested to vote in favour of approving the Transactions (the **Transaction Resolutions**). The DSM EGM will be held at 14.00 hours CET on 23 January 2023. The Firmenich Shareholders are a party to the Business Combination Agreement and have approved the Transactions.

Timetable. The timetable below lists certain expected key dates for the Transactions.

Event[i]	Date
Announcement of publication of this Offering Circular...........................	22 November 2022
Publication of this Offering Circular..	22 November 2022
Start Acceptance Period...	23 November 2022 at 09.00 CET
DSM EGM .... EGM, at which meeting the DSM Shareholders will be requested to vote in favour of the Transaction Resolutions	23 January 2023 at 14.00 CET
Acceptance Closing Date.. The last day of the Acceptance Period	31 January 2023 at 17.40 CET
Unconditional Date and First Trading Date... The date on which the Company shall declare the Exchange Offer unconditional (*gestand doen*). Also the first trading date for the DSM-Firmenich Ordinary Shares on an "as-if-and-when-delivered" basis	1 February 2023
Start Post-Closing Acceptance Period .... If the Exchange Offer is declared unconditional (*gestand wordt gedaan*), the Company may announce a Post-Closing Acceptance Period of no more than two weeks	2 February 2023
Settlement Date .... The date on which the delivery of the DSM-Firmenich Ordinary Shares in the systems of Euronext Amsterdam will take place	3 February 2023

Event[i]	Date
End of the Post-Closing Acceptance Period	15 February 2023
Post-Closing Acceptance Settlement Date .... The date on which the DSM Shareholders who have validly tendered their DSM Ordinary Shares will receive the Offer Consideration	17 February 2023
Firmenich Contribution Date .... The date on which the shares in the capital of Firmenich will be contributed to the Company	23 February 2023

(i) These dates and times are subject to change and references to time are to CET. Any material changes will be announced in a press release published and placed on the Company's website (www.creator-innovator.com).

Details of the Admission. The DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam, under the symbol "DSFIR". The DSM-Firmenich Ordinary Shares ISIN is CH1216478797. The DSM-Firmenich Ordinary Shares will trade in Euro on Euronext Amsterdam. Trading in the DSM-Firmenich Ordinary Shares on Euronext Amsterdam on an "as-if-and-when-delivered" basis is expected to commence at 09.00 hours CET on the First Trading Date. The Admission is a condition to each of DSM's, Firmenich's and the Company's obligation to effect the Transactions and for the Company to declare the Exchange Offer unconditional. Other than the DSM-Firmenich Ordinary Shares, no securities issued by the Company have been admitted to listing and trading on any other stock exchange on the Settlement Date.

Estimated expenses. DSM and Firmenich shall share, on a 50:50 ratio: (i) the regulatory fees incurred in relation to obtaining the relevant approvals for the Exchange Offer and the Admission, (ii) the filing fees in relation to obtaining the Competition Clearances, and (iii) the filing fees, costs and other liabilities incurred in relation to the FDI Approvals. These costs amount to approximately €3.9 million. No costs will be borne by the Company. The costs incurred or expected to be incurred by DSM in relation to the Transactions are expected to amount to approximately €56 million and comprise fees for legal advisers, financial advisers, accountants and communications advisers. The costs incurred and expected to be incurred by Firmenich directly in connection with the Transactions are expected to amount to approximately €48 million and comprise legal advisers, financial advisers, accountants and communications advisers. No costs will be charged to DSM Shareholders by the Company or by DSM for the transfer (*levering*) of a DSM-Firmenich Ordinary Share and payment of the Offer Consideration if an institution admitted to Euronext Amsterdam (an **Admitted Institution**) is involved. However, DSM Shareholders may be charged certain fees by Admitted Institutions or their custodians, banks or stockbrokers. Costs may also be charged to DSM Shareholders by or on behalf of a foreign institution involved in the transfer (*levering*) of the DSM Ordinary Shares. DSM Shareholders should consult their custodians, banks and / or stockbrokers regarding any such fees.

Why is the Offering Circular being produced?

Reasons for the Transactions. On 30 May 2022, DSM, Firmenich, the Firmenich Shareholders and the Company entered into a business combination agreement (such agreement, as amended from time to time, the **Business Combination Agreement**) (Firmenich, the Firmenich Shareholders, DSM and the Company together, the **Parties**), in which the Parties laid down their agreement to co-create a merger of equals by combining the businesses of DSM and Firmenich through the effective contribution of the DSM Ordinary Shares and the shares in the capital of Firmenich (the **Firmenich Shares**) to the Company (the **Merger**). The Merger will be effected through: (i) an exchange offer by the Company to the DSM Shareholders for all DSM Ordinary Shares, and (ii) the contribution of all Firmenich Shares to the Company against: (a) issuance of such number of DSM-Firmenich Ordinary Shares representing 34.5% of the total issued share capital of the Company immediately after said contribution by the fiduciary agent appointed by the Firmenich Shareholders (the **Fiduciary Agent**) (the **Contribution Share Consideration**), and (b) payment of an amount in cash of €3.5 billion, subject to potential adjustments (the **Contribution Cash Consideration**), by the Company to the Fiduciary Agent (the **Firmenich Contribution**). The Admission, the Exchange Offer and the Firmenich Contribution are together referred to as the **Transactions**. The Transactions establish DSM-Firmenich, which will be a new, dynamic creation and innovation partner in nutrition, beauty and well-being.

Net proceeds. The Exchange Offer will be effected on a one-by-one basis to DSM Shareholders, in terms of which, among other things, the DSM Shareholders will be entitled, subject to certain terms and conditions, to the Offer Consideration. Therefore, no direct new proceeds will result from the Exchange Offer.

Most material conflicts of interest pertaining to the Admission. Each of the financial advisers of DSM, Firmenich and the Company, ABN AMRO Bank N.V. (the **Settlement Agent** and **Listing and Paying Agent**) and / or their respective affiliates has in the past engaged, and may in the future, from time to time, engage, in commercial banking, investment banking and financial advisory, lending and financing services and ancillary activities in the ordinary course of its business with: (i) DSM, Firmenich and / or the Company (or any parties related to DSM, Firmenich and / or the Company), or (ii) third parties undertaking transactions with DSM, Firmenich and / or the Company, including without limitation, transactions in respect of assets and / or businesses owned by DSM, Firmenich and / or the Company, in providing such services each of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and / or their respective affiliates (each as applicable) has received or may receive customary compensation, fees and / or commission. The financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and / or their respective affiliates may provide such services to DSM, Firmenich or the Company and / or with third parties undertaking transactions with DSM, Firmenich and / or the Company, in the future. J.P. Morgan plc and Goldman Sachs International (in each case directly or through an affiliate) have entered into a bridge facility with DSM as underwriter and syndicate member, respectively, to DSM, in respect of which it may in the future receive fees and commissions. Additionally, each of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which each of them and any of their affiliates may from time to time acquire, hold or dispose of DSM-Firmenich Ordinary Shares. None of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and / or their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. As a result of these Transactions, the financial advisers of DSM, Firmenich and the Company, the Settlement Agent and the Listing and Paying Agent may have interests that may not be aligned, or could potentially conflict, with the interests of investors, DSM, Firmenich or the Company.

2. RISK FACTORS

Any investment in DSM-Firmenich Ordinary Shares is subject to a number of risks. Prior to investing in the DSM-Firmenich Ordinary Shares, prospective investors should carefully consider the risk factors associated with any investments in the Company and the DSM-Firmenich Ordinary Shares. Prospective investors should note that, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should carefully consider, among other things, all of the risks described below.

Additional risks relating to the Company that are not currently known to the Company, or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, prospects, results of operations or financial position and, if any such risk should occur, the price of the DSM-Firmenich Ordinary Shares may decline and investors could lose all or part of their investments. Investors should carefully consider whether an investment in the DSM-Firmenich Ordinary Shares is suitable for them in light of the information in this Offering Circular and their circumstances.

2.1 Risks relating to the Exchange Offer and the Merger

The Merger is subject to receipt of approvals and / or consents and clearances from regulatory authorities that may impose conditions that could have a material adverse effect on DSM, Firmenich or the Company following the Merger, could delay the Merger, or, if not obtained, could prevent the completion of the Merger.

The Merger is subject to receipt of approvals and / or consents and clearances from: (i) relevant competition authorities (as set out below), (ii) relevant regulatory authorities with respect to the approvals under applicable foreign direct investment law, (iii) the Dutch Central Bank (*De Nederlandse Bank*) with respect to the Company obtaining a qualifying holding in DSM Pension Services B.V., and (iv) the AFM with respect to the new co-policymaker(s) of DSM Pension Services B.V. and DSM Insurances B.V. Please refer to section 14.13 "*The Transaction Conditions*" for a description of the Transaction Conditions.

At the date of this Offering Circular, DSM and Firmenich have identified that the Merger requires prior approvals and / or consents and clearances from the European Commission, as well as the competition authorities in Brazil, China, Colombia, India, Mexico, South Africa, South Korea, Turkey and the U.S. DSM and Firmenich have already notified the Merger to the competition authorities in Brazil[1], China, Colombia, Mexico, South Africa[2], Turkey and the U.S.[3] and they will notify the Merger to the European Commission and competition authorities in India and South Korea with the aim of obtaining all such approvals and / or consents and clearances prior to Completion. In addition, they intend to notify the Merger to competition authorities in Argentina and Indonesia after Completion has taken place. At the date of this Offering Circular, DSM and Firmenich do not expect to make any other notifications to any competition authorities. In deciding whether to grant the required antitrust approval, consent or clearance, the relevant competition authorities will consider the effects of the Merger on competition within their respective jurisdictions. The consummation of the Merger may be delayed due to the time required to fulfil the requests for information by the relevant regulatory authorities. The terms and conditions of any antitrust approvals, consents and clearances that are ultimately granted may impose conditions, terms, obligations or restrictions, on the conduct of the Company's business.

In the Business Combination Agreement, subject to the limitations described below, DSM and Firmenich have agreed to, as soon as practicable after the date of the Business Combination Agreement, jointly prepare and make all filings: (i) with each relevant competition authority necessary to obtain the required clearances, and (ii) with each regulatory authority necessary to obtain the consents, approvals, clearances, permissions and / or waivers under any applicable foreign direct investment law. DSM and Firmenich have also agreed to supply any additional information that is requested by any such competition authority or regulatory authority in connection with the satisfaction of such clearance. Firmenich, DSM and the Company have committed to take or cause to be taken all actions, and do or cause to be done all things, necessary on its part to satisfy these conditions and consummate

[1] Clearance from the Brazilian competition authority has been obtained on 8 November 2022.
[2] Clearance from the South African competition authority has been obtained on 1 November 2022.
[3] Clearance from the U.S. competition authority has been obtained on 25 October 2022.

and effect the Merger as soon as reasonably practicable in accordance with the terms of the Business Combination Agreement. The Firmenich Shareholders have also committed to use their best efforts to take such actions, and do or cause to be done such things, necessary on its part to satisfy these conditions and to consummate and effect the Merger as soon as reasonably practicable in accordance with the terms of the Business Combination Agreement. However, pursuant to the Business Combination Agreement, no Firmenich Shareholder shall be required to take such action if it is unreasonably burdensome for such Firmenich Shareholder.

There can be no assurance that regulatory authorities will not impose unanticipated conditions, terms, obligations or restrictions and that, to the extent any such conditions, terms, obligations or restrictions are imposed, such conditions, terms, obligations or restrictions will not have the effect of delaying the consummation of the Merger or imposing additional material costs on, or materially limiting, the performance or results of the Company following the consummation of the Merger. In addition, neither DSM nor Firmenich can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the Merger. Each party to the Business Combination Agreement may terminate such agreement if certain Transaction Conditions have not been satisfied on the Acceptance Closing Date or waived in accordance with the terms and conditions of the Business Combination Agreement no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date (as described in section 13.7 "*Principal terms of the Business Combination Agreement*") as a result of a failure to obtain a required approval, consent or clearance from the applicable antitrust regulatory authorities. The parties to the Business Combination Agreement may also decide to terminate such agreement jointly if they agree so explicitly in writing.

Any failure to complete the Merger would prevent, and any delay in completing the Merger could delay, the realisation of some or all of the anticipated cost savings, synergies, growth opportunities and other benefits that the Company expects to achieve if the Merger is successfully completed within the expected timeframe. These anticipated cost savings, synergies, growth opportunities and other benefits are explained in sections 3.6 "*Synergy potential of DSM-Firmenich*" and 13.4 "*Benefits of the Transactions*". This may have a material adverse effect on DSM-Firmenich's business, cash flows, financial condition, operating results and / or prospects.

Because completion of the Merger is subject to several conditions precedent, there is a risk that the Merger will not be completed, or may be delayed, which could negatively affect DSM and Firmenich's business plans and operations and DSM's share price.

In addition to the required antitrust and other regulatory approvals, consents or clearances, the consummation of the Merger is subject to the satisfaction or waiver, as the case may be, of a number of other conditions set out in the Business Combination Agreement. All conditions for the Transactions are set out in section 14.13 "*The Transaction Conditions*". Some of the Transaction Conditions are beyond the Company's, DSM's and Firmenich's control and any of them may prevent, delay or otherwise materially adversely affect the consummation of the Merger. The consummation of the Merger is conditioned upon: (i) the number of DSM Ordinary Shares validly tendered under the Exchange Offer and not withdrawn, in each case as at the Acceptance Closing Date, representing at least the Acceptance Threshold, (ii) the DSM EGM, or the Subsequent DSM EGM (if relevant), having approved the Transactions and the repurchase and cancellation of the DSM Preference Shares A, subject to Settlement occurring, (iii) completion of the Employee Representative Body Procedures, and (iv) Euronext Amsterdam having granted, and not having revoked, its approval of the request for the Admission. DSM and Firmenich cannot predict whether or when these other conditions will be satisfied or waived, as the case may be. Furthermore, the requirements for obtaining the required approvals, consents or clearances could delay the consummation of the Merger for a significant period of time or prevent it from occurring at all.

Any failure to complete the Merger would prevent, and any delay in completing the Merger could delay, the realisation of some or all of the anticipated cost savings, synergies, growth opportunities and other benefits that the Company expects to achieve if the Merger is successfully completed within the expected timeframe. These anticipated cost savings, synergies, growth opportunities and other benefits are explained in sections 3.6 "*Synergy potential of DSM-Firmenich*" and 13.4 "*Benefits of the Transactions*".

DSM-Firmenich may fail to successfully integrate the businesses of DSM and Firmenich and therefore may fail to realise some or all of the anticipated cost savings, synergies, growth opportunities and other benefits.

DSM and Firmenich currently operate as separate companies. The success of DSM-Firmenich will depend, in part, on the effectiveness of the integration process and the ability of DSM-Firmenich to realise the anticipated benefits from combining the businesses of DSM and Firmenich, including those described in sections 3.6 "*Synergy potential of DSM-Firmenich*" and 13.4 "*Benefits of the Transactions*".

The achievement of the anticipated benefits of the Merger is subject to a number of uncertainties, including whether DSM and Firmenich are able to integrate their businesses in an efficient and effective manner. Even if they do, unanticipated events and liabilities may arise, and no assurance can be given that the integration process will deliver all or substantially all of the anticipated benefits or realise any such benefits and will do so within the expected timeframe. In addition, the integration of DSM's and Firmenich's businesses may result in additional and unforeseen expenses and capital investments. To the extent that DSM-Firmenich is unable to efficiently integrate the operations of DSM and Firmenich, realise anticipated revenue synergies or cost reductions, retain qualified personnel or customers, use technology platforms and systems as anticipated and avoid unforeseen costs or delays, there may be a material adverse effect on DSM-Firmenich's business, cash flows, financial condition, operating results and / or prospects, which may affect the value of the DSM-Firmenich Ordinary Shares following the consummation of the Merger.

In particular, some of the key integration challenges of combining the businesses include: (i) coordinating and consolidating services and operations, particularly across different countries, businesses, regulatory systems and business cultures, (ii) consolidating infrastructure, procedures, systems, facilities, accounting functions and policies, compensation structures and other policies, and (iii) operating and integrating a large number of different technology platforms and systems. For example, at the date of this Offering Circular, DSM and Firmenich use different accounting standards, policies and practices. The financial year of DSM relates to the period 1 January until 31 December of any relevant year and its financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the EU (**EU-IFRS**) and Part 9 of Book 2 of the DCC. Firmenich's financial year relates to the period 1 July until 30 June of any relevant year and its financial statements have been prepared in accordance with IFRS as issued by the IASB (**IFRS-IASB**) and Swiss law. See section 17.4 "*Presentation of financial information, independent auditors and other information*" for more information.

It is possible that the integration process could take longer than anticipated or could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of DSM and Firmenich to maintain their relationships with customers and employees, to achieve the anticipated benefits of the Merger or to maintain quality standards. DSM-Firmenich's management's attention and resources may be diverted during the integration planning and implementation process, and such process may require a disproportionate amount of time and effort from DSM-Firmenich's management. This may reduce DSM-Firmenich's capacity to pursue other business opportunities or cause a delay in other projects contemplated by DSM-Firmenich. A decline or fault during the integration process in the services or service standards of DSM-Firmenich may result in an increase in customer complaints and / or regulatory actions, which may lead to reputational damage and the loss of customers or business by DSM-Firmenich, and ultimately may have a material adverse effect on DSM-Firmenich's business, cash flows, financial condition, operating results and / or prospects.

Under any of these circumstances, the business growth opportunities, overhead cost rationalisation and other synergies anticipated by the Company to result from the Merger may not be achieved as expected, or at all, or may be materially delayed. In particular, this could mean that the Company would not be able to realise the expected synergy advantages of around €500 million projected annual sales uplift and €350 million projected annual Adjusted EBITDA uplift by 2026, especially from combining DSM's Food & Beverage and Firmenich's Taste & Beyond businesses. For all anticipated cost savings, synergies, growth opportunities and other benefits, see sections 3.6 "*Synergy potential of DSM-Firmenich*" and 13.4 "*Benefits of the Transactions*".

DSM and Firmenich have incurred, and DSM-Firmenich will incur, significant transaction costs in connection with the Transactions and, as from completion of the Transactions, DSM-Firmenich will incur significant integration costs, which may be significantly higher than currently estimated.

DSM and Firmenich have incurred, and will continue to incur, fees, expenses and costs related to the Merger. In addition, if the Merger is consummated, DSM-Firmenich will incur integration costs following the consummation of the Merger as it integrates the businesses of DSM and Firmenich. These transaction and integration costs could become significantly higher than currently estimated. Neither DSM nor Firmenich nor the Company can give any assurance that the realisation of efficiencies related to the integration of the businesses of DSM and Firmenich will offset the incremental transaction and integration costs in the near term, if at all. An inability to manage transaction and integration costs could have a material adverse effect on DSM-Firmenich's business, cash flows, financial condition, operating results and / or prospects, which may affect the value of the DSM-Firmenich Ordinary Shares following the consummation of the Merger.

Risks associated with the Merger may cause a loss of management personnel or other key employees due to uncertainties associated with the integration following the consummation of the Merger.

The success of DSM-Firmenich will depend on the experience and industry knowledge of officers and other key employees of DSM and Firmenich to execute its strategy and business plan. Key employees in particular include scientists, perfumers, flavourists and researchers whose work is essential for DSM-Firmenich's innovation, research and development. DSM-Firmenich's success after the consummation of the Merger will depend, in part, upon the ability of DSM and Firmenich to attract and retain key management personnel and other key employees. Current and prospective employees of DSM and Firmenich may experience uncertainty about their roles within DSM-Firmenich following the consummation of the Merger, which may have an adverse effect on the ability of DSM and Firmenich to attract or retain key management and other key personnel. Accordingly, no assurance can be given that DSM-Firmenich will be able to attract or retain key management personnel or other key employees of DSM and Firmenich to the same extent that DSM and Firmenich have been able to do thus far. Any inability to do so could have a material adverse effect on DSM-Firmenich's business, its ability to create or develop future products, its cash flows, financial condition, operating results and / or prospects, which may affect the value of the DSM-Firmenich Ordinary Shares following the consummation of the Merger.

The consummation of the Merger may trigger change of control or other provisions in certain agreements to which DSM or Firmenich is a party.

DSM and Firmenich are party to certain agreements that give the counterparties to such agreements certain rights, including consent and termination rights, in connection with "change of control" transactions or otherwise. Under certain of these agreements, such as those relating to outstanding debt financing, the Merger constitutes a "change of control" or otherwise gives rise to counterparty consent or termination rights. For example, the Merger will trigger DSM's change of control provisions on its revolving credit facility (see section 8.9 "*Liquidity and capital resources*"). The counterparties may therefore assert their rights in connection with the Merger, including in the case of indebtedness of DSM and Firmenich, which can result in acceleration of amounts due. Where relevant, DSM and Firmenich intend to request waivers of change of control provisions. In exchange, any counterparty may request modifications of its agreements and / or financial compensation as a condition to granting a waiver or consent under those agreements, and there can be no assurance that such counterparties will not exercise their rights under the agreements, including termination rights where available. In addition, the failure to obtain consent under one agreement may be a default under other agreements and thereby trigger rights of the counterparties to such other agreements, including termination rights where available. The exercise of consent, termination or other rights by such counterparties could prevent or delay the consummation of the Merger or may have a material adverse effect on DSM-Firmenich's business, cash flows, financial condition, operating results and / or prospects, which may affect the value of the DSM-Firmenich Ordinary Shares following the consummation of the Merger.

2.2 Risks relating to DSM-Firmenich's business, industry and operations

DSM-Firmenich will be exposed to the geopolitical and economic conditions of the countries and regions in which it will operate.

DSM-Firmenich will operate in the global nutrition, beauty and well-being industries. Demand levels for DSM-Firmenich's products and the profitability of its business depend, to a large extent, on macroeconomic conditions and the financial environment globally and in the regions and segments where its customers are active. Consequently, the business cycles of these industries are correlated to general economic conditions and consumer spending around the world. Changes in the economic and financial environment of these industries, as well as in the different geographies or segments in which DSM-Firmenich will operate, may have an impact on the demand for DSM-Firmenich's products and the profitability of its business. For example, customers' demand for some of DSM-Firmenich's products, such as certain vitamins, may experience more cyclical fluctuations, whereas other products, such as its food & beverage solutions, experience a more stable demand throughout economic cycles. In addition, uncertain global economic factors may make it difficult for DSM-Firmenich to forecast demand trends for its products or predict the development of factors affecting its industry segments.

Recently, many of the countries in which DSM-Firmenich will operate have experienced significant inflation and cost increases. Increased inflation has an adverse effect on consumer confidence and disposable income, and consequently may change the demand for DSM-Firmenich's products. If DSM-Firmenich does not adequately anticipate these changes and the corresponding new buying patterns of end-consumers and its various customers, it may lose the opportunity to supply products meeting the change in demand. Additionally, inflation and cost increases will result in an increase in the costs incurred by DSM-Firmenich and DSM-Firmenich may be unable to pass these cost increases fully on to its customers, especially as the costs incurred by its customers are also subject to inflation.

In addition, recent global economic and geopolitical developments have resulted in economic instability and uncertainty and consequently worsened the economic conditions and outlook in many of the countries in which DSM-Firmenich will operate. It is not possible to predict the broader implications of current geopolitical developments, including but not limited to the war in Ukraine, but these could lead to the imposition of further sanctions and embargos, increased regional instability, further supply chain disruptions, additional surges in prices, tariffs, energy and fuel shortages, increased inflation, unpredictable fluctuations in currency exchange rates and overall sustained volatility in global financial markets.

In the event that the current global or regional economic conditions and volatility continue or worsen, consumer spending may decrease or customer demand may fall or change, which could have certain adverse impacts such as reduced demand for certain of DSM-Firmenich's discretionary offerings (including fine fragrances), increased pressure to reduce prices, and cost increases.

In addition, DSM-Firmenich may enter into certain contracts with its suppliers or customers that may entail obligations to purchase a minimum product volume (known as "take or pay" clauses) or firm commitments for the delivery of certain quantities of products within certain periods. The failure to perform under these purchase or sale contracts could result in the payment of indemnities to DSM-Firmenich's customers or suppliers. During an economic crisis, this risk increases in the event of a sharp drop in demand for DSM-Firmenich's products or, alternatively, a sharp increase in DSM-Firmenich's need for certain supplies it requires to fulfil customer contracts.

Any change in the geopolitical and economic conditions of the countries and regions in which DSM-Firmenich will operate may have an impact on the demand for DSM-Firmenich's products or the costs incurred by DSM-Firmenich, which may, in turn, have a material adverse effect on DSM-Firmenich's results of operations and financial condition.

DSM-Firmenich will be dependent on raw materials and energy, which are subject to shortages, supply chain disruptions and price volatility.

DSM-Firmenich will depend on a variety of raw materials in its business, including but not limited to essential oils, extracts and concentrates derived from fruits, vegetables, flowers, woods and other botanicals, animal products, and organic and inorganic chemicals. The costs of these raw materials will represent a significant proportion of DSM-Firmenich's production costs. The availability and pricing of raw materials is affected by, among other factors, crop size and quality, alternative land use, the political situations in certain countries, available production capacity, energy supply availability, feedstock availability, input costs, trade dynamics, climate change and other factors that might affect supply or demand. Consequently, the pricing of raw materials has been and can be volatile and difficult to predict. In recent years, both Firmenich and DSM have been affected by price increases for raw materials, notably petrochemicals, which have been impacted by the surge of petrol derivatives and energy costs. Furthermore, in the past year each of DSM and Firmenich has seen an increase in the costs of transportation and experienced transportation disruptions due to capacity limitations and transport dislocations on the global market, for example as a result of ships and containers being detained somewhere along the supply chain. Any further increase in the prices of raw materials, energy prices, logistics costs or further transportation disruptions would increase DSM-Firmenich's operating costs and could adversely affect DSM-Firmenich's operating results and profitability, in particular as DSM-Firmenich may be unable to timely pass cost increases fully on to its customers or achieve cost savings to offset such cost increases. This has resulted and is likely to continue to result in a need to increase stock levels, an increased use of airfreight, and increased freight and logistics costs. In addition, DSM-Firmenich will rely on energy to manufacture and distribute its products, which is subject to significant price volatility and the escalating threat of shortages, especially in several of the European countries in which DSM-Firmenich will operate. For example, during 2022, the costs of energy and in particular natural gas have significantly increased and they may continue to do so in the future.

Additionally, DSM-Firmenich will face risks as a result of the increasing complexity and interdependence of worldwide supply streams as well as increasing pressure, or perceived pressure, on the availability of resources. Changes in weather conditions, such as an increase in changes in precipitation and extreme weather events such as tsunamis, floods, droughts and wildfires, as well as other effects caused by climate change, could disrupt DSM-Firmenich's business operations, rendering the materials used by DSM-Firmenich more difficult to obtain on a cost-effective or timely basis, or impossible to obtain at all. If DSM-Firmenich is unable to obtain adequate and punctual deliveries of required raw materials, it may be unable to manufacture sufficient quantities of its products in a timely manner, which could cause DSM-Firmenich to incur additional costs, lose sales or suffer harm to its reputation. In addition, DSM-Firmenich's biomass suppliers may be impacted by crop diseases. In extraordinary cases, such as the notification of a force majeure event by a key supplier, DSM-Firmenich may find itself with insufficient materials to produce certain of its products altogether. Failure by, or inability of, DSM-Firmenich to adapt its supply chains, product lines and business in general to mitigate the effects of raw material shortages and supply chain disruptions could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will be dependent on a limited number of suppliers and toll manufacturers for some of its raw materials, intermediates and activities.

DSM-Firmenich will rely on single suppliers or a limited number of suppliers and toll manufacturers for some of its raw materials, intermediates and activities and may not have readily available alternatives in the event of a disruption to the supply of such materials, intermediates and activities due to product specification, available capacity and / or specific intellectual property. Supply agreements may be subject to a variation of terms during their lifespan or upon expiration, and suppliers may choose to renew such contracts on terms that are less favourable to DSM-Firmenich. In the case that supply agreements are terminated for any reason, DSM-Firmenich may be unable to find an alternative supplier quickly enough to meet its production needs and thus may fail to meet its obligations to its customers. Should DSM-Firmenich's suppliers fail to maintain the quality, production or other standards or otherwise suffer disruptions, DSM-Firmenich's ability to supply certain of its customers may be interrupted. Furthermore, if a toll manufacturer fails to protect the intellectual property of a product or manufacturing process, this could have a material adverse effect on the continued differentiation of that product in the market. If DSM-Firmenich is unable to maintain supplier arrangements or toll manufacturing and relationships, or if any of its key suppliers or toll packers becomes insolvent, suffers an industrial accident or natural disaster, or is otherwise unable to deliver raw materials to DSM-Firmenich, DSM-Firmenich could experience disruptions in production, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition. For more information on DSM and Firmenich's suppliers, see section 3.15 "*Suppliers*".

DSM-Firmenich will operate in highly competitive market environments that are continuously and rapidly evolving and its failure to innovate or adequately respond to market trends could limit DSM-Firmenich's potential for profit and growth.

The global nutrition, beauty and well-being industries are highly competitive in terms of innovation and creativity and sustainability, the need to obtain and retain customer loyalty and relationships, introduction of new ingredients and technologies, product quality, response to new regulatory requirements, pricing, supply chain reliability, consumer understanding and other industry-related aspects. Substitutes for DSM-Firmenich's products may be available from other suppliers. DSM-Firmenich will face competition from local players and larger groups as well as new entrants to the market, which may have technological, marketing or other capabilities that are superior to those of DSM-Firmenich, and may disrupt the nutrition, beauty, and well-being industries in a way that is challenging to DSM-Firmenich. See section 3.8 "*Industry overview*" for more detail on the markets in which DSM and Firmenich operate and DSM-Firmenich will operate. Additionally, as part of its strategy, DSM-Firmenich aims to build digitally enabled business models by combining DSM's precision and personalisation platforms and Firmenich's artificial intelligence augmented formulation development and service models. Consequently, DSM-Firmenich's ability to invest in and adopt new information technology systems and automation and advanced digital programs faster than its competitors is critical to its success. In order to make these investments and implement these changes, DSM-Firmenich will require sufficient liquidity and qualified personnel. Competition is particularly intense due to the entry of new market participants, especially from developing regions. Within the nutrition market, for example, there is a significant risk of competition from market entrants in various regions where intellectual property rights are harder to enforce, which may result in loss of market share to competitors.

Some of DSM-Firmenich's competitors may seek to offer products, services and technologies at lower prices, may benefit from lower input costs or may be able to expand their production capacity more effectively. The resulting price pressures may be increased by market developments, such as consolidation in the consumer goods sector. Furthermore, as various products have limited lifespans, there are limited long-term contracts with customers in the industry. To compete successfully, DSM-Firmenich must maintain a high level of innovation and make considerable investments in research and development in order to anticipate customers' needs.

Any failure to adequately respond to competitive pressure may have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may be unable to adequately respond to rapidly changing customer and consumer preferences.

The markets in which DSM-Firmenich will operate are continuously and rapidly evolving and are affected by changing consumer preferences. The performance of DSM-Firmenich will largely depend on its ability to identify, anticipate and respond to new developments and market trends, which are largely driven by consumer preferences and demands. Currently, the consumption of plant-based proteins is increasing. In addition, demand for more sustainably and, often, locally produced food, as well as food that contains less fat and sugar, is increasing.

DSM-Firmenich's ability to respond to developments and trends will also depend on DSM-Firmenich's selection of its suppliers and their product offering and performance relating to customer and regulatory specifications and sustainability. For example, in the development of its products, DSM-Firmenich will rely on its suppliers' statements regarding the source, processing, content and traceability of the materials sold. If these statements turn out to be incorrect, this may have a material adverse effect on DSM-Firmenich's business.

Additionally, DSM-Firmenich's future success will depend on its ability to develop and introduce new products by itself or in collaboration with its customers and to enhance and improve existing products. DSM-Firmenich will be able to exercise limited influence over its customers' assessment of consumer spending habits and market trends or whether its customers market their products successfully. DSM-Firmenich will aim to appeal to both its existing customers in the markets where DSM and Firmenich are currently present and target consumers in markets where DSM-Firmenich will increase its market presence. In order to successfully expand its product offering, DSM-Firmenich will have to carefully assess consumer preferences and demands and develop a new range of products that address such preferences and demands. DSM-Firmenich will continuously invest in consumer insights and market review studies in order to anticipate and react to changes in consumer preferences and demands. However, these investments will not necessarily result in increased revenues or profitability or an improved market position. Furthermore, monitoring and addressing consumer preferences and demands requires significant investments and targeted strategies, and there is no guarantee that DSM-Firmenich will succeed in the development of these new products, or that the development of such products will result in increased profitability. See section 2.2 "*Risks relating to DSM-Firmenich's business, industry and operations - DSM-Firmenich will make significant investments in research and development, which may not necessarily lead to profitable results*".

It is possible that certain large customers will provide sizeable contributions to DSM-Firmenich's revenues. If DSM-Firmenich is unsuccessful in retaining its business with such large customers or if certain of its large customers reduce their business activities with DSM-Firmenich, its revenue could decline and its business, financial condition and results of operations could be materially and adversely affected.

Any failure to adequately anticipate and respond to changes in market trends or consumer preferences could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will rely significantly on the skills and experience of its experienced specialists, senior management and technical talent.

Attracting, retaining and developing talented employees is critical to develop new products and technologies and essential to successfully deliver on DSM-Firmenich's strategy and to retain strong operational efficiency. Many of the products DSM-Firmenich will develop or produce require a high and often very specific level of expertise. For example, to effectively compete in the industries in which it operates, DSM-Firmenich will require highly experienced perfumers, flavourists and scientists with unique and specialised expertise in the key scientific domains and technological areas that DSM-Firmenich specialises in. This is in addition to the experts in formula management, regulatory, digital, data science and quality, who will be deployed across DSM-Firmenich. Competition for such specialists is intense and could further intensify, in particular, as DSM-Firmenich will compete with other large corporates on the global labour market.

Furthermore, DSM-Firmenich's success will depend to a large extent on the continued involvement of its senior management team members, many of whom have significant experience in the industries in which DSM-Firmenich will operate. The loss of members of DSM-Firmenich's senior management, or a significant diminution in their contribution to DSM-Firmenich's business, could adversely affect its ability to continue to operate its business and pursue its strategic objectives. Any failure by DSM-Firmenich to recruit, retain and develop experienced personnel, or the loss of any members of senior management, could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

In addition, DSM-Firmenich will rely on a high number of fixed contractors and temporary staff in its production facilities to ensure the efficient and continuous development of its products. The ability of DSM-Firmenich to attract and retain the staff in its production facilities is critical to ensure supply of its products to its customers. Failure to adequately recruit, train and support this staff can increase production process failures and safety risks and, consequently, have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will make significant investments in research and development, which may not necessarily lead to profitable results.

DSM-Firmenich will depend on its ability to develop and successfully market new technologies and differentiated products, services and technologies. For that reason, DSM-Firmenich currently expects to invest more than €700 million annually in research and development. The ability to create new and different products and solutions relies, among others, on the regular identification, development and commercialisation of proprietary molecules, processes and intellectual property rights, which can be used in these new products and in identifying new creation tools and methods. Given the industries in which DSM-Firmenich will operate, developing new products or implementing new developments into its products will require significant resources and often take a significant amount of time to materialise. This means that there may be substantial lag times from the point research and development investment costs are incurred and the time such costs deliver a return on investment in the form of increased revenue and profits. In addition, there are risks that DSM-Firmenich's spending may be insufficient to enable DSM-Firmenich to maintain its market position. There is also a risk that DSM-Firmenich focuses its resources on areas of research that generate unfavourable results or that new products launched with its customers are not successful in the market. There is also no assurance that DSM-Firmenich's investments will produce the desired returns. Any failure to successfully develop new molecules, products, methods, tools or technologies, or delays in development, could lead to DSM-Firmenich's products or technologies becoming superseded, which could adversely affect DSM-Firmenich's future sales.

DSM-Firmenich's ability to generate revenues resulting from research and development investments will also be affected by factors outside of DSM-Firmenich's control, including but not limited to delays by its customers in the launch of new, improved or enhanced products, poor performance by third-party vendors and changes in market preferences or demands. The occurrence of any such factors, in addition to any failure of research and development investments to generate new or improved products or revenue for DSM-Firmenich's business, could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may be unable to successfully implement its growth and value creation strategy.

The achievement of DSM-Firmenich's growth and value creation strategy is dependent upon many factors, some of which will be beyond DSM-Firmenich's control. For example, there is uncertainty around time-to-market and peak sales of DSM-Firmenich's innovation projects, impacting DSM-Firmenich's organic growth. In addition, DSM-Firmenich will implement a strategy of growth by increasingly being present and conduct business in high-growth economies such as China, India, and Latin America. This implies that there will be an increasing exposure to the business climate in these regions. There is, however, a risk that such markets may decouple from global markets for a variety of reasons, will not grow as expected or that opportunities in these more volatile markets will be missed. In addition, price pressure from these countries may jeopardise profitability in the established markets where DSM-Firmenich will operate. These risks might have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

In particular, sales growth is part of DSM-Firmenich's strategy. See also section 3.4 "*Strategy of DSM-Firmenich*". However, DSM-Firmenich's growth and value creation strategy may not be realised and the financial benefit of these initiatives may be less than expected. This would make it more difficult for DSM-Firmenich to compensate for cost inflation and maintain cash generation at adequate levels. DSM-Firmenich's performance may also depend on its ability to manage the growth of its operations and there is no guarantee that DSM-Firmenich will be able to do so. If DSM-Firmenich is unable to successfully implement and manage its growth and value creation strategy, DSM-Firmenich may lose its market position, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

Production at DSM-Firmenich's facilities, some of which will be DSM-Firmenich's sole source of specific ingredients or products, could be disrupted for a variety of reasons and any disruptions could expose DSM-Firmenich to significant losses or liabilities.

DSM-Firmenich will operate a complex network of production facilities worldwide and will also depend on third-party facilities. Any of these production facilities could be adversely affected by extraordinary events such as industrial accidents, unexpected power outages, fires, explosion, structural collapse, mechanical failure, extended or extraordinary maintenance, terrorist attacks, strikes and other labour disputes, disruptions in supply chain or information systems, as well as war or natural disasters. In addition, changes in weather conditions and other environmental events, such as an increase in changes in precipitation and extreme weather events such as tsunamis, floods, droughts and fires, as well as other factors related to climate change, could disrupt DSM-Firmenich's production, supply chain and other business operations.

If any of these events were to occur, DSM-Firmenich's ability to produce and deliver certain quality products and services at competitive prices in a timely manner may be threatened. In order to ensure the adequate functioning of these facilities, DSM-Firmenich will need to have sufficient liquidity available at all times to be able to make the required investments in and ongoing maintenance of its production facilities. In addition, any failure to sufficiently invest funds in, or perform maintenance on, DSM-Firmenich's production facilities may result in an inability to pass the regular government and customer audits of its production facilities and could subject it to mandatory production and work stoppages, resulting in a loss of operating licences and a loss of key customer contracts. This in turn could result in a loss of material production and other certifications (such as the U.S. Food and Drug Association Good Manufacturing Practices, ISO certifications, halal, kosher and sustainability certifications). Failure to have sufficient funding available will increase the risks of breakdowns or stoppages of the production facilities and increase the safety risk to the staff that are working in DSM-Firmenich's production facilities. Unexpected developments may result in interruptions of supply to customers, causing loss of production and related financial losses and reputational damage.

In addition, some of DSM-Firmenich's manufacturing facilities will be the sole source of specific ingredients or products. If the manufacturing of these ingredients or products is disrupted, DSM-Firmenich could be forced to incur substantial costs and delays related to relocating or replacing certain of its production facilities and, in the case that relocation or replacement is impossible, may be altogether unable to provide certain products to its customers. In the event that the production at DSM-Firmenich's facilities is disrupted, this could expose DSM-Firmenich to significant losses or liabilities, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich's production processes and operations will be subject to the inherent hazards and other risks associated with chemical processing, production, storage and transportation and expose DSM-Firmenich to business continuity risks as well as risks related to workplace safety, neighbouring populations and the environment.

DSM-Firmenich's production processes and operations will be subject to the hazards and risks associated with chemical processing, production and the related storage and transportation by DSM-Firmenich or its subcontractors. Many of DSM-Firmenich's production processes will rely on hazardous substances, which can present major risks to the health and safety of workers, neighbouring populations and the environment. These hazards could expose workers, suppliers, the community and others to toxic chemicals and other hazards, contaminate property and the environment, damage property, result in personal injury or death, lead to an interruption, relocation or suspension of operations and materially adversely affect the productivity and profitability of a particular production facility or DSM-Firmenich's business operations as a whole. In addition, this could result in governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties.

Both DSM and Firmenich have a total recordable employee and contractor injury ratio below 0.30 per 100 and a lost time injury ratio for employees below 0.15 per 100. Although the Company believes that these numbers are below industry average for its relevant sectors, the occurrence of any material event could seriously impact DSM-

Firmenich's reputation and harm its ability to obtain or maintain its existing licences or its key commercial, regulatory, and governmental relationships. In addition, DSM-Firmenich will use contractors – over whom DSM-Firmenich will not have full control – who may perform duties on behalf of DSM-Firmenich in a manner that may cause harm to the health and safety of other workers, neighbouring populations and the environment. The costs associated with any of these events may be substantial and could exceed or otherwise not be fully covered by DSM-Firmenich's insurance coverage. In addition, a number of governments have instituted or may in the future institute regulations attempting to increase the protection and security of chemical plants and the transportation of hazardous substances, which could result in higher operating costs or substantial investments.

Furthermore, improper handling of hazardous substances by DSM-Firmenich, its customers or its business partners due to DSM-Firmenich's failure to provide, if at all, appropriate handling instructions, or failure by its customers or business partners to follow handling instructions or otherwise, may lead to the release of toxic or hazardous substances, which may in turn result in damage and / or disruption and, ultimately, stricter regulation or restriction of the use of such substances.

The inherent hazards and other risks associated with chemical processing, production, storage and transportation of DSM-Firmenich's production processes and operations could expose DSM-Firmenich to business continuity risks as well as risks related to workplace safety, neighbouring populations and the environment, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may be subject to failures in its information and operations technology systems, cyber-attacks or security breaches.

DSM-Firmenich will use information and operations technology systems to support its business processes, including but not limited to manufacturing, product development, consumer sales analysis, order processing and customer engagement. DSM and Firmenich's information technology and operations technology systems and those of its third-party service providers, such as data centre facilities, cloud storage services and telecom service providers, have experienced service interruptions and DSM-Firmenich may experience service interruptions in the future. Those interruptions may be caused by hardware and software defects or malfunctions, and other events such as human errors, fires, natural disasters, power outages, disruptions in telecommunications services, fraud, state-sponsored or third-party cyber-attacks, or computer viruses or other malware. DSM-Firmenich's systems may also be subject to break-ins, phishing, sabotage, and intentional acts of vandalism, such as distributed denial-of-service attacks. DSM-Firmenich intends to further digitalise its business and operations, which could intensify these risks. Any compromise of DSM-Firmenich's information or operations technology system or the inability to use or access its information or operations technology systems at critical points in time could unfavourably impact the timely and efficient operation of DSM-Firmenich's business and subject it to additional costs and liabilities.

Furthermore, DSM-Firmenich will collect, store and transmit significant amounts of proprietary information and sensitive or confidential data, including personal information of employees and others. A cyber-attack or security breach could threaten the confidentiality, integrity and availability of data in its systems and could lead to a loss of intellectual property and a privacy breach. Any unauthorised disclosure or loss of data could lead to recovery costs, damage to DSM-Firmenich's reputation, litigation or a diminished ability to operate its business.

Any failures in DSM-Firmenich's information and operations technology systems and any cyber-attacks or security breaches could result in material financial losses and liabilities and reputation harm, and as such have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may fail to obtain, maintain, protect or enforce DSM-Firmenich's intellectual property rights.

DSM-Firmenich will have a large intellectual property portfolio. Although DSM and Firmenich are not dependent on any single intellectual property right, DSM-Firmenich will rely on a combination of patents, trade secrets, trademarks and copyrights to protect its intellectual property rights, patents in relation to molecules, technologies, processes and trade secrets in relation to the formulas used to create its flavours and fragrances and to certain process information. Following the Merger, DSM-Firmenich will have approximately 16,000 patents across approximately 2,600 patent families in force. The formulas are highly confidential business information and will be accessible to very few people within DSM-Firmenich's business through confidentiality agreements and agreements with employees and other parties with whom DSM-Firmenich will develop business relationships. However, these agreements might be breached. The loss of confidentiality with respect to proprietary formulas or infringement of its intellectual property rights could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

Additionally, DSM-Firmenich's competitors or other third parties could, lawfully or unlawfully, seek to use or infringe its intellectual property rights or claim that DSM-Firmenich infringes their intellectual property rights. DSM and Firmenich have in the past and DSM-Firmenich may in the future become a party to lawsuits involving patents or other intellectual property. Legal challenges to DSM-Firmenich's intellectual property rights or challenges to third-party infringements could result in the incurrence of significant costs by DSM-Firmenich and there is no assurance that such actions would be resolved in DSM-Firmenich's favour. If a dispute were to be resolved against DSM-Firmenich, DSM-Firmenich may be subject to significant damages and the testing, manufacturing or sale of one or more of DSM-Firmenich's technologies or products may be enjoined or otherwise impacted. In relation to intellectual property rights protected by way of trade secrets, costs in relation to defending such claims would be significantly higher owing to the non-perfection of the intellectual property rights, and could result in the potential loss of the intellectual property rights as DSM-Firmenich would have no perfected rights with which to preclude others from making, using or selling its products or processes. Moreover, DSM-Firmenich will need to have sufficient liquidity available to make the required investments in its intellectual property, including costs relating to prosecutions, maintenance and oppositions. Any inability to have sufficient funding available will increase the risk of not being able to protect or defend innovations, as well as not being able to monitor the external environment to ensure that DSM-Firmenich is authorised to use the relevant intellectual property (**IP**) in each country in which it operates. If any of these risks materialises, it could cause harm to DSM-Firmenich's reputation and hinder its ability to price new technologies and innovations effectively, which will adversely affect DSM-Firmenich's revenue and profitability.

There can be no assurance that DSM-Firmenich will obtain all patents for which it will apply and DSM-Firmenich cannot be certain that intellectual property rights granted by way of a patent will not later be opposed, invalidated, or circumvented. For example, DSM-Firmenich will be involved in certain co-innovation projects, whereby intellectual property rights are developed in cooperation with third parties. DSM-Firmenich may not be able to safeguard the intellectual property rights it has developed through these projects. Furthermore, the extent to which intellectual property rights can be protected varies significantly depending on the country in which the perfection of such rights is being sought. As DSM-Firmenich will operate internationally, its intellectual property rights may not be protected to the same extent across all locations. Consequently, DSM-Firmenich may not be able to protect its intellectual property effectively and any conflicts relating to the alleged infringement of intellectual property rights could lead to patent or licence disputes or other litigation. Insufficient protection or actual infringement of third-party intellectual property could limit DSM-Firmenich's ability to profitably utilise technology advantages gained through expensive research and development and could otherwise lead to losses or liabilities, all of which could result in a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

The COVID-19 pandemic and any future pandemics, as well as the potential global economic uncertainty and governmental measures taken in response to such events, could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

The outbreak of COVID-19 had an impact on economies, financial markets and business activities worldwide. Since early 2020, governments around the world implemented measures which effectively halted normal activities. These events significantly affected DSM, Firmenich, their customers, ultimate consumers, suppliers, distributors and transport partners. For example, during this period, the demand for certain essential consumer products produced by DSM and Firmenich increased. This required a faster and more efficient delivery of products, whereas, at the same time, some facilities were closed and supply chains faced labour shortages caused by sick or quarantined staff and the increased government restrictions on workplace practices, as well as raw material and transport shortages and disruptions. In addition, during the COVID-19 pandemic, the demand for fine fragrance and fast food flavoured products declined, as these were discretionary spending items driven by fast food and retail store sales and, in the case of fine fragrance, duty free sales, each of which has been heavily impacted by the government measures taken in response to the COVID-19 pandemic. While in most countries in which DSM-Firmenich will operate, the government restrictions have been lifted, certain effects from the COVID-19 pandemic still remain, which could continue to impact DSM and Firmenich and may therefore impact DSM-Firmenich. For example, staff may be hesitant to return to the office full-time, the labour market may continue to tighten and the COVID-19 pandemic may continue to have an impact on costs.

In countries where government restrictions remain and in case the COVID-19 pandemic continues or worsens, or in the case of future pandemics, DSM-Firmenich may be exposed to the effects of the pandemic itself as well as additional local government regulations and closure orders in the countries in which it will operate. DSM-Firmenich may also deem it necessary or appropriate to impose certain on-site restrictions to protect its staff. There can be no assurance that any future government or other required measures will not materially disrupt DSM-Firmenich's production, supply chains and business operations. In addition, in the event that DSM-Firmenich will have to implement strict work-from-home policies for a significant period of time, its business operations may experience inefficiencies and it might have a negative impact on the mental well-being of employees. Further, there is a risk that certain categories of sales (such as fine fragrances, which benefit from in-store trials) could suffer from sales erosion. As a result, pandemics and related response measures could impact DSM-Firmenich and the regions and economies in which it operates, and as a consequence could materially adversely affect DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will be exposed to the risk of strikes, labour disputes and industrial action.

Maintaining good relationships with employees of DSM-Firmenich will be crucial to its operations. There can be no assurance that DSM-Firmenich will not experience adverse labour situations, any of which could have a material adverse effect on its business, financial condition and operating results. For example, DSM-Firmenich may experience: (i) lengthy consultations with labour unions and works councils on new collective labour agreements or salary increases in the future, or (ii) strikes, work stoppages or other industrial or class actions, which could disrupt DSM-Firmenich's operations. In addition, strikes called by employees of any of DSM-Firmenich's large suppliers, services contractors or customers could result in business interruptions. The occurrence of any or all of the above risks could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may be unable to effectively develop and execute an effective sustainability strategy in line with increasing customer and stakeholder expectations and regulations.

As focus on sustainability-related matters from investors, customers, end-consumers, employees and other stakeholders increases, DSM-Firmenich's sustainability performance will need to continue to evolve to meet these expectations and to adapt to new legislation and regulations. There is a risk that DSM-Firmenich might not be able to respond fast enough to the changes related to the transition to a net-zero world and the impact these will have on its operations, value chain and end-markets. DSM-Firmenich will also need to comply with increasing sustainability-related reporting requirements, which are still under development. DSM-Firmenich may fail to implement and maintain appropriate strategic plans, governance, internal standards, controls, or monitoring and reporting mechanisms required to meet relevant regulatory requirements and stakeholders' expectations and align with international standards in this area, which could impact its reputation among its investors, customers, end-consumers, employees and other stakeholders. In addition, DSM and Firmenich have formulated, and DSM-Firmenich plans to formulate, certain goals to improve their sustainability performance (see section 3.20 "*Environmental, Social and Governance*"). Any failure to meet such requirements or goals could also cause DSM-Firmenich to lose the certifications and recognition it holds with governments and other bodies which are critical to maintaining stakeholder reputation and attracting and retaining customers and talent. If DSM-Firmenich is unable to effectively develop and execute an effective sustainability strategy, this could result in regulatory enforcement for non-compliance or reputational harm with customers, employees or other stakeholders, all of which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

Failures in DSM-Firmenich's inventory management practices could materially adversely affect its business, financial condition and results of operations.

DSM-Firmenich will manage its inventory balances based on anticipated demand (as derived from forecasted customer order activity), anticipated availability of raw materials, expected sourcing levels and product shelf life. Efficient inventory management and, where appropriate, successful forward purchasing will be key to DSM-Firmenich's business success, financial returns and profitability. DSM-Firmenich aims to meet its customers' product needs without allowing inventory levels to increase to such an extent that the costs associated with storing and holding inventory will adversely affect its financial results.

If the current volatility in the supply of raw materials continues, DSM-Firmenich will be pushed to maintain higher raw material inventory levels to ensure that it will be able to deliver its customers' needs.

Conversely, if DSM-Firmenich does not maintain adequate raw materials inventory levels, it may not have sufficient quantities or the appropriate selection of raw materials available to produce sufficient products in order to satisfy customer demand. Demand for finished products may be affected by many factors, including rapid changes in product cycles and pricing, promotions, changes in consumer spending patterns, changes in consumer preference with respect to the products DSM-Firmenich will offer and other trends in consumer preferences and purchasing behaviour, and its customers may not purchase products in the quantities that it expects or in the quantities DSM and Firmenich are used to. The supply of raw materials may be affected by many factors including negative weather effects or transport and logistics issues. DSM-Firmenich will also face the risk of carrying excess inventory, or remaining with finished products if customers delay their deliveries or cancel orders after production. Inventory damage, theft and obsolescence risks as well as price erosion risks will also be associated with DSM-Firmenich's inventory management. Correctly forecasting the quantities and selection of products in future periods is difficult and depends on many factors, including trends in customers' preferences and purchasing behaviour, and macroeconomic conditions. Failure by DSM-Firmenich to efficiently respond to such factors to manage its inventory could have a material adverse effect on DSM-Firmenich's working capital and cash flow and, consequently, its business, results of operations and financial condition.

DSM-Firmenich will face risks related to future acquisitions or divestments in addition to any past acquisitions and divestments of DSM or Firmenich.

DSM and Firmenich have in the past deployed, and it may be part of DSM-Firmenich's profitable growth strategy in the future to deploy, capital in value-enhancing mergers and acquisitions. This is subject to various risks, including the inability to sufficiently integrate newly acquired businesses, the inability to achieve the anticipated benefits from the acquisition, a loss of critical talent through the acquisition process or the transmission of contingent liabilities or responsibilities attached to the acquired businesses. See section 3.2 "*History of DSM-Firmenich*". For example, DSM-Firmenich may be subject to environmental liabilities at sites it acquires even if the damage relates to activities prior to its ownership. In addition, DSM-Firmenich may be unable to cost-effectively integrate the new activities from an acquisition into its business and / or realise the performance that it envisages when acquiring a business. DSM or Firmenich may have acquired, and DSM-Firmenich may continue to acquire, actual or potential liabilities in connection with such past or future acquisitions, including but not limited to third-party liability and other tort claims, claims or penalties as a result of breach of applicable laws or regulations, financial liabilities relating to employee claims, claims for breach of contract, claims for breach of fiduciary duties, employment-related claims, environmental liabilities resulting from soil or groundwater contamination at sites acquired by DSM-Firmenich (even if the damage relates to activities prior to its ownership), or tax liabilities. In addition, acquired companies may have lower profitability, or require more significant investments, which could affect the profitability margin of DSM-Firmenich. Although acquisition agreements may include indemnities in DSM's, Firmenich's or DSM-Firmenich's favour, these indemnities may not always be insurable or enforceable, or may expire or be limited in amount and DSM-Firmenich may have disputes with the sellers regarding their enforceability or scope.

As part of its strategic plans, DSM-Firmenich may also from time to time divest assets it no longer deems profitable or in strategic alignment. In recent years, DSM has made significant progress in divesting its activities in the Pharma, Polymer Intermediates and Materials businesses, including the sale of its Resins & Functional Materials businesses, its Engineering Materials business and its Protective Materials business. See sections 8.3 "*Key factors affecting DSM's business and results of operations - Strategic acquisitions, divestments and joint operations*" and 10.3 "*Key factors affecting DSM's business and results of operations - Strategic acquisitions and investments*". DSM-Firmenich is therefore subject to risks related to the divestment process, in particular with regard to warranties and indemnities given within the scope of the divestment process. In addition to these contractual commitments, DSM-Firmenich could be held liable as the seller, depending on applicable laws.

Environmental, health and safety requirements and regulations and labour disputes will affect not only activities at sites that have been acquired and are in operation, but also activities at sites that have been divested or that will be acquired or divested in the future. A large number of DSM's and Firmenich's current, past or discontinued production sites have a long history of industrial use. As a result, soil and groundwater contamination has occurred at certain sites in the past, and it is possible that further contamination could be discovered at these sites or other sites in the future. DSM-Firmenich could be subject to lengthy and costly government audits or investigations and be held liable and incur considerable expenses for remedial measures at these sites and for any new obligations discovered.

As a result, past and future acquisitions and divestments expose DSM-Firmenich to potential losses and liabilities, and lower than anticipated benefits, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will be subject to risks, including reputational, financial and legal risks, associated with joint ventures, joint venture partners and minority shareholders in other companies.

DSM-Firmenich plans to develop strategic partnerships for innovation through joint ventures. DSM currently has a number of important joint ventures, such as Veramaris® and Avansya V.O.F., in which DSM has joint control, and DSM-Firmenich may continue to enter into arrangements subject to joint control, such as joint ventures, or minority ownership. Joint ventures, related partnerships and minority ownership interests are subject to risks related to oversight and control, compliance, competing business interests and financial liabilities. Disputes with joint venture partners may result in the loss of business opportunities or intellectual property or disruption to or termination of the relevant joint venture, as well as litigation or other legal proceedings. In the event that risks related to oversight and control, compliance, competing business interests and financial liabilities in respect of joint ventures, joint venture partners and minority shareholders would materialise, this could result in financial, reputational and legal consequences, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

2.3 Legal, compliance and regulatory risks

DSM-Firmenich will face risks related to product liability and product quality.

The manufacturing, storage, sale and distribution of specialty chemicals products by DSM-Firmenich, especially those produced for the food, beverage, animal nutrition, personal care and pharmaceutical industries, involve an inherent risk of exposure to product liability claims, product recalls, product seizures and related adverse publicity. Additionally, given the nature of its international operations, DSM-Firmenich is subject to various regulatory requirements in each of the countries in which its products are developed, manufactured and sold to ensure that the products are safe for use and consumption by consumers and in animal feed products. These jurisdictional regulations are often particularly stringent and are in addition to product safety compliance requirements established by the industry or similar oversight bodies.

DSM-Firmenich faces risks relating to claims that its products or manufacturing processes may cause injury to third parties, including property damage and personal injury. Such injuries or damage may arise from inappropriate use or safety recommendations or from previously unidentified effects of existing products.

Furthermore, certain substances that will be produced at DSM-Firmenich's facilities will be subject to strict liability regimes in certain jurisdictions, meaning that the manufacturer is liable for any damage caused by the product, regardless of proof of fault or negligence. Certain products may only be marketed to industrial customers due to significant potential hazards associated with their use. These products are not available for retail sale directly to consumers and must be accompanied by appropriate warnings describing conditions of safe use. If such products do reach the public or the warning labels are insufficient, DSM-Firmenich could be held strictly liable for such use by retailers, depending on applicable laws.

DSM-Firmenich also faces risks relating to defective products, which may give rise to product liability claims when they do not meet specifications because of manufacturing errors, product contamination or the alteration of product quality during shipping or storage. Defective products may also lead to recalls, customer complaints and warranty claims. In the event that an operational process results in a defect in DSM-Firmenich's products (and in particular, an undetected defect), this could lead to a reduction in sales, an increase in customer claims and / or costly litigation, and could have a significant impact on company reputation and trigger governmental investigations and standstill actions.

If a product liability claim is successful, DSM-Firmenich's insurance may not be adequate to cover all liabilities it may incur, and DSM-Firmenich may not be able to continue to maintain such insurance, or obtain comparable insurance at a reasonable cost, if at all. In addition, product liability claims could cause DSM-Firmenich to incur significant costs, cause disruptions or uncertainties in DSM-Firmenich's business operations, result in large settlements and, even in the case where such claims are not successful or fully pursued, have a material adverse effect on DSM-Firmenich's reputation with existing and potential customers and on its business, operating results, business prospects and market position.

In addition, a faulty or defective product or a product that is not compliant with regulations or is non-performing could expose DSM-Firmenich to consumer health issues, customer complaints, warranty claims, returns and re-runs, customer loss, and overall reputational damages and could trigger governmental investigations and standstill actions, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition. In particular, product quality in the nutrition and food & beverage industries poses a key risk given the importance and expectation of safe food and feed, a prerequisite for human and animal health and well-being.

DSM-Firmenich faces risks associated with, and is subject to continually evolving, regulatory and legal developments, including but not limited to product liability, competition and antitrust, fraud, corruption and bribery, sanctions, intellectual property, environmental, product safety, public health and safety and data protection laws.

DSM-Firmenich will be subject to a variety of statutes, laws and regulations, such as laws and regulations that deal with product quality, safety and liability, competition and antitrust, fraud, corruption and bribery, sanctions, intellectual property, environmental matters, anti-slavery, data protection, land use, public and occupational health and safety, taxation, transportation, employment and pension regulations and food protection. Although DSM-Firmenich will endeavour to comply with these rules, it may at times fail to do so. For example, these obligations may be interpreted and applied in a manner that is inconsistent and may conflict with other laws, rules or practices. Any such non-compliance can subject DSM-Firmenich to potential governmental action or action from an authority, including but not limited to fines, penalties or other sanctions, or third-party claims. It may also negatively affect DSM-Firmenich's reputation, which could result in a diminished customer base. Furthermore, DSM-Firmenich will be subject to various regulatory requirements in each of the countries in which its products will be developed, manufactured and sold, to ensure that the products are safe for use by consumers. In addition, DSM-Firmenich will be subject to other laws and regulations specific to the nature of its products, such as laws and regulations related to human and animal health, protection and pharmaceuticals. These jurisdictional regulations are in addition to product safety compliance requirements established by industry or similar oversight bodies. The regulations that will apply to DSM-Firmenich's products, given that the products are either in contact with consumers' skin, or consumed as food or feed, are particularly stringent. DSM-Firmenich will face the risk that: (i) its products may fail to comply with an operating country's product safety regulations (and therefore may not be able to be sold without modification, or at all), and (ii) gaps in DSM-Firmenich's operational processes could result in product defects which consequently result in a regulatory non-compliance event.

The process of registration and obtaining approvals to market a chemical ingredient under the U.S. Environmental Protection Agency Registration, Regulation (EC) 1907/2006 for Evaluation, the Authorisation and Restriction of Chemicals (**REACH**) and similar legislation in other countries can be costly and time consuming, and approvals might not be granted for future ingredients or for increases in tonnage bands for current ingredients on a timely basis, or at all. The regulations under REACH require, among other things, the registration of chemical substances with the European Chemicals Agency, and impose requirements for end-user documentation and authorisations for certain chemicals. These regulations have resulted in an increase in the cost of doing business. Delays in the receipt of, or failure to obtain approvals for the use of, chemical ingredients could result in delayed realisation of product revenues, reduction in revenues and substantial additional costs. It is also possible that certain chemicals become prohibited or have their use limited in some or all of the jurisdictions in which DSM-Firmenich operates, for example if government agencies find that they pose especially great environmental or health risks. This could be the case for the EU Chemical Strategy for Sustainability. While the industry supports the overarching goals of the European Commission towards sustainability, an extremely restrictive outcome of this group of new regulations could have a material adverse effect on DSM-Firmenich, requiring extensive reformulations to replace banned or restricted materials and additional costs on chemical registrations due to an increase in the requirements for toxicological studies. In addition, DSM-Firmenich cannot guarantee that it will remain compliant with applicable regulatory requirements once approval has been obtained for a product. These requirements include, among other things, regulations regarding manufacturing practices, product labelling and advertising and post-marketing reporting, including adverse event reports.

In the event that an operational process results in a defect in DSM-Firmenich's products (and in particular, an undetected defect), this could lead to a reduction in sales, an increase in customer claims and / or litigation, product recalls, adverse publicity and reputational damage to DSM-Firmenich, any of which could have a material adverse effect on DSM-Firmenich's business, results of operation and financial condition. These risks are particularly relevant in certain jurisdictions in which class action claims are regularly initiated, such as the United States. In the United States, for example, multiple individual cases have been launched against DSM, Firmenich and a number of their peers by former workers in the food industry for the use of the flavouring chemical diacetyl. Although DSM and Firmenich do not expect these cases to have a material financial impact, there is no assurance that future cases that could have a material adverse effect on DSM-Firmenich will not arise.

Even if an event causing a product recall proves to be unfounded or if a product liability claim against DSM-Firmenich is unsuccessful, DSM-Firmenich may incur significant costs, face disruptions in operating its business and suffer negative publicity surrounding any assertion that products sold by DSM-Firmenich caused injury or damage or an allegation that the goods sold by it were defective, which could adversely affect both DSM-Firmenich's reputation with existing and potential new customers and its corporate and brand image.

Legal requirements are frequently changing and subject to interpretation, and DSM-Firmenich is unable to predict with certainty the ultimate cost of compliance with these requirements or their effects on its operations. It may be required to make significant expenditures or modify DSM-Firmenich's business practices to comply with existing or future laws and regulations, which may increase DSM-Firmenich's costs and materially limit its ability to operate its business. Furthermore, there is a possibility that breaches of these laws go unnoticed, which could possibly lead to fines, loss of permits, damages for breach of contract and reputational damage.

In addition, DSM-Firmenich will put in place a code of business conduct, corporate policies, requirements and directives in order to promote ethical behaviour and clearly mark the limits of risk taking to be observed in (operational) processes. Non-compliance with these internal standards may occur and / or inadequate compliance procedures could lead to risks and possible financial and / or reputational damage. This, as any other non-compliance with continually evolving laws and regulations, could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich faces risks related to the imposition of international sanctions.

Sanctions regimes are complex, unpredictable and often implemented on short notice. It is likely that DSM-Firmenich's operations in certain countries will be restricted by international sanctions and trade restrictions and DSM-Firmenich will be required to ensure it adequately monitors and complies with such rapidly evolving requirements. Moreover, the legislation, rules and regulations that establish sanctions regimes are often broad in scope and difficult to interpret, and in recent years governments have increased and strengthened such regimes. For example, sanctions imposed by, among others, the United States, the European Union and Switzerland include restrictions on the sale, import, purchase or transport of certain goods and services from or to Russia.

Should DSM-Firmenich violate any existing or future U.S., European, Swiss or internationally applicable sanctions, this could result in the loss of contracts with suppliers, fines or other criminal penalties that may have a negative impact on DSM-Firmenich's reputation and its ability to conduct business in certain jurisdictions or access U.S., European or international capital markets. In addition, any sanctions applicable to DSM-Firmenich may limit the ability of DSM-Firmenich to receive payments from customers in and from sanctioned countries due to the impact of applicable sanctions on the global financial system. Any sanctions regime may, even without it being violated by DSM-Firmenich, accordingly have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

Until now, each of DSM and Firmenich had a limited direct exposure to the consequences of the war in Ukraine and the sanctions imposed on Russia, in particular because these markets have a limited contribution to each of their revenue and the majority of the products sold in these markets are not covered by any sanctions list. However, the situation with regards to the war in Ukraine is evolving, and the United States, the European Union, the United Kingdom, Switzerland, and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as the existing and potential further responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect DSM-Firmenich's business, results of operations and financial condition.

DSM and Firmenich are and DSM-Firmenich will be exposed to litigation risks, including claims and lawsuits arising in the ordinary course of business.

With their variety of activities and geographic reach, DSM and Firmenich have been and DSM-Firmenich will be exposed to legal risks, particularly in the areas of product liability, contractual relations, antitrust laws, patent disputes, tax assessments and health, safety and environmental matters. In this context, litigation cannot be avoided and will sometimes be necessary to defend the rights and interests of DSM-Firmenich. Material ongoing legal proceedings involving DSM and Firmenich are described in section 3.10 "*Legal and arbitration proceedings*". In certain circumstances, DSM and Firmenich have recorded provisions in accordance with applicable accounting standards to cover the financial risk. As a general matter, the outcome of legal proceedings cannot be predicted with certainty. It is therefore possible that adverse final court decisions or arbitration awards could lead to expenses that are not covered or not fully covered by provisions or insurance and could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may fail to obtain or renew or may experience material delays in obtaining requisite governmental or other relevant approvals, licences, permits or certificates for the conduct of its business.

DSM-Firmenich will require various approvals, licences, permits and certificates in the conduct of its business. There can be no assurance that DSM-Firmenich will not encounter significant problems in obtaining new or renewing existing approvals, licences, permits and certificates required for the conduct of its business, or that it will continue to satisfy the conditions under which such authorisations are granted. In addition, there may be delays on the part of the regulatory, administrative or other relevant bodies in reviewing DSM-Firmenich's applications and granting the required authorisations. If DSM-Firmenich fails to obtain or maintain the necessary approvals, licences, permits and certificates required for the conduct of its business, it may lose contracts, or be required to incur substantial costs or suspend the operation of one or more of its facilities, which could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

2.4 Risks relating to DSM-Firmenich's financial matters and its capital and corporate structure

DSM-Firmenich will be exposed to liquidity risks.

DSM-Firmenich will be exposed to risks related to its liquidity position. DSM-Firmenich's ability to make payments on and to refinance its debt, and to fund future working capital and capital expenditures, will depend on its future operating performance and ability to generate sufficient cash. DSM-Firmenich will need to ensure that at all times it will have sufficient funding for general corporate purposes, including ensuring maintenance and adequate capacity of the complex and highly technical production facilities. Capital and credit markets are subject to fluctuations that may result in periodic tightening of the credit markets, including lending by financial institutions, which will be a source of credit for DSM-Firmenich, and affect its customers' and suppliers' borrowing and liquidity. There is a risk that the markets that provide funding will not always be available to DSM-Firmenich due to unexpected events, which may lead to a situation where DSM-Firmenich cannot honour its liabilities in time. This could also lead to an increase in cost of capital. In such an environment, it may be more difficult and costly for DSM-Firmenich to refinance its maturing financial liabilities. In addition, if the financial condition of DSM-Firmenich's customers or suppliers is negatively affected by illiquidity, their difficulties could also have a material adverse effect on DSM-Firmenich. Furthermore, credit rating agencies may change their assessment of DSM-Firmenich's creditworthiness, thereby affecting its borrowing capacity and / or the conditions under which it can borrow money and cause fluctuations in the cost of finance. This could lead to a lack of sufficient liquidity, which in turn could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will be subject to fluctuations in foreign exchange rates.

DSM-Firmenich will operate globally and will conduct much of its business in currencies other than its reporting currency, the Euro. Consequently, DSM-Firmenich's results of operations will be sensitive to fluctuations in currency exchange rates, arising mainly from the relative value of the Euro compared to the U.S. dollar, Swiss franc and, to a lesser extent, Asian and Latin American currencies, and British pounds. Significant fluctuations in exchange rates between the Euro and such other currencies could materially and adversely affect DSM-Firmenich's reported results from year to year.

A significant part of DSM-Firmenich's revenue and costs, as well as certain of its assets and liabilities, will be recorded in currencies other than its reporting currency. In addition, in emerging countries it is not always possible to borrow in local currency, whether because local financial markets are too narrow, funds are not available, or the financial conditions are too onerous. In such situations, DSM-Firmenich will have to borrow in a different currency. DSM-Firmenich will therefore be subject to transactional risk as well as translation risk on DSM-Firmenich's income statement and other comprehensive income statements. Transactional risk is the risk that a party to a transaction may experience losses due to an adverse change in the currency underlying a transaction and arises when a company's commercial transactions are denominated in a currency that is different from the functional currency. Translation risk arises from the conversion of net assets of DSM-Firmenich's operations into DSM-Firmenich's reporting currency, the Euro.

DSM-Firmenich may implement policies to hedge part of its currency risks. For example, it is DSM's policy to hedge the currency risks resulting from sales and purchases at the moment of recognition of foreign currency receivables and payables. In addition, operating companies may opt for hedging currency risks from firm commitments and forecast transactions. There is a risk that the markets that provide hedging instruments will not always be available to DSM-Firmenich, and this could lead to a situation where DSM-Firmenich may incur losses due to market movements or unhedged currency rate positions. In addition, the effectiveness of hedges could be impaired due to, for example, changes in business conditions and financial exposures, and this could lead to loss. Should markets move against DSM-Firmenich's hedging position, DSM-Firmenich could experience a material adverse effect on its business, results of operations and financial condition.

DSM-Firmenich will be exposed to fluctuations in interest rates.

Part of DSM-Firmenich's debt borrowings will, or may in the future, carry floating interest rates, which will expose it to risks related to interest rate fluctuations. DSM-Firmenich will use credit lines and other credit facilities granted by third-party financial institutions to finance part of its activities. Most of these borrowings will comprise short-term credit lines and will therefore be subject to fluctuations on interest rates when rolled over. Although the current long-term debt portfolios of DSM and Firmenich comprise mainly fixed-rate positions, any future long-term financing will be exposed to a material increase in interest rates and credit spreads. In addition, hedging costs could be impacted by rising interest rates. DSM-Firmenich's management of interest rate risk may not fully offset adverse interest rate fluctuations, and such fluctuations, in addition to any interest rate increases in general, may have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

The share of DSM's borrowings with a floating interest rate is around 3% as per 31 December 2021. A 1% increase in interest rates would result in an €18 million pre-tax gain in the income statement and equity on the basis of the composition of financial instruments on 31 December 2021, as floating-rate borrowings are more than compensated for by floating-rate assets (mainly cash). As per December 2021, around CHF 104 million equivalent borrowings of Firmenich are based on floating interest rates. A 1% increase in interest rates would result in a CHF 1.04 million increase in interest charges reflected in the income statement. However, those charges are more than compensated by sizeable assets (mostly cash or deposits) held on floating interest rates.

DSM-Firmenich may implement policies to hedge part of its interest rate risks. There is a risk that the markets that provide hedging instruments will not always be available to DSM-Firmenich due to unexpected events, which could lead to a situation where DSM-Firmenich may incur losses due to market movements or unhedged interest rate positions. Should markets move against DSM-Firmenich's hedging position, DSM-Firmenich could experience a material adverse effect on its business, results of operations and financial condition.

If DSM-Firmenich fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results or prevent fraud.

DSM-Firmenich will have approximately 480 legal entities worldwide, the reporting of which will be input to the consolidated reports of DSM-Firmenich. These reports will be generated from multiple separate accounting systems. DSM-Firmenich may run the risk that reporting is not complete, or is not transparent, and may contain material inaccuracies. Any system of control can provide only reasonable, and not absolute, assurance that the objectives of the system are met. It is possible that the internal controls of DSM-Firmenich to mitigate these risks may fail. Any failure to maintain adequate internal controls or to produce accurate financial statements on a timely basis could increase DSM-Firmenich's operating costs, may lead to a loss of trust by the financial community, and ultimately could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich will be exposed to credit risks.

Credit risk is the risk of financial loss to DSM-Firmenich if a customer (in particular, any key global customer) or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from DSM-Firmenich's receivables from customers and investments in debt securities. DSM-Firmenich will be exposed to credit risk on cash and cash equivalents, accounts receivables, fixed-term deposits and derivative financial instruments. The failure of any counterparty to meet its payment obligations or performance undertakings vis-à-vis DSM-Firmenich or the deterioration in the financial condition of one or more of DSM-Firmenich's counterparties could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

Changes in assumptions underlying the carrying value of certain assets could result in impairment of such assets, including intangible assets.

DSM and Firmenich have carried and DSM-Firmenich will carry significant intangible assets on their balance sheets. Based on the Unaudited Pro Forma Combined Financial Information, the unaudited pro forma combined balance sheet of DSM-Firmenich shows €10,039 million of goodwill and €8,707 million of other intangible assets. The estimate of the carrying value of these assets is subject to several assumptions and estimates. If management's estimates or key assumptions on, for instance, future cash flows and growth rates change, the estimate of the fair value of assets could fall significantly and result in impairment. This could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

DSM-Firmenich may have significant liabilities under its defined pension plans, which are subject to change, and the actual costs of its pension plan obligations could exceed its estimates.

DSM-Firmenich will be exposed to a number of risks in relation to operating defined benefit plans in a number of countries. A defined benefit plan is a post-employment benefit plan that normally defines an amount of benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service, compensation and / or guaranteed returns on contributions made. Assumptions related to discount rates, inflation, interest crediting rate and future salary increases or mortality rates could have a significant impact on DSM-Firmenich's funding requirements relating to these plans. These estimates and assumptions may change based on actual return on plan assets, changes in interest rates, demographic situation and governmental regulations. Therefore, DSM-Firmenich's funding requirements could change and additional contributions could be required in the future.

In addition, pension plans may not be properly managed by local fund managers or trustees in accordance with local regulations. The investment strategy of the pension plans may be misaligned with the risk profile of the underlying pension liabilities. Inadequate risk management processes, risk identification and strategic decision-making may lead to an unbalanced approach towards this risk. Any failure by DSM-Firmenich to efficiently manage its pension risks could have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition. See section 11.19 "*Pensions - Firmenich pensions*".

DSM-Firmenich is exposed to the risk that the announced divestment of the Engineering Materials business fails to complete, which could expose it to the risks inherent to the Engineering Materials business and materially impair its financial position, and trigger unanticipated financing needs.

The consideration for the Firmenich Contribution partly consists of an amount in cash of €3.5 billion, subject to potential adjustments (the **Contribution Cash Consideration**), payable by the Company to the Firmenich Shareholders. On 30 May 2022, DSM entered into a €3 billion bridge facility agreement, which was subsequently revised to €2 billion (the **Bridge Facility**). The Bridge Facility was put in place to help fund part of the €3.5 billion payment to Firmenich Shareholders in the event that disposal proceeds of the Materials Divestments were received after the Merger completed. The Bridge Facility is expected to be repaid through proceeds from the divestments of the Engineering Materials business by DSM. For further information on the Bridge Facility (including the conditions for utilisation and the maturity date) and the Materials Divestments, please refer to section 3.11 "*Material agreements*".

Should DSM-Firmenich be unable to repay the outstanding amounts under the Bridge Facility (for example, because the divestment of the Engineering Materials business fails to complete), DSM-Firmenich would need to seek to raise additional funds to repay the remaining amounts under the Bridge Facility by other means, including potentially by way of the issuance of debt or equity securities or asset sales or disposals. See sections 2.1 "*Risks relating to the Exchange Offer and the Merger*" and 2.6 "*Risks relating to the DSM-Firmenich Ordinary Shares – Any future offerings of DSM-Firmenich Ordinary Shares can dilute the holdings of DSM-Firmenich Shareholders and / or could materially adversely affect the market price of DSM-Firmenich Ordinary Shares*" for the risks relating to potential future issues of DSM-Firmenich Ordinary Shares.

In addition, if the divestment of the Engineering Materials business would fail to complete, DSM-Firmenich would continue to be exposed to the risks inherent to the DSM Engineering Materials business and the industries in which this business operates.

In the event that DSM-Firmenich is unable to repay the outstanding amounts under the Bridge Facility from the proceeds of the divestment of the Engineering Materials business, there can be no assurances that DSM-Firmenich will be able to refinance the outstanding amount under the Bridge Facility on favourable economic terms, or at all, and DSM-Firmenich's ability to raise additional capital may be influenced by factors beyond its control, including the macroeconomic environment. If additional funding is not available on commercially attractive terms, or at all, or if a credit rating downgrade were triggered, this could have a material adverse effect on DSM-Firmenich's business, financial condition, results of operations and prospects. In addition, DSM-Firmenich may be required to significantly alter its strategy or curtail its future expenditure and investment plans and its liquidity position could be materially adversely affected, all of which could have a material adverse effect on DSM-Firmenich's business, financial condition, results of operations and prospects. In addition, should the refinancing of the Bridge Facility through a potential issuance of equity securities take place based on a materially lower DSM-Firmenich Ordinary Share price than as at the date of this Offering Circular, such refinancing can have a material adverse effect on the Company's shareholder returns.

2.5 Risks relating to taxation

DSM-Firmenich will be exposed to the risk that new tax and social security laws, treaties, regulations or practices are introduced and that existing tax and social security laws, treaties, regulations or practices or the interpretation and enforcement thereof are changed.

New tax and social security laws, treaties, regulations or practices or changes in existing tax and social security laws, treaties, regulations or practices could adversely affect DSM-Firmenich's tax position, including its effective tax rate or the amount of its tax payments (prospectively or retrospectively). This could increase DSM-Firmenich's tax and social security burden as opposed to the tax and social security burden of each of DSM and Firmenich prior to the Merger and thus have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

For example, as of the date of this Offering Circular, over 135 jurisdictions (including Switzerland) have endorsed the initiatives of the Organization for Economic Co-operation and Development to address the tax challenges created by an increasing digitalised economy, including initiatives commonly referred to as 'Pillar One' and 'Pillar Two'. **Pillar One** addresses the broader challenge of a digitalised economy and focuses on the allocation of profits of certain in-scope multinational enterprises among taxing jurisdictions based on a market-based concept rather than historical "permanent establishment" concepts. **Pillar Two** would in its current proposed form introduce a global minimum tax rate of 15% for certain in-scope multinational enterprises. Switzerland is contemplating fully implementing the requirements of Pillar Two, including, among others, the 'undertaxed payment rule', the 'income inclusion rule' and the 'qualified domestic minimum top-up-tax' as of 1 January 2024. Currently, an amendment of the Swiss Federal Constitution to allow for the introduction of these new taxes by legislation is contemplated, first to be enacted by the Swiss Federal Government on a temporary basis through the enactment of a corresponding ordinance, and secondly by Swiss Federal Parliament through the enactment of ordinary legislation. In the EU, to date, the Council Directive proposed by the European Commission (as amended from time to time) to implement the current proposal for Pillar Two has not yet been unanimously agreed upon between all member states. If the current proposal is adopted, it is envisaged that member states shall implement the proposed Council Directive in their domestic laws by 31 December 2023 and apply such laws in respect of tax book years beginning as from 31 December 2023. Pillar Two has been written broadly enough to potentially apply to DSM-Firmenich's activities following the Merger. Although at this stage it is difficult to fully determine the exact impact on DSM-Firmenich's tax burden, the potential implementation of Pillar One and Pillar Two in the domestic laws of jurisdictions across the globe (including, but not limited to, Switzerland and EU member states) could adversely affect DSM-Firmenich's tax position.

Another example is the proposal published by the European Commission on 22 December 2021 for a Council Directive laying down rules to prevent the misuse of holding companies (also referred to as **ATAD 3**). ATAD 3 would in its current proposed form introduce additional reporting and disclosure obligations for certain holding companies in the EU. It is envisaged that EU member states implement ATAD 3 in their domestic laws by 30 June 2023, and apply such laws as of 1 January 2024, with certain provisions looking back to the two preceding tax book years in order to assess whether a holding company falls within the scope of ATAD 3. However, as of the date of this Offering Circular, considerable uncertainty revolves around the question if, when and in what form ATAD 3 would be adopted.

DSM and Firmenich are and DSM-Firmenich will be exposed to tax risks relating to the conduct of business in multiple jurisdictions.

DSM and Firmenich are and DSM-Firmenich will be subject to a large number of different tax laws and regulations in the various jurisdictions in which DSM and Firmenich operate and DSM-Firmenich will operate and this large number may increase further if DSM-Firmenich's business would expand into new jurisdictions. Furthermore, many of the jurisdictions in which DSM and Firmenich conduct business, and DSM-Firmenich will conduct business, have detailed transfer pricing rules, which require contemporaneous documentation establishing that all transactions with (non-resident) related parties are priced in accordance with the arm's-length principle.

These laws and regulations are complex and subject to varying interpretations. DSM and Firmenich often rely and DSM-Firmenich will rely on generally available interpretations of these tax laws and (transfer pricing) regulations to determine the existence, scope and level of any tax liability in the jurisdictions in which it operates or will operate. Also, DSM and Firmenich take, and DSM-Firmenich will take, positions in the course of their business with respect to various tax matters. There is no assurance that the tax authorities in any jurisdiction (including, but not limited to, Switzerland and the Netherlands) will agree with the application and interpretation of these tax laws and (transfer pricing) regulations or the positions taken in that respect. Tax authorities could also challenge the transfer pricing policies of DSM and Firmenich and, following the Merger, DSM-Firmenich and / or the arm's-length nature of one or more specific transactions.

In case DSM's and Firmenich's and, following the Merger, DSM-Firmenich's, application and interpretation of tax laws and regulations, tax positions, transfer pricing policies or the arm's-length nature of one or more specific transactions are challenged or tax audits are performed by the relevant tax authorities, the additional taxes or other sums that DSM and Firmenich and, following the Merger, DSM-Firmenich may become required to pay as a result thereof could increase its tax and social security burden and thus have a material adverse effect on DSM-Firmenich's business, results of operations and financial condition.

Should a U.S. holder of DSM Ordinary Shares be able to participate in the Exchange Offer, such shareholders may be exposed to the risk that the Transactions are not treated as a tax-free contribution for U.S. federal income tax purposes.

The receipt of DSM-Firmenich Ordinary Shares pursuant to the Exchange Offer by a U.S. holder of DSM Ordinary Shares is expected to be treated as a tax-free contribution as described in section 15.4 "*Federal taxation in the United States*" for U.S. federal income tax purposes. No opinion of counsel or ruling from the IRS will be requested, however, and no assurance can be given that the IRS will not challenge such treatment. Each holder of DSM Ordinary Shares is urged to consult its independent professional adviser immediately regarding the tax consequences of accepting the Exchange Offer.

DSM and the holders of DSM Ordinary Shares may be exposed to tax risks if the Dutch Exit Tax Proposal would be implemented.

In July 2020, a legislative proposal was submitted to the Dutch parliament introducing a new Dutch dividend withholding tax liability in relation to certain cross-border migrations and reorganisations, which proposal was last amended on 8 December 2021 (the **Exit Tax Proposal**). Under the Exit Tax Proposal in its current form, a cross-border share-for-share exchange such as the Exchange Offer would qualify as a taxable cross-border reorganisation. The Exit Tax Proposal is envisaged to have retroactive effect as from the date of the last amendment, regardless of whether the relevant cross-border migration or reorganisation was announced before that time and regardless of when the Exit Tax Proposal may be enacted.

As of the date of this Offering Circular, the Exit Tax Proposal has not been placed on the agenda for parliamentary debate. The Dutch Council of State (*Raad van State*) did publish a negative advice on the Exit Tax Proposal, which may trigger further amendments to the Exit Tax Proposal. In addition, the Dutch government has advised parliament not to enact the Exit Tax Proposal based on a wide range of technical and practical concerns that are triggered by the Exit Tax Proposal. As a result, it is not clear when, or indeed if at all, the Exit Tax Proposal will be enacted or in what form. Accordingly, the ultimate impact of the Exit Tax Proposal on the Transactions is not clear at present.

The basics of the Exit Tax Proposal are that a Dutch tax resident company is deemed to have distributed its net profits (*zuivere winst*) (insofar as these exceed EUR 50 million) to its shareholders pro rata their respective entitlements if one of the newly introduced taxable events occurs. According to the explanatory notes to the Exit Tax Proposal, for listed companies such as DSM, the net profits may be calculated by taking the difference between: (i) the aggregate value of the listed company's shares immediately prior to the taxable cross-border migration or reorganisation, and (ii) the paid-in capital recognised for Dutch dividend withholding tax purposes at such time, which for DSM is expected to amount to approximately EUR 380 million. The 15% dividend withholding tax in respect of the deemed distribution is proposed to be levied from the shareholders by means of a 'deduction' from the deemed distribution by the company. As a result, the company would effectively have to pay such dividend withholding tax and hold a recourse right against its affected shareholders, though such recourse right can in practice most likely not be effectuated by listed companies such as DSM.

The key exemption under the Exit Tax Proposal regards the deemed distribution made to shareholders that are residents of member states of the EU, the European Economic Area or a jurisdiction that has concluded a tax treaty with the Netherlands that includes a dividend clause. If the company would be able to identify these shareholders and their tax residency and establish that no abuse is considered to be present, the deemed distribution to these shareholders would not be subject to dividend withholding tax pursuant to the Exit Tax Proposal. In the case at hand, this would likely result in the deemed distribution to the large majority of shareholders of DSM not being subject to dividend withholding tax pursuant to the Exit Tax Proposal. However, like other listed companies, DSM is expected to have difficulties determining its shareholder base in sufficient granularity to properly establish the Dutch dividend withholding tax liability. This is also recognised as such by various parties including the Dutch Council of State, recommending that the Exit Tax Proposal (if not withdrawn) in its current form should not be further taken into account by parliament. Otherwise, if and when enacted in its current form, the Exit Tax Proposal may lead to material exposure without a realistic recourse right for DSM.

In the Post-Offer Merger and Liquidation, the after-tax return for the DSM Shareholders is expected to be significantly lower than the return would have been, had the DSM Ordinary Shares held by such DSM Shareholders been tendered under the Exchange Offer.

Following the Post-Closing Acceptance Settlement Date, the Company will, if certain conditions are met, commence a Buy-Out or, alternatively, DSM will, together with the Company, undertake the Post-Offer Merger and Liquidation, as the case may be, with the aim of having the Company own all outstanding DSM Ordinary Shares. Further details on the terms and conditions of the potential Buy-Out or Post-Offer Merger and Liquidation are set out in sections 14.19 "*Statutory buy-out*" and 14.20 "*Post-Offer Merger and Liquidation*", respectively. The advance liquidation distribution, which will be paid in case the Post-Offer Merger and Liquidation is implemented, will generally be subject to 15% Dutch dividend withholding tax to the extent it exceeds DSM Holdco's average paid-in capital recognised for Dutch dividend withholding tax purposes. The advance liquidation distribution is expected to significantly exceed DSM Holdco's average paid-in capital recognised for Dutch dividend withholding tax purposes. The aggregate paid-in capital of DSM Holdco recognised for Dutch dividend withholding tax purposes is expected to amount to approximately EUR 380 million; assuming 173 million of DSM Holdco shares are outstanding at the time of the advance liquidation distribution, the recognised average paid-in capital of DSM Holdco per share would then amount to EUR 2.20. If, for example, the value of the advance liquidation distribution per DSM Holdco share to be received by a non-tendering DSM Shareholder under the Post-Offer Merger and Liquidation would amount to EUR 150.00 gross per share, EUR 147.80 (the difference between EUR 150.00 and EUR 2.20) will be subject to 15% Dutch dividend withholding tax. Any Dutch dividend withholding tax will be for the account of the holder of DSM Holdco shares and DSM Holdco shall not be obliged to pay any additional amounts to a holder of DSM Holdco shares for any Dutch divided withholding tax deducted and withheld on the advance liquidation distribution. As a result, the consideration per share to be received by non-tendering DSM Shareholders in the Post-Offer Merger and Liquidation (if implemented) after deduction and withholding of the applicable Dutch dividend withholding tax is expected to be considerably less than the gross amount of the Offer Consideration. To the extent Dutch dividend withholding tax is not fully creditable against the (income) tax liability of a DSM Shareholder, the after-tax return may be significantly lower than the return would have been had the DSM Ordinary Shares held by such DSM Shareholder been tendered under the Exchange Offer. Please see section 15 "*Material Tax Considerations*" for more information.

2.6 Risks relating to the DSM-Firmenich Ordinary Shares

The market price of the DSM-Firmenich Ordinary Shares will fluctuate and may decline.

The market price of the DSM-Firmenich Ordinary Shares which DSM Shareholders will receive upon tendering under the Exchange Offer may fluctuate significantly due to a variety of factors, including changes in, or changes in sentiment in the market regarding, DSM-Firmenich's business, results of operations and financial condition. Such fluctuations may be affected by a number of factors, some of which are beyond DSM-Firmenich's control, including changes in general market conditions, the general performance of the regulated market to which the DSM-Firmenich Ordinary Shares are admitted to listing and trading, changes in sentiment in the market regarding the DSM-Firmenich Ordinary Shares (or securities similar to them), regulatory changes affecting DSM-Firmenich's operations, variations in DSM-Firmenich's operating results, business developments for DSM-Firmenich or its competitors, the operating and share price performance of other companies in the industries and markets in which DSM-Firmenich operates, speculation about DSM-Firmenich's business in the press, media or the investment community, or changes in the political, social or economic conditions in the European Union, Switzerland or any other region where DSM-Firmenich's material business activities are located. Any of these events could result in a decline in the market price of the DSM-Firmenich Ordinary Shares. The price of the DSM-Firmenich Ordinary Shares may therefore not reflect DSM-Firmenich's qualitative and quantitative fundamentals. Furthermore, DSM-Firmenich's operating results and prospects may from time to time be below the expectations of market analysts and investors, which may impact the price of the DSM-Firmenich Ordinary Shares.

The Company cannot assure investors that an active trading market will develop for the DSM-Firmenich Ordinary Shares and, if a market does develop, the market price of the DSM-Firmenich Ordinary Shares may be subject to greater volatility than the market price of DSM Ordinary Shares.

Prior to the Admission, there has been no market for the DSM-Firmenich Ordinary Shares. The Company cannot assure investors that an active trading market in the DSM-Firmenich Ordinary Shares will develop or be sustained on Euronext Amsterdam. If such a market fails to develop or be sustained, this could negatively affect the liquidity and price of the DSM-Firmenich Ordinary Shares, and increase their price volatility. Accordingly, the Company cannot assure DSM Shareholders of the liquidity of any such market, any ability to sell the DSM-Firmenich Ordinary Shares or the prices that may be obtained for the DSM-Firmenich Ordinary Shares. Accordingly, the market price of the DSM-Firmenich Ordinary Shares may be volatile.

Subject to certain exceptions, DSM Shareholders and other prospective investors may in certain jurisdictions not be able to participate in the Exchange Offer or, after consummation of the Merger, elect to receive share dividends, if any.

The securities laws and regulations of certain jurisdictions may restrict the Company's ability to allow DSM Shareholders to participate in the Exchange Offer. Accordingly, DSM Shareholders and other prospective investors with registered addresses, or who are resident or located, in, or who are organised under the laws of, certain jurisdictions may not, subject to certain exceptions, be eligible to participate in the Exchange Offer.

In addition, the Company may in the future offer, from time to time, a stock dividend election to the prospective shareholders of the Company (the **DSM-Firmenich Shareholders**), subject to applicable corporate and securities laws and regulations in respect of future dividends. Subject to certain exceptions, the Company, however, may not, or may not be able to, permit DSM-Firmenich Shareholders and other prospective investors with registered addresses, or who are resident or located in, or who are organised under the laws of, certain restricted jurisdictions to exercise this election. Accordingly, DSM-Firmenich Shareholders and other prospective investors in these restricted jurisdictions may be unable to receive dividends in the form of shares rather than cash.

Any future offerings of DSM-Firmenich Ordinary Shares can dilute the holdings of DSM-Firmenich Shareholders and / or could materially adversely affect the market price of DSM-Firmenich Ordinary Shares.

Any future issues of additional DSM-Firmenich Ordinary Shares will dilute the holdings of DSM-Firmenich Shareholders and could materially adversely affect the market price of DSM-Firmenich Ordinary Shares. In addition to and following the Exchange Offer, the Company may sell a number of DSM-Firmenich Ordinary Shares from the DSM-Firmenich Ordinary Shares held in treasury. See section 12.3 "*Pending developments in the outstanding share capital, issue dates*". The sale of DSM-Firmenich treasury shares may have a dilutive effect on the economic and voting rights of the DSM-Firmenich Ordinary Shareholders and may have a negative effect on the market price of the DSM-Firmenich Ordinary Shares. In addition, the Company may decide to offer additional DSM-Firmenich Ordinary Shares in the future to raise capital, including if it is unable to raise new debt to repay part of the bridge facilities, or for other purposes. If DSM-Firmenich Shareholders and other prospective investors do not take up such offering of DSM-Firmenich Ordinary Shares or are not eligible to participate in such offering, their proportionate ownership and voting interests in the Company will be reduced and the percentage that their DSM-Firmenich Ordinary Shares would represent of the Company's total share capital would be reduced accordingly. This could have a material adverse effect on the market price of DSM-Firmenich Ordinary Shares.

The Company is a Swiss corporation that is not listed in Switzerland.

Applicable law and the Articles of Association may not grant DSM-Firmenich Shareholders certain of the rights and protections generally afforded to shareholders of Dutch companies or of a Swiss company listed in Switzerland. The rights provided to shareholders under Swiss corporate law and the Articles of Association differ in certain respects from the rights that would typically be enjoyed by shareholders of a Dutch company listed in the Netherlands or of a Swiss company listed in Switzerland. In particular, Swiss corporate law limits the ability of a shareholder to challenge resolutions or actions of the Board of Directors in court. Under Swiss law, shareholders generally cannot bring a suit to reverse a decision by the Board of Directors but may seek damages for breaches of fiduciary duty. Furthermore, remedies against transactions involving conflicts of interest or other procedural flaws may be limited if a claimant cannot prove that the benefits inuring to DSM-Firmenich are manifestly disproportionate to the consideration rendered in return, and to the Company's economic situation.

Swiss law and Dutch law provide for certain rules and protections of shareholders of domestic listed companies. Due to DSM-Firmenich's proposed cross-border structure upon completion of the Merger, however, several of these rules will not apply to the Company as if it were a Swiss company listed in Switzerland or a Dutch company listed in the Netherlands. In particular, the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 (the Financial Market Infrastructure Act, **FMIA**) on disclosure of shareholdings and tender offer rules, including mandatory tender offer requirements and regulations of voluntary tender offers, will not apply to the Company as it will not be listed in Switzerland. The Dutch rules on mandatory tender offers will also not apply to the Company, as they would only apply to Dutch public limited liability companies. In addition, the Dutch Corporate Governance Code will not apply to the Company by operation of law, as the Company is not incorporated under Dutch law.

The Articles of Association include specific provisions designed to prevent any person owning or controlling more than 30% of the share capital (taken together with any interest in shares held or acquired by the acquirer or persons acting in concert with the acquirer) except if (subject to certain exceptions) such acquirer launches and completes a tender offer in accordance with the Articles of Association. If a shareholder does not comply with these provisions in the Articles of Association, such shareholder will not be registered in the share register as a shareholder with voting rights exceeding 20% and, to the extent already registered, the voting rights of its shares exceeding 15% of the voting rights represented at any given shareholders' meeting will be suspended. Swiss law, however, prevents the Company from forcing a shareholder to launch a mandatory tender offer. As a result, although the Articles of Association contain certain takeover protections, these will not provide the full protections afforded by takeover laws of Switzerland and the Netherlands and, to the extent the Company is not subject to the provisions of the Swiss or Dutch takeover laws, the Swiss Takeover Board and the AFM, respectively, will not assume responsibility for ensuring compliance with the respective takeover laws that are not applicable to the Company (such as the mandatory offer rules under Dutch and Swiss laws). Instead, compliance with the provisions relating to takeover protections that the Company has incorporated into its Articles of Association will be a matter for the Board of Directors to determine, exercising its discretion in light of prevailing circumstances and in a manner consistent with its obligations under Swiss law and any specific provisions included in the Articles of Association. The validity of the specific provisions the Company has incorporated into the Articles of Association that are similar to certain provisions of Swiss and Dutch takeover laws have not been determined by any Swiss court, and there can be no assurance that any such provisions would be upheld or enforced by a Swiss court in any or all respects or, if upheld and enforced, that a Swiss court would construe these provisions in the same manner as a Dutch court, or the Swiss Takeover Board and the AFM. As a result of these differences between Swiss corporate law and the Company's Articles of Association, and Dutch laws, in certain instances shareholders could receive less protection as a shareholder of the Company than would be the case as a shareholder of a Dutch company listed in the Netherlands or a shareholder of a Swiss company listed in Switzerland.

3. DSM-FIRMENICH'S BUSINESS

3.1 Overview

DSM-Firmenich will aim to be a leading creation and innovation partner in nutrition, beauty and well-being. The business operations of DSM-Firmenich will be organised into four businesses, each with a strong position in the markets in which it operates and well-established to address emerging consumer trends. These businesses are set out in the table below.

Business[4]	Mission	Segments		Products	
Perfumery & Beauty **€3.3 billion**	Creators of perfumes and beauty products that delight customers	• Fine fragrance • Consumer fragrance	• Personal care • Ingredients	• Perfumery • Perfumery ingredients (i.e. natural, biotech and synthetic) for the creation of consumer products such as shampoos, dishwashing liquid, hair care products, fine fragrance, laundry care products, candles, air fresheners and oral care products	• Bio-based and synthetic industrial specialties
Food & Beverage/ Taste & Beyond **€2.7 billion**	Provide delicious, nutritious and sustainable products that deliver unique and superior consumer products	• Dairy • Beverages • Savoury	• Baking, confectionery • Plant-based meat alternatives • Pet food	• Flavour ingredients • Food enzymes • Natural Ingredients • Cultures • Probiotics • Bio-preservatives • Nutrition & Health ingredients (e.g. vitamins, carotenoids, omegas, minerals)	• Texturising ingredients • Hydrocolloids, pectin • Healthy sweeteners • Savoury taste solutions • Plant-based proteins • Pet-food ingredients
Health, Nutrition & Care **€2.2 billion[5]**	Keeping the world's growing population healthy through nutrition & care	• Dietary supplements • i-Health (e.g. probiotics) • Early-life nutrition • Pharmaceutical ingredients • Medical nutrition	• Nutrition improvement for the malnourished • Personalised nutrition • Medical devices	• Vitamins • Carotenoids • Nutritional lipids – omegas • Human Milk Oligosaccharides (HMOs) • Digestive enzymes • Probiotics, prebiotics • Cannabinoids (CBD)	• Active pharmaceutical ingredients • Nutraceutical ingredients (e.g. lutein, biotin) • Biomedical solutions
Animal Nutrition &	Transforming animal farming to	• Poultry (broilers and layers)	• Swine	• Essential ingredients, such as vitamins,	• Efficiency, gut health and mycotoxin risk

4 The amounts mentioned here refer to the combined sales for the respective operating segments of DSM-Firmenich, by combining DSM's sales and Firmenich's revenue for the year ended 31 December 2021, based on DSM's and Firmenich's respective accounting policies. As Firmenich's financial year ends at 30 June of each year, the revenue included in the DSM-Firmenich combined sales presented here are based on the financial information of Firmenich for the six months ended 31 December 2021 and the six months ended 30 June 2022. These combined financials exclude any adjustment for synergies and other adjustments.

5 The combined sales and revenue numbers included in Health, Nutrition & Care, exclude Personal Care & Aroma, which is included in Perfumery & Beauty.

Business[4]	Mission	Segments		Products	
Health **€3.3 billion**	become radically more sustainable so that vital protein is accessible for a growing global population	• Aqua/fish	• Ruminants (dairy and beef)	carotenoids and minerals, premix • (Environmental) services, including Verax™ and Sustell™ • Performance solutions focused on feed	management, such as feed enzymes, eubiotics and omegas • Emission reduction solutions including Bovaer®

The DSM-Firmenich Business will be led from various locations:

- Perfumery & Beauty will be led from Geneva, Switzerland;
- Food & Beverage / Taste & Beyond will be led from Delft, the Netherlands; and
- Health, Nutrition & Care and Animal Nutrition & Health will be led from Kaiseraugst, Switzerland.

The research and development for Perfumery, Ingredients and Taste will be led from Geneva, Switzerland. DSM-Firmenich's global biotechnology research and development network will be led from Delft, the Netherlands.

The Company expects that its four businesses will be well-positioned in their operating industries based on their longstanding foundation in science and technology and strong vertically integrated supply chains. DSM-Firmenich's businesses will jointly add up to total pro forma sales of €11.4 billion for the year ended 31 December 2021 (please see section 5 "*Unaudited Pro Forma Combined Financial Information*" for more information on the Pro Forma Financial Information). The total combined Adjusted EBITDA of DSM and Firmenich for the year ended 31 December 2021 was €2.2 billion (excluding potential €350 million of run-rate synergies)[6]. Based on the combined sales for the year ended 31 December 2021, DSM-Firmenich will have a balanced geographic exposure to markets in Europe (33%), North America (23%), Latin America (14%), China (9%), India, Middle East & Africa (8%), Japan (2%) and the rest of Asia Pacific (11%).

3.2 History of DSM-Firmenich

DSM-Firmenich will be a newly established creation and innovation partner in nutrition, beauty and well-being. The Company was incorporated on 16 May 2022 as Danube AG, a company limited by shares (*Aktiengesellschaft*) under the laws of Switzerland. On or around Admission, Danube AG will be renamed DSM-Firmenich AG. DSM-Firmenich will build on the heritage and integrate the businesses of DSM and Firmenich.

DSM was established in 1902 by the Dutch government to mine coal reserves in the southern province of Limburg. The last coal mine was closed in the early 1970s, by which time DSM had already transformed into a chemical company. In 1989, DSM listed on Euronext Amsterdam. In the subsequent 30 years, DSM transformed again to increasingly focus on creating scientific innovations in health, nutrition and sustainable living. In 1998, DSM acquired biotech company Gist-Brocades (founded in 1869 in Delft, the Netherlands). In 2003, DSM acquired the vitamin and fine chemicals division of Roche. Today, DSM is a purpose-led global science-based company in

6 Excluding any pro-forma adjustment for synergies and other pro-forma adjustments. The combined financial information has not been audited or reviewed by an external auditor. The combined financial information includes the Firmenich financial information for the year ended 31 December 2021 in Euros. As Firmenich's reporting currency is CHF and Firmenich's financial year relates to the period from 1 July until 30 June, the financial statements of Firmenich have been translated to the year ended 31 December 2021 in preparing the combined financial information, by taking Firmenich's financial information for the year ended 30 June 2021, plus the six months ended 31 December 2021 minus the six months ended 31 December 2020. In preparing the combined financial information, Firmenich's financial information has been converted from CHF to EUR using a fixed currency exchange rate (CY 2021 average EUR to CHF of 1.081) for purposes of translation only. The combined financial information has been calculated by adding the DSM Adjusted EBITDA for the year ended 31 December 2021 and the Firmenich Adjusted EBITDA for the year ended 31 December 2021. The Firmenich Adjusted EBITDA and the DSM Adjusted EBITDA are different metrics and, although there are no material differences in the calculation thereof for the year ended 31 December 2021, they are not fully comparable. For a reconciliation of the DSM Adjusted EBITDA and Firmenich Adjusted EBITDA, see sections 8.8 "*Non-IFRS financial measures – Reconciliation – Organic Net Sales, Organic Growth, Volume Developments and Price / Mix Effects*" and 10.4 "*Non-IFRS financial measures – Reconciliation – EBITDA and Firmenich Adjusted EBITDA*".

health, nutrition and bioscience, applying science to improve the health of people, animals and the planet. In addition to continued organic growth, acquisitions and divestments have played a key part in DSM's evolution. In recent years, DSM has acquired, among others, Nenter & Co's vitamin E business, Andre Pectin, Glycom, Royal CSK, Erber Group and First Choice Ingredients, and divested its Materials businesses, including the sale of its Resins & Functional Materials and associated businesses in 2021 and the sale of its Protective Materials business in September 2022. Furthermore, DSM announced the sale of its remaining Engineering Materials business in May 2022, to be completed in the first half-year of 2023.

Firmenich was founded on 1 November 1895 in Geneva, Switzerland, and has been a private, family-owned company for 127 years. Firmenich was initially exclusively active in the fragrance industry, but in 1938, it branched out into the flavours business, when it created a substitute for raspberry flavour, followed by the creation of citrus and strawberry flavours. After that, Firmenich developed other flavours for use in processed and preserved foods. Firmenich's flavouring and fragrance divisions grew organically over the years. In addition to this organic growth, acquisitions played a major part in Firmenich's growth. Firmenich expanded in the early 1950s through its acquisition of La Plaine chemical production factory. In recent years, Firmenich acquired Agilex Fragrances, Natural Flavors, Flavourome, Fragrance West, Campus, Senomyx and Les Dérivés Résiniques et Terpéniques (**DRT**) and acquired an interest in Essex Laboratories, Nelixia, VKL Seasonings, MG International, Essential Labs, ArtSci Biology, SH Kelkar and Robertet. In the last six years, in response to consumer demand, Firmenich has developed its natural and renewable flavours and fragrances ingredients and molecules which represent a significant portion of the products developed by it today, making Firmenich a well-positioned company in the fragrances and taste industry.

3.3 Key strengths of DSM-Firmenich

The Company believes that the key competitive strengths of DSM-Firmenich will be: (i) its four strong businesses, which are well-established to address accelerating global consumer trends, (ii) its strong bioscience and technology platforms, (iii) its engagement in locally relevant co-creation and innovation with customers, enhanced by digitally empowered business models, (iv) its vertically integrated portfolio of naturals and renewable and sustainable ingredients which are produced with a focus on nutrition, health and well-being, while potentially reducing negative impact on the planet, such as by reducing scope 1, 2 and / or 3 emissions, improving energy efficiency, and reducing water consumption, and (v) its passionate, talented and diverse employees. These key strengths are further explained below.

Four strong businesses well-positioned to address consumer trends

DSM-Firmenich will operate through four businesses: (i) Perfumery & Beauty, (ii) Food & Beverage / Taste & Beyond, (iii) Health, Nutrition & Care, and (iv) Animal Nutrition & Health.

The creation of the new Perfumery & Beauty business post-Merger will lead to a combined sales of €3.3 billion for the year ended 31 December 2021 focused on scent (fine and home fragrances), beauty and home care. DSM-Firmenich intends to create and innovate products to serve consumer needs for sensorial experiences and hygiene, beauty, and emotional/well-being-related benefits. In its production processes, DSM-Firmenich will leverage and integrate its creative capabilities, fragrance design, delivery technologies and a portfolio of differentiating aroma and cosmetic ingredients. Furthermore, the Company believes that this combination of Firmenich's Perfumery & Ingredients business and DSM's Personal Care & Aroma segment will allow it to strengthen its portfolio of renewable, natural, proprietary biodegradable and bio-based ingredients. With this integrated portfolio offering, the Company expects to drive revenue synergies by expanding Firmenich's global Perfumery & Ingredients business into personal care ingredients and formulation capabilities, thereby leveraging DSM's capabilities.

The Food & Beverage / Taste & Beyond business had combined sales of €2.7 billion for the year ended 31 December 2021. The Food & Beverage / Taste & Beyond business will focus on: (i) naturals and clean label products, (ii) plant-based foods, and (iii) supporting a taste experience while enhancing food's nutritional profile (for example with vitamins, pre- and probiotics, and less sugar, fat and salt). It will be well-positioned to respond to trends of consumers in dairy, beverages, savoury, baking and confectionery, who are increasingly seeking healthy, natural and eco-friendly food. The Food & Beverage / Taste & Beyond business will also focus on pet food. As a company active in both human and animal food applications, DSM-Firmenich will also be well-positioned to capture opportunities in the pet food industry.

The Health, Nutrition & Care business had combined sales of €2.2 billion for the year ended 31 December 2021. It will further develop as an end-to-end partner in the industry through its broad portfolio of sustainable, science-backed innovative solutions. The Health, Nutrition & Care business addresses consumers' and patients' health, nutrition and lifestyle needs in relation to dietary supplements, early-life nutrition, pharmaceutical ingredients, medical nutrition, nutrition improvement for the malnourished, personalised nutrition and medical devices markets.

The Animal Nutrition & Health business had combined sales of €3.3 billion for the year ended 31 December 2021. It will further focus on science- and technology-driven solutions to address the increasing consumer demand for proteins. These solutions aim to reduce the ecological footprint of animal protein production, including a reduction of emissions from livestock and an alleviation of the pressure on the planet's finite natural resources on the land, as well as in the seas. These solutions also improve the efficiency of animal protein production, thus securing income for farmers while keeping animal proteins affordable for end-consumers. The business aims to accomplish a robust and achievable transformation to make animal farming worldwide radically more sustainable by empowering farmers with essential products such as vitamins, carotenoids and minerals. See section 3.7 "*Business model of DSM-Firmenich - Animal Nutrition & Health*" for a description of the Company's strategic drivers relating to sustainable animal farming. The Animal Nutrition & Health business is one of the world's largest suppliers of vitamins, carotenoids, premixes, eubiotics, enzymes, and mycotoxin risk management and provides a wide range of impactful innovations such as methane inhibitor Bovaer®, Verax™, Sustell™ and fish-oil algae-alternative omega-3 Veramaris®.

Strong bioscience and technology platforms

The Merger will build on DSM's and Firmenich's combined track record of delivering effective innovations. DSM has structured its innovation activities around the four platforms of precision, prevention, protein and pathways. Firmenich's research addresses differentiated creation, sustainability and wellness. Selected examples highlighting DSM's and Firmenich's strong innovation track record include: (i) Bovaer®, the methane inhibitor for cattle, (ii) novel gut health solutions for animals and humans, (iii) algae-based omega-3 (Veramaris®), (iv) biodegradable fragrance encapsulation and pro-fragrance technologies for long-lasting performance, (v) malodour control technologies, (vi) renewable fragrance ingredients, (vii) versatile technologies for sugar and salt reduction, (viii) differentiating technologies for plant-based foods, including, for instance, CanolaPRO® plant-based protein sources, (ix) a diverse portfolio of fermentation-derived products, including human milk oligosaccharides, lipids, fragrance, taste and nutritional ingredients, and (x) natural extraction technologies (e.g. FIRGood™).

At DSM-Firmenich's core will be deep scientific capabilities. DSM-Firmenich will combine DSM's and Firmenich's scientific expertise, leveraging relevant and emerging disciplines required to meet the needs of the markets served. DSM-Firmenich will have a combined global network of 15 research and development facilities, which should bring significant cross-fertilisation opportunities for the four businesses via broad science capabilities including: (i) biosciences (including biotechnology, microbiome and receptor biology), (ii) fermentation, (iii) green chemistry, (iv) sensory perception, and (v) delivery systems and formulation. The Company expects that it will leverage the combination of DSM's and Firmenich's expertise in analytical sciences, data sciences and artificial intelligence to enable cross-disciplinary learnings. The Company believes that this combination will accelerate the creation and innovation of new molecules, independent of fossil-derived input materials.

The Merger aims to bring together strong capabilities in, and a continued commitment to, discovery, scale-up and commercialisation of differentiating products and technologies to address customer needs. The breadth of the bioscience and technology platform will be further evidenced by DSM-Firmenich's extensive IP portfolio which will consist of more than 16,000 patents across approximately 2,600 patent families.

Locally relevant co-creation and innovation with customers, enhanced by digitally powered business models

DSM and Firmenich have various pioneering and complementary digitally empowered business models, such as Hologram Sciences Inc., Sustell™, Verax™ and Scentmate™. For a description of Hologram Sciences Inc., Sustell™, Verax™ and Scentmate™, see section 3.4 "*Strategy of DSM-Firmenich - Complementary science platforms to further boost innovation*". These can result in new and emerging end-market segments focused on precision and personalisation. Another area for potential expansion is Firmenich's e-commerce platforms, which have been set up in various countries to enable customers to order samples and buy products in a relatively easy and quick manner. The Merger will result in a combination of Firmenich's prominent role in developing creations and applications for consumers and leveraging consumer insights and DSM's extensive health and nutrition portfolio, global network and presence in the end-markets.

The Company aims to bring locally differentiated co-creation and innovation to best serve global companies, regional champions, and emerging brands and start-ups. The Company believes that it will enable further competitive advantages through its critical mass in creation and application capabilities. DSM-Firmenich will be focused on supporting regional and local hubs worldwide to address specific consumer preferences and serve customers anywhere they operate.

DSM-Firmenich's strong co-creation capabilities will be exemplified by the approximately 200 perfumers and flavourists to be employed by DSM-Firmenich, enabling partnerships with customers to fulfil their ambitions. The Company believes that these artisans can offer a leading ingredient palette, building on innovative technologies, to drive differentiation for its customers. Under DSM-Firmenich, these experts will continue to be supported by strong investment in internal research and development teams.

Vertically integrated portfolio of sustainable, natural and synthetic ingredients

The Company believes that it has a strong foundation for its four key business units as a result of the high level of vertical integration across its portfolio of (i) natural ingredients, (ii) nature-identical bio-based ingredients and (iii) sustainable synthetic ingredients, such as biodegradable and renewable ingredients.

For example, Animal Nutrition & Health is involved in the fully integrated supply chain as (i) producer of ingredients (such as vitamins, carotenoids and minerals), (ii) supplier of advanced premix solutions, but also (iii) provider of tailored services at farm-level on how to improve productivity and sustainability. The latter is done through the use of Verax™ and Sustell™ and combining them with performance solutions such as feed enzymes and eubiotics/gut health. In addition, the Company anticipates that Perfumery & Beauty will be one of the leading businesses in its industry due to its outstanding naturals, renewable, sustainable and vertically integrated ingredients portfolio. DSM-Firmenich considers its ingredients portfolio to be sustainable as it focuses on discovering and developing proprietary ingredients using sustainable processes, delivering enduring sensory performance with as little impact on the planet as possible, and increasing the renewable content of its ingredients portfolio. In the development of this portfolio, DSM-Firmenich evaluates technical aspects, such as biodegradability and the appropriateness of conducting a life-cycle analysis at various stages of development.

DSM-Firmenich aims to operate at the highest safety and quality standards, with strong regional manufacturing presence. This ensures supply continuity, proximity, resilience and trust for its customers. Sustainability considerations have long been embedded within each of DSM's and Firmenich's strategies. DSM-Firmenich combines these shared values and longstanding action on climate change, embracing nature and care for people. DSM-Firmenich will also combine the world-leading partnerships of DSM and Firmenich with, among others, UNICEF, World Food Programme and World Vision. DSM-Firmenich will continue DSM's and Firmenich's commitment to sustainability across its value chain and to drive commitment to improving environmental, social and governance positions globally.

For information about DSM's and Firmenich's commitments on sustainability, see section 3.20 "*Environmental, Social and Governance*".

Passionate, talented and diverse people

DSM-Firmenich will have approximately 28,000 employees (in FTE). It will bring together DSM's and Firmenich's employees that have a shared passion for innovation and creation to deliver value for customers. Both DSM and Firmenich have a great number of specialised and experienced industry specialists.

The employees have a pivotal role in realising the commitments of DSM and Firmenich in relation to sustainability. See section 3.20 "*Environmental, Social and Governance*".

Following the Merger, DSM-Firmenich aims to provide a working environment (i) with a culture that puts people's safety, health and well-being first, (ii) that maintains a strong sense of shared purpose and (iii) that offers exciting new personal development and career opportunities. Consequently, DSM-Firmenich expects that its combined employee base will thrive through combining their expertise, best practices and learnings.

3.4 Strategy of DSM-Firmenich

DSM-Firmenich will create a global-scale company in its industry, building on the €11.4 billion pro forma sales for the financial year ended 31 December 2021. This position will be underpinned by DSM's and Firmenich's complementary capabilities across scent, taste, texture, nutrition, animal care and health, bolstered by each of their science expertise. DSM-Firmenich will have strong proprietary capabilities to partner with customers and fulfil their ambitions. The Company believes that it will be able to better anticipate and address the needs of today's conscious consumers, who prioritise sustainability, health and well-being. DSM-Firmenich brings together DSM's health and nutrition portfolio capabilities and expertise coupled with Firmenich's artisan perfumers and flavourists' experience driving true differentiation informed by local consumer insights. Please see section 2.2 "*Risks relating to DSM-Firmenich's business, industry and operations - DSM-Firmenich may be unable to successfully implement its growth and value creation strategy*" for a description of the risks associated with any inability to implement DSM-Firmenich's strategy.

The Company believes that the combination of DSM and Firmenich will accelerate strategic delivery and open new opportunities around the following strategic pillars: (i) creation of a global-scale partner for the food and beverage industry, (ii) complementary science platforms to further boost innovation, and (iii) developing digitally enabled business models.

Creation of a global-scale partner for the food and beverages industry

The Company believes that the combination of DSM's Food & Beverage and Firmenich's Taste & Beyond businesses will form a global-scale partner for the food and beverage industry. This combination will offer extensive capabilities in taste, texture, nutrition and functionality.

Firmenich's Taste & Beyond products are used across a broad range of beverage, sweet goods and savoury applications, including soft drinks, juices and energy drinks, dairy products, confectionary products, dried foods and plant-based foods. Firmenich's flavour products include a broad range of (i) organic certified, natural and synthetic flavours and (ii) functional ingredients (e.g. texture, sweetness, nutritional) that enable its customers to produce "clean label" food and beverage products. DSM's Food & Beverage ingredients and solutions are also widely used to create various food products. These range from grocery favourites such as yogurt, cheese and soups, to specialised products, including gluten-free bread and beer, plant-based meat alternatives and dairy alternatives. In the field of meat, fish and dairy alternatives, DSM offers a range of solutions for analogues of proteins with an authentic taste and succulent, chewy texture.

The combined Food & Beverage / Taste & Beyond business will be a major global supplier with an extensive product portfolio, consisting of: (i) flavours, (ii) food enzymes, (iii) cultures, (iv) probiotics, (v) bio-preservatives, (vi) nutrition & health ingredients (vitamins, omegas, minerals), (vii) texturising hydrocolloids, (viii) sugar reduction solutions, (ix) plant-based proteins and (x) savoury taste solutions and (xi) comprehensive pet nutrition solutions. The Company believes that the combined two businesses will be able to play an important role in the diet transformation by creating healthier, tasty, accessible food and beverages with more natural and sustainable ingredients.

Complementary science platforms to further boost innovation

DSM-Firmenich aims to create a well-functioning science and technology platform by combining DSM's product-focused innovation and production process optimisation with Firmenich's platform-driven discovery for differentiated ingredients, technologies and creation tools. As such, the Merger will form an important next step in DSM's and Firmenich's heritages of over 150- and 125-years respectively in purpose-led scientific discovery and innovation.

The four businesses will be supported by DSM's and Firmenich's longstanding foundation in science and technology and a vertically integrated portfolio of natural, nature-identical, sustainable synthetic ingredients, such as biodegradable and renewable ingredients. Both DSM and Firmenich have successful track records of delivering innovations that create and reshape markets.

DSM-Firmenich currently expects to invest more than €700 million annually in research and development across a network of approximately 2,000 FTEs in science and innovation and 15 global research and development facilities. The DSM-Firmenich Business will be supported by 40 creation centres, 78 application labs, 70 premix sites and 88 manufacturing sites worldwide. DSM-Firmenich will bring together extensive capabilities in and a continued commitment to discovery, scale-up and commercialisation including a portfolio of more than 16,000 patents across approximately 2,600 patent families.

DSM-Firmenich sees science as a crucial means to deliver innovations that differentiate its products in the market and drive value creation. There will be a focus on delivering differentiated products that are sustainable and support the transformation of the global food chain, nutrition, wellness and beauty through bio-based and circular solutions. For example, the skin care product Alpaflor® Edelweiss is organically cultivated at high altitude in a pure, unspoiled environment. The DSM Business has set up a local and short supply chain with fair trade certification. DSM-Firmenich aims to deliver differentiated products that are good for people and the planet. The sustainability of DSM-Firmenich's products will be assessed today through the use of Firmenich's proprietary EcoTools, such as ECOSCENT COMPASS™ and ECOFOOD COMPASS™, which aim to assess the environmental and social impact of its portfolio of tastes and fragrances and provide transparency on the sources and composition of its products. DSM-Firmenich will be continuously enhancing the transparency of its ingredients portfolio by improving these tools, for example by adding environmental data points and assessing the biodiversity impact and the potentiality to upcycle.

Developing digitally enabled business models

Both DSM and Firmenich have pioneering and complementary digitally empowered business models with potential to cross-fertilise and accelerate growth.

For example, in 2021, DSM started its "Digital Nutrition Acceleration" programme. This programme aims to accelerate digital transformation of the core business and create a digital foundation for key precision and personalisation initiatives, such as:

- Hologram Sciences, Inc., DSM's personalised nutrition venture, which brings together capabilities to develop end-to-end turnkey personalised nutrition solutions that are commercially validated with consumers;

- Sustell™, a first-of-its-kind intelligent service focused on sustainability by providing deep insights into emissions at farm-level to reduce the environmental footprint and improve the profitability of animal farming. Sustell™ aims to open new possibilities to certify and incentivise sustainable farm practices (farms with less emission per unit of meat/protein). As such, animal farming companies and the associated value chain (for example the retail), will have a powerful solution to measure, compare and improve the sustainability of animal protein production. Consequently, customers can decide to choose for a more or less sustainable product (based on its emissions and other sustainability key performance indicators); and

- Verax™, a data-driven decision-making tool that helps veterinarians, nutritionists and operations make better decisions about their animals' health.

Also, since 2018, Firmenich has invested substantially in the development of its artificial intelligence capabilities, including through a strong collaboration with the Swiss Federal Institute of Technology. This collaboration is focused on augmenting Firmenich's product creation teams by providing them with AI-generated insights that have helped Firmenich shorten its product development process, increase its ability to innovate and quickly respond to changing market conditions. As part of its artificial intelligence strategy, in 2021, Firmenich launched Scentmate™, an AI-enabled platform that streamlines and simplifies co-creation to deliver fragrance solutions. The platform allows customers to define the relevant parameters, after which they receive a recommended fragrance solution within minutes. In addition, Scentmate™ streamlines ordering and fulfilment to help customers simplify their supply chain through online sample requests, digital ordering and flexible quantities.

DSM-Firmenich expects to build digitally enabled business models by combining DSM's precision and personalisation platforms and Firmenich's artificial intelligence-augmented formulation development and service models. This will provide DSM-Firmenich with data, technology and digital capabilities to accelerate strategic delivery to customers by further focusing on innovation in high-growth and resilient segments.

3.5 Medium-term objectives of DSM-Firmenich

DSM-Firmenich has set the following financial objectives for the medium-term period:

- a mid-single-digit percentage of organic sales growth moving to a 5-7% range, supported by revenue synergies and innovations; and
- an Adjusted EBITDA Margin moving to the 22-23% range, supported by synergies and innovations.

In addition, DSM-Firmenich will apply the following financial policies:

- *Balance sheet*: (i) a Net debt/Adjusted EBITDA ratio of 1.5-2.5x; and (ii) a commitment to a strong investment grade credit rating; and
- *Dividends*: an average dividend pay-out of 40–60% of its total net income.

Please also refer to section 17.6 "*Non-IFRS financial measures*" for further information.

DSM-Firmenich has not defined, and does not intend to define, "medium-term". These medium-term financial objectives should not be read as forecasts or projections and should not be read as indicating that DSM-Firmenich is targeting such metrics for any particular year, but are merely objectives that result from DSM-Firmenich's pursuit of its strategy. DSM-Firmenich can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. The objectives have been determined based on trends, data, assumptions and estimates that DSM-Firmenich considers reasonable as of the date of this Offering Circular but which may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors, and they are inherently subject to significant business, operational, economic and other risks, including but not limited to those described in sections 2 "*Risk Factors*" and 17 "*Important Information*", many of which are outside of DSM-Firmenich's control. The assumptions upon which the medium-term objectives are based may change or may not materialise at all. In addition, unanticipated events may adversely affect the actual results that DSM-Firmenich achieves in future periods, whether or not its assumptions relating to the medium-term objectives prove to be correct. The DSM Shareholders, the DSM-Firmenich Shareholders and other prospective investors are urged not to place undue reliance on any of the statements set out above.

3.6 Synergy potential of DSM-Firmenich

The Company expects to realise recurring run-rate pre-tax synergies of approximately €350 million Adjusted EBITDA per year by 2026. The Company is expecting cost synergies to contribute for approximately 40-50% and expects these to be delivered within three years after consummation of the Merger. The remaining 50-60% of the Adjusted EBITDA synergies is expected to be realised through an uplift of around €500 million in annualised revenues as a result of accelerating innovation with customers, and is expected to be delivered within four years after consummation of the Merger. To realise the total synergies, the Company expects to incur one-time implementation costs of approximately €250 million. It is expected that the majority of the integration costs will be incurred in the first two years from Completion, with half of the costs being incurred in the first year and the other half in the second year. Given the complementary nature of the Merger, the integration risks are considered limited.

Substantial revenue synergy potential is expected from the integration of DSM's Food & Beverage and Firmenich's Taste & Beyond businesses, which is expected to account to an estimated 60% of the anticipated revenue synergies. In particular, DSM-Firmenich sees the following synergistic innovation opportunities for the Company:

Food & Beverage / Taste & Beyond (60% of revenue synergy delivery)

- *functional nutrition*: bring together taste, texture and nutrition portfolios to provide well-being attributes to Food & Beverage consumers (such as functional beverage and fortified food);

- *plant-based foods*: leverage a strong portfolio of flavours, taste modulation, texture, enzymes, cultures, micronutrients, functional ingredients and differentiated protein sources to drive dynamic innovation;

- *dairy*: combine a differentiated portfolio to enhance dairy systems with premium taste profiles (such as fermentation-derived base enhanced with flavour and cultures);

- *savoury*: enhance scale across a combined savoury portfolio and drive new product creation by leveraging, among others, fermentation know-how; and

- *pet food*: extend pet offering by leveraging existing nutrition and natural platforms.

Health, Nutrition & Care (25% of revenue synergy delivery)

- *dietary supplements*: develop a "next generation" supplements offering that leverages taste expertise, applications excellence (such as gummies) and naturals complementing the innovation pipeline and health benefits platforms from the Health, Nutrition & Care business;

- *medical nutrition*: drive development of patient benefit solutions in medical nutrition with enhanced protein and nutrition content and appealing taste profiles; and

- *pharma*: deploy the taste expertise to complement existing differentiating pharma portfolio.

Perfumery & Beauty (15% of revenue synergy delivery)

- *active beauty*: deployment of beauty actives and functionals, leveraging DSM's existing personal care product portfolio and joint capabilities in formulation.

3.7 Business model of DSM-Firmenich

The Company believes that the Merger will create four high-performing and complementary businesses, consisting of the following operating segments: (i) Animal Nutrition & Health, (ii) Perfumery & Beauty, (iii)

Food & Beverage / Taste & Beyond and (iv) Health, Nutrition & Care. Each business has its own products/services, mission and strategy.

Animal Nutrition & Health

The mission of the Animal Nutrition & Health business is to transform animal farming to become radically more sustainable so that vital protein is accessible for a growing global population. To further this mission, the business will focus on the following six strategic drivers: (i) improve the lifetime performance of farm animals by improving animal health and welfare (for example for cows, by providing nutritional solutions that optimise skeletal development and health, nutrient utilisation and fertility, but that also prevent ketosis, mastitis and lameness), (ii) reduce food loss and waste by improving the quality of meat, milk, fish and eggs (e.g. Optimum Vitamin Nutrition™ (OVN)™), (iii) reduce emissions from livestock such as greenhouse gas (CO2, methane), nitrogen, ammonia, phosphorous (e.g. Bovaer®, Vevovitall®, Protease® and Phytase®), (iv) make efficient use of natural resources, prevent deforestation and protect biodiversity (e.g. Protease Proact® and mycotoxin deactivation), (v) protect life in the ocean by reducing reliance on marine resources (e.g. Veramaris®), (vi) develop novel nutritional solutions which increase the resilience of animals to stress and pathogens and consequently limit antibiotic use (e.g. Balancius™, DSM's Crina® and DSM's Vevovitall®). By executing these strategic drivers, DSM-Firmenich will aim to support its customers, the livestock value chain and other stakeholders to address environmental challenges. Animal Nutrition & Health has an integrated, global business model, with a global premix footprint. DSM-Firmenich will have an extensive portfolio of nutritional ingredients and also offers precision solutions to farms.

Within these strategic drivers, Animal Nutrition & Health will have an extensive portfolio, structured into Essential Products and Performance Solutions complimented by its Precision Services. Essential Products provides customers with vitamins, minerals, carotenoids and premixes, which are essential for animal life and health development. Performance Solutions covers feed enzymes, algae-based omega-3, eubiotics (for instance pre- and probiotics, organic acids and natural oils), and mycotoxins absorbers. In addition, Animal Nutrition & Health is also rolling out its methane-reducing feed additive for ruminants, Bovaer®.

Perfumery & Beauty

The Perfumery & Beauty operating segment will combine Firmenich's Perfumery & Ingredients operating segment and DSM's Personal Care & Aroma division (which is currently part of DSM's Health, Nutrition & Care segment). The mission of the Perfumery & Beauty business is to create fragrances and beauty products that delight and drive customer preference. It consists of (i) fragrances, (ii) (aroma) ingredients and (iii) personal care actives and formulations. The strategy of the Perfumery & Beauty business is based on three key transformation areas:

- **consumer-driven innovation**: designing fragrances and formulations that are most liked, perform best in use across key applications and touch points, and provide additional functional and emotional benefits;
- **sustainability**: leadership in sustainable fragrances and ingredients focusing on biodegradability, renewable materials and responsibly sourced naturals; and
- **digital**: end-to-end digital and data transformation, augmenting creation capabilities and driving efficiencies, re-designing the customer experience and supporting sustainable sourcing and creation.

Firmenich's perfumery products are used primarily in the fine fragrance, personal care and home care segments. These include sub-segments such as feminine and masculine fine fragrances, deodorants, body wash, hair care, skin cleansing and care, oral care, laundry cleaning and care and household cleaning products. Perfumers create superior fragrances by using a wide palette of ingredients (synthetics and naturals), some of which are exclusively proprietary, and augmented creation tools that use artificial intelligence. Firmenich's perfumery division also aims to provide fragrance solutions, ingredients and delivery systems that are fully biodegradable, renewable and responsibly sourced in order to respond to the growing customer and consumer demand for eco-friendly products. DSM's Personal Care & Aroma division offers solutions for customers in the personal care, home care and fine fragrance markets. Its extensive portfolio includes aroma ingredients such as bio-based offerings for aroma, vitamins and natural bio-actives, as well as UV filters, peptides and polymers. DSM's solutions focus on health and beauty (such as hair and skin care) and address increasing concerns around global public health issues such as air pollution and skin cancer.

Food & Beverage / Taste & Beyond

The Food & Beverage / Taste & Beyond operating segment will combine Firmenich's Taste & Beyond segment and DSM's Food & Beverage segment. The mission of the Food & Beverage / Taste & Beyond business is to provide delicious and nutritious products that deliver unique and superior consumer products. DSM-Firmenich aims to source and develop an ingredients palette that is sustainable and responsible by expanding the portion of nature-based ingredients within its portfolio, along with setting strict sustainable sourcing standards for its suppliers and being strongly involved in the sourcing process of its suppliers. The level of sustainability of Firmenich's products will be assessed through its digital tools, such as ECOSCENT COMPASS™ and ECOFOOD COMPASS™ and DSM-Firmenich will continue this in the future. DSM-Firmenich's strategy is to address customer demand driven by five main market trends: (i) enhanced taste and texture experience, (ii) improved health and wellness, (iii) sugar, fat and salt reduction, (iv) efficient and sustainable production and (v) reduction of food loss and waste. These trends are principally driven by a transition in preferences of consumers who increasingly seek food that is healthy, eco-friendly and made using recognisable and trusted ingredients.

Food & Beverage / Taste & Beyond's broad portfolio of products can be divided in:

- **taste**, such as flavours, sweeteners, cultures, yeast extracts and enzymes;
- **textures**, such as fibres, bio-gums and pectins;
- **health**, such as vitamins, carotenoids, pre- and probiotics, nutraceuticals and lipids (omegas); and
- **process and preservation**, such as antioxidants, bio-protection and coatings.

DSM-Firmenich's Food & Beverage / Taste & Beyond business will focus on technologies for sugar reduction by developing new natural sweeteners, sweetness enhancers and will continue to create plant-based alternatives to traditional protein products. Additionally, leveraging on its innovation capabilities, DSM-Firmenich's Food & Beverage / Taste & Beyond business will focus on increasing natural and clean label ingredients.

Health, Nutrition & Care

The Health, Nutrition & Care operating segment will consist of DSM's operating segment Health, Nutrition & Care, excluding Personal Care & Aroma, and will be able to benefit from Firmenich's expertise on formulation and flavours. The mission of the Health, Nutrition & Care business is to keep the world's growing population healthy through nutrition and care.

The Health, Nutrition & Care business focuses on the following product segments: (i) early-life nutrition, (ii) dietary supplements, (iii) i-Health, (iv) pharma ingredients, (v) medical nutrition, (vi) nutritional improvement for the malnourished, (vii) personalised nutrition and (viii) medical devices. DSM-Firmenich will serve these focus areas with a portfolio of high-quality products (such as vitamins, carotenoids nutritional lipids and minerals) and pharmaceutical ingredients (API, excipient), customised solutions (premix, market-ready solutions and personalised nutrition) and biomedical solutions.

DSM-Firmenich expects that the growth of the Health, Nutrition & Care business will be driven by a strong product innovation pipeline, growth in naturals and that it will be able to leverage Firmenich's existing formulation and flavour expertise. For example, a focus is to produce flavoured multi-vitamin, gut health gummies and eye-health gummies which would have full nutritional value, optimal flavour and texture. In addition, the Company aims to enable the development of market-ready medical nutrition solutions and unique and novel early-life nutrition products.

3.8 Industry overview

DSM

DSM is active across a wide range of segments: animal nutrition & health, food & beverage, pharmaceuticals, medical nutrition, early-life nutrition, nutrition improvement, dietary supplements, personalised nutrition and personal care. DSM's portfolio of products and services is global and highly diversified, serving customers and other stakeholders locally across an extensive range of industries worldwide.

Key trends that influence the segments in which DSM operates are the growing requirement for the sustainable production of animal protein and the growing demand for (personalised) health solutions, including tasteful, nutritious and sustainable food and beverage choices.

DSM has three focused business groups in which it organises its activities: Food & Beverage, Animal Nutrition & Health, and Health, Nutrition & Care.

Food & Beverage

The Food & Beverage segment covers sustainable solutions that address taste, texture and health in an integrated way such as dairy cultures as well as enzymes, yeast extracts, process flavours, vitamins, minerals and nutritional lipids. DSM has an extensive portfolio of global products in this space.

In the Food & Beverage segment, good conditions across dairy, bakery, savoury and beverage persisted in the first six months of 2022. With a return to pre-pandemic levels of demand and a continued shift to a normalised work environment and social engagement, higher travel and out-of-home consumption led to growth in the food services subsegment, with high demand for applications in beverages and savoury products.

There are various key consumer and industry trends in the Food & Beverage segment:

- Natural & clean label, flexitarianism and innovation which drive the growth of the segment.
- Affordability & food security, supply chain disruption, inflationary environment and potential regulatory harmonisation and changes (e.g. in pet food)

The main end markets that DSM serves are fresh dairy, cheese, beverages, savoury and baking, brewing, confectionary and ingredients processing. DSM competes in multiple dimensions such as taste (e.g. flavours, natural extracts, sweeteners), colour, textures and processing aids (e.g. food cultures and enzymes) with multiple players including IFF, Givaudan, Symrise, Kerry, ADM and Glanbia.

Animal Nutrition & Health

The Animal Nutrition & Health segment serves the global feed industry with a diverse portfolio that runs from vitamins through carotenoids to mycotoxin risk management solutions, feed safety diagnostic solutions, gut heath technologies, and feed efficiency solutions. DSM is a global player in this space, leveraging a unique global premix network.

On a macroeconomic level, there are two main trends driving the Animal Nutrition & Health segment. On the one hand, there is the growing global population, set to increase by 25% by 2050, which leads to a significant growth in demand for both animal protein as well as plant-based protein in the future. On the other hand, there is the need for the sustainable production of animal protein. DSM aims to address this trend by efficiently using natural resources and improving feed efficiency, which is key, along with a reduction in overall emissions.

DSM offers a wide range of ingredients such as fat soluble vitamins, carotenoids, eubiotics and feed enzymes focusing on premix solutions to improve animal health & wellness. In animal vitamins and carotenoids, DSM competes with BASF, Adisseo and NHU. In premix, DSM competes with Nutreco and Cargill, while in feed enzymes, DSM has an alliance with Novozymes and competes with, for instance, IFF.

Health, Nutrition & Care

The Health, Nutrition & Care segment covers specialty nutritional and personal care ingredients and biomedical solutions focusing on immunity, gut, brain and skin health. DSM has a strong position in the early-life nutrition, dietary supplements, pharma, medical nutrition, nutrition improvements segments, as well as personal care actives and aroma ingredients.

As a result of the COVID-19 pandemic, consumers are increasingly focused on the crucial role of nutrition for immune support, which is driving the demand for dietary supplements such as vitamins, nutraceuticals and probiotics. The pandemic simultaneously accelerated the use of digital communications in delivering these solutions with increasing online purchases. In the first six months of 2022, the Health, Nutrition & Care segments have overall seen strong volume growth with good pricing in favourable conditions.

Potential headwinds in industries and macroeconomic condition still remain for the rest of 2022, including inflationary pressure on raw material prices, potential supply chain disruptions and lower birth rates across the globe potentially impacting demand in early-life nutrition.

With the vision of keeping the world's growing population healthy through nutrition & care, DSM competes with various players in the market including vitamin & lipid producers (e.g. NHU Europe), premix & contract development and manufacturing companies (e.g. Glanbia), flavours & fragrances players (e.g. Givaudan, Kerry, Symrise, IFF) as well as fermentation players moving into the human microbiome area (e.g. Cargill, ADM).

Materials

In addition, DSM operates in the Materials space via its Engineering Materials business that provides high-performance specialty materials that address key needs in automotive, electronics and consumer goods industries. The sale of this segment to Advent International and LANXESS was announced on 31 May 2022. Completion of the transaction, which is subject to the customary conditions and approvals, is expected in the first half of 2023. The key trends impacting the Engineering Materials business arise from the automotive, electronics, medical and healthcare segments which drive the demand for high performing materials in these segments:

- demand in automotive is led by society's urgent requirement for sustainable (including light-weight) transportation systems; and

- consumers in electronics are increasingly seeking "smart", connected and customisable products.

As described in section 8.3 "*Key factors affecting DSM's business and results of operations - Divestments*" DSM has divested part of its Materials business in 2021 and September 2022 and announced the sale of its remaining Engineering Materials business in May 2022.

Firmenich

Firmenich operates in the Perfumery & Ingredients and Taste & Beyond space. Its Perfumery & Ingredients business unit is active in the production and commercialisation of aroma chemicals and fragrances, while its Taste & Beyond unit focuses on flavours and sweeteners, as well as selected food ingredients.

The Company believes that the industry has historically generated above-GDP growth and offers opportunities for innovation and differentiation in both Perfumery & Ingredients and Taste & Beyond.

The markets in which Firmenich operates include global, regional and local participants that serve a diverse customer base with a large variety of products. Examples of other market participants include Symrise, Givaudan and IFF. Firmenich is well-positioned in these markets, with an organic revenue growth of 9.6% in the calendar year ended 31 December 2021, which was as high as the organic revenue growth for Symrise and higher than the organic revenue growth in the same period for IFF, with 8%, and Givaudan, with 7.1%. In addition, Firmenich's organic revenue growth compound annual growth rate (**CAGR**) between December 2013 and December 2021 was at 5.4%, while Givaudan realised a CAGR of 4.7%, IFF 3.7% and Symrise 6.5%. As a result of its focus on innovation, Firmenich's research and development spend for the calendar year ended 31 December 2021 amounted to 8.9% of its revenue, which was higher than that of Givaudan at 8.4%, IFF at 5.4% and Symrise at 5.8%.[7]

Firmenich's customers include: multinational consumer goods manufacturers, regional and local consumer goods manufacturers, retailers, foodservice operators and, increasingly, consumer goods-oriented start-ups.

Flavours and fragrances deliver differentiating sensory attributes in consumer end-products that play a significant role in a consumer's purchasing decisions while typically representing a relatively small volume of the products in which they are used.

Perfumery & Ingredients

The Perfumery & Ingredients segment includes various categories spanning from Fine Fragrances and Consumer Fragrances to Aroma Chemical Ingredients. Firmenich sells fine fragrances to perfume brand owners and consumer fragrances to the producers of body care products, home care products and oral care products. Firmenich's Ingredients division manufactures synthetic aroma chemicals and renewable ingredients, as well as natural (including biotech) ingredients utilising sustainable production processes for its own consumption and purchase by third parties.

The Perfumery & Ingredients industry includes four large global participants: Firmenich, Givaudan, Symrise and IFF. Firmenich is a recognised player within this market, with a strong position in prestige fine fragrances, renewables, natural, biodegradable, and sustainable ingredients.

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7 Information on the organic revenue growth and CAGR for Firmenich is based on growth on an organic basis at constant currency and is computed by (a) comparing current period results converted at prior period foreign exchange rates to prior period results at prior period foreign exchange rates and (b) excluding the impact of business acquisitions and disposals for a period of 12 months following or preceding the date of such business acquisition or disposal, respectively. The information included for Givaudan, Symrise and IFF is based on the financial information that was published by the respective companies. Givaudan's organic revenue growth and CAGR are based on like-for-like revenue growth defined as (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period. Symrise's organic revenue growth and CAGR refer to organic growth which is computed on the basis of comparable exchange rates and excludes the impact of additions to and disposals from the scope of consolidation for a period of twelve months after acquisition or disposal. Information on the organic revenue growth and CAGR for IFF is based on currency neutral growth, computed by (a) translating current year invoiced sale amounts at the exchange rates for the corresponding prior year period and (b) business acquisitions and disposals, on a combined basis (which, in light of the merger between IFF and N&B on 1 February 2021, is defined as 12 months of legacy IFF results, and 11 months (excluding January) of N&B results, in both the 2020 and 2021 periods).

The segment is supported by the following key trends:

- increased focus on personal wellness, beauty and hygiene across all price points, supported by global relevant health and hygiene trends;
- strong growth of the prestige beauty category largely driven by a growing middle class, rising per capita spend and opportunity to trade up from mass;
- e-commerce and digital media as emerging new channels that redefine customer experience; and
- increasing customer focus on natural and sustainable products.

Taste & Beyond

Firmenich's Taste & Beyond segment covers sweet goods, beverage and savoury categories, as well as focus growth categories, such as dairy and meat analogues, sugar reduction and natural and clean label solutions.

This market segment is more fragmented than the Perfumery & Ingredients market segment and, apart from Firmenich, Givaudan, Symrise and IFF, includes, among others, global participants such as Kerry, ADM, Chr. Hansen and McCormick.

Firmenich is a player of scale in the Taste & Beyond space, and is known for its innovation in key areas such as natural / clean label transformation, better nutrition (sugar and salt reduction) and plant-based foods.

The segment is supported by the following key trends:

- evolving, health focused diets (i.e. plant-based, dairy alternatives, no-sugar added);
- strength of demand for localised tastes, with strong brands operating in specific segments requiring suppliers with localised capabilities; and
- focus on sustainability as key driver of purchasing decision and end consumer care for buying from companies with clear ESG commitments.

3.9 Group structure

The Company is a holding company. As of the Firmenich Contribution, the principal assets of the Company will be the 100% equity interests in DSM and Firmenich. DSM and Firmenich are both group holding companies that conduct business internationally through their subsidiaries and joint ventures. The following table provides an overview of the significant subsidiaries of DSM and Firmenich at the date of this Offering Circular.

Name	Country of incorporation	Ownership interest
DSM significant subsidiaries		
DSM Nutritional Products Europe AG	Switzerland	100%
DSM Nutritional Products, LLC	United States	100%
DSM Produtos Nutricionais Brasil S.A.	Brazil	100%
DSM Nutritional Products AG	Switzerland	100%
DSM Singapore Industrial Pte Ltd	Singapore	100%
DSM Food Specialties BV	Netherlands	100%
I-Health INC	United States	100%
DSM Nutritional Products Mexico SA de CV	Mexico	100%
DSM Vitamins (Shanghai) Ltd.	China	100%
DSM Trading (Shanghai) Ltd.	China	100%
DSM Food Specialties USA Inc	United States	100%
DSM Japan KK	Japan	100%
DSM Nutritional Products Iberia SA	Spain	100%
DSM Biomedical Inc	United States	100%
Firmenich significant subsidiaries		

Name	Country of incorporation	Ownership interest
Firmenich SA	Switzerland	100%
Les Dérivés Résiniques et Terpéniques SAS	France	100%
Firmenich Incorporated	United States	100%
Firmenich de Mexico S.A. de C.V.	Mexico	100%
Firmenich & Cia. Ltda	Brazil	100%
Firmenich Aromatics Production (India) Private Limited	India	100%
Firmenich Asia Private Ltd.	Singapore	100%
Firmenich Aromatics (China) Co., Ltd	China	100%
PT Firmenich Indonesia	Indonesia	85%
PT Firmenich Aromatics Indonesia	Indonesia	100%

3.10 Legal and arbitration proceedings

Except as disclosed in the DSM HY 2022 Financial Statements[8] (under "*Notes to the Condensed Consolidated Interim Financial Statements – Contingent liabilities*" on page 25) and in Firmenich's audited consolidated financial statements for the year ended 30 June 2022 (under "*Note 28. Contingent assets and liabilities*" on page 103), on the date of this Offering Circular there are no governmental, legal or arbitration proceedings, nor have there been any such proceedings during the 12 months preceding the date of this Offering Circular, including any such proceedings which are pending or threatened of which the Company, DSM or Firmenich is aware, that have had significant effects on the financial position or profitability of DSM and Firmenich in the recent past or may have significant effects on the financial position or profitability of DSM-Firmenich in the future.

3.11 Material agreements

DSM-Firmenich

On 31 May 2022, DSM-Firmenich, DSM and Firmenich entered into the Business Combination Agreement in relation to the Transactions. For further information, reference is made to section 13.7 "*Principal terms of the Business Combination Agreement*".

Ultimately, on the Firmenich Contribution Date, the Company will enter into Individual Relationship Agreements with a number of Firmenich Shareholders. In addition, ultimately on the Firmenich Contribution Date, the Company will enter into the Hedione Relationship Agreement with the Hedione Firmenich Shareholder Group. For further information, we refer to section 11.21 "*Related party transactions - DSM-Firmenich's related party transactions*".

Save as set out above, on the date of this Offering Circular, other than in the ordinary course of business, DSM-Firmenich has not entered into any material contract within the two years immediately preceding publication of this Offering Circular or any other contract that contains a provision under which DSM-Firmenich has any obligation or entitlement which is material to DSM-Firmenich as at the date of the Offering Circular.

DSM

On 20 April 2022, DSM announced that it has reached an agreement to sell its Protective Materials business to Avient Corporation for an enterprise value of €1.45 billion. Completion of the transaction took place on 1 September 2022.

On 30 May 2022, DSM entered into an agreement in relation to the Bridge Facility for an amount of €3 billion with, among others, J.P. Morgan SE as agent and mandated lead arranger (the **Bridge Facility Agreement**). On 29 June 2022, DSM, by notice to J.P. Morgan SE as agent, cancelled €1 billion of the available Bridge Facility. The cancellation became effective on 9 July 2022. The conditions for utilisation of the Bridge Facility have been satisfied, except for the following, which will have to be satisfied before utilisation: (i) DSM delivering a certificate certifying that each of the Transaction Conditions have been satisfied or waived, the Business Combination Agreement has not been amended, supplemented, waived or terminated in a way which materially

[8] https://www.dsm.com/content/dam/dsm/corporate/en_US/documents/DSM-reports-h1-2022-results.pdf.

and adversely affects or is reasonably likely to materially and adversely affect the interests of the lenders (other than with the agent's consent), (ii) the Company delivering a certificate certifying that the Settlement Date has occurred, the number of DSM Ordinary Shares tendered represents at least 80% of all DSM Ordinary Shares, Euronext Amsterdam has granted and not revoked its approval of the request for Admission and Euroclear Nederland has confirmed that the DSM-Firmenich Ordinary Shares have been accepted for book-entry transfer, and (iii) the Company acceding as a guarantor to the Bridge Facility Agreement. The initial maturity date of the Bridge Facility is the date which falls 12 months after the earlier of (i) the first date monies are drawn under the Bridge Facility and (ii) the date falling six months after 30 May 2022. The initial maturity date can be extended twice, in each case with a period of six months (i.e. 12 months in total) at the request of DSM, upon which request the lenders have to agree (i.e. no discretion for the banks to grant an extension).

On 31 May 2022, DSM announced the sale of its Engineering Materials business and entered into a sale and purchase agreement with Advent International and LANXESS (as purchasers) for an enterprise value of €3.85 billion. Completion of the transaction, which is subject to customary conditions and approvals, is expected in the first half of 2023.

Firmenich

Other than the Business Combination Agreement and the material agreements referred to in section 10.9 "*Borrowings*", within the two years immediately preceding the date of this Offering Circular, Firmenich has not entered into any agreement that is material and contains provisions under which it has an obligation or entitlement that is material to DSM-Firmenich as of the date of this Offering Circular.

3.12 Business operations

This paragraph provides an overview of DSM's and Firmenich's business operations over the DSM and Firmenich Periods Under Review. For a description of DSM-Firmenich's future business units and operations, please see section 3.7 "*Business model of DSM-Firmenich*".

DSM

DSM is a company focused on health, nutrition & bioscience. DSM's heritage can be traced back for over 150 years. DSM has evolved into a purpose-led, science-based, global company, specialised in solutions for human and animal health and nutrition. It is DSM's purpose to create brighter lives for all. As a globally operating company, DSM has scientific research and development, manufacturing operations and customer centres all around the world. As such, DSM is able to develop locally applicable solutions for its customers. DSM's customers are a wide variety of businesses, including multinational, regional and local companies. DSM operates through three business units, Animal Nutrition & Health, Health, Nutrition & Care and Food & Beverage. In recent years, DSM divested its non-health and nutrition businesses, including the sale of its Resins & Functional Materials and associated businesses in 2021 and the sale of its Protective Materials business in September 2022. Furthermore, DSM announced the sale of its remaining Engineering Materials business in May 2022. Completion of the transaction, which is subject to customary conditions and approvals, is expected in the first half of 2023.

DSM's Animal Nutrition & Health business unit is split into the sections Essential Products, Performance Solutions and Precision Services, which develop nutrition and health solutions for poultry, swine, ruminants and aquaculture. DSM is committed to deliver sustainable animal farming that respects animals, people and planet, while delivering the volume, price and margin its customers demand.

Through its Health, Nutrition & Care business unit, DSM is committed to keep the world's growing population healthy. The Health, Nutrition & Care business unit is split into Human Nutrition and Care & Health. Through its Human Nutrition business section, DSM aims to develop solutions for the dietary supplements, early-life nutrition, medical nutrition, nutrition improvement and food and beverage markets. DSM's Care & Health business section comprises personal care, aroma ingredients & fine fragrances, pharmaceutical solutions and biomedical solutions. DSM strives to develop high-quality products in terms of taste, texture and health, while also reducing both demands on the planet's finite natural resources and DSM's carbon footprint. Through its Food & Beverage business unit, DSM develops products in the fields of, for example, dairy, savoury, plant-based protein alternatives, beverages, bakery, confectionery and fruit. DSM believes that better processed food should be affordable and accessible to more people. DSM strives to achieve this through helping its customers produce tastier, healthier and safer products.

Firmenich

Firmenich is one of the leading fragrance and flavour companies with a long and rich heritage that can be traced back to 1895. It is a business-to-business company specialised in the research, creation, manufacture and sale of perfumes, flavours and ingredients. Primary customers of Firmenich are companies in the food and beverage industries, as well as manufacturers of fine fragrance, personal, body and home care products who use products from Firmenich to produce consumer goods. Firmenich operates globally and is active in more than 100 markets. Firmenich has a longstanding focus on sustainability which is recognised by its key customers and Firmenich believes this to be a source of competitive advantage.

Firmenich's business is split into two principal divisions (Perfumery & Ingredients and Taste & Beyond) plus a research and development team complementing both businesses. Firmenich's Perfumery & Ingredients division consists of the following three sub-divisions: (i) fine fragrance, (ii) consumer fragrance and (iii) ingredients. Its perfumery products are used primarily in the fine fragrance and the personal, body and home care segments, including laundry care, body wash and shampoo, air care, household cleaning products and oral care applications. The Perfumery & Ingredients division also offers a broad portfolio of ingredients including proprietary synthetic aroma chemicals, proprietary biotech and biodegradable ingredients as well as natural extracts for perfumery and flavour applications. Firmenich ingredients are sold both to consumer goods companies as well as to other business-to-business companies. Firmenich's Perfumery & Ingredients division prides itself on its innovation and creativity which has enabled it to create a portfolio of sustainable, renewable, biodegradable and natural ingredients.

Firmenich's Taste & Beyond division supplies flavour products to businesses in three taste segments: (i) sweet goods (ii) beverage and (iii) savoury. Firmenich's flavours products are used across a broad range of beverage, sweet goods and savoury applications, including soft drinks, dairy products, confectionary products, dried foods and plant-based foods, among others. Firmenich's flavours products include a broad range of organic certified, natural and synthetic flavours as well as functional ingredients that enable its customers to produce "clean label" food and beverage products. Firmenich works closely with its customers to create great tastes, cleaner labels and to provide important functional and nutritional benefits. Firmenich's Taste & Beyond division focuses on multiple growth categories, including sugar reduction solutions, plant-based foods and natural transformation and clean label.

3.13 Research and development

DSM

DSM focuses on innovation and research and development in order to serve its customers. Its innovations are grounded in market insights and enabled by digital technology and bioscience, as well as production and launch capabilities. Together with universities and external research and development institutions as well as commercial and public-private partnerships, DSM's open and collaborative approach increases its scientific scope and helps DSM to make joint contributions and address significant environmental and societal challenges. On 31 December 2021, DSM had more than 12,000 patents in force.

DSM's scientific capabilities cover specific aspects of scientific insight and expertise:

- analytical sciences cover a range of expertise and techniques for identifying substances up to the molecular level and revealing their structure, composition, and properties;

- biological sciences include capabilities needed to identify and develop new molecules, applications, and processes, and to commercialise them at scale;

- chemical sciences deliver the expertise and techniques that transform raw material into molecular building blocks and products that are better for people and the planet;

- engineering sciences cover the expertise and tools needed to develop bioprocesses for converting various renewable raw materials into sustainable products and applications at scale. For example, EVERSWEET™ is a non-artificial, zero-calorie sweetener which can replace sugar and artificial sweeteners and is extracted from only 0.1% of the Stevia plant. Growing the Stevia plants in nature requires energy, land, water and chemistry to extract the Stevia molecule. DSM is convinced the fermentative route to produce Stevia is more sustainable (less energy, less waste, less land use, less water consumption, great taste, constant quality), thus contributing to SDG 12 and 15 as well as to people's health (0-calory, less sugar), SDG 3; and

- nutritional science drives scientific advances in, among others, human milk oligosaccharides, nutritional lipids, carotenoids, polyunsaturated fatty acids, and vitamins.

DSM structured its innovation activities around its four discovery platforms of precision, prevention, protein and pathways. DSM's platform-based approach helps it to deliver a pipeline of innovations that are aligned with DSM's future strategic needs and supports DSM's growth ambitions. DSM's rich innovation pipeline, which is predominantly biotech-based, targets to add 1.5% annually to DSM's sales growth.

DSM's research and development efforts have resulted in the recent launch of the following significant new products and services:

- Human Milk Oligosaccharides (HMOs) are a collection of carbohydrate structures, naturally occurring in breast milk, and the third most abundant solid component of human milk after lipids and lactose. Clinical data in infants, indicate that HMO supplements may help to develop the desired microbiota by serving as a food source for the good bacteria in the intestine. HMO's can provide unique health benefits including support of immunity, gut health, with a potential role in cognitive development, which may open future innovation opportunities. There are around 200 different types of human milk oligosaccharides. DSM's research and development teams are developing a pipeline that represents more than 75% of all HMOs. Recently, DSM has leveraged its offering of HMOs from the Early-Life Nutrition segment, to the Dietary Supplement segment for adults, contributing to gut health;

- DSM's ampli-D® is an advanced and potent form of vitamin D for the dietary supplement market. Vitamin D supports a healthy immune system. Clinically proven ampli-D® raises vitamin D levels three times faster and more effectively, it unlocks the benefits of 'the sunshine vitamin' more rapidly;

- DSM and Cargill established Avansya V.O.F., a joint operation in which DSM and Cargill each hold a 50% share. Avansya started production at the first commercial-scale fermentation facility for stevia sweeteners in the US. The facility produces EverSweet™, a non-artificial, zero-calorie stevia sweetener;

- Production of CanolaPro®, a new plant-based protein, by our joint venture with Avril, Olatein, is now underway at a new manufacturing facility in Dieppe, France. CanolaPRO® is a plant-based protein source from the canola (or rapeseed) plant that improves vegan and vegetarian products. It delivers a clean taste with good texture and a smooth mouthfeel. But it is also high in nutrition and very easy for humans to digest (containing all of the amino acids humans need). It is non-GMO, gluten-free and non-dairy;

- DSM and Novozymes have together created Balancius® the first and only feed ingredient designed to support gastrointestinal functionality in broilers (chicken). It improves feed conversion by 3% and increases weight gain by 4-6%; and

- Veramaris® (a joint venture between DSM and Evonik) has developed and introduced an algae-based omega-3, manufactured via fermentation. It reduces the reliance on marine resources (wild catch fish) for the fish feed industry (e.g. salmon). 1kg Veramaris oil is equivalent to 60kg wild catch. Veramaris® can produce high quality omega-3 (EPA/DHA), equivalent to 1.2 million tons of wild catch fish, more than the annual catch from the Mediterranean Sea.

Firmenich

Firmenich focuses on innovation and research and development in order to address the challenges faced by the fragrances and taste industry and to deliver innovations that differentiate its products in the market and drive value creation. Firmenich scientists have a long history of pioneering research. As of 30 June 2022, Firmenich had more than 4,000 patents in force. The research and development teams are concentrated in six research and development centres spread across three continents.

The research and development function incorporates the following discovery platforms:

- biotechnology, green chemistry and natural extraction;
- sensory and perception sciences;
- materials science;
- microbiology and skin biology;
- analytical sciences; and
- data science and artificial intelligence.

In addition, each of the business groups within Firmenich have a development function which implements the scientific and other findings, obtained through research and development efforts, in the development of its products. These capabilities underpin Firmenich's research and development strategy, which is designed to meet the needs of the business today and anticipate the needs in the future. It focuses on three pillars – (i) development of proprietary tools and ingredients to deliver differentiated creation, (ii) sustainable products and technologies, and (iii) products which provide benefits of well-being. In May 2022, Firmenich announced their scientific advisory board, which comprises independent scientists and experts that provide insight into the development of fields of science, including biotechnology, neuroscience, materials science, artificial intelligence, and health, identifying new business opportunities. It also reviews Firmenich's research portfolio to provide strategic input into differentiating focus areas for Firmenich.

Firmenich's research and development efforts have resulted in the launch of the following new products and services:

- a partnership with HARMAY, a new retail brand in China. Firmenich and HARMAY, will join forces to contribute to the development of the fine fragrance category in China through new brands, concepts, experiences and models;
- the Sharing Innovation 2022 collection of perfumery ingredients, which is a collection of five renewable and sustainable ingredients: MUGUISSIMO™, SYLVAMBER™, Z11 HD, ROSE DAMASCENA FIRAD and VANILLA PLANIFOLIA MADAGASCAR INFUSION P2F. Each year, Firmenich curates a collection of selected Firmenich proprietary ingredients, which is made possible by its research platforms, technologies, responsible sourcing policy and innovative digital capabilities; and

- a partnership with ScentRealm, a digital scent technology pioneer based in Hangzhou, China. This enables Firmenich to enhance the fragrance and aroma experience for its customers and for consumers through jointly developed digital devices, and to explore the digital future of scent.

3.14 Customers

DSM

DSM has longstanding relationships with both multinational customers and local companies around the world. DSM regularly enters into framework agreements with its customers under which purchase orders are placed on a continuous basis.

DSM caters to a well-balanced portfolio of customer categories (including multinationals, regional and local companies). DSM's business model is designed to deliver consumer products for multinational customers as well as regional or local customers around the world that are well-adapted to specific consumer preferences. As a result of its diversified customer portfolio, DSM's dependency on single customers is limited.

The main customers of the Animal, Nutrition & Health business are local premix producers, feed-millers, large farmers and well-known integrators around the globe and active in all animal species, including poultry, swine, ruminants and fish. The Food & Beverage business operates in all stages of the supply chain and has long-standing relationships with both multinational customers and local food and beverage companies around the world.

For Health, Nutrition & Care, the customer base varies for the specific industry. In the early-life nutrition industry and medical nutrition, customers are primarily multinational customers, owners of high-end infant nutrition/medical nutrition brands, global brands as well as regional brands. In the dietary supplements and pharmaceutical segment, customers are predominantly large multinational brand owners of dietary supplements and pharmaceuticals, with market-ready solutions also offered for our regional private labels, as well as brand owners. In the personal care & aroma intermediates segment, DSM's customers will be companies producing many well-known global consumer brands via a global distribution network.

i-Health is a fast-growing business-to-consumer brand in the consumer-packaged goods sector, with its products being sold directly to the end-consumer and found in most major, club, drug, grocery and specialty stores predominantly in the United States, but now also in Brazil, the United Kingdom and Asia.

In biomedical solutions, customers are large, global medical device companies.

Firmenich

Firmenich's primary customers are companies in the food and beverage industries, and manufacturers of fine fragrance, personal care and home care products who use products from Firmenich to produce consumer goods. Firmenich enjoys longstanding relationships with both multinational customers and local fragrance and food and beverage companies around the world. Firmenich has many customer relationships which date back more than half a century, demonstrating the deep and broad connections to the customer's value proposition. Furthermore, Firmenich is also addressing the attractive customer category of local and regional manufacturers, which benefit from the trend towards customisation and locally adapted products. Firmenich's global commercial and manufacturing reach has enabled Firmenich to develop long-term close relationships with large multinational and local customers around the world.

Firmenich caters to a well-balanced portfolio of customer categories (multinationals, large regional, and small local customers) and operates with a diversified business mix (with regards, for example, to geographies, end-markets and products), which Firmenich believes to be ideally exposed to both developed as well as growth markets (including a significant and longstanding presence in China and India). Firmenich's business model is designed to deliver on-trend consumer products for multinational customers as well as regional or local customers around the world that are well-adapted to local consumer preferences Firmenich's dependency on single customers is limited, as its largest customers are multi-brand and portfolio companies, who use Firmenich's products for a large range of end products.

3.15 Suppliers

DSM

DSM strives for a multiple-supplier strategy. Its supply chain consists of more than 38,000 suppliers, serving some 200 DSM sites and offices in nearly 50 countries. DSM's suppliers are important partners for achieving the DSM purpose. DSM works closely with them through its sustainable procurement programme.

DSM has established longstanding relationships with both global (multinational) suppliers as well as with many local suppliers around the world that supply raw materials, energy, ingredients, and services. The nature of the agreements with suppliers depends on the strategic role of the (raw) materials, intermediates, ingredients, and services in supporting DSM's customers. In most cases, long-term agreements are in place. Especially in the case of strategic raw materials, intermediates, ingredients or services, DSM aims to have contingency plans in place to ensure the continuity of its production processes in case its main suppliers are unable to meet their commitments. Occasionally, DSM will place a spot buy, depending on the needs and specificities of its goods and services.

DSM sources materials from various value chains, such as petrochemical or agriculture-based materials. DSM strives to reduce sourcing of finite resources and replace them with renewable ones and supports the preservation of biodiversity through sourcing of sustainable renewable raw materials. DSM believes that replacing finite resources with alternative renewable resources can have environmental benefits, such as reducing the carbon footprint and protection of biodiversity. As a leading life sciences company, DSM specialises in the development of new products and processes which use natural, renewable resources more efficiently and minimise environmental impacts. Omega-3 polyunsaturated fatty acids is an example of this. For the production of farmed fish with optimal omega-3 content, DSM offers microalgal oils obtained by fermentation. Omega-3 has multiple health benefits for the fish and the end-consumer. DSM's solution reduces the dependency on marine fish (the traditional, main source of omega-3s) and consequently contributes to the preservation of marine biodiversity.

DSM maintains control over its supply chain by aligning the values and principles of its suppliers with its own values and principles through its supplier code of conduct, structured along the three sustainability dimensions of people, planet and profit. DSM monitors that suppliers act in compliance with the supplier code of conduct through its 'Together for Sustainability' assessments and audits. When suppliers cannot meet the expectations from the supplier code of conduct, DSM will work with them to define and execute an improvement plan. In 2021, responsible sourcing has been added to the materiality matrix of DSM, which includes the 20 most material topics that are both of interest to society and have impact on DSM's businesses. Within that matrix, responsible sourcing has a top priority for all stakeholders.

Firmenich

Firmenich aims to manage an ethical, traceable, and sustainable supply chain from raw materials to finished products. Firmenich's supplier network consists of approximately 22,000 suppliers, of which approximately 4,000 suppliers deliver approximately 8,500 raw materials and approximately 18,000 suppliers deliver non-raw materials. Firmenich was a *Gartner Awards* finalist in 2022 for end-to-end risk visibility on raw materials, which promotes business continuity. Firmenich is committed to maintain control over its supply chain by carefully selecting its suppliers. As part of this selection procedure, Firmenich requires its suppliers to adhere to its supplier code of conduct, responsible sourcing policy and human rights policy. In addition, Firmenich has implemented risk based procedures to verify the compliance of its suppliers with Firmenich's policies. As part of these procedures, Firmenich has set targets for, and continuously monitors, its suppliers' sustainability performance through measuring their EcoVadis rating. For critical categories and where relevant, Firmenich has long-term agreements with raw material suppliers, often involving guaranteed minimum volumes. Like other industry players, Firmenich is exposed to supplier defaults and supplier force majeure events caused by events such as unusual or extreme climate events. Firmenich's vertical integration in certain ingredients mitigates supply chain risk. In the fragrance and flavour industry, manufacturers often blend a very high number of ingredients in each formula, and it is therefore not unusual to obtain certain raw materials from a single source due to small volumes or specific technology or intellectual property. Firmenich runs an ongoing programme called *Shield* to mitigate risk linked to single source materials, by prioritising actions based on finished product revenue at risk such as developing alternative suppliers, alternative specifications, or reformulating and building stocks where relevant.

3.16 Employees

DSM

DSM's culture compass is at the heart of its People & Organisation strategy. Its people show courage, care, and collaboration to achieve results. They come and stay because they are purpose-driven and because of DSM's engaging, diverse, and inclusive culture. Employee safety, health and well-being have the highest priority. DSM's employees are held accountable for performance, embed sustainability in the things they do and deliver value in meeting the needs and gain the trust of DSM's customers and other stakeholders. DSM remains focused on creating a safe work environment and fostering inclusion and diversity, where the living wages and human rights spearhead the People & Organisation agenda. DSM provides competitive and flexible reward programmes recognising individual and team contributions and performance. For more information on DSM's employees, see section 11.18 "*Employees - DSM employees*".

Firmenich

With a culture that was shaped by its family-owned history and its people-driven business, Firmenich believes that its employees are key to its success. While fully living its purpose "*For Good Naturally*" and its fundamental values, of which safety is one, Firmenich aims to continuously engage its employees and shape its organisation into an environment where people are inspired, curious and can release their full potential to grow. Firmenich takes pride in investing in its employees to enable learning, employability and adaptability. Firmenich provides competitive, sustainable and innovative benefit programs offering protection, flexibility, and quality of life to Firmenich's full-time and part-time employees worldwide. Firmenich follows global standards that supplement or exceed local legislation on employment conditions. This includes, among other things, healthcare coverage, retirement plans, death and disability coverage, parental leave and global business travel insurance. Firmenich values diversity and aims to maintain the highest levels of personal integrity and ethical behaviour. For more information on Firmenich's employees, see section 11.18 "*Employees - Firmenich employees*".

3.17 Intellectual Property

DSM

DSM has a large portfolio of IP rights, including patents, trademarks, trade secrets, designs, formulation secrets, ingredient access, standardising ingredients according to specifications and standards which are difficult to copy, as well as clinical studies on proprietary ingredient combinations. As of 31 December 2021, DSM has more than 12,000 patents in force as well as around 1,250 trademark families. In 2021, DSM filed 239 patent applications. DSM protects and maintains its intellectual property rights in alignment with its innovation and business strategies. DSM does not rely on any single intellectual property right for the operation of its business.

With a global team of around 60 qualified IP professionals working from six regional offices, DSM IP focuses on business value creation through IP in a business-driven strategic way, which means leveraging the full suite of IP tools and the combined capabilities of the IP team holistically. DSM's IP portfolios cover a variety of ingredients, technologies, applications and processes. DSM considers its IP assets as a critical element of its business and innovation strategy. For example, DSM's IP rights on nutritional lipids, including, among others, DSM Life's DHA™ (which provides important brain and eye benefits throughout all stages of life) and Life's™ARA (which is an arachidonic acid and forms the primary omega-6 fatty acid in the brain) or DSM's innovative HMO (human milk oligosaccharides business, a product line that supports immunity and gut health with a potential role in cognitive development) are important for DSM’s business. This is also true for innovations such as methane-reducer Bovaer® and algae-based omega-3 Veramaris®.

DSM also has processes in place to monitor compliance with third-party patent rights.

Firmenich

Firmenich has a large intellectual property portfolio due to its strong research and development team. As at 30 June 2022, Firmenich had more than 4,000 patents in force. Firmenich considers its portfolio of intellectual property rights, including trade secrets, patents, designs, trademarks, trade names and copyrights, to be material to its business. As at 30 June 2022, Firmenich had over 3,900 active trademarks protecting more than 400 brands in several jurisdictions and Firmenich's patent portfolios cover a variety of ingredients, technologies and processes. Firmenich is not reliant on any single intellectual property right for the operation of its business. Firmenich also has a number of licence agreements, for example with universities regarding taste receptor related technologies.

Firmenich protects and maintains its intellectual property rights in alignment with Firmenich's innovation strategy and business interests. Specific measures are in place to ensure the confidentiality and protection of trade secrets, including legal frameworks with employees, suppliers and customers and protected IT systems with restricted permissions.

Firmenich considers its IP assets as a critical element of its innovation strategy. In many of the jurisdictions in which it seeks patents, provisional protection is obtained upon publication of the patent application and definitive protection is defined by the scope of granted claims in respective jurisdictions where protection is sought. Firmenich's issued patents are maintained in force for varying periods, up to a maximum of 20 years in jurisdictions in which Firmenich has, or is likely to seek to have in the future, patent rights. Firmenich also has processes in place to monitor compliance with third-party patent rights.

3.18 Information Technology

DSM

DSM's Digital function provides functionalities for sales, order management, supply chain, sourcing, manufacturing, finance and people & organisation. Differentiated functionalities are provided to enable, for example, digital marketing, e-commerce, advanced data analytics, artificial intelligence and automation. In addition, unique, fully customised and developed functionalities enable new digital business models.

Since 2016, DSM's digital function has invested heavily in advanced digital capabilities to drive innovative step-change improvement in customer engagement, operational efficiency and to enable new business models. Advanced analytics and artificial intelligence capabilities are developed with AWS (Amazon Web Services) and are made available to business users through visualisation tools such as Microsoft PowerBI to perform business intelligence analysis and reporting. DSM's digital infrastructure and operational services, that include workplace, network and hosting, are delivered by the DSM Technical Services organisation. This global shared services organisation orchestrates and manages the delivery of infrastructure services through a combination of in-house resources and strategic partners. DSM has a "cloud unless" strategy, and no longer operates any of its own data centres for global digital services.

DSM has implemented a multi-year cybersecurity programme to protect its IT-systems. A global Cybersecurity Governance Board was established to ensure a global, cross-functional approach to cyber risks and related risk responses. Senior leadership is informed monthly by the "Executive Cyber Security Dashboard" that provides a complete overview of status and trends related to DSM's cyber risk position, operational effectiveness and strategic initiatives. Periodically, this dashboard and related relevant topics are also discussed in the executive committee and audit committee meetings. DSM has entered into an information security risk insurance policy and has concluded a cyber-insurance including cover for protection of confidential information.

Cyber resilience of DSM is audited in- and externally based on globally recognised information security standards. Primarily, the standards from the International Organization for Standardization (**ISO**) and the National Institute of Standards and Technology are used. To ensure security and compliance of digital solutions, DSM requires that its primary IT partners are SOC2 certified. Through the "One DSM Cyber Security Programme", DSM is implementing an overarching framework with the aim to manage cybersecurity risks on a global level, covering the domains of business IT, operations technology, and research & development laboratory systems.

Firmenich

Firmenich's IT systems are designed to enable end-to-end process execution across the business functions, while ensuring the consistency and protection of its data assets. By combining off-the-shelf and custom-developed solutions specifically tailored to Firmenich's operating model, Firmenich's information technology systems are a fundamental component of its business operations. The IT department provides artificial intelligence-enabled functionalities to Firmenich's research and development and product creation teams, scalable and performant digital tools for customer engagement and digital commerce, an agile platform for reporting and analytics, flexible automation tools and robust core systems for product, compliance, manufacturing, and supply chain management. Firmenich believes that these systems provide the digital platform it needs.

Firmenich has made significant investments in developing and modernising its IT systems, and in building necessary skills to adapt, improve, and scale them by using a mix of in-house resources and strategic partners.

Since 2018, Firmenich has invested substantially in the development of its artificial intelligence capabilities through a strong collaboration with the Swiss Federal Institute of Technology. This collaboration is focused on augmenting Firmenich's product creation teams by providing them with AI-generated insights that have helped Firmenich shorten its product development process, increase its ability to innovate and quickly respond to changing market conditions. In 2018, Confare Swiss CIO & IT Manager Summit named the Firmenich chief information officer (**CIO**) the best CIO in Switzerland. In 2021, the Swiss Digital Economy Award named Firmenich the Digital Innovator of the Year.

Firmenich's infrastructure is structured into different towers servicing multiple lines of businesses under an IT service management model. It supports and enables the business cross-functionally across regions over two main datacentres.

Firmenich's infrastructure is mainly encircled on-premises, leading to a hybrid cloud journey that combines OpenShift technology and cloud services such as Software as a Service (SaaS) and Platform as a Service (PaaS). That strategy has enabled the IT organisation to shorten the time between the conception of a product to the time it is released and increase the enterprise agility. Firmenich is undertaking a shift in its communications and will make SD-WAN (a software-defined wide area network) its core servicing to support both its physical landscape and its growing cloud ecosystem.

Firmenich has implemented a multi-year cybersecurity programme to protect its IT-systems. In 2022 Firmenich received an ISO 27001 certification, validating its decision to reinforce its capabilities to protect Firmenich from cyber security threats and ensure business continuity.

3.19 Health and Safety

DSM

The safety, health and well-being of employees is DSM's top priority. This is why DSM actively monitors occupational and process safety, which is the safety of DSM's people and operations. DSM also supports the health and well-being of its employees through both regional and global programmes. DSM continuously strives to minimise exposure to potential health risks of employees.

DSM invests heavily in the health of its people through its regional health initiatives such as DSM FIT in the Netherlands and the Brighter Living Wellness Programme in the U.S. DSM encourages and supports employees worldwide who would like to improve their health and well-being in the short term. DSM launched various mental health awareness campaigns in 2021 to increase employee awareness and mental resilience. In addition, DSM launched a global health and well-being campaign called "It's OK". This campaign encouraged people to further prioritise their own health and well-being and brought together many already available regional resources to enhance individual health and well-being into a single platform. The campaign platform contains many resources, including personal development courses, podcasts and tips on how to work healthier.

Furthermore, DSM launched improvement programmes addressing industrial hygiene-related issues, with a focus on standardisation, sharing of best practices, workplace improvement initiatives and enhancing industrial hygiene capabilities. DSM aims to prevent occupational illness through the design of DSM's products and processes, and by providing high-quality protective equipment. In addition, on-site medical professionals offer primary care as well as emergency preparedness and first aid.

DSM aims to continue reducing the frequency index of recordable injuries, which is based on the number of fatalities, lost or restricted workday cases, or medical treatment per 100 DSM employees and contractors in one year. The aim is to reduce the frequency recordable index rate to below 0.20 by 2025 (0.23 in 2021).

Firmenich

The health and occupational safety and well-being of Firmenich's employees is a fundamental value to Firmenich enshrined in the Firmenich Fundamentals which set out the values determined by the Firmenich Shareholders many years ago. Firmenich is committed to ensuring an inclusive, safe and healthy working environment and the health and occupational safety of its employees are core to how it runs its business.

Firmenich continuously invests in projects that aim to enhance the working environment and consequently support the health and safety of its employees. For example, in 2021, Firmenich invested CHF 9 million in projects focused on health and safety in the workplace. Firmenich closely manages the risks related to health and safety through the promotion of a strong health and safety culture and a well-defined health and safety management system. The management system is assured through regular audits of Firmenich's sites and operations and diligent follow-up on all non-conformances and associated corrective actions. In 2021, 100% of Firmenich's manufacturing sites (not including recent mergers and acquisitions) have upgraded their certification from the OHSAS 18001 to the ISO 45001 standard. Firmenich aims to have all manufacturing sites certified by the end of 2025. Firmenich's health and safety performance is regularly reviewed by management.

3.20 Environmental, Social and Governance

This paragraph provides an overview of DSM and Firmenich's efforts relating to improve sustainability. DSM-Firmenich considers sustainability to cover all environmental, social and governance objectives outlined in the sections below. After consummation of the Merger, DSM-Firmenich plans to harmonise DSM's and Firmenich's environmental, social and governance objectives and the manner of reporting on their sustainability goals.

DSM

At DSM, sustainability is a core value. It is also an important business driver that is fully ingrained in its strategy, business and operations. DSM is committed to create brighter lives for all, by providing sustainable solutions to global megatrends taking into account sustainable development goals, such as population growth, malnutrition, climate change and biodiversity loss. Accordingly, DSM believes that it has an important role to play in the conservation of nature. Since 2010, DSM reports annually on its ESG and sustainability performance and activities through its integrated annual report and on a regular basis through its ESG factbooks. DSM is committed to continue to obtain reasonable assurance on its non-financial statements including impact reporting as DSM plans to keep reporting its progress every year in its integrated annual report.

For DSM, "sustainability" means addressing the needs of society today, without compromising on the needs of future generations. This is translated into initiatives and an actionable framework in the area of ESG and comprises three pillars:

- *Improve*: DSM improves its own operations to do no harm to people and planet by (i) continually raising safety standards, (ii) promoting health and well-being in its own workforce, (iii) reducing its emissions and improving its resilience, (iv) increasing DSM's use of renewable energy, (v) improving DSM's water consumption and (vi) unlocking more value from limited resources.

- *Enable*: DSM enables its customers and partners to have a positive impact by delivering products and solutions that enable them to deliver sustainable and healthy solutions for the planet and society. DSM's purpose is to create a positive environmental and societal impact with its products and solutions. DSM's care for the world is for instance demonstrated by its 2030 food system commitments: (i) people/society (enable the micronutrient gap of 800 million vulnerable people to be closed and support the immunity of 500 million people), (ii) planet (enable double-digit on-farm livestock emission reductions and reach 150 million people with plant-based protein foods) and (iii) livelihoods/society (support the livelihoods of 500,000 smallholder farmers across value chains together with partners).

- *Advocate*: DSM advocates in its business ecosystem for systemic change.

DSM's sustainability actions are not limited to its own footprint. DSM invests into science and innovation with the aim of delivering profitable growth, while having a positive impact on the health of people and the planet. To support the steering of DSM's product portfolio and help DSM's customers to deliver more sustainable and healthy solutions, DSM has established sustainable portfolio steering (**SPS**) since 2010. SPS allows labelling products as "Brighter Living Solutions" (**BLS**). BLS delivers measurable environmental and / or social benefits. In 2022, the BLS-key performance indicator and methodology is being updated to BLS+. BLS+ will allow for (i) more comparability, (ii) support in relation to new and future requirements of regulating authorities and (iii) create transparency on DSM's contribution to achieve the UN Sustainable Development Goals.

DSM has high positions in important ESG indices for investors. DSM holds a platinum sustainability medal from EcoVadis putting DSM in the top 1% of its industry. DSM is ranked among the leaders in its industry by Sustainalytics, has an AAA rating from MSCI Inc. and a Prime Status with ISS-ESG. DSM also has a leading position in the rankings of Moody's ESG (formerly Vigeo Eiris).

DSM has made commitments, as further set out below, in relation to (i) zero hunger, (ii) good health and well-being, (iii) climate action and (iv) responsible consumption and production. These food system commitments support the UN Sustainable Development Goals 2, 3, 12 and 13. DSM plans to report on its progress against these targets from 2023 onwards.

Zero hunger and good health and well-being

DSM recognises the strong scientific link between adequate nutrition and health. Around the world, diet-related non-communicable diseases (including diabetes, heart disease, stroke and some cancers) have overtaken communicable diseases as the primary cause of deaths worldwide. At the same time, malnutrition in its various forms has an effect on much of the world's population.

DSM has, among others, committed to support (i) the immunity of 500 million people by 2030 by delivering essential vitamins, minerals and other ingredients to consumers worldwide through high-performance dietary supplements and (ii) the livelihoods of 500,000 smallholder farmers across value chains by 2030 by scaling up its innovative social enterprise model, Africa Improved Foods, with its partners. DSM has also committed itself to reach 150 million people with nutritious, delicious, sustainable plant-based protein foods by 2030.

Climate Action

DSM believes there is an urgent need to take action to curb climate change and its irreversibly damaging effects by dramatically limiting greenhouse gas (**GHG**) emissions, transitioning to renewable energy and adopting low-carbon emission solutions and processes. At the same time, DSM believes that it is also crucial to strengthen the resilience and adaptive capacity of societies against intensifying climate hazards impacting people and the environment. The food, agriculture and forestry sectors cause at least one quarter of the world's GHG emissions (Intergovernmental Panel on Climate Change, 2021). Agri-food also significantly impacts biodiversity loss at land and in the oceans. DSM believes that transforming food systems from farm to fork will be key to reducing environmental impact and mitigating climate change.

In August 2022, DSM has announced that it pledges to purchase all (100%) of its electricity worldwide from renewable sources as well as further reduce GHG emissions from its own operations faster with stringent new 2030 sustainability targets. DSM has also announced to be committed to reaching net-zero emissions across its value chains by 2050 and to set on this path, DSM works with science-based targets, comprising a scope 1 + 2 absolute reduction of 59% by 2030. In 2021, DSM reduced its scope 1 and 2 emissions by 27% compared to 2016 and purchased 72% of its electricity from renewable sources.

With regard to its Scope 3 emissions, DSM will move from a relative intensity target for its indirect value chain GHG emissions (targeting a reduction of 28% per ton of product produced by 2030) to an absolute reduction target. The exact target is being finalised and will be proposed for validation with the Science-Based Targets initiative in 2023. In 2021, DSM reduced its scope 3 emissions intensity by 8% compared to 2016.

Responsible Consumption and Production

In light of the rising demand for earth's resources and the large drain on natural resources by food loss or waste (30% of all food produced is either lost or wasted), DSM believes that building a sustainable food and production system is crucial. DSM has, among others, committed to improve water withdrawal efficiency in water-stressed areas by 10% by 2030 compared to 2020. In 2021, DSM achieved a 7.8% water withdrawal efficiency improvement in water-stressed sites compared to 2020.

DSM's portfolio strongly contributes to preserve biodiversity, both on the land and in the water (marine diversity). As a well-known life sciences company, DSM specialises in the development of new products and processes which use natural, renewable resources more efficiently and minimise environmental impacts.

Caring about people

Safeguarding, nurturing and developing its diverse workforce is a top priority for DSM. For a science company like DSM, diversity of backgrounds, experiences, cultures and opinions is crucial. There are many aspects of inclusion & diversity that matter to DSM, including age, nationality, culture, ethnic background, gender and religion. Today, DSM's employees represent more than 110 nationalities (2021). The DSM Executive Committee is 66% female (2021) and the DSM Management Board and DSM Supervisory Board are both 50% female (2021). Of all DSM Executives, 23% is female, with DSM aiming at 30% female DSM Executives by 2030.

Respecting human rights is a prerequisite at DSM for doing business responsibly. DSM embraces the responsibility to respect human rights across all of its operations worldwide, through its relationships with other businesses and in the communities in which it operates. DSM's public commitment on human rights has been developed according to the UN Guiding Principles on Business and Human Rights and the UNGP Reporting Framework. DSM tracks and publicly reports its progress on an annual basis.

In view of the provisions of the UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018 and the California Transparency in Supply Chains Act 2012, DSM identifies, assesses and manages the risks of modern slavery and human trafficking within its business and supply chains in order to prevent from all forms of slavery.

Firmenich

Firmenich began its sustainability journey in 1991 by signing the first sustainability charter of the International Chamber of Commerce. Since 2006, Firmenich reports annually on its sustainability performance and activities through its annual sustainability report. Firmenich strives for a sustainable and positive impact for people, nature and climate through its business and all along its value chain by working together with suppliers, partners and customers. Firmenich's ESG strategy is aligned with the UN Sustainable Development Goals. Its ESG strategy focuses on three pillars: (i) acting on climate change, (ii) embracing nature and (iii) caring about people.

Acting on climate change

Firmenich is acting to minimise its impact on climate change. In 2021, Firmenich gained independent recognition for its ESG performance with its ranking in the 300 companies in the Financial Times' first Climate Leaders Europe list. In the same year, Firmenich was recognised by CDP as a leader in corporate sustainability, with a "Triple A" for climate change, water security, and forests. This made Firmenich one of only ten companies worldwide to have achieved a Carbon Disclosure Project (CDP) Triple A rating in 2021, out of more than 9,600 responses, and one of only two companies worldwide to achieve a Carbon Disclosure Project (CDP) Triple A rating (for climate change, water security and forests) for four years in a row. In 2020, Firmenich was the first company in its industry to reach 100% renewable electricity, worldwide. In the year ended 30 June 2022, Firmenich received an ESG-risk rating from Sustainalytics which places it in the global top 50 of approximately 15,000 companies. In addition, it received a second consecutive platinum sustainability rating from EcoVadis, with an industry leading score of 88% that places it in the top 1% of all companies assessed worldwide. Some of Firmenich's "acting on climate" targets for 2025 include:

- Zero waste to landfill
- 100% renewable electricity
- 100% plastic packaging fully recyclable or reusable
- 33% average renewability in fragrance portfolio

As of 30 June 2022, all of Firmenich's operations were powered by 100% renewable electricity, its fragrance portfolio consisted of 23.7% renewable or upcycled carbon content and 100% of its packaging for totes, drums, jerrycans and boxes was recyclable or reusable. In addition, Firmenich is operating carbon neutral in three of its operational sites and reached a waste to landfill-free percentage of 92.6%.

To analyse its environmental impact, Firmenich has designed and integrated two impact measurement tools: (i) ECOSCENT COMPASS™, to measure the environmental impact of the Perfumery & Ingredients business and (ii) ECOFOOD COMPASS™, to measure the environmental impact of the Taste and Beyond division. Both tools are used as a communication and transparency platform for its customers. Firmenich has committed to assessing 100% of its flavours and fragrance portfolio by 2025 (respectively 78% and 95% as of June 2022).

Embracing nature

Firmenich is convinced that it must use natural resources wisely to ensure they remain available for future generations. Therefore, it has set goals to embrace nature and its fragile biodiversity all along its supply chain. Some of Firmenich's "embracing nature" targets for 2025 include:

- 100% Union for Ethic BioTrade (**UEBT**) validation of its integrated biodiversity strategy;
- 100% Access and Benefit Sharing (**ABS**) due diligence system externally verified;
- operate with green chemistry principles;

- contribute to global diet transformation with its green proteins accelerating regenerative agriculture;
- more than 95% ultimately or partially biodegradable ingredients in its fragrance portfolio; and
- more than 75% of nature-based ingredients in its total Taste & Beyond division's sales.

To accelerate nature positive decisions globally, biodiversity is also one of the key levers of Firmenich's sustainability ambition to become leader in conscious perfumery, diet transformation and renewable ingredients.

In 2021, Firmenich obtained a global UEBT membership, whereby its integrated biodiversity strategy was validated as well as its ABS due diligence process. As of 30 June 2022, leveraging its ABS due diligence process, Firmenich continues to secure 25 ABS permits. As most of its impacts lies in sourcing areas, Firmenich has adapted its procurement practices via a responsible sourcing policy, including key criteria for its suppliers providing materials derived from natural resources, to support the better use of natural resources and improve environmental and natural resource practices. In addition, Firmenich, with its research team, is developing the use of biotechnology for molecules' production and is continuously improving its manufacturing processes to use green chemistry principles, leading to ten conversions in the financial year ended 30 June 2022.

Caring about people

Firmenich is committed to upholding high human rights standards across its activities and those of is value chain. This is outlined in its human rights policy, which states that Firmenich will invest in its colleagues, (mental and physical) health, safety and well-being at work. Outside of its own organisation, Firmenich encourages decent work in the supply chain and applies its scientific expertise to address global public health issues for improved access to hygiene and better nutrition. In December 2019, Firmenich became the first flavour and fragrance company to sign the United Nations Global Compact Action Platform for Decent Work in Global Supply Chains.

Some of Firmenich's "caring about people" targets for 2025 include:

- no ethnic pay gap;
- no engagement gap;
- 100% living wage in Firmenich's operations;
- safety: total recordable case (**TRC**) rate below 2.0; and
- industry leading diversity of senior leaders.

In the financial year ended 30 June 2022, SMETA 6.1 audits evidenced that Firmenich was fully compliant with human rights in its manufacturing sites, an annual statistical gender pay analysis evidenced that there was no gender pay gap within Firmenich's workforce and a certification by the Fair Wage Network evidenced that all Firmenich's employees earn at least a living wage. In addition, over the financial year ended 30 June 2022, Firmenich actively worked on reducing the ethnic pay gap and engagement gap through entering into partnerships with historically black colleges and universities and introducing local Diversity and Belonging strategies in 23 countries. Furthermore, in the financial year ended 30 June 2022, Firmenich maintained its TRC rate to 0.26.

Firmenich sees the next ten years as a transformational journey towards business-for-good powered by science. For 2030, Firmenich has committed to, among others, the following ESG ambitions:

- water neutral in water stressed areas;
- maintain 100% compliance with IFRA standards;

- reduce calories from sugar in people's diet up to 2.8 trillion by 2030;
- 70% renewable ingredients;
- 90% of terpenes and resins raw materials supply certified by PEFC and FSC;
- 100% fragrances made of 99% biodegradable ingredients;
- 50 certified ingredients; and
- save 285 billion litres of water per year with Firmenich's SMARTPROTEINS®.

Furthermore, Firmenich has both near- and long-term science-based emissions reduction targets verified and approved by the SBTi. It is committed to reach net-zero greenhouse gas emissions across its value chain by 2039, keeping global warming below 1.5°C in line with the Paris Agreement.

3.21 Regulatory environment

DSM-Firmenich is an entity incorporated under the laws of Switzerland and will have operating companies all around the globe. DSM-Firmenich will be affected by, and must comply with, various statutes, regulations and laws in the countries and markets in which it operates. It will be subject to various national, state and local laws applicable to businesses generally, including, but not limited to, laws affecting tax, land use, the environment, occupational health and safety, product safety, quality and liability, transportation, employment practices (including pensions), competition, anti-corruption and other matters. These laws are administered by various statutory or regulatory bodies in the countries in which DSM-Firmenich will operate.

DSM-Firmenich expects to develop, manufacture and sell its products in a number of jurisdictions around the world and to be subject to federal, state and local laws and regulations in each of the different countries. DSM-Firmenich's various products are intended for the food, beverage and pharmaceutical industries, which are subject to strict quality and regulatory measures and requirements. In addition, DSM-Firmenich will be subject to health and safety regulations with respect to its production and distribution processes and to consumer product law with respect to the nature of DSM-Firmenich's diverse product base. Consequently, DSM-Firmenich is obliged to comply with strict standards.

DSM-Firmenich will also be subject to environmental standards relating to air emissions, sewage discharges, use of hazardous substances, waste disposal practices and the remediation of existing environmental pollution. Over the last few years, regulations and the enforcement of standards have become significantly more stringent and compliance costs have risen significantly. DSM-Firmenich expects that these requirements will become increasingly more stringent over time. DSM-Firmenich may incur significant additional costs in order to comply with new or stricter requirements, or as a result of violations, claims or liabilities pursuant to such requirements in the future.

3.22 Compliance

DSM

The DSM Code of Business Conduct and the DSM Corporate Requirements together serve as an umbrella for DSM's regulations. They form the formal basis for DSM's ethical business behaviour. The Vice President Risk Management & Internal Control monitors the internal and external developments around corporate ethics to promote and safeguard the company's values and reputation. The main business principles relevant to DSM's supply chain are laid down in the supplier code of conduct. For DSM's distributor and agent framework contracts, DSM's Anti-Bribery & Corruption policy is translated into terms and conditions to ensure ethical business conduct when these parties act on behalf of DSM or deal with DSM products in the value chain.

As a supplier of products in the nutrition and health living market, DSM has integrated product stewardship as a leading principle. As part of its commitment to product stewardship, DSM has adopted and adheres to the principles of the Program of Responsible Care®, set out by the International Council of Chemical Associations. This is the chemical industry's global voluntary initiative where companies work together to improve their management of the health, safety and environmental aspects of a chemical continuously throughout its life cycle. Responsible Care® is the industry's global voluntary initiative under which companies, through their national trade associations, work together to continuously improve their health, safety and environmental performance and to communicate with all relevant stakeholders and with the public about their products, their processes and achievements. The Responsible Care® ethic helps the industry to operate safely, profitably and with due care for future generations, and contributes significantly to sustainable development.

Firmenich

Firmenich has a robust compliance programme covering business ethics and other business practices. Firmenich's code of business conduct serves as an umbrella for the programme. In 2022, Firmenich was recognised by Ethisphere as one of the world's most ethical companies.

In addition to business practices compliance, Firmenich has a robust product safety and stewardship compliance programme managed by its global regulatory services department. Their objective is to ensure product compliance with regulations from governmental bodies, relevant industry organisations and customers as well as internal policies. Those include chemical substances control legislation, national legislation governing the composition of the final consumer product with fragrances, the Code of Practice of the International Fragrance Association (**IFRA**), general food laws, flavour and food additive regulations, food specific regulations, labelling and claims regulations, contaminants and pesticide regulations, hygiene requirements and health, safety and environmental standards, among others.

4. DIVIDEND POLICY

4.1 General

The Board of Directors may propose a dividend payment or other distribution to the DSM-Firmenich Shareholders, but cannot itself authorise distributions. Dividend payments require a resolution passed by a majority of the voting rights represented at a general meeting of shareholders (the **General Meeting**). In addition, the statutory auditors must confirm that the dividend proposal of the Board of Directors conforms to Swiss statutory law and the Articles of Association.

Under Swiss law, the Company may pay dividends only if it has sufficient distributable profits from the previous business year or has brought forward profits from previous business years, or if the Company has distributable reserves, each as evidenced by the Company's audited standalone statutory balance sheet prepared pursuant to Swiss law and after deduction of allocations to reserves as required by Swiss law and the Articles of Association. Dividends will be paid to the DSM-Firmenich Shareholders in proportion to the par value of the relevant shares held.

Distributable reserves are generally booked either as "retained earnings", "free earnings reserves", "statutory earnings reserves" or as "capital reserves", which include qualifying "reserves from capital contributions" (as described in section 15 "*Material Tax Considerations*"). Under the Swiss Code of Obligations (**CO**) in force as of Settlement, at least 5% of the annual profit must be retained as statutory earnings reserves if the Company's capital reserves and statutory earnings reserves amount to less than 20% of the share capital recorded in the Swiss Commercial Register (i.e. 20% of the aggregate par value of the Company's issued capital). The CO permits the Company to accrue additional free earnings reserves or retained earnings by a resolution of the General Meeting or a respective provision in the Articles of Association if this is in the long-term interest of DSM-Firmenich and the DSM-Firmenich Shareholders. A loss of profit or loss carry-over reduces the amount of distributable reserves. Furthermore, a purchase of the Company's own shares (whether by the Company or a subsidiary) reduces the distributable reserves in an amount corresponding to the purchase price of such shares. Finally, the CO under certain circumstances requires the creation of revaluation reserves, which are not distributable.

Distributions out of issued share capital (i.e. the aggregate par value of the Company's issued shares) are not allowed and may be made only by way of a share capital reduction. With respect to reductions in share capital, see section 12.12 "*Dividend payments*".

The Board of Directors determines the date on which the dividend entitlement starts. Dividends are usually due and payable shortly after the DSM-Firmenich Shareholders have passed the resolution approving the payment, but DSM-Firmenich Shareholders may also resolve at the General Meeting to pay dividends in quarterly or other instalments. There are no dividend restrictions or special procedures for non-resident shareholders under Swiss law or the Articles of Association. With respect to tax consequences for non-resident shareholders, see section 15.3 "*Taxation in Switzerland*".

Under Swiss law and according to the Articles of Association, dividends which have not been collected by the DSM-Firmenich Shareholder(s) entitled to them within five years after their due date shall lapse and accrue to the Company.

The tax legislation of an investor's jurisdiction and of Switzerland, the Company's country of incorporation, may have an impact on the income received from the DSM-Firmenich Ordinary Shares. See section 15 "*Material Tax Considerations*" for a discussion of certain aspects of taxation of dividends.

4.2 Dividend policy and payments

Dividend policy of the Company

The Company may declare and pay dividends in the future. The Board of Directors will generally consider and propose dividend declarations annually during the month of February or March when it publishes the results for the preceding financial year of the Company. The ability and intention of the Company to declare and pay dividends in the future (i) will mainly depend on its financial position, results of operations, capital requirements, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the Board of Directors may deem relevant and (ii) are subject to numerous assumptions, risks and uncertainties, many of which are beyond DSM-Firmenich's control. Since the Company will conduct its operations through its subsidiaries, associated companies and joint ventures, the amount of its distributable profits depends significantly on its subsidiaries, associated companies and joint ventures generating profits and distributing them to the Company.

The Company intends to retain part of its future profits in order to fund the ongoing growth and development of DSM-Firmenich's business and, therefore, targets paying between 40-60% of its total net income in dividends to the DSM-Firmenich Shareholders. Other than for the dividend relating to the financial year 2022 (to be paid in the year 2023), which will be paid out of capital contribution reserves only, the following applies: in case the dividend yield is below or equal to 2%, 50% of the dividend shall be paid out of the Company's normal reserves or retained earnings and 50% shall be paid out of the Company's capital contribution reserves. Any dividends paid out in excess of a 2% dividend yield shall be paid out of capital contribution reserves only (i.e. when yield is 2.1, then 1.0/1.1 split between retained earnings / capital contribution reserves). The dividend yield shall be calculated as a percentage based on the average share price of the previous financial year. It is intended that dividends will be paid annually, provided that the conditions of Swiss law and the relevant provisions in the Articles of Association are met.

The Company's dividend policy is subject to a number of assumptions, risks and uncertainties, many of which are beyond DSM-Firmenich's control. Please see sections 2 "*Risk Factors*" and 17.8 "*Information regarding forward-looking statements*". Furthermore, the Company's dividend policy is subject to change as the Board of Directors will revisit its dividend policy from time to time.

Dividend payments by the Company

Within three months after the Firmenich Contribution Date, the Company expects to propose to the General Meeting to resolve on a gross dividend to the DSM-Firmenich Shareholders, to be paid fully out of Swiss recognised capital contribution reserves, of €423 million to be paid as soon as possible after the necessary resolution has been adopted by the General Meeting.

4.3 Dividend history DSM and Firmenich

Dividend history DSM for DSM Ordinary Shares

DSM paid dividends on DSM Ordinary Shares of €417 million over 2019 (€2.40 per DSM Ordinary Share), €413 million over 2020 (€2.40 per DSM Ordinary Share) and €432 million over 2021 (€2.50 per DSM Ordinary Share). Dividends were paid out in cash or, under certain conditions, in the form of ordinary shares at the option of the shareholder. Dividends in cash were paid after deduction of 15% Dutch dividend withholding tax. The stock dividend was paid out of DSM's own treasury shares.

For its financial year 2021 (ending 31 December 2021), DSM paid €292 million gross final dividend in June 2022. For its financial year 2022 (ending 31 December 2022), DSM paid €163 million gross interim dividend in August 2022.

Dividend History Firmenich

For the financial year ended 30 June 2020, the total amount of dividend paid by Firmenich was CHF 180.2 million. For the financial year ended 30 June 2021, the total amount of dividend paid by Firmenich was CHF 250.3 million. For the financial year ended 30 June 2022, Firmenich will pay CHF 250 million gross dividends prior to the Contribution Completion.

4.4 Manner and time of dividend payments

Payment of any dividend on DSM-Firmenich Ordinary Shares will be made in Euro. Any dividends that are paid to holders of DSM-Firmenich Ordinary Shares through Euroclear Nederland or SIX SIS will be automatically credited to the relevant DSM-Firmenich Shareholders' accounts, without the need for the DSM-Firmenich Shareholders to present documentation proving their ownership of the DSM-Firmenich Ordinary Share. Payment of dividends on the DSM-Firmenich Ordinary Shares not held through Euroclear Nederland or SIX SIS will be made directly to the relevant DSM-Firmenich Shareholder using the information contained in the Company's shareholders' register. Payments of dividends are announced in a notice by the Company and will be made payable pursuant to a resolution of the Board of Directors within four weeks after adoption, unless the Board of Directors sets another date for payment.

4.5 Uncollected dividends

A shareholder's claim to payments of dividends lapses five years after the day on which the claim became payable. Any dividends that are not collected within this period revert to the Company and are allocated to its free earnings reserves.

4.6 Taxation of dividends

See section 15 "*Material Tax Considerations*" for a discussion of certain aspects of taxation of dividends.

5. UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information included in this section of the Offering Circular (the **Pro Forma Financial Information**) has been derived from DSM's audited consolidated financial statements for the year ended 31 December 2021, DSM's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022, Firmenich's audited consolidated financial statements for the year ended 30 June 2022, Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2021 and Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2020.

The Pro Forma Financial Information has been prepared for illustrative purposes only and by its nature addresses a hypothetical situation. The Pro Forma Financial Information is not intended, and should not be considered, to represent or to be indicative of the actual results of operations or the actual financial position that DSM-Firmenich would have recorded had the Divestments, Merger and Exchange Offer been completed on 30 June 2022 in the unaudited pro forma combined balance sheet, or as of 1 January 2021 in the unaudited pro forma combined income statements, nor is the Pro Forma Financial Information necessarily indicative of the future operating results or financial position of DSM-Firmenich. The hypothetical financial position or results included in the Pro Forma Financial Information may therefore due to various factors differ materially from DSM-Firmenich's actual financial position or results.

The Pro Forma Financial Information has been prepared for inclusion in this Offering Circular to comply with Commission Delegated Regulation (EU) 2019/980 and for no other purposes. The Pro Forma Financial Information has been prepared in accordance with the principles described in the Commission Delegated Regulation (EU) 2019/980 and the related guidance issued by the European Securities and Markets Authority (**ESMA**). The Pro Forma Financial Information has not been prepared in accordance with the requirements of the SEC or practices generally accepted in the United States and have not been prepared in accordance with Article 11 of Regulation S-X.

Neither the assumptions underlying the preparation of the Pro Forma Financial Information nor the Pro Forma Financial Information itself have been audited or reviewed.

Rounding adjustments to the nearest one decimal place have been made. Therefore, figures shown as total may not be the exact arithmetic aggregation of the figures that precede them.

Potential investors should read the Pro Forma Financial Information in conjunction with the Offering Circular as a whole, and more specifically with the financial information contained in sections 7 "*Selected Consolidated Financial Information of DSM*", 9 "*Selected Consolidated Financial Information of Firmenich*", 8 "*DSM Operating and Financial Review*", and 10 "*Firmenich Operating and Financial Review*", as well as the DSM Annual Financial Statements and the DSM HY 2022 Financial Statements, incorporated by reference, and Firmenich's consolidated financial statements included elsewhere in this Offering Circular, and not solely rely on the financial information contained in this section.

5.1 Background information

On 30 May 2022 DSM, Firmenich, the Company and the Firmenich Shareholders entered into the Business Combination Agreement, in which the Parties laid down their agreement to effectuate the Merger. The Merger will be tabled at the DSM EGM for approval by DSM's shareholders on 23 January 2023 and has been approved by the Firmenich Shareholders. The principal terms of the Business Combination Agreement are described in section 13.1 "*The Transactions*".

DSM-Firmenich is a newly established creation and innovation partner in nutrition, beauty and well-being. The Company was incorporated on 16 May 2022 as Danube AG, a company limited by shares (*Aktiengesellschaft*) under the laws of Switzerland. On or around the Admission, Danube AG will be renamed DSM-Firmenich AG. DSM-Firmenich builds on the heritage and integrates the businesses of DSM and Firmenich.

The Merger will be effected through (i) an exchange offer by DSM-Firmenich to the DSM Shareholders for all DSM Ordinary Shares and (ii) the contribution of all Firmenich Shares to DSM-Firmenich against issuance of the Contribution Share Consideration and payment of the Contribution Cash Consideration of €3.5 billion to the Fiduciary Agent. For further information on the Transactions, see section 13.1 "*The Transactions*".

DSM-Firmenich is offering a voluntary public exchange to the DSM Shareholders to tender their DSM Ordinary Shares in exchange for DSM-Firmenich Ordinary Shares on a one-by-one basis, as set out in section 14 "*The Exchange Offer*". Therefore, no direct new proceeds will result from the Exchange Offer.

In line with DSM's strategy to become a focused Health, Nutrition & Bioscience company, DSM sold its Resins & Functional Materials and associated business and its Protective Materials business. The sale of its Resins & Functional Materials and associated business to Covestro AG against payment of a purchase price of €1.6 billion was announced on 30 September 2020. Completion of the transaction took place on 1 April 2021. The sale of DSM's Protective Materials business was announced on 20 April 2022, subsequent to which DSM (as seller) and Avient Corporation (as purchaser) entered into a sale and purchase agreement for the acquisition of the Protective Materials business for an enterprise value of €1.45 billion. Completion of the transaction took place on 1 September 2022.

Furthermore, on 31 May 2022, DSM announced the sale of its Engineering Materials business and entered into a sale and purchase agreement with Advent International and LANXESS (as purchasers) for the acquisition of the Engineering Materials business for an enterprise value of €3.85 billion. Completion of the transaction, which is subject to customary conditions and approvals, is expected in the first half of 2023.

All three transactions related to the (announced) sales of the different materials businesses are referred to as the **Divestments**.

The Divestments, the Merger and the Exchange Offer will result in a significant gross change in total assets, revenue and profit or loss, within the meaning of Article 1(e) of the Commission Delegated Regulation (EU) 2019/980 following a significant financial commitment within the meaning of Article 18(4) of that Regulation. The Pro Forma Financial Information has been prepared to represent the effect of the Divestments, the Merger and the Exchange Offer as if these transactions occurred on 30 June 2022 in the unaudited pro forma condensed combined balance sheet or on 1 January 2021 in the unaudited pro forma condensed combined income statements.

5.2 Basis of preparation

The Pro Forma Financial Information is presented in millions of Euros, except where stated otherwise.

The unaudited pro forma combined balance sheet at 30 June 2022 has been derived from:

- DSM's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with DSM's consolidated financial statements for the year ended 31 December 2021; and

- Firmenich's audited consolidated financial statements for the year ended 30 June 2022, which were prepared in accordance with IFRS-IASB and Swiss Law. KPMG SA, independent auditors, have audited the financial statements and have issued an unqualified independent auditor's report thereon.

The unaudited pro forma combined balance sheet has been prepared by adding DSM's condensed consolidated interim balance sheet at 30 June 2022 to the consolidated balance sheet of Firmenich at 30 June 2022. The balance sheet of Firmenich has been adjusted for:

- reclassifications to align Firmenich with DSM's presentation of financial information; and

- the translation to EUR at the closing exchange rate at 30 June 2022 of 1.00050 EUR to CHF.

Subsequently, pro forma adjustments are made in the balance sheet at 30 June 2022 to reflect:

- the Divestments;
- the preliminary purchase price allocation under IFRS 3 for the acquisition of Firmenich; and
- the payment related to the Merger and Exchange Offer as if it would have been paid at 1 January 2021 and the related decrease of the depository interest payable.

The unaudited pro forma combined income statement for the financial year ended 31 December 2021 has been derived from:

- DSM's audited consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with EU-IFRS and Part 9 of Book 2 of the DCC. KPMG Accountants N.V., independent auditors, have audited the financial statements and have issued an unqualified independent auditor's report thereon;
- Firmenich's audited consolidated financial statements for the year ended 30 June 2021, which were prepared in accordance with IFRS-IASB and Swiss law. KPMG SA, independent auditors, have audited the financial statements and have issued an unqualified independent auditor's report thereon;
- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2021. KPMG SA have reported that they applied limited procedures in accordance with professional standards for a review of such information; and
- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2020, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2020. KPMG SA have reported that they applied limited procedures in accordance with professional standards for a review of such information.

The unaudited pro forma combined income statement for the financial year ended 31 December 2021 has been prepared by adding DSM's consolidated income statement for the year ended 31 December 2021 to Firmenich's consolidated income statement for the year ended 31 December 2021. The latter has been derived by taking Firmenich's historical income statement for their financial year ended 30 June 2021 and subsequently deducting Firmenich's consolidated income statement for the six months ended 31 December 2020 and adding Firmenich's consolidated income statement for the six months ended 31 December 2021. The result hereof are the Firmenich results on a calendar year 2021 basis. These results were then adjusted for:

- reclassifications to align Firmenich with DSM's presentation of financial information; and
- the translation to EUR at the average exchange rate for the calendar year ended 31 December 2021 of 1.08164 EUR to CHF.

Subsequently pro forma adjustments to the income statement are made for:

- the impact of the Divestments on the pro forma income statement under the hypothetical assumption that the Divestments were completed on 1 January 2021;
- the impact of the purchase price allocation for the Firmenich acquisition on the pro forma income statement under the hypothetical assumption that the Merger was completed on 1 January 2021; and

- the payment related to the Merger and Exchange Offer as if it would have been paid at 1 January 2021 and the related decrease of the depository interest payable.

The unaudited pro forma combined income statement for the six months ended 30 June 2022 has been derived from:

- DSM's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with DSM's consolidated financial statements for the year ended 31 December 2021;

- Firmenich's audited consolidated financial statements for the year ended 30 June 2022, which were prepared in accordance with IFRS-IASB and Swiss law. KPMG SA, independent auditors, have audited the financial statements and have issued an unqualified independent auditor's report thereon; and

- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2021.

The unaudited pro forma combined income statement for the six months ended 30 June 2022 has been prepared by adding DSM's condensed consolidated income statement for the six months ended 30 June 2022 to Firmenich's consolidated income statement for the six months ended 30 June 2022. The latter has been derived by taking Firmenich's historical income statement for the financial year ended 30 June 2022 and deducting Firmenich's results for the six months ended 31 December 2021. The result hereof are the Firmenich results on a six months basis ending 30 June 2022. These results were then adjusted for:

- reclassifications to align Firmenich with DSM's presentation of financial information; and

- the translation to EUR at the average exchange rate for the six months ended 30 June 2022 of 1.03165 EUR to CHF.

Subsequently pro forma adjustments to the six months income statement ending 30 June 2022 are made for:

- the impact of the Divestments on the pro forma income statement under the hypothetical assumption that the Divestments were completed on 1 January 2021;

- the impact of the purchase price allocation for the Firmenich acquisition on the pro forma income statement under the hypothetical assumption that the Merger was completed on 1 January 2021; and

- the payment related to the Merger and Exchange Offer as if it would have been paid at 1 January 2021 and the related decrease of the depository interest payable.

The Pro Forma Financial Information is prepared in accordance with Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing the Regulation (EU) 2017/1129 and related ESMA Guidelines and reflects the application of pro forma adjustments that are (i) directly attributable and (ii) factually supportable and are based upon available information and certain assumptions described in the accompanying notes hereto, that management believes are reasonable under the given circumstances. The Pro Forma Financial Information does not reflect items such as DSM-Firmenich's expected synergies, operating efficiencies or restructuring and integration costs that may result from the Merger.

5.3 Unaudited pro forma combined balance sheet at 30 June 2022

	DSM historical *Unaudited* Note 1	Firmenich historical adjusted *Unaudited* Note 1	Divestments *Unaudited* Note 2	Pro forma adjustments *Unaudited* Note 3	Pro forma financial information *Unaudited*
			(in € millions)		
ASSETS					
Intangible assets	5,192	2,899	-	10,655	18,746
Of which:					
Goodwill	*3,011*	*1,995*	-	*5,033*	*10,039*
Other intangible assets	*2,181*	*904*	-	*5,622*	*8,707*
Property, plant and equipment	3,570	1,688	-	919	6,177
Deferred tax assets	133	84	-	-	217
Prepaid pension costs	35	48	-	-	83
Share in associates and joint ventures	63	149	-	-	212
Derivatives	78	-	-	-	78
Other financial assets	203	560	-	-	763
Non-current assets	**9,274**	**5,428**	**-**	**11,574**	**26,276**
Inventories	2,394	1,133	-	108	3,635
Trade receivables	1,679	1,020	(2)	-	2,697
Income tax receivables	55	64	-	-	119
Other current receivables	40	212	20	-	272
Derivatives	55	14	-	-	69
Current investments	838	164	-	-	1,002
Cash and cash equivalents	792	592	4,794	(3,556)	2,622
Assets held for sale	1,726	-	(1,722)	-	4
Current assets	**7,579**	**3,199**	**3,090**	**(3,448)**	**10,420**
Total	**16,853**	**8,627**	**3,090**	**8,126**	**36,696**
EQUITY AND LIABILITIES					
Shareholders' equity	9,731	4,239	3,590	7,004	24,564
Non-controlling interests	92	55	(5)	-	142
Equity	**9,823**	**4,294**	**3,585**	**7,004**	**24,706**
Deferred tax liabilities	491	276	-	1,213	1,980
Employee benefit liabilities	241	210	-	-	451
Provisions	87	12	-	-	99
Borrowings	2,985	2,249	-	(91)	5,143
Derivatives	17	-	-	-	17
Other non-current liabilities	189	135	-	-	324
Non-current liabilities	**4,010**	**2,882**	**-**	**1,122**	**8,014**
Employee benefit liabilities	20	51	-	-	71
Provisions	67	5	-	-	72
Borrowings	98	106	-	-	204
Derivatives	58	7	-	-	65
Trade payables	1,541	527	11	-	2,079
Income tax payables	97	81	-	-	178
Other current liabilities	611	674	22	-	1,307
Liabilities held for sale	528	-	(528)	-	-
Current liabilities	**3,020**	**1,451**	**(495)**	**-**	**3,976**
Total	**16,853**	**8,627**	**3,090**	**8,126**	**36,696**

5.4 Unaudited pro forma combined income statement for the financial year ended 31 December 2021

	DSM historical *Audited* Note 1	Firmenich historical adjusted *Unaudited* Note 1	Divestments *Unaudited* Note 2	Pro forma adjustments *Unaudited* Note 3	Pro forma financial information *Unaudited*
			(in € millions)		
Continuing operations					
Net Sales	9,204	4,175	(1,935)	-	11,444
Cost of sales	(6,040)	(2,459)	1,386	(143)	(7,257)
Gross margin	**3,164**	**1,716**	**(549)**	**(143)**	**4,187**

	DSM historical *Audited* **Note 1**	Firmenich historical adjusted *Unaudited* **Note 1**	Divestments *Unaudited* **Note 2**	Pro forma adjustments *Unaudited* **Note 3**	Pro forma financial information *Unaudited*
Marketing and sales	(1,270)	(553)	98	(296)	(2,021)
Research and development	(323)	(374)	58	(79)	(718)
General and administrative	(517)	(248)	67	-	(697)
Other operating income	95	81	(4)	-	172
Other operating expense	(128)	-	20	1	(107)
Operating profit	**1,021**	**622**	**(310)**	**(517)**	**816**
Financial income	24	20	-	-	43
Financial expense	(130)	(74)	(18)	8	(214)
Profit before income tax expense	**915**	**568**	**(328)**	**(509)**	**645**
Income tax expense	(168)	(88)	49	92	(115)
Share of the profit of associates and joint ventures	16	8	-	-	24
Other results related to associates and joint ventures	326	-	-	-	326
Net profit from continuing operations	**1,089**	**488**	**(279)**	**(417)**	**880**
Net profit from discontinued operations	591	-	(591)	-	-
Net profit for the year	**1,680**	**488**	**(870)**	**(417)**	**880**
Of which attributable to					
Owners of the parent	1,676	482	(867)	(417)	872
Non-controlling interests	4	6	(2)	-	8

5.5 Unaudited pro forma combined income statement for the six months ended 30 June 2022

	DSM historical *Unaudited* **Note 1**	Firmenich historical adjusted *Unaudited* **Note 1**	Divestments *Unaudited* **Note 2**	Pro forma adjustments *Unaudited* **Note 3**	Pro forma financial information *Unaudited*
			(in € millions)		
Continuing operations					
Net Sales	4,115	2,406	-	-	6,521
Cost of sales	(2,689)[(1)]	(1,495)	-	(18)	(4,202)
Gross margin	**1,426**	**911**	**-**	**(18)**	**2,319**
Operating costs	(1,028)[(1)]	(714)	-	(189)	(1,931)
Operating profit	**398**	**197**	**-**	**(207)**	**388**
Financial income and expense	(39)	(31)	(12)	4	(78)
Profit before income tax expense	**359**	**166**	**(12)**	**(203)**	**310**
Income tax expense	(72)	(40)	2	36	(74)
Share of the profit of associates and joint ventures	4	28	-	-	32
Net profit from continuing operations	**291**	**154**	**(10)**	**(167)**	**268**
Net profit from discontinued operations	167	-	(167)	-	-
Net profit for the period	**458**	**154**	**(177)**	**(167)**	**268**
Of which attributable to					
Owners of the parent	450	153	(176)	(167)	260
Non-controlling interests	8	1	(1)	-	8

(1) These numbers have been deduced from the DSM HY 2022 Financial Statements.

5.6 Notes to the Unaudited Pro Forma Combined Financial Information

5.7 Note 1 – Historical Information

General

The Pro Forma Financial Information represents the combined historical financial information of DSM and Firmenich. The historical financial information of DSM-Firmenich has not been presented in the Pro Forma Financial Information, as the share exchange between the DSM Shareholders and DSM-Firmenich is accounted for as a capital reorganisation and DSM-Firmenich's balance sheet only reflects the initial capital contribution on the establishment of the corporation until the time the Merger is effectuated and has been reflected in DSM's balance sheet as at 30 June 2022. The financial statements of DSM-Firmenich after completion of the Merger and Exchange Offer will be a continuation of DSM's consolidated financial statements and the Pro Forma Financial Information table starts with DSM's historical financial information.

DSM historical information

DSM's historical financial information has been extracted from:

- DSM's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with DSM's consolidated financial statements for the year ended 31 December 2021; and

- DSM's audited consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with EU-IFRS and Part 9 of Book 2 of the DCC.

Firmenich historical information

Firmenich's historical financial information has been extracted from:

- Firmenich's audited consolidated financial statements for the year ended 30 June 2022, which were prepared in accordance with IFRS-IASB and Swiss Law;

- Firmenich's audited consolidated financial statements for the year ended 30 June 2021, which were prepared in accordance with IFRS-IASB and Swiss law;

- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2021; and

- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2020, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2020.

Firmenich adjusted historical balance sheet as at 30 June 2022

Firmenich's historical balance sheet as at 30 June 2022 has been adjusted to reflect the following:

- Reclassifications; and

- Adjustment to translate Firmenich's financial information reported in CHF to the presentation currency in EUR.

Reclassifications

A preliminary review has been completed to assess if adjustments are necessary to conform Firmenich's accounting policies to DSM's accounting policies. This preliminary review has been conducted by comparing DSM's accounting policies from DSM's audited consolidated financial statements for the year ended 31 December 2021 to the accounting policies as applied by Firmenich in its audited consolidated financial statements for the year ended 30 June 2021. Upon Completion, a detailed comparison of DSM's and Firmenich's accounting policies will be conducted. As a result of that comparison and as additional information becomes available and additional analyses are performed, more differences between the two companies might be identified with respect to recognition, measurement or presentation. The preliminary review performed did not result in the identification of significant differences.

A preliminary review has been completed to assess if reclassifications are necessary in the Pro Forma Financial Information to align Firmenich's balance sheet and income statement presentation to DSM's balance sheet and income statement presentation. These reclassifications relate to different balance sheet and income statement line items used by DSM and minor differences in classification of certain balances.

To align Firmenich's balance sheet presentation to DSM's balance sheet presentation, the following reclassifications have been made (please also see the letters in the second column of the table below, which correspond to these reclassifications):

(a) *Financial investment and loans,* amounting to CHF 608 million, has been allocated to *other financial assets* (CHF 560 million) and *prepaid pension costs* (CHF 48 million). Financial investment and loans consist of equity instruments at fair value through other comprehensive income (OCI), financial assets at fair value through the income statement and loans at amortised cost; and

(b) *Redemption liabilities,* amounting to CHF 100 million, has been reclassified to *other non-current liabilities*.

Adjustment to translate Firmenich's financial information reported in CHF to the presentation currency in €

The consolidated Firmenich historical balance sheet, which is presented in CHF, has been translated to €, the presentation currency of DSM and DSM-Firmenich. Firmenich's assets and liabilities are translated at DSM's and DSM-Firmenich's closing exchange rate at 30 June 2022**.**

The following exchange rate was used:

	€1/CHF
Closing rate at 30 June 2022	1.00050

Consolidated Firmenich historical adjusted balance sheet at 30 June 2022

		Firmenich historical *Audited*	Reclassifications *Unaudited*	Firmenich historical adjusted *Unaudited*	Firmenich historical adjusted(1) *Unaudited*
			(in CHF millions)		*(in € millions)*
ASSETS					
Intangible assets		2,900	-	2,900	2,899
Property, plant and equipment		1,689	-	1,689	1,688
Financial investments and loan	a)	608	(608)	-	-
Deferred tax assets		84	-	84	84
Prepaid pension costs	a)	-	48	48	48
Share in associates and joint ventures		149	-	149	149
Derivatives		-	-	-	-
Other financial assets	a)	-	560	560	560
Non-current assets		**5,430**	**-**	**5,430**	**5,428**

		Firmenich historical	Reclassifications	Firmenich historical adjusted	Firmenich historical adjusted[(1)]
		Audited	*Unaudited*	*Unaudited*	*Unaudited*
Inventories		1,134	-	1,134	1,133
Trade receivables		1,021	-	1,021	1,020
Income tax receivables		64	-	64	64
Other current receivables		212	-	212	212
Derivatives		14	-	14	14
Current investments		164	-	164	164
Cash and cash equivalents		592	-	592	592
Assets held for sale		-	-	-	-
Current assets		**3,201**	**-**	**3,201**	**3,199**
Total		**8,631**	**-**	**8,631**	**8,627**
EQUITY AND LIABILITIES					
Shareholders' equity		4,242	-	4,242	4,239
Non-controlling interests		55	-	55	55
Equity		**4,297**	**-**	**4,297**	**4,294**
Deferred tax liabilities		276	-	276	276
Employee benefit liabilities		210	-	210	210
Provisions		12	-	12	12
Borrowings		2,250	-	2,250	2,249
Redemption liabilities	b)	100	(100)	-	-
Derivatives		-	-	-	-
Other non-current liabilities	b)	35	100	135	135
Non-current liabilities		**2,883**	**-**	**2,883**	**2,882**
Employee benefit liabilities		51	-	51	51
Provisions		5	-	5	5
Borrowings		106	-	106	106
Derivatives		7	-	7	7
Trade payables		527	-	527	527
Income tax payables		81	-	81	81
Other current liabilities		674	-	674	674
Liabilities held for sale		-	-	-	-
Current liabilities		**1,451**	**-**	**1,451**	**1,451**
Total		**8,631**	**-**	**8,631**	**8,627**

(1) *Converted from CHF to € using an exchange rate of 1.00050.*

Firmenich adjusted income statement for the year ended 31 December 2021 and the six months ended 30 June 2022

Firmenich's historical income statement for the year ended 31 December 2021 and the six months ended 30 June 2022 has been adjusted to reflect the following:

- adjustments to align Firmenich's income statement reporting period to DSM's income statement reporting period;
- reclassifications; and
- adjustment to translate Firmenich's financial information reported in CHF to the presentation currency in EUR.

Adjustments to align Firmenich's income statement reporting period to DSM's income statement reporting period

Firmenich's fiscal year ends on 30 June, while DSM's fiscal year ends on 31 December 2021. Firmenich's historical income statement for the year ended 31 December 2021 has been derived by adjusting Firmenich's historical income statement for the year ended 30 June 2021 and subsequently deducting Firmenich's results for the six months ended 31 December 2020 and adding Firmenich's results for the six months ended 31 December 2021. These adjustments were directly extracted from:

- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2021; and

- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2020, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2020.

Firmenich's historical income statement for the six months ended 30 June 2022 has been derived by adjusting Firmenich's historical income statement for the year ended 30 June 2022 and subsequently deducting Firmenich's results for the six months ended 31 December 2021. These adjustments were directly extracted from:

- Firmenich's unaudited interim consolidated financial statements for the six months ended 31 December 2021, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June 2021.

Reclassifications

The reclassifications to align Firmenich's income statement presentation to DSM's income statement presentation for the year ended 31 December 2021 consist of (please also see the letters in the second column of the tables below, which correspond to these reclassifications):

(c) *Distribution* expenses*,* amounting to CHF 141 million, has been reclassified to *marketing and sales expense*;

(d) Net other financial expenses, amounting to CHF 14 million, has been disaggregated into CHF 21 million financial income and CHF 35 million financial expense; and

(e) Share of profit/(loss*) of jointly controlled entities and associates, net of taxes* for a total amount of CHF 9 million has been excluded from the subtotal profit before income tax expense and included as part of share of profit of associates and joint ventures and in the subtotal net profit.

The reclassifications to align Firmenich's income statement presentation to DSM's income statement presentation for the six months ended 30 June 2022 consist of (please also see the letter in the second column of the second table below, which corresponds to these reclassifications):

(f) Remeasurement to fair value of pre-existing interest in an acquiree for a total amount of CHF 24 million and share of profit/(loss) of jointly controlled entities and associates, net of taxes for a total amount of CHF 5 million have been excluded from the subtotal profit before income tax expense and included as part of share of profit of associates and joint ventures and in the subtotal net profit.

Adjustment to translate Firmenich's financial information reported in CHF to the presentation currency in €

The consolidated Firmenich historical income statement, which is presented in CHF, has been translated to €, the presentation currency of DSM and DSM-Firmenich, against the average exchange rate for the year ended 31 December 2021 or for the six months ended 30 June 2022.

The following exchange rates were used:

	€1/CHF
Average rate for the year ended 31 December 2021	1.08164
Average rate for the six months ended 30 June 2022	1.03165

Consolidated Firmenich historical adjusted income statement for the year ended 31 December 2021

		Firmenich historical	*Less:* **6 months adjustment HY21**	*Add:* **6 months adjustment HY22**	**Re-classifications**	**Firmenich historical adjusted**	**Firmenich historical adjusted**[(1)]
		for the year ended 30 June 2021	for the six months ended 31 December 2020	for the six months ended 31 December 2021		for the year ended 31 December 2021	for the year ended 31 December 2021
		Audited	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*
				(in CHF millions)			*(in € millions)*
Continuing operations							
Net Sales		4,272	(1,997)	2,241	-	4,516	4,175
Cost of sales		(2,513)	1,186	(1,334)	-	(2,661)	(2,460)
Gross margin		**1,759**	**(811)**	**907**	**-**	**1,855**	**1,715**
Distribution expenses	c)	(122)	56	(75)	141	-	-
Marketing and sales		(448)	215	(224)	(141)	(598)	(553)
Research and development		(398)	188	(194)	-	(404)	(374)
General and administrative	c)	(276)	127	(119)	-	(268)	(247)
Other operating income		79	(1)	10	/-	88	81
Other operating expense		-	-	-	-	-	-
Operating profit		**594**	**(226)**	**305**	**-**	**673**	**622**
Financial income	d)	-	-	-	21	21	19
Net other financial expenses	d)	(19)	12	(7)	14	-	-
Financial expense	d)	(48)	25	(23)	(35)	(81)	(74)
Share of profit / (loss) of jointly controlled entities and associates, net of taxes	e)	6	(2)	5	(9)	-	-
Profit before income tax expense		**533**	**(191)**	**280**	**(9)**	**612**	**567**
Income tax expense		(80)	28	(43)	-	(95)	(88)
Share of the profit of associates and joint ventures	e)	-	-	-	9	9	8
Other results related to associates and joint ventures		-	-	-	-	-	-
Net profit from continuing operations		**453**	**(163)**	**237**	**-**	**527**	**487**
Net profit from discontinued operations		-	-	-	-	-	-
Net profit for the year		**453**	**(163)**	**237**	**-**	**527**	**487**
Of which attributable to							
Owners of the parent		449	(162)	233	-	520	481
Non-controlling interests		4	(1)	4	-	7	6

(1) *Converted from CHF to € using an exchange rate of 1.08164.*

Consolidated Firmenich historical adjusted income statement for the six months ended 30 June 2022

		Firmenich historical	*Less:* **6 months adjustment HY22**	**Reclassifications**	**Firmenich historical adjusted**	**Firmenich historical adjusted**[(1)]
		for the year ended 30 June 2022	for the six months ended 31 December 2021		for the six months ended 30 June 2022	for the six months ended 30 June 2022
		Audited	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*
			(in CHF millions)			*(in € millions)*
Continuing operations						
Net Sales		4,723	(2,241)	-	2,482	2,406
Cost of sales		(2,876)	1,334	-	(1,542)	(1,495)
Gross margin		**1,847**	**(907)**	**-**	**940**	**911**
Operating costs	c)	(1,339)	602	-	(737)	(714)
Operating profit		**508**	**(305)**	**-**	**203**	**197**
Net other financial expenses	d)	(14)	7	-	(7)	(7)
Financial expense	d)	(48)	23	-	(25)	(24)
Financial income and expense		**(62)**	**30**	**-**	**(32)**	**(31)**

		Firmenich historical	*Less:* 6 months adjustment HY22	Reclassifications	Firmenich historical adjusted	Firmenich historical adjusted[(1)]
		for the year ended 30 June 2022	for the six months ended 31 December 2021		for the six months ended 30 June 2022	for the six months ended 30 June 2022
		Audited	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*
Remeasurement to fair value of pre-existing interest in an acquire	f)	24	-	(24)	-	-
Share of profit / (loss) of jointly controlled entities and associates, net of taxes	f)	10	(5)	(5)	-	-
Profit before income tax expense..........................		**480**	**(280)**	**(29)**	**171**	**166**
Income tax expense...........		(84)	43	-	(41)	(40)
Share of the profit of associates and joint ventures.............................	f)	-	-	29	29	28
Other results related to associates and joint ventures.............................		-	-	-	-	-
Net profit from continuing operations.....		**396**	**(237)**	**-**	**159**	**154**
Net profit from discontinued operations....		-	-	-	-	-
Net profit for the year.....		**396**	**(237)**	**-**	**159**	**154**
Of which attributable to						
Owners of the parent.........		391	(233)	-	158	153
Non-controlling interests..		5	(4)	-	1	1

(1) *Converted from CHF to € using an exchange rate of 1.03165.*

5.8 Note 2 – Divestments

General

The pro forma adjustments presented in respect to the Divestments include (i) the elimination of income and expenses (including net profit of discontinued operations) as well as the assets and liabilities (including assets held for sale) and (ii) the elimination of restructuring costs and costs directly attributable to the Divestments.

Impact of the Divestments on the unaudited pro forma combined balance sheet as at 30 June 2022

For the purposes of the pro forma combined balance sheet as at 30 June 2022, the assets and liabilities related to the Protective Materials business and Engineering Materials business are eliminated as it is assumed that the Divestments occurred on 30 June 2022 and that the estimated cash consideration for the sale, corrected for the cash settlement of intercompany positions between DSM and the Materials business, has been received on 30 June 2022.

The pro forma impact of the Divestments on the unaudited pro forma combined balance sheet as at 31 December 2021 is as follows:

	Estimated cash consideration	Elimination of assets and liabilities held for sale	Settlement and reclassification of intercompany positions	Total Divestments
		(in € millions)		
ASSETS				
Intangible assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Deferred tax assets	-	-	-	-
Prepaid pension costs	-	-	-	-
Share in associates and joint ventures	-	-	-	-
Derivatives	-	-	-	-
Other financial assets	-	-	-	-
Non-current assets	**-**	-	**-**	**-**
Inventories	-	-	-	-
Trade receivables	-	-	(2)	(2)
Income tax receivables	-	-	-	-
Other current receivables	-	-	(20)	20
Derivatives	-	-	-	-
Current investments	-	-	-	-
Cash and cash equivalents	4,830	-	(36)	4,794
Assets held for sale	-	(1,722)	-	(1,722)
Current assets	**4,830**	**(1,722)**	**(18)**	**3,090**
Total	**4,830**	**(1,722)**	**(18)**	**3,090**
EQUITY AND LIABILITIES				
Shareholders' equity	4,830	(1,189)	(51)	3,590
Non-controlling interests	-	(5)	-	(5)
Equity	**4,830**	**(1,194)**	**(51)**	**3,585**
Deferred tax liabilities	-	-	-	-
Employee benefit liabilities	-	-	-	-
Provisions	-	-	-	-
Borrowings	-	-	-	-
Derivatives	-	-	-	-
Other non-current liabilities	-	-	-	-
Non-current liabilities	**-**	-	-	**-**
Employee benefit liabilities	-	-	-	-
Provisions	-	-	-	-
Borrowings	-	-	-	-
Derivatives	-	-	-	-
Trade payables	-	-	11	11
Income tax payables	-	-	-	-
Other current liabilities	-	-	22	22
Liabilities held for sale	-	(528)	-	(528)
Current liabilities	**-**	**(528)**	33	**(495)**
Total	**4,830**	**(1,722)**	**(18)**	**3,090**

The pro forma adjustments in the unaudited pro forma combined balance sheet as at 30 June 2022 related to the Divestments include:

- **Cash consideration**: the expected cash proceeds related to the sale of the Protective Materials business (€1.33 billion based on the estimated cash proceeds announced in April 2022, which has since been adjusted to €1.35 billion) and Engineering Materials business (€3.5 billion) are assumed to have been received on 30 June 2022. The estimated cash proceeds have been extracted from DSM's press release announcements on the completion of the sale of the Protective Materials business (dated 1 September 2022) and on the sale of the Engineering Materials business (dated 31 May 2022). As a result, a pro forma adjustment has been recognised in the unaudited pro forma combined balance sheet increasing the cash balance by €4,830 million.

- **Elimination of assets and liabilities held for sale**: the elimination of assets held for sale (€1,722 million) and liabilities held for sale (€528 million) related to the Materials business has been extracted from DSM's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022.

- **Settlement and reclassification of intercompany positions**: prior to closing of the Divestments, DSM will settle intercompany receivables and payables with the buyers of the Materials businesses. As a pro forma adjustment, the settlement will decrease net cash by €36 million. Furthermore, intercompany transactions between DSM and the Materials businesses have been eliminated in DSM's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022. As a pro forma adjustment, these intercompany transactions are assumed to be transactions with third parties. The settlement and reclassification on intercompany positions impact trade receivables (negative €2 million), other current receivables (€20 million), trade payables (€11 million) and other current liabilities (€ 22 million).

Impact of the Divestments on the unaudited pro forma combined income statement for the financial year ended 31 December 2021

For the purposes of the pro forma combined income statement for the year ended 31 December 2021, the discontinued operations after income taxes related to the Resins & Functional Materials and associated businesses and the results from continuing operations related to the Protective Materials business and Engineering Materials business are eliminated as it is assumed for pro forma purposes that the Divestments occurred on 1 January 2021. Effectively, the pro forma income statement for the year ended 31 December 2021 has been adjusted to reflect the sale of the Materials businesses, as all of the operations relating to the Materials businesses will have been sold or substantially wound down prior to the closing of the Merger.

The pro forma impact of the Divestments on the unaudited pro forma combined income statement for the financial year ended 31 December 2021 is as follows:

	Net profit of discontinued operations elimination	Protective and Engineering Materials elimination	Restructuring and divestment related costs	Financing costs	Total Divestments
			(in € millions)		
Continuing operations					
Net Sales	-	(1,935)	-	-	(1,935)
Cost of sales	-	1,386	-	-	1,386
Gross margin	**-**	**(549)**	**-**	**-**	**(549)**
Marketing and sales	-	98	-	-	98
Research and development	-	58	-	-	58
General and administrative	-	67	-	-	67
Other operating income	-	(4)	-	-	(4)
Other operating expense	-	(1)	21	-	20
Operating profit	**-**	**(331)**	**21**	**-**	**(310)**
Financial income	-	-	-		-
Financial expense	-	6	-	(24)	(18)
Profit before income tax expense	**-**	**(325)**	**21**	**(24)**	**(328)**
Income tax expense	-	50	(5)	4	49
Share of the profit of associates and joint ventures	-	-	-	-	-
Other results related to associates and joint ventures	-	-	-	-	-
Net profit from continuing operations	**-**	**(275)**	**16**	**(20)**	**(279)**
Net profit from discontinued operations	(591)	-	-	-	(591)
Net profit for the year	**(591)**	**(275)**	**16**	**(20)**	**(870)**
Of which attributable to					
Owners of the parent	(590)	(274)	16	(20)	(868)
Non-controlling interests	(1)	(1)	-	-	(2)

The pro forma adjustments in the unaudited pro forma combined income statement for the financial year ended 31 December 2021 related to the Divestments include:

- **Net profit of discontinued operations elimination**: elimination of the net profit of discontinued operations amounting to €591 million, which is related to the gain on the divestment of the Resins & Functional Materials business of €570 million and the stand-alone results of the Resins & Functional Materials business of €21 million, as included in the DSM income statement for the financial year ended 31 December 2021. This adjustment is not expected to have a recurring impact on the performance of DSM going forward;

- **Protective and Engineering Materials elimination**: the results of continuing operations related to the divestment of the Protective Materials business and Engineering Materials business, as included in the unaudited DSM management accounts for the financial year ended 31 December 2021, have been eliminated for pro forma purposes. This adjustment is not expected to have a recurring impact on the performance of DSM going forward;

- **Restructuring and divestment-related costs**: in 2021, DSM launched a restructuring programme for its Materials cluster (related to the Protective Materials business and Engineering Materials business) which resulted in a €16 million restructuring provision, with a related tax effect of €4 million. These have been eliminated as they are assumed to have been incurred before the sale of the Materials business. The transaction costs directly attributable to the divestment of the Protective Materials business and Engineering Materials business incurred in 2021 (€5 million with a related tax effect of €1 million) are assumed to have been incurred before closing of the divestment and are therefore eliminated from the pro forma combined income statements. These costs are expected to have no recurring impact on the performance of DSM going forward; and

- **Financing costs**: for pro forma purposes, depository interest from the expected net cash receipt as a result of the Divestments (increase of €4,830 million cash) has been calculated on the assumption that the additional cash would be subject to depository interest as of 1 January 2021. Based on DSM's estimate of its incremental depository (negative) interest rate, this results in a pro forma increase to financial expense of €24 million for the year ended 31 December 2021. The additional interest expense is considered tax deductible and results in a tax benefit of €4 million for the year ended 31 December 2021. By its nature, the adjustment is not expected to have a recurring impact as these costs will be accounted for by DSM-Firmenich based on actual cash balances going forward.

Impact of the Divestments on the unaudited pro forma combined income statement for the six months ended 30 June 2022

For the purpose of the pro forma combined income statement for the six months ended 30 June 2022, the historical results of the Protective Materials business and the Engineering Materials business presented as discontinued operations after income taxes are eliminated as it is assumed that the Divestments occurred on 1 January 2021.

The pro forma impact of the Divestments on the unaudited pro forma combined income statement for the six months ended 30 June 2022 is as follows:

	Net profit of discontinued operations elimination	**Financing costs**	**Total Divestments**
		(In € millions)	
Continuing operations			
Net Sales	-	-	-
Cost of sales	-	-	-
Gross Margin	-	-	-
Operating costs	-	-	-
Operating profit	-	-	-
Financial income and expense	-	(12)	(12)
Profit before income tax expense	-	**(12)**	**(12)**

	Net profit of discontinued operations elimination	Financing costs	Total Divestments
Income tax expense	-	2	2
Share of the profit of associates and joint ventures	-	-	-
Net profit from continuing operations	**-**	**(10)**	**(10)**
Net profit from discontinued operations	**(167)**	**-**	**(177)**
Net profit for the period	**(167)**	**(10)**	**(177)**
Of which attributable to			
Owners of the parent	(166)	(10)	(176)
Non-controlling interests	(1)	-	(1)

The pro forma adjustments in the unaudited pro forma combined income statement for the six months ended 30 June 2022 related to the Divestments include:

- **Net profit of discontinued operations elimination**: elimination of the net profit of discontinued operations amounting to €167 million, which is related to the stand-alone results of the Protective Materials business and Engineering Materials business included in the net profit from discontinued operations, as included in the DSM income statement for the six months ended 30 June 2022. This adjustment is not expected to have a recurring impact on the performance of DSM going forward; and

- **Financing costs**: for pro forma purposes, depository interest from the expected net cash receipt as a result of the Divestments (increase of €4,830 million cash) has been calculated on the assumption that the additional cash would be subject to depository interest as of 1 January 2021. Based on DSM's estimate of its incremental depository (negative) interest rate, this results in a pro forma increase to financial expense of €12 million for the six months period ended 30 June 2022. The additional interest expense is considered tax deductible and results in a tax benefit of €2 million for the six-month period ended 30 June 2022. By its nature, the adjustment is not expected to have a recurring impact as these costs will be accounted for by DSM-Firmenich based on actual cash balances going forward.

5.9 Note 3 – Pro forma adjustments

General

On 30 May 2022, DSM, Firmenich, holders of shares in the issued share capital of Firmenich and the Company entered into the Business Combination Agreement, in which the parties laid down their agreement to co-create a merger of equals by combining the businesses of DSM and Firmenich by contributing effectively the DSM Ordinary Shares and the shares in the capital of Firmenich to DSM-Firmenich.

DSM intends to finance the Contribution Cash Consideration of €3,500 million fully with the proceeds from the Divestments.

The pro forma adjustments reflect the hypothetical impact on the Pro Forma Financial Information if (1) the purchase price allocation for the Merger would have been recognised on 30 June 2022 for the pro forma balance sheet and 1 January 2021 for the pro forma income statements, and (2) the payment related to the Merger and Exchange Offer as if it would have been paid at 1 January 2021 and the related decrease of the depository interest payable.

The sources for adjustments are the preliminary purchase price allocations performed by DSM, as well as the internal treasury policy regarding the financing of its business to determine the incremental depository interest rate. The pro forma adjustments are further explained below.

The impact of these pro forma adjustments on the unaudited pro forma combined income statement for the year ended 31 December 2021 is as follows:

	Pro forma adjustments combined balance sheet impact at 30 June 2022	Pro forma adjustments combined income statement for the year ended 31 December 2021				
		Cost of sales	Operating costs	Finance costs	Income tax	Total
			(In € millions)			
Merger pro forma adjustments						
(a) Total intangibles:	**10,655**	**-**	**(375)**	**-**	**-**	**(375)**
Goodwill	5,033	-	-	-	-	-
Customer relations	4,270	-	(285)	-	-	(285)
Technology	1,186	-	(79)	-	-	(79)
Trade name	166	-	(11)	-	-	(11)
(b) Property, plant and equipment	**919**	**(35)**	**-**	**-**	**-**	**(35)**
Land	47	-	-	-	-	-
Buildings	872	(35)	-	-	-	(35)
(c) Inventory	108	(108)	-	-	-	(108)
(d) Bond (fair value decrease)	91		-	(9)	-	(9)
(e) Deferred income taxes (fair value increase)	(1,213)	-	-	-	95	95
Total business combination	**10,560**	**(143)**	**(375)**	**(9)**	**95**	**(432)**
(f) Merger related transaction cost	-	-	1	-	-	1
Total	**10,560**	**(143)**	**(374)**	**(9)**	**95**	**(431)**
Financing of the Merger						
Estimated payment	(3,556)			17	(3)	14
Total	**(3,556)**	**-**	**-**	**17**	**(3)**	**14**
Shareholders' equity	**7,004**	**(143)**	**(374)**	**8**	**92**	**(417)**

The impact of these pro forma adjustments on the unaudited pro forma combined income statement for the six months ended 30 June 2022 is as follows:

	Pro forma adjustments combined balance sheet impact at 30 June 2022	Pro forma adjustments combined income statement for the six months ended 30 June 2022				
		Cost of sales	Operating costs	Finance costs	Income tax	Total
				(In € millions)		
Merger pro forma adjustments						
(a) Total intangibles:	**10,655**	**-**	**(189)**	**-**	**-**	**(189)**
Goodwill	5,033	-	-	-	-	-
Customer relations	4,270	-	(143)	-	-	(143)
Technology	1,186	-	(40)	-	-	(40)
Trade name		-	(6)	-	-	(6)
(b) Property, plant and equipment	**919**	**(18)**	**-**	**-**	**-**	**(18)**
Land	47	-	-	-	-	
Buildings	872	(18)	-	-	-	(18)
(c) Inventory	108	-	-	-	-	-
(d) Bond	91	-	-	(5)		(5)
(e) Deferred income taxes	(1,213)	-	-	-	38	38
Total business combination	**10,560**	**(18)**	**(189)**	**(5)**	**38**	**(174)**
(f) Merger related transaction cost	-	-	-	-	-	-
Total	**10,560**	**(18)**	**(189)**	**(5)**	**38**	**(174)**
Financing of the Merger						
Estimated cash payment	(3,556)	-	-	9	(2)	7
Total	(3,556)	**-**	**-**	**9**	**(2)**	**7**
Shareholders' equity	**7,004**	**(18)**	**(189)**	**4**	**36**	**(167)**

Merger pro forma adjustments

The Merger will be accounted for under IFRS 3 using the acquisition method of accounting in accordance with IFRS 3 – Business Combinations, with DSM as the acquirer of Firmenich, an acquisition that will be effected through DSM-Firmenich, an entity that was formed specifically for the Merger. As the Merger is still subject to DSM shareholder and regulatory approval at the time of this Offering Circular, the preliminary allocation of the estimated purchase consideration (referred to in this Offering Circular as the preliminary purchase price allocation) is based upon available information and certain estimates which are believed to be reasonable and factually supportable as of the date of this Offering Circular.

Under IFRS 3, the acquisition method of accounting applies the fair value concepts defined in IFRS 13 – *Fair Value Measurement* and requires, among other things, that the assets acquired and the liabilities assumed in a business combination are recognised by the acquirer at their fair values at the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognised as goodwill. As mentioned in section 5.2 "*Basis of preparation*", the computation of the preliminary consideration transferred and purchase accounting presented herein are preliminary and were solely prepared for the preparation of the Pro Forma Financial Information.

As of the date of this Offering Circular, due to limited access to Firmenich's underlying financial and other information, DSM has not yet completed the detailed valuation studies necessary to arrive at the required estimates of the fair value for all of Firmenich's assets to be acquired and liabilities to be assumed in the Merger. The preliminary purchase price allocation only includes an initial identification and valuation of certain assets.

A final determination of the fair value of Firmenich's assets to be acquired and liabilities to be assumed, including intangible assets, will be based on the actual net tangible and intangible assets and liabilities of Firmenich that exist at the closing date of the Merger in accordance with IFRS 3 and, therefore, cannot be made prior to the completion of the Merger. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analyses are performed. These potential changes to the purchase price allocation and related pro forma adjustments could be material. The following is a description of each significant preliminary fair value adjustment.

All pro forma adjustments in the Pro Forma Financial Information related to the Merger as discussed in this section, unless otherwise mentioned, are expected to have a recurring impact.

Preliminary goodwill

The following table presents the calculation of preliminary goodwill as at 30 June 2022:

(in € million)	
Total consideration	**14,854**
Consideration transferred in exchange for shares	11,354
Consideration paid in cash	3,500
Total book value of equity acquired	4,294
Less: Goodwill on balance	(1,995)
Book value excluding goodwill	**2,299**
Excess purchase price	**12,555**
Preliminary fair value adjustment of Firmenich's acquired intangible assets	5,622
Preliminary fair value adjustment of Firmenich's acquired property, plant and equipment (including land)	919
Preliminary fair value adjustment of Firmenich's acquired net working capital	108
Preliminary fair value adjustment of Firmenich's bond	91
Deferred taxes on preliminary fair value adjustments	(1,213)
Illustrative goodwill	**7,028**

The preliminary purchase price is based on a share price of €145.65 per share, with a valuation date of 30 May 2022, which reflects the share price prior to the announcement of the Merger. The final purchase price will be based on DSM's closing share price on the closing date of the acquisition, which could differ from the price presented herein and as a result the presented goodwill could change. In addition, the final purchase price allocation and the resulting goodwill following the closing of the Merger could change as a result of an updated outlook taking into consideration the global economic and geopolitical developments, which can have various consequences, including supply chain disruptions, increased inflation, and volatility in global financial markets.

The estimated preliminary pro forma adjustment to intangible assets of €10,655 million is the sum of the illustrative goodwill and the derecognition of the existing Firmenich goodwill on balance (€5,033 million) and the preliminary fair value adjustment of Firmenich's acquired intangible assets (€5,622 million).

(g) *Preliminary intangible assets*

The preliminary fair value adjustment to intangible assets is summarised below:

(*in € million*)	**At 30 June 2022**	**Remaining useful life**
Customer relationships	4,270	15 years
Technology	1,186	15 years
Trade names	166	15 years
Preliminary fair value adjustment of Firmenich's acquired intangible assets	**5,622**	

The preliminary fair value adjustments of the intangible assets recognised in the Pro Forma Financial Information of €5,622 million, consists of acquired customer relationships, technology and trade names for €4,270 million, €1,186 million, and €166 million, respectively.

Amortisation has been calculated on the estimated preliminary fair value adjustments taking into account the estimated remaining useful life of the acquired assets. Their estimated remaining useful lives are based on a preliminary evaluation. As further evaluation is performed, there could be changes in the estimated remaining useful lives.

Amortisation charge related to customer relationships and trade names is recognised in marketing and sales of €296 million and €149 million for the year ended 31 December 2021 and the six months ended 30 June 2022, respectively. Amortisation charge related to technology is recognised in research and development for €79 million and €40 million for the year ended 31 December 2021 and the six months ended 30 June 2022, respectively.

Previous goodwill recognised in Firmenich arising mostly from past acquisitions has been derecognised for €1,995 million and goodwill related to the Merger has been recognised for €7,028 million.

(h) *Preliminary property, plant and equipment*

The preliminary fair value adjustment to tangible fixed assets is summarised below:

(*in € million*)	**At 30 June 2022**	**Remaining useful life**
Land	47	Indefinite
Buildings	872	25 years
Preliminary fair value adjustment of Firmenich's acquired property, plant and equipment (including land)	**919**	

The preliminary fair value adjustments of the fixed tangible assets recognised in the Pro Forma Financial Information mainly consists of acquired land and buildings for €47 million and €872 million, respectively. The related depreciation charge is recognised in cost of sales for €35 million and €18 million for the year ended 31 December 2021 and the six months ended 30 June 2022, respectively. Depreciation has been calculated on the estimated preliminary fair value adjustments taking into account the estimated remaining useful life of the acquired assets. Their estimated remaining useful lives are based on a preliminary evaluation. As further evaluation is performed, there could be changes in the estimated remaining useful lives.

(i) *Inventory*

The preliminary fair value adjustments of the net working capital recognised in the Pro Forma Financial Information mainly consists of acquired inventory of €108 million. It is assumed that all inventory is sold within one year. This resulted in an increase in cost of sales of €108 million for the year ended 31 December 2021 in the Pro Forma Financial Information. By its nature, this adjustment is not expected to have a recurring impact on the performance of DSM going forward.

(j) *Bond*

The preliminary fair value adjustment of the borrowings recognised in the Pro Forma Financial Information consists of Firmenich's listed bonds in Euro and Swiss Franc. The decrease in fair value of €91 million resulted in an increase of finance expense of €9 million and €5 million for the year ended 31 December 2021 and the six months ended 30 June 2022, respectively. By its nature, this adjustment is not expected to have a recurring impact on the performance of DSM going forward.

(k) *Deferred taxes*

For the purpose of the Pro Forma Financial Information, a deferred tax liability of €1,213 million has been estimated based on the preliminary fair value adjustments of the identified assets, excluding goodwill, and an estimated applicable tax rate of 18%, which is the expected weighted average statutory tax rate of the tax jurisdiction in which Firmenich operates.

The reversal of the deferred tax liabilities is determined by multiplying the pre-tax amortisation and reversal of the fair value adjustment on the Firmenich assets acquired and liabilities assumed (excluding goodwill) with the estimated applicable tax rate of 18%. The related reduction in deferred tax expense as a result of the reversal of the deferred tax liability is recognised as an income tax expense for the year ended 31 December 2021 and the six months ended 30 June 2022 for an amount of €95 million and €38 million, respectively.

(l) *Non-controlling interest*

The majority of Firmenich's non-controlling interest on the historical balance sheet was recognised during fiscal year 2019. As there have been no significant transactions since then, management believes that the current book value of Firmenich's non-controlling interest would be an accurate reflection of its fair value. As a result, allocation of the Merger related pro forma adjustments to Firmenich's non-controlling interest is not deemed necessary.

(m) *Merger related transaction costs*

The non-recurring acquisition related costs of the Merger incurred by DSM in the year ended 31 December 2021 are for an amount of €1 million and are non-tax deductible. These costs are assumed to have been incurred before closing of the Merger and are therefore eliminated from the pro forma income statement. By its nature, this adjustment is not expected to have a recurring impact on the performance of DSM going forward.

Other pro forma adjustments

Intercompany elimination between DSM and Firmenich

DSM and Firmenich are not aware of any material transactions between DSM and Firmenich during the periods presented. Accordingly, adjustments to eliminate transactions between DSM and Firmenich have not been reflected in the Pro Forma Financial Information.

Increase in cash balance as a result of the Merger and Exchange Offer

To finance the cash payment of €3,500 million to be made in connection with the Merger, DSM has entered into a bridge financing facility of €3 billion as borrower, with J.P. Morgan as underwriter, on 30 May 2022. On 29 June 2022, DSM, by notice to J.P. Morgan SE as agent, cancelled €1 billion of the available Bridge Facility. The cancellation became effective on 9 July 2022. DSM expects to repay the Bridge Facility with proceeds from the Divestments. For the purpose of the Pro Forma Financial Information, it is therefore assumed that both transactions took place on 1 January 2021. Therefore, the Bridge Facility would not have been drawn and no additional interest expense for the Bridge Facility is reflected in the Pro Forma Financial Information.

The expected transaction costs directly related to the Exchange Offer are estimated to be €26 million. The expected transaction costs related to the Merger are estimated to be €30 million. For the purposes of the Pro Forma Financial Information, these transaction costs are assumed to have decreased the cash and cash equivalent balance by €56 million, resulting in a total decrease of €3,556 million of cash and cash equivalents in the pro forma balance sheet.

Impact on financial interest expense as a result of the Merger and Exchange Offer

For pro forma purposes, depository interest from the expected cash payment as a result of the Merger and Exchange Offer has been calculated on the assumption that the decrease in cash would have decreased the depository interest payable as of 1 January 2021.

Based on DSM's estimate of its incremental depository (negative) interest rate, this results in a pro forma reduction of financial expense of €17 million for the year ended 31 December 2021. The reduction in interest expense is considered taxable and results in an estimated tax expense of €3 million for the year ended 31 December 2021.

For the six months ended 30 June 2022, this results in a pro forma reduction of financial expense of €9 million. The reduction in interest expense is considered taxable and results in an estimated tax expense of €2 million for the six months ended 30 June 2022.

By its nature, the adjustment is not expected to have a recurring impact as these costs will be accounted for by DSM-Firmenich based on actual cash balances going forward.

Assurance report of the independent auditor

To: the Managing Board of Koninklijke DSM N.V.

Our opinion

We have examined the compilation of the pro forma financial information of Danube AG ('the Company', the 'Issuer' or 'Danube') based in Kaiseraugst, Switzerland, included in section 5 'Unaudited Pro Forma Combined Financial Information' in the offering circular dated 22 November 2022 ('the Offering Circular') of the Company for an offer to exchange each ordinary share of Koninklijke DSM N.V. for one newly issued ordinary share in the capital of Danube AG, to be renamed DSM-Firmenich AG (the 'Exchange Offer') and admission to listing and trading of DSM-Firmenich AG ordinary shares on Euronext Amsterdam (the 'Admission').

In our opinion:

- the pro forma financial information has been properly compiled based on the applicable criteria; and
- such basis is consistent with the accounting policies of Koninklijke DSM N.V. as described in the notes to the consolidated financial statements of Koninklijke DSM N.V. as at and for the year ended 31 December 2021 and in the notes to the unaudited condensed consolidated interim financial statements of Koninklijke DSM N.V. as of and for the six months ended 30 June 2022.

The pro forma financial information comprises the pro forma combined balance sheet as at 30 June 2022, the pro forma combined income statement for the financial year ended 31 December 2021, the pro forma combined income statement for the six months ended 30 June 2022, and related notes as set out in section 5 of the Offering Circular.

Basis for our opinion

We conducted our examination in accordance with Dutch law, including the Dutch Standard 3420, 'Assurance-opdrachten om te rapporteren over het opstellen van pro forma financiële informatie die in een prospectus is opgenomen' (Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus). This engagement is aimed to obtain reasonable assurance about whether management compiled the pro forma financial information, in all material aspects, based on the applicable criteria. Our responsibilities under this standard are further described in the section 'Our responsibilities for the examination of the compilation of the pro forma financial information'.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We are independent of Danube AG, Koninklijke DSM N.V. and Firmenich International SA in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in The Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Applicable criteria

For this engagement, the following criteria apply:

- the Commission Delegated Regulation (EU) 2019/980 to the proper compilation of the pro forma financial information and the consistency of accounting policies; and
- the assumptions made and disclosed by management in the basis of preparation of the pro forma financial information, as set out in the notes to the pro forma financial information.

Relevant matters relating to the scope of our examination

The unadjusted historical financial information has been derived from (1) the audited consolidated financial statements for the year ended 31 December 2021 of Koninklijke DSM N.V., (2) the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 of Koninklijke DSM N.V., (3) the audited consolidated financial statements for the year ended 30 June 2022 and 30 June 2021 of Firmenich International SA, (4) the unaudited interim financial statements for the six months ended 31 December 2021 and 31 December 2020 of Firmenich International SA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration.

Accordingly, we do not provide any assurance that the actual outcome of the Divestments, the Merger and the Exchange Offer (as defined in section 5 of the Offering Circular) for the pro forma combined balance sheet as at 30 June 2022, the pro forma combined income statement for the financial year ended 31 December 2021, and the pro forma combined income statement for the six months ended 30 June 2022 would have been as presented.

Our opinion is not modified in respect of these matters.

Restriction on use

The pro forma financial information is prepared for the purpose of inclusion in the Offering Circular. As a result, the pro forma financial information may not be suitable for another purpose. This report is required by the Commission Delegated Regulation (EC) 2019/980 and is given for the purpose of complying with that Commission Delegated Regulation and inclusion in the Offering Circular and for no other purpose.

Responsibilities of management for the pro forma financial information

Management is responsible for preparing the pro forma financial information in accordance with the applicable criteria. Furthermore management is responsible for such internal control as it determines is necessary to enable the compilation of the pro forma financial information that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the examination of the compilation of the pro forma financial information

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our examination has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included among others:

- identifying and assessing the risks of material misstatement in the compilation of the pro forma financial information, whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining assurance-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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the examination in order to design assurance 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;
- assessing whether the criteria applied by management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient and appropriate assurance-evidence about whether:
  - the related pro forma adjustments give appropriate effect to those criteria; and
  - the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information;
- evaluating the procedures undertaken by the Company in compiling the pro forma financial information and evaluating the consistency of the pro forma financial information with the accounting policies of Koninklijke DSM N.V. as described in the notes to the consolidated financial statements of Koninklijke DSM N.V. as at and for the year ended 31 December 2021 and the notes in the unaudited condensed consolidated interim financial statements of Koninklijke DSM N.V. for the six months ended 30 June 2022;
- evaluating the overall presentation of the pro forma financial information.

Amstelveen, the Netherlands

22 November 2022

KPMG Accountants N.V.

P.J. Groenland - van der Linden RA

6. CAPITALISATION AND INDEBTEDNESS

The tables below set out DSM's and Firmenich's unaudited consolidated capitalisation and indebtedness as of 30 September 2022 on an actual basis and as adjusted to give effect to the divestment of the DSM Engineering Materials business, the Merger, and the Exchange Offer. The divestment of the DSM Protective Materials business has been completed on 1 September 2022 and is reflected in the Capitalisation and Indebtedness tables as part of the DSM Historical figures as of 30 September 2022. All actual information has been derived from DSM's and Firmenich's accounting records as of 30 September 2022.

The information below should be read together with the DSM Financial Statements and Firmenich's consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020, as well as the information under sections 8 "*DSM Operating and Financial Review*" and 10 "*Firmenich Operating and Financial Review*". The tables below are prepared for illustrative purposes only and, because of their nature, may not give a true picture of DSM-Firmenich's financial condition following the Merger.

6.1 Capitalisation

	As of 30 September 2022			
	DSM Historical	**Firmenich Historical(7)**	**Adjustments(8)**	**DSM-Firmenich as adjusted for the Merger**
	(in € millions)			
Total current debt (including current portion of non-current debt)	**154**	**101**	**-**	**255**
of which: guaranteed	-	-	-	-
of which: secured(1)	48	41	-	89
of which: unguaranteed / unsecured(2)	106	60	-	166
Total non-current debt (excluding current portion of non-current debt)	**3,000**	**2,284**	**(91)**	**5,193**
of which: guaranteed	-	-	-	-
of which: secured(3)	137	149	-	286
of which: unguaranteed / unsecured(4)	2,863	2,135	(91)	4,907
Shareholder equity:	**9,658**	**4,377**	**9,342**	**23,377**
Share capital	328	42	-	370
Legal reserves(5)	928	256	-	1,184
Other reserves(6)	8,402	4,079	9,342	21,822
Total capitalisation	**12,812**	**6,762**	**9,251**	**28,824**

(1) For DSM, secured current debt consists of the current lease liabilities of €48 million. For Firmenich, secured current debt consists of short-term lease liabilities of €41 million.

(2) For DSM, unguaranteed / unsecured current debt consists of the current portion of private loans of €0.05 million and borrowings from credit institutions of €106 million. For Firmenich, unguaranteed / unsecured current debt consists of short-term bank borrowings of €60 million.

(3) For DSM, secured non-current debt consists of the non-current lease liabilities of €137 million. For Firmenich, secured non-current debt consists of long-term lease liabilities of €149 million.

(4) For DSM, unguaranteed / unsecured non-current debt consists of the non-current portion of private loans of €122 million and non-current debenture loans of €2,741 million. For Firmenich, unguaranteed / unsecured non-current debt consists of long-term bank borrowings of €143 million and bonds of €1,992 million.

(5) For DSM, legal reserves consist of the translation reserve of €1,022 million, hedging reserve of negative €81 million, and the fair value reserve of €14 million. For Firmenich, legal reserves consist of the general legal retained earnings reserve of the parent company standalone of €256 million. Legal reserves are determined by local law.

(6) For DSM, other reserves consist of share premium of €471 million, reserve for share-based compensation of €34 million, retained earnings as at 31 December 2021 of €8,262 million, treasury shares of negative €202 million, and a deduction for interim dividend of €163 million. For DSM, other reserves exclude profit for the reporting period 1 January 2022 to 30 September 2022. For Firmenich, other reserves consist of retained earnings and other reserves excluding legal reserves of €4,653 million, the remeasurement of employee benefit obligations of €5 million, and the translation of foreign operations of negative €579 million. Firmenich's Hybrid Bonds are accounted for as equity, and included as part of other reserves. For Firmenich, other reserves exclude profit for the reporting period 1 July 2022 to 30 September 2022.

(7) The consolidated Firmenich historical balance sheet is presented in CHF, and has been translated to €, the presentation currency of DSM and DSM-Firmenich at the closing exchange rate as of 30 September 2022 of 0.9538.

(8) The adjustments column reflects: (a) the divestment of the DSM Engineering Materials business under the hypothetical situation that the divestment of that business was completed on 30 September 2022 for a gain on the book value of €2,587 million, calculated as €3.5

billion proceeds minus €913 million net assets per 30 September 2022; (b) an adjustment of €6,755 million on shareholder equity resulting from the share issuance as part of the equity consideration payable in the Merger, net of transaction costs. This adjustment on shareholder equity is based on an equity consideration payable in the Merger of €11,345 million, which is based on a DSM share price of €145.65 per share, with a valuation date of 30 May 2022, which reflects the share price prior to the announcement of the Merger. The actual value of the equity consideration will be based on DSM's closing share price on the closing date of the Merger and could result in a different equity consideration. The equity consideration has been adjusted for transaction costs of €56 million, Firmenich's non-controlling interest of €56 million at 30 September 2022, and the profit for the reporting period 1 July 2022 to 30 September 2022 of €110 million. Based on the book value of Firmenich's equity of €4,377 million, this leaves an adjustment on shareholder equity of €6,755 million; and (c) a decrease in the fair value of Firmenich's listed bonds of €91 million, as a result of the preliminary Purchase Price Allocation performed under IFRS 3, to account for the Merger. Please refer to section 5 "*Unaudited Pro Forma Combined Financial Information*" for further details on these pro forma adjustments.

6.2 Indebtedness

		As of 30 September 2022			
		DSM Historical	**Firmenich Historical[8]**	**Adjustments[9]**	**DSM-Firmenich as adjusted for the Merger**
		(in € millions)			
A.	Cash[1]	682	493	(56)	1,119
B.	Cash equivalents[2]	2,213	-	-	2,213
C.	Other current financial assets[3]	1,798	1,543	-	3,341
D.	**Liquidity** (A + B + C)	**4,693**	**2,036**	**(56)**	**6,673**
E.	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)**[4]**	48	41	-	89
F.	Current portion of non-current financial debt[5]	106	60	-	166
G.	**Current financial indebtedness** (E + F)	**154**	**101**	**-**	**255**
H.	**Net current financial indebtedness** (G – D)	**(4,539)**	**(1,935)**	**56**	**(6,419)**
I.	Non-current financial debt (excluding current portion and debt instruments)[6]	259	292	-	551
J.	Debt instruments[7]	2,741	1,992	(91)	4,642
K.	Non-current trade and other payables	-	-	-	-
L.	**Non-current financial indebtedness** (I + J + K)	**3,000**	**2,284**	**(91)**	**5,193**
M.	**Total financial indebtedness** (H + L)	**(1,539)**	**349**	**(35)**	**(1,225)**

(1) For DSM, cash consists of €682 million of cash at bank and in hand. For Firmenich, cash consists of cash and cash equivalents of €493 million.

(2) For DSM, cash equivalents consist of deposits of €1,829 million, current investments of €344 million and net derivatives of €40 million.

(3) For DSM, other current financial assets consist of trade receivables of €1,698 million, income tax receivables of €55 million, and other receivables of €45 million. For Firmenich, other current financial assets consist of financial short-term investments of €237 million, trade accounts receivable of €1,110 million, and other receivables and accrued income of €196 million.

(4) For DSM, current financial debt consists of current lease liabilities of €48 million. For Firmenich, current financial debt consists of short-term lease liabilities of €41 million.

(5) For DSM, current portion of non-current financial debt consists of the current portion of private loans of €0.05 million and borrowings from credit institutions of €106 million. For Firmenich, current portion of non-current financial debt consists of short-term bank borrowings of €60 million.

(6) For DSM, non-current financial debt consists of the non-current lease liabilities of €137 million and the non-current portion of private loans of €122 million. For Firmenich, non-current financial debt consists of long-term lease liabilities of €149 million and long-term bank borrowings of €143 million.

(7) For DSM, debt instruments consist of non-current debenture loans of €2,741 million. For Firmenich, debt instruments consist of bonds of €1,992 million.

(8) The consolidated Firmenich historical balance sheet is presented in CHF, and has been translated to €, the presentation currency of DSM and DSM-Firmenich at the closing exchange rate as of 30 September 2022 of 0.9538.

(9) The adjustments reflect the divestment of the DSM Engineering Materials business for net cash of €3,500 million, the payment of the Contribution Cash Consideration (including transaction costs) of €3,556 million, and a decrease in the fair value of Firmenich's listed bonds of €91 million. Please refer to section 5 "*Unaudited Pro Forma Combined Financial Information*" for further details.

6.3 Capital structure of DSM-Firmenich

The existing capital structure and debt arrangements at the levels of both DSM and Firmenich, as included in sections 8.9 "*Liquidity and capital resources*" and 10.9 "*Borrowings*", will continue in their current structure at the date of the Offering Circular. Going forward, DSM-Firmenich intends to develop a capital structure for DSM-Firmenich to mitigate structural subordination, consistent with its commitment to maintaining a strong investment grade credit rating.

6.4 Significant changes in capitalisation and indebtedness since 30 September 2022

There have been no material changes in the capitalisation and indebtedness of DSM or Firmenich since 30 September 2022.

DSM and Firmenich have agreed that within three months after Completion, DSM-Firmenich will resolve to pay a gross dividend fully out of Swiss-recognised capital contribution reserves of €423 million to be paid as soon as possible after the necessary resolution has been adopted by the General Meeting.

6.5 Indirect and contingent indebtedness

On the date of this Offering Circular, other than as disclosed in section 8.9 "*Liquidity and capital resources – Off-balance sheet arrangements*" and in section 10.13 "*Contingent and other off-balance sheet liabilities*", DSM or Firmenich do not have any indirect or contingent indebtedness.

7. SELECTED CONSOLIDATED FINANCIAL INFORMATION OF DSM

7.1 Background

The Company was incorporated on 16 May 2022 to act as the holding company of DSM and Firmenich following the Firmenich Contribution and has not had any operational activities since its incorporation. Consequently, at the date of this Offering Circular, there is no historical (consolidated) financial information with respect to the Company. Consequently, the Company has included selected (historical) financial information of DSM and Firmenich (please refer to section 9 "*Selected Consolidated Financial Information of Firmenich*" for the selected historical financial information of Firmenich) in this Offering Circular, which the Company believes provides more meaningful comparisons.

Firmenich's consolidated financial statements cover the period from 1 July to 30 June of the relevant financial periods. The financial information of Firmenich as included in this Offering Circular therefore relates to a different financial period than the financial information of DSM as included in this Offering Circular, which financial information relates to the period from 1 January to 31 December of the relevant financial periods.

7.2 Basis for preparation

This section contains information extracted and derived from the audited historical consolidated financial statements of DSM for the years ended 31 December 2021 and 31 December 2020 (the **DSM Annual Financial Statements**) and the unaudited condensed consolidated interim financial statements of DSM as at and for the six months ended 30 June 2022 (the **DSM HY 2022 Financial Statements**). The DSM Annual Financial Statements and the DSM HY 2022 Financial Statements are together referred to as the **DSM Financial Statements**. The DSM Financial Statements and Firmenich's consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020 (see section 9 "*Selected Consolidated Financial Information of Firmenich*") are jointly referred to as the **Financial Statements**. The DSM Annual Financial Statements are prepared in accordance with EU-IFRS and Part 9 of Book 2 of the DCC. The DSM HY 2022 Financial Statements are prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The audited consolidated financial statements of DSM for the year ended 31 December 2021 and audited consolidated financial statements of DSM for the year ended 31 December 2020, as incorporated herein, have been audited by KPMG Accountants N.V. (**KPMG NL**), an independent auditor located at Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands, as stated in the reports incorporated by reference herein. With respect to the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022, KPMG NL have reported that they applied limited procedures in accordance with professional standards for a review of such information. Their report states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. The auditor signing the auditor's reports on behalf of KPMG NL is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

7.3 Selected financial statements

Presented below is selected consolidated financial information of DSM derived from the DSM Financial Statements. The selected consolidated financial information may not contain all of the information that is important to the DSM Shareholders and other prospective investors and, accordingly, should be read in conjunction with (i) this Offering Circular as a whole and (ii) the DSM Financial Statements.

Selected consolidated income statement data

	For the full years ended 31 December		
	2021[(1)]	2020[(1)]	2019[(1)(2)]
	(*in € millions*)		
Continuing operations			
Net sales	9,204	8,106	7,998
Cost of sales	(6,040)	(5,330)	(5,234)
Gross Margin	3,164	2,776	2,764
Marketing and sales	(1,270)	(1,149)	(1,154)
Research and development	(323)	(398)	(295)
General and administrative	(517)	(469)	(478)
Other operating income	95	102	142
Other operating expense	(128)	(200)	(107)
Operating profit	1,021	662	872
Financial income	24	44	30
Financial expense	(130)	(111)	(122)
Profit before income tax expense	915	595	780
Income tax expense	(168)	(106)	(145)
Share of the profit of associates and joint ventures	16	(64)	(9)
Other results related to associates and joint ventures	326	32	63
Net profit from continuing operations	1,089	457	689
Net profit from discontinued operations	591	51	75
Net profit for the year	1,680	508	764
Of which:			
- Attributable to non-controlling interests	4	2	6
- Dividend on Cumulative Preference Shares	6	7	8
- Available to holders of ordinary shares	1,670	499	750
Earnings per share (EPS) total (in EUR):			
- Net basic EPS	9.68	2.91	4.27
- Net diluted EPS	9.63	2.89	4.24
Earnings per share (EPS) continuing operations (in EUR):			
- Net basic EPS	6.26	2.64	3.85
- Net diluted EPS	6.23	2.62	3.83

(1) On 30 September 2020, DSM agreed to sell the Resins & Functional Materials and associated businesses to Covestro AG, which divestment was completed on 1 April 2021. Prior to this divestment, DSM reclassified the results of these businesses to 'discontinued operations'. Therefore, in the year ended 31 December 2021, 31 December 2020 and 31 December 2019, the results of the Resins & Functional Materials and associated businesses are included in discontinued operations.

(2) The financial numbers for the year ended 31 December 2019 have been derived from the audited historical consolidated financial statements of DSM for the year ended 31 December 2020 and are included on an as reported basis.

	For the half years ended 30 June	
	2022[(1)]	2021[(1)(2)]
	(*in € millions*)	
Continuing operations		
Net sales	**4,115**	**3,517**
Gross Margin	**1,426**	**1,265**
Operating profit	**398**	**394**
Financial income and expense	(39)	(65)
Profit before income tax expense	**359**	**329**
Income tax expense	(72)	(64)
Share of the profit of associates / jointly controlled entities	4	20
Net profit from continuing operations	**291**	**285**
Net profit from discontinued operations	167	725
Net profit for the period	**458**	**1,010**
Of which:		
- Attributable to non-controlling interests	8	2
- Dividend on Cumulative Preference Shares	1	4
- Available to holders of ordinary shares	449	1,004
Earnings per share (EPS) total (in EUR):		
- Net basic EPS	2.60	5.82
- Net diluted EPS	2.59	5.80

	For the half years ended 30 June	
	2022[(1)]	2021[(1)(2)]
	(*in € millions*)	
Earnings per share (EPS) continuing operations (in EUR):		
- Net basic EPS	1.64	1.62
- Net diluted EPS	1.63	1.61

(1) Following the announcements on 20 April and 31 May 2022 of the intended sale of DSM's two remaining Materials businesses (please refer to section 8.3 "*Key factors affecting DSM's business and results of operations - Divestments*"), these are now reported as 'discontinued operations'. Therefore, in the six months ended 30 June 2022 and 2021, the results of the Materials businesses are included in discontinued operations.

(2) The financial numbers for the six months ended 30 June 2021 have been derived from the unaudited condensed consolidated interim financial statements of DSM for the six months ended 30 June 2022 and are included on an as reported basis.

7.4 Selected consolidated balance sheet data

	As at 31 December			As at 30 June
	2021[(1)]	2020[(1)]	2019[(3)]	2022[(4)]
		(*in € millions*)		(*in € millions*)
ASSETS				
Intangible assets	5,310	4,440	3,515	5,192
Property, plant and equipment	3,957	3,775	4,040	3,570
Deferred tax assets	203	240	217	133
Prepaid pension costs	75	2	-	35
Share in associates and joint ventures	64	93	155	63
Derivatives	48	61	27	78
Other financial assets	227	315	265	203
Non-current assets	**9,884**	**8,926**	**8,219**	**9,274**
Inventories	2,297	1,879	2,019	2,394
Trade receivables	1,603	1,391	1,592	1,679
Income tax receivables	61	32	61	55
Other current receivables	32	60	45	40
Derivatives	30	48	19	55
Current investments	489	43	688	838
Cash and cash equivalents	1,561	871	800	792
Assets held for sale	56	1,096	-	1,726
Current assets	**6,129**	**5,420**	**5,224**	**7,579**
Total	**16,013**	**14,346**	**13,443**	**16,853**
EQUITY AND LIABILITIES				
Shareholders' equity	9,318	7,399	7,731	9,731
Non-controlling interests	79	88	104	92
Equity	**9,397**	**7,487**	**7,835**	**9,823**
Deferred tax liabilities	485	431	296	491
Employee benefit liabilities	323	414	413	241
Provisions	96	123	120	87
Borrowings	2,989	3,484	2,464	2,985
Derivatives	9	1	7	17
Other non-current liabilities	283	163	145	189
Non-current liabilities	**4,185**	**4,616**	**3,445**	**4,010**
Employee benefit liabilities	21	42	43	20
Provisions	68	61	48	67
Borrowings	104	102	189	98
Derivatives	40	13	18	58
Trade payables	1,571	1,218	1,345	1,541
Income tax payables	77	45	42	97
Other current liabilities	540	508	478	611
Liabilities held for sale	10	254	-	528
Current liabilities	**2,431**	**2,243**	**2,163**	**3,020**
Total	**16,013**	**14,346**	**13,443**	**16,853**

(1) The financial numbers for the year ended 31 December 2021 have been derived from the audited historical consolidated financial statements of DSM for the year ended 31 December 2021 and are included on an as reported basis. These numbers reflect the draft initial purchase price allocation for the acquisition of Vestkorn Milling. The independent valuation process was completed in the first half of

2022 and resulted in a reclassification from goodwill to other intangible assets. The adjusted consolidated balance sheet of 31 December 2021 can be found in the DSM HY 2022 Financial Statements incorporated by reference in this Offering Circular.

(2) The financial numbers for the year ended 31 December 2019 have been derived from the audited historical consolidated financial statements of DSM for the year ended 31 December 2020 and are included on an as reported basis.

(3) Following the announcements on 20 April and 31 May 2022 of the intended sale of DSM's two remaining Materials businesses (please refer to section 8.3 "*Key factors affecting DSM's business and results of operations - Divestments*"), these are now reported as assets held for sale. The assets held for sale and liabilities associated with assets held for sale as at 30 June 2022 therefore reflect the Materials businesses.

(4) On 30 September 2020, DSM agreed to sell the Resins & Functional Materials and associated businesses to Covestro AG, which divestment was completed on 1 April 2021. The assets held for sale and liabilities associated with assets held for sale as at 31 December 2020 therefore reflect the Resins & Functional Materials and associated businesses.

7.5 Selected consolidated statement of cash flows data

The statement of cash flows includes an analysis of all cash flows, including those related to discontinued operations.

	For the full years ended 31 December		
	2021	**2020**	**2019**
		(in € millions)	
Net profit for the period	1,680	508	764
Share of the profit of associates and joint ventures (including discontinued operations)	(342)	32	(54)
Income tax (including discontinued operations)	245	129	152
Profit before income tax expense (including discontinued operations)	**1,583**	**669**	**862**
Financial income and expense (including discontinued operations)	106	67	92
Operating profit (including discontinued operations)	**1,689**	**736**	**954**
Depreciation, amortisation and impairments (including discontinued operations)	681	740	632
(Gain) or loss from disposals	(649)	4	(4)
Acquisition / divestment related in EBITDA	22	55	13
Change in provisions	(20)	10	26
Defined benefit plans	(39)	(13)	(39)
Income tax received	23	11	9
Income tax paid	(156)	(135)	(149)
Share-based compensation	22	29	34
Other	(2)	32	(78)
Operating cash flow before changes in working capital	**1,571**	**1,469**	**1,398**
Inventories	(323)	(36)	114
Trade receivables	(194)	(4)	59
Trade payables	334	48	(121)
Changes in inventories, trade receivables and trade payables	**(183)**	**8**	**52**
Changes in non-operating working capital	39	17	(65)
Changes in working capital	**(144)**	**25**	**(13)**
Cash provided by operating activities	**1,427**	**1,494**	**1,385**
Capital expenditure for:			
- Intangible assets	(137)	(151)	(107)
- Property, plant and equipment	(433)	(458)	(520)
Payments regarding drawing rights	(7)	(17)	(14)
Proceeds from disposal of property, plant and equipment	27	1	6
Acquisition of subsidiaries and associates	(704)	(1,533)	(556)
Disposal of subsidiaries, businesses and associates	1,791	(2)	37
Additions to fixed-term deposits	(2,070)	(468)	(1,195)
Withdrawal from fixed-term deposits	1,625	1,114	1,783
Interest received	5	8	10
Other financial assets:			
- Capital payments and acquisitions	(43)	(20)	(53)
- Dividends received	12	5	75
- Additions to loans granted	(10)	(9)	(17)
- Repayment of loans granted	29	1	25

	For the full years ended 31 December		
	2021	2020	2019
		(*in € millions*)	
- Proceeds from disposals	123	47	1
Cash from / (used in) investing activities	**208**	**(1,482)**	**(525)**
Contributions from non-controlling interests	3	3	1
Acquisition of non-controlling interests	(13)	(33)	-
Loans taken up	37	1,123	7
Repayment of loans	(513)	(268)	(302)
Payments of lease liabilities	(54)	(55)	(53)
Change in debt to credit institutions	12	(95)	57
Dividend paid	(266)	(289)	(291)
Interest paid	(65)	(54)	(57)
Proceeds from reissued treasury shares	34	63	180
Repurchase of shares	(165)	(309)	(869)
Other	6	(3)	(5)
Cash (used in) / from financing activities	**(984)**	**83**	**(1,332)**
Change in cash and cash equivalents	**651**	**95**	**(472)**
Cash and cash equivalents at 1 January	871	800	1,281
Exchange differences relating to cash held	39	(24)	(9)
Cash and cash equivalents at 31 December	**1,561**	**871**	**800**

	For the half years ended 30 June	
	2022	2021
	(*in € millions*)	
Operating profit (including discontinued operations)	610	1,229
Depreciation, amortisation and impairments (including discontinued operations)	323	319
Changes in working capital	(596)	(260)
Income tax	(72)	(51)
Other	34	(658)
Cash provided by operating activities	**299**	**579**
Capital expenditures	(299)	(236)
Payments regarding drawing rights	(2)	(5)
Acquisitions	-	(212)
Disposal of subsidiaries, businesses and associates	(6)	1,462
Disposal of other non-current assets	24	131
Change in fixed-term deposits	(348)	(172)
Interest received	1	3
Dividend and capital (re)payments	(16)	(19)
Other	(16)	18
Cash from / (used in) investing activities	**(662)**	**970**
Dividend	(156)	(170)
Interest paid	(34)	(46)
Repurchase of shares	(210)	(120)
Proceeds from re-issued treasury shares	14	18
Change in commercial paper	-	-
Proceeds from / (repayment) of corporate bonds	-	(500)
Payment of lease liabilities	(29)	(27)
Other cash from / (used in) financing activities	(6)	74
Cash (used in) / from financing activities	**421**	**(771)**
Change in cash and cash equivalents	**(784)**	**778**
Cash and cash equivalents at 1 January	1,561	871
Exchange differences relating to cash held	15	(9)
Cash and cash equivalents at 30 June	**792**	**1,640**

8. DSM OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the rest of this Offering Circular, including the DSM Annual Financial Statements, as well as the DSM HY 2022 Financial Statements and the DSM Q3 2022 Release, incorporated by reference in this Offering Circular. See section 17.17 "*Incorporation by reference*".

The discussion in this section contains forward-looking statements that reflect DSM's plans, estimates and beliefs and involve risks and uncertainties. DSM's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offering Circular, particularly in sections 2 "Risk Factors" and 17.8 *"Information regarding forward-looking statements".*

8.1 Overview

DSM is a purpose-led global science-based company in health, nutrition & bioscience. DSM delivers innovative business solutions for human nutrition, animal nutrition, personal care and aroma, medical devices, as well as green products and applications for new mobility and connectivity (in DSM Engineering Materials). DSM's business is predominantly business-to-business and mainly operates in the end-markets of animal nutrition and health, food & beverage, early-life nutrition, dietary supplements, medical nutrition, personal care and aroma intermediates.

8.2 Segments

DSM has segmented its operations by business activity from which revenues are earned and expenses incurred. These operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the operating segment and assess its performance. DSM uses DSM Adjusted EBITDA as the main indicator to evaluate the consolidated performance as well as the performance per operating segment. DSM's reportable operating segments for the fiscal years ending 31 December 2021, 2020 and 2019 were Nutrition, Materials and the Innovation Center.

DSM's operating segment Nutrition served the global industries for animal feed, food & beverage, pharmaceuticals, infant nutrition, dietary supplements and personal care. It did so by the production of pure active ingredients, their incorporation into sophisticated forms and the provision of tailored premixes and forward or market-ready solutions.

DSM's operating segment Materials was a global player in specialty plastics, which are used in components for the electrical and electronics, automotive, flexible food-packaging and consumer goods industries. Furthermore, Materials was a global player in providing innovative and sustainable ultra-strong, ultra-light Dyneema® fibre and fabrics.

DSM's operating segment Innovation Center focused on innovation and the growth of its existing core business through adjacent technologies via its corporate research programme as well as through the company's venturing and licensing activities. Additionally, it identified and invested in new and innovative growth options. The Innovation Center was responsible for developing and extracting value from DSM's emerging business areas.

Any consolidated activities outside the three reportable operating segments above were reported as the reportable segment 'Corporate Activities'. These mainly comprise operating and service activities as well as several costs that cannot be allocated to the operating segments.

As of 1 January 2022, DSM's new Health, Nutrition & Bioscience structure became effective. Health, Nutrition & Bioscience consists of the previous reportable segments of Nutrition (which included Animal Nutrition, Human Nutrition and Other Nutrition) and Innovation. Health, Nutrition & Bioscience is organised in three newly created business groups: Animal Nutrition & Health, Health, Nutrition & Care, and Food & Beverage.

The reportable operating segments of Materials and Corporate Activities have not changed. In April and May 2022, as part of a review of strategic options for its Materials business, DSM announced the sale of the Engineering Materials and Protective Materials businesses.

Animal Nutrition & Health drives the development of sustainable animal farming through its essential products, performance solutions and precision services serving the poultry, swine, ruminants and aquaculture market segments around the globe.

Health, Nutrition & Care provides health, nutrition and care solutions for markets such as early-life nutrition, dietary supplements, pharma, medical nutrition, personal care & aroma and biomedical solutions.

Food & Beverage supports healthy diets through nutritious and sustainable solutions for several market segments including bakery, beverages & brewing, dairy, savoury, plant-based alternative proteins and pet food.

For the six months ended 30 June 2022, these business groups have been identified as DSM's reportable operating segments. In addition, DSM also continues to report the reportable segment 'Corporate Activities'. The Materials business also continues to be a reportable segment however, following the announced sale of this business, it has been reclassified to 'discontinued operations' in the first half of 2022. The comparative information for the first half of 2021 has been restated to account for this.

8.3 Key factors affecting DSM's business and results of operations

DSM's business and results of operations have been affected in the financial half years ended 30 June 2022 and 30 June 2021, and the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019 (the **DSM Periods Under Review**) and are expected to continue to be affected by the following factors.

Macroeconomic conditions

Demand levels for DSM's products depend, to a large extent, on macroeconomic conditions on a global level and in the regional economies supplied by its customers. As a result, DSM's business and results of operations have a strong correlation to general economic conditions and changes in consumer confidence around the world. Consequently, positive conditions in the broader economy may promote customer demand for DSM's goods and services, while high inflation levels or recessionary pressures, such as wage stagnation, unemployment rates and reduced levels of consumer spending, may have a negative effect on customer demand for DSM's goods and services. In addition, customers' demand for certain of DSM's goods, such as within personal care, may experience more cyclical fluctuations, whereas other products, such as within food & beverage, experience a more stable demand throughout economic cycles.

Consumer preferences

DSM's business and results of operations are driven by its customers' preferences for its wide array of products, including solutions for animal feed, early-life nutrition, dietary supplements, pharmaceutical, medical nutrition, nutrition improvements, food & beverage, personal care, home care, fine fragrance, electrical components and electronics, automotive, food packaging, medical, personal protection, commercial marine and apparel, which in turn is driven by the preferences of consumers and other end-users for the products made by DSM's customers. The markets in which DSM operates are continuously and rapidly evolving and are affected by long-term changes in consumer preferences. In recent years these markets have shown a general trend where consumers prefer to reduce the consumption of animal proteins and shift towards the consumption of plant-based proteins. In addition, consumer preference is moving away from processed food and in the direction of more sustainably and, often, locally produced and responsibly sourced food, as well as shifting towards healthier food products that contain less fat and / or sugar.

Ability to launch and develop new innovative products / R&D

DSM's success depends on its ability to develop and introduce new products by itself or in collaboration with its customers and to enhance and improve existing products. Consequently, DSM's purpose-led, performance-driven strategy sees innovation as a key growth driver of a long-term focused plan. Innovation sales, defined as products and applications that have been introduced during the previous five years, have improved DSM's profitability, delivering higher margins than the average of its running business. DSM continuously invests in innovation in order to maintain the contribution from resulting sales at around 20% of total sales, which it considers to be a healthy proportion in view of the overall balance of its product portfolio and product life cycles.

In September 2021, DSM announced the acceleration of its strategic journey to become a focused Health, Nutrition & Bioscience company, as from 1 January 2022, organised in three market-focused business groups. These will be much closer aligned with their respective customers and, through the integration of activities previously performed by the Innovation Center, are fully equipped to rapidly develop impactful science-based and market-ready solutions. This structure also allows DSM to leverage its strong combination of scientific competences and growing portfolio of nutrition and health solutions, and it also harness the latest advancements in digital technology and bioscience.

DSM's science-based solutions address many global societal challenges and reach billions of people worldwide. For instance, with Maxilact®, a portfolio of acidic and neutral lactase enzymes, DSM helps dairy-manufacturers deliver lactose-free products without compromising on taste, texture and health. Scientists and engineers from Veramaris®, a joint-venture of DSM and Evonik, have pioneered a way to make marine algae a high-quality and sustainable source of omega-3 for aquafeed and human dietary supplementation. Finally, with Bovaer® DSM is able to reduce methane emissions from ruminants by at least 30%, helping the dairy and beef value chain to significantly de-carbonise.

Strategic acquisitions, divestments and joint operations

Acquisitions, divestments and joint operations have played an important part in the growth of DSM during the DSM Periods Under Review. DSM has completed 11 acquisitions and four divestments between 1 January 2019 and the date of this Offering Circular. The results of operations of any business acquired by DSM are reflected in the historical financial information of DSM only from the date of completion of the acquisition. The results of operations of any business divested by DSM are classified as held for sale from the announcement date of the divestment and the results from these discontinued operations are reported separately in the DSM Financial Statements.

Acquisitions

The following table provides an overview of the acquisitions completed by DSM between 1 January 2019 and the date of this Offering Circular.

Business acquired	**Acquisition price in cash**	**Acquiree**	**Stake acquired**	**Date of acquisition**
	(in € millions)			
Andre Pectin[1]	159	DSM Hydrocolloids	46.05%	14 March 2019
SRF specialty materials business	41	DSM Engineering Plastics	100%[2]	31 July 2019

1 Prior to the acquisition of 46.05% of Andre Pectin on 14 March 2019, DSM already held 28.95% of the business. Similarly, DSM already held a 36.5% stake in Midori USA before it acquired the remaining shares of Midori. Before these acquisitions, DSM accounted for these stakes as an associate and applied equity accounting. The gain from remeasurement of the previously held equity interest is presented in section 8.4 "*Description of key income statement line items – Other results related to associates and joint ventures*" (EUR 26 million and EUR 10 million respectively).

2 Asset deal.

Business acquired	Acquisition price in cash	Acquiree	Stake acquired	Date of acquisition
Nenter & Co vitamin E business[3]................	139	DSM Nutritional Products	75%	27 August 2019
Royal CSK..	160	DSM Food Specialties	100%	27 December 2019
Glycom	695	DSM Nutritional Products	100%	1 April 2020
Erber Group animal nutrition and health business..	884	DSM Nutritional Products	100%	1 October 2020
Amyris flavour and fragrance business........	128	DSM Nutritional Products	100%	31 March 2021
Midori USA[1]..	52	DSM Nutritional Products	63.5%	26 July 2021
First Choice Ingredients	394	DSM Food Specialties	100%	18 October 2021
Vestkorn Milling	42	DSM Food Specialties	100%	16 December 2021
Prodap..	70	DSM Nutritional Products	100%	31 August 2022

If the acquisitions in a respective year had all taken place on 1 January of that respective year, they would have contributed €110 million, €386 million, and €150 million to net sales in the year ended 31 December 2021, 2020, and 2019, respectively. The acquisition of Prodap is forecasted to contribute €30 million to net sales in 2022 assuming the acquisition had taken place on the 1 January 2022.

Divestments

On 1 April 2021, DSM completed the divestment of the Resins & Functional Materials and associated businesses to Covestro AG for an equity value of €1.6 billion. Prior to this divestment, DSM reclassified the results of these businesses to 'discontinued operations' and reclassified all related assets and liabilities as held for sale on 30 September 2020. DSM received an amount of €1.4 billion net in cash and recognised a net book profit of €570 million. In 2020, the Resins & Functional Materials and associated businesses had net sales of €932 million.

On 15 October 2021, CVC Capital Partners sold its AOC specialty resins business, in which DSM is a minority shareholder, to an affiliate of Lone Star Funds. Before the sale, DSM accounted for its share in AOC as an associate. DSM received an amount of €337 million in cash for its entire shareholding and recognised a net book profit of €303 million, which is included under section 8.4 "*Description of key income statement line items – Other results related to associates and joint ventures*" in the income statement.

On 20 April 2022, DSM announced it had reached an agreement to sell its Protective Materials business to Avient Corporation for an enterprise value of €1.45 billion. DSM received approximately €1.35 billion net in cash following the closing, after transaction costs and capital gains tax. Completion of the transaction took place on 1 September 2022. On 31 May 2022, DSM announced it had reached an agreement to sell its Engineering Materials business to Advent International and LANXESS for an enterprise value of €3.85 billion. DSM expects to receive about €3.5 billion net in cash following closing, after transaction costs and capital gains tax. Completion of the transaction, which is only subject to customary conditions and approvals, is expected in the first half of 2023. Please refer to section 3.11 "*Material agreements*" for further details. In 2021, the Engineering Materials and Protective Materials businesses had net sales of €1,935 million.

Joint operations

In 2017, DSM and Evonik established Veramaris®, a joint operation for omega-3 fatty acid products from natural marine algae for animal nutrition. DSM Nutritional Products and Evonik Nutrition & Care each hold a 50% share in the joint operation. In 2019, the commercial-scale USD 200 million facility located in Blair (Nebraska, U.S.) opened. The joint operation is headquartered at the Biotech Campus Delft (Netherlands). It has borrowed €6.8 million from both DSM and Evonik.

[3] With the acquisition of Nenter & Co's vitamin E business, DSM also indirectly acquired 25% of the shares of Nenter's Shishou facility. DSM accounts for its stake as an associate and applies equity accounting.

In 2019, DSM and Cargill established Avansya V.O.F., a joint operation in which DSM and Cargill each hold a 50% share. Avansya V.O.F. started production at the first commercial-scale fermentation facility for stevia sweeteners in the U.S. The facility produces EverSweet™, a non-artificial, zero-calorie stevia sweetener. The USD 50 million fermentation facility is located in Blair (Nebraska, U.S.) and is operated by Cargill. The joint operation is headquartered at the Biotech Campus Delft (Netherlands).

The following table provides a financial overview of DSM's joint operations as of and for the year ended 31 December 2021.

	Veramaris®	Avansya V.O.F.
	(in € millions)	
Region		
Reserves	(27.6)	(9.9)
Issued capital	58.8	22.1
Net profit (loss) for the last financial year	(18.6)	(6.1)

Joint operations are accounted for in accordance with IFRS 11 for joint operations. DSM therefore recognises their amounts for assets, liabilities, revenues and expenses in accordance with the contractual entitlement and obligations of DSM.

Strategic alliance

In April 2022, Elanco Animal Health Inc. and DSM established a strategic alliance in which Elanco gains exclusive licensing rights to develop, manufacture and commercialise Bovaer® in the U.S. DSM will receive royalty income from Elanco's U.S. Bovaer® sales, including a single-digit millions upfront payment, as well as a portion of product supply from Elanco.

Foreign exchange rates

DSM operates globally and conducts much of its business in currencies other than its reporting currency (EUR). Consequently, DSM's results of operations are sensitive to fluctuations in currency exchange rates as a result of its significant activities in international markets. A decline in the value of foreign currencies against the EUR would have a negative effect on its results of operations. DSM is primarily exposed to foreign exchange effects with respect to the U.S. dollar (USD), the Swiss Franc (CHF) and the Chinese Renminbi (CNY). A significant part of DSM's revenue and costs, as well as certain of its assets and liabilities, are recorded in other currencies than its reporting currency. In the six months ended 30 June 2022, fluctuations in exchange rates had a positive impact of €33 million, or 4%, on DSM Adjusted EBITDA.

Geographic regions

The table below shows the breakdown of net sales by destination for continuing operations for the geographic regions in which DSM is active.

	For the years ended 31 December			For the six months ended 30 June	
	2021[(1)]	2020[(1)]	2019[(1)]	2022[(2)]	2021[(1)(2)]
			(in € millions)		
Region					
The Netherlands	374	407	321	201	171
Switzerland	163	214	137	86	86
Rest of Europe	2,644	2,125	2,108	1,089	923
North America	1,916	1,791	1,804	917	750
Latin America	1,198	1,045	1,095	701	534
China	1,187	991	949	383	374
Rest of Asia	1,438	1,268	1,310	594	542
Rest of the world	284	265	274	144	137
Total	**9,204**	**8,106**	**7,998**	**4,115**	**3,517**

(1) On 30 September 2020, DSM agreed to sell the Resins & Functional Materials and associated businesses to Covestro AG, which divestment was completed on 1 April 2021. Prior to this divestment, DSM reclassified the results of these businesses to 'discontinued operations'. Therefore, in the year ended 31 December 2021, 31 December 2020 and 31 December 2019, and the six months ended 30 June 2021, the results of the Resins & Functional Materials and associated businesses are included in discontinued operations and are not presented here.

(2) Following the announcements on 20 April and 31 May 2022 of the intended sale of DSM's two remaining Materials businesses, these are now reported as 'discontinued operations'. Therefore, in the six months ended 30 June 2022 and 2021, the results of the Materials businesses are included in discontinued operations and not presented here.

It is DSM's policy to hedge 100% of the currency risks resulting from sales and purchases at the moment of recognition of the receivables and payables. This is realised by transferring at spot rates the respective exposures to DSM, which are, consequently (on a netted basis), hedged externally. In addition, operating companies may – under strict conditions – opt for hedging currency risks from firm commitments and forecast transactions. The risks arising from currency exposures are regularly reviewed and hedged when appropriate. DSM uses currency forward contracts, spot contracts and average-rate currency forwards and options to hedge the exposure to fluctuations in foreign exchange rates. For the hedging of currency risks from firm commitments and forecast transaction cash flows, hedge accounting is applied. Hedge accounting is not applied for hedges of recognised trade receivables and trade payables hedged with short-term derivatives. To hedge intercompany loans, receivables and payables denominated in currencies other than the functional currency of the subsidiaries, DSM uses currency swaps or forward contracts.

8.4 Description of key income statement line items

Net sales

Net sales consist of goods sold, services rendered and royalties received in the areas of animal nutrition, food and beverage solutions, dietary supplements and specialty materials, among others, and represent the invoice value less estimated rebates, cash discounts and indirect taxes.

Fulfilment of the performance obligations related to goods sold is measured using the commercial shipment terms as an indicator for the transfer of control. Fulfilment of the performance obligations for services rendered is identified according to the individual contract. The payment terms are determined per business segment on a customer basis. DSM has neither specific obligations for returns or refunds, nor specific warranties nor other related obligations.

Cost of sales

Cost of sales encompasses all manufacturing costs (including raw materials, employee benefits and depreciation and amortisation) related to goods and services captured in net sales. These are measured at their actual cost based on the principle of "first in, first out" (FIFO), or weighted average cost.

Marketing and sales

Marketing and sales relate to the selling and marketing of goods and services and also includes all costs that are directly related to the sale of goods but are not originated by the manufacturing of the goods (e.g. outbound freight).

Research and development

Research and development costs relate to the functional area mentioned in this section and exclude research and development costs included in the functional areas mentioned in this section 8.4 "*Description of key income statement line items – Cost of sales*" and this section 8.4 "*Description of key income statement line items - Marketing and sales*" as well as research and development expenditure capitalised.

Research and development consists of research, which is defined as original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and development, which is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use that do not meet the accounting requirements for capitalisation.

General and administrative

General and administrative relates to the strategic and governance role of the general management of the company as well as the representation of DSM as a whole in the financial, political or business community. It also relates to business support activities of staff departments that are not directly related to the other functional areas.

Other operating income

Other operating income primarily includes the release of provisions, gain on the sale of assets and activities, insurance benefits, amendments / settlements to pension plans, earn-out payments and other settlements and legal and other settlements.

Other operating expense

Other operating expense primarily includes additions to provisions, exchange differences and acquisitions / disposals.

Financial income

Financial income primarily includes interest income and fair value changes in derivatives.

Financial expense

Financial expense primarily includes interest expense, interest relating to lease liabilities, interest relating to defined benefit plans, fair value change in derivatives, capitalised interest during construction, exchange differences and unwinding of discounted payables.

Income tax expense

Income tax expense includes current tax charges, deferred tax income and expenses as well as adjustments to taxes and deferred taxes of previous years. Income tax expense is recognised in the income statement except to the extent that it relates to an item recognised directly in other comprehensive income or shareholders' equity.

Share of the profit of associates and joint ventures

Share of the profit of associates and joint ventures consists of DSM's share of the associate's or joint venture's profit or loss, net of taxes.

Other results related to associates and joint ventures

Other results related to associates and joint ventures relate to any results in relation to associates and joint ventures other than DSM's share of the profit or loss of associates and joint ventures, such as for example the result on remeasurement to fair value of a pre-existing interest in an associate or joint venture in a step acquisition where DSM obtains control over the associate or joint venture.

8.5 Current trading and recent developments

On 1 November 2022, DSM published a press release containing the results of the DSM Group for the third quarter of financial year 2022 (the **DSM Q3 2022 Release**). The DSM Q3 2022 Release is incorporated by reference in, and forms part of, the Offering Circular. The DSM Q3 2022 Release may be obtained in electronic form free of charge from DSM's website at www.dsm.com/corporate/news/news-archive/2022/q3-2022-trading-update.html.

There are no significant changes in the financial performance or the financial position of DSM since the DSM Q3 2022 Release and there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on DSM's prospects for at least DSM's current financial year.

8.6 Results of operations

The following sections provide a period-by-period comparison of the DSM's results of operations.

Comparison of the results of operations for the six months ended 30 June 2022 and 2021

2022 is a transition year for DSM, in which the transformation of DSM's financial and reporting systems to the new reporting structure is in the process of being finalised. For the six months ended 30 June 2022 (and the comparative information for the six months ended 30 June 2021), the reportable measure of profit and loss per segment is limited to sales as the preliminary figures for other measures of segment profit or loss contain significant estimates. Therefore, disclosure of these measures of segment profit or loss would not provide useful information to the users of the interim financial reporting. However, the reported DSM Adjusted EBITDA for Health, Nutrition & Bioscience could be compared to the previously reported segments Nutrition and Innovation, and the result from discontinued operations that includes the segment Materials can be compared to the previously reported segment Materials.

Furthermore, following the announced sale of the Engineering Materials and Protective Materials businesses, their results have been reclassified to discontinued operations for the six months ended 30 June 2022. The comparative information for the six months ended 30 June 2021 have been restated to account for this.

The table below sets out the results of operations for the six months ended 30 June 2022 and 2021.

	For the six months ended 30 June		**Change**
	2022	**2021**	**2022 v 2021**
	(in € millions)		%
Net sales	4,115	3,517	17.0
Gross margin	**1,426**	**1,265**	**12.7**
Operating profit	**398**	**394**	**1.0**
Financial income and expense	(39)	(65)	(40.0)
Profit before income tax expense	**359**	**329**	**9.1**
Income tax expense	(72)	(64)	12.5
Share of the profit of associates and joint ventures	4	20	(80.0)
Net profit from continuing operations	**291**	**285**	**2.1**
Net profit from discontinued operations	167	725	(77.0)
Net profit for the period	**458**	**1,010**	**(54.7)**

Net sales

Net sales for the six months ended 30 June 2021 were €3,517 million. These increased by €598 million, or 17.0%, to €4,115 million for the six months ended 30 June 2022. The increase was due to an increase of €352 million, or 10%, in Organic Growth, a positive impact of €176 million, or 5% from foreign exchange and a €70 million, or 2% contribution from mergers and acquisitions (**M&A**). Organic Growth was composed of a €281 million, or 8% impact from Price / Mix Effects and a €70 million, or 2% impact from Volume Developments.

Operating segments

The following table sets out a breakdown of net sales by operating segment for the six months ended 30 June 2022 and 2021.

	For the six months ended 30 June		Change
	2022	2021	2022 v 2021
	(in € millions)		%
Animal Nutrition & Health	1,839	1,581	16.3
Health Nutrition & Care	1,464	1,260	16.2
Food & Beverage	753	609	23.6
Unallocated sales	20	21	(4.8)
Total Health, Nutrition & Bioscience	**4,076**	**3,471**	**17.4**
Corporate Activities	39	46	(15.2)
Total	**4,115**	**3,517**	**17.0**

- *Animal Nutrition & Health*

In Animal Nutrition & Health, net sales for the six months ended 30 June 2021 were €1,581 million. These increased by €258 million, or 16.3%, to €1,839 million for the six months ended 30 June 2022. This increase was driven by an increase of €156 million, or 10%, in Organic Growth and a €102 million, or 6% positive contribution from foreign exchange. Organic Growth was composed of an impact from Price / Mix Effects of €176 million, or 11% to counter inflationary pressure and higher pass-through costs and a negative contribution from Volume Developments of €20 million, or 1%.

Demand for animal proteins remained resilient overall, despite the impact of inflation on meat prices. On the other hand, volumes were impacted by customer destocking that followed the strong inventory build-up in the second half of 2021 and by COVID-19 lockdowns in China in the second quarter of 2022. Demand for poultry was strong as consumers confronted with rising inflation switched to more inexpensive meats, favouring DSM's product mix. Furthermore, demand for pork was impacted by COVID-19 lockdowns in China, causing lower out-of-home consumption. Finally, beef and aquaculture demand remained good, benefitting from the reopening of economies in several regions.

- *Health, Nutrition & Care*

In Health, Nutrition & Care, net sales for the six months ended 30 June 2021 were €1,260 million. These increased by €204 million, or 16.2%, to €1,464 million for the six months ended 30 June 2022. This increase was driven by an increase of €114 million, or 9%, in Organic Growth and a €90 million, or 7%, positive impact from foreign exchange. Organic Growth was composed of a contribution from Volume Developments of €61 million, or 5%, and an impact from Price / Mix Effects of €53 million, or 4%, reflecting the implementation of pricing initiatives to offset rising costs accelerated throughout the period.

Dietary supplements performed well on top of a strong comparable period. Early-Life Nutrition continued its ongoing recovery with improving market conditions. The business saw continued and growing interest for its human-milk oligosaccharides products, especially given its regulatory readiness for the Chinese market. Pharma and Medical Nutrition performance was strong. Finally, Personal Care & Aroma registered strong growth, driven by high demand for skin, sun and hair care.

- *Food & Beverage*

In Food & Beverages, net sales for the six months ended 30 June 2021 were €609 million. These increased by €144 million, or 23.6%, to €753 million for the six months ended 30 June 2022. This was driven by an increase of €63 million, or 10%, in Organic Growth, a €54 million, or 9%, contribution from M&A, mainly driven by a €40 million contribution to net sales from the acquisition of First Choice Ingredients, and a €27 million, or 5%, impact from foreign exchange. Organic Growth was split equally between a contribution from Volume

Developments of €30 million, or 5%, and an impact from Price / Mix Effects of €33 million, or 5%, as the business accelerated the rollout of pricing initiatives to offset rising costs.

Demand for packaged food was resilient with limited downtrading effects despite food price increases. The business recorded good organic growth in Dairy, Baking, Beverages and Savoury. Meat and fish plant-based alternatives continued to see good demand. Finally, pet food continued to deliver strong growth.

Gross margin

Gross margin for the six months ended 30 June 2021 was €1,265 million. It increased by €161 million, or 12.7%, to €1,426 million for the six months ended 30 June 2022. This increase was largely driven by a €598 million, or 17.0%, increase in net sales, partially offset by a €437 million, or 19.4%, increase in the cost of sales, driven by an increase in raw material costs and supply chain constraints. As a percentage of net sales, the gross margin came down from 36% in 2021 to 35% in 2022.

Operating profit

Operating profit for the six months ended 30 June 2021 was €394 million. It increased by €4 million, or 1.0%, to €398 million for the six months ended 30 June 2022. This increase was driven by a €161 million, or 12.7% increase in gross margin, almost entirely offset by a €157 million, or 18.0%, increase in Operating Expenses. As a percentage of net sales, operating profit decreased from 11.2% in 2021 to 9.7% in 2022.

DSM Adjusted EBITDA

DSM Adjusted EBITDA for the six months ended 30 June 2021 was €693 million. It increased by €53 million, or 7.6%, to €746 million for the six months ended 30 June 2022. This meant the DSM Adjusted EBITDA Margin went from 19.7% in the six months ended 30 June 2021 to 18.1% in the six months ended 30 June 2022. The increase in DSM Adjusted EBITDA resulted from an increase in DSM Adjusted EBITDA for Health, Nutrition and Bioscience of €53 million. For a reconciliation of DSM Adjusted EBITDA, see section 8.8 "*Non-IFRS financial measures*".

The following table sets out a breakdown of DSM Adjusted EBITDA for the six months ended 30 June 2022 and 2021.

	For the six months ended 30 June		**Change**
	2022	**2021**	**2022 v 2021**
	(in € millions)		%
Health, Nutrition & Bioscience	794	741	7.2
Corporate Activities	(48)	(48)	-
DSM Adjusted EBITDA	**746**	**693**	**7.6**

DSM Adjusted EBITDA for Health, Nutrition & Bioscience for the six months ended 30 June 2021 was €741 million. It increased by €53 million, or 7.2%, to €794 million for the six months ended 30 June 2022. This increase was driven by Organic Growth of €11 million, or 2%, supported by a €33 million, or 4%, positive foreign exchange effect and a €9 million, or 1% contribution from M&A, largely driven by the acquisition of First Choice Ingredients. This meant the DSM Adjusted EBITDA Margin for Health, Nutrition & Bioscience went from 21.3% to 19.5%. This decrease was largely the result of the inflation and related effects.

Financial income and expense

Net financial expense for the six months ended 30 June 2021 was €65 million. It decreased by €26 million, or 40.0%, to €39 million for the six months ended 30 June 2022. This was mainly the result of the positive change in fair value of derivatives caused by the impact of accounting for renewable energy contracts.

Profit before income tax expense

Profit before income tax expense for the six months ended 30 June 2021 was €329 million. It increased by €30 million, or 9.1%, to €359 million for the six months ended 30 June 2022, as a result of the factors described above.

Income tax expense

Income tax expense for the six months ended 30 June 2021 was €64 million. It increased by €8 million, or 12.5%, to €72 million for the six months ended 30 June 2022. This increase was mainly driven by an increase in profit before income tax expense of €30 million, or 9.1%, together with an increase in the effective tax rate from 19.5% for the six months ended 30 June 2021 to 20.1% for the six months ended 30 June 2022. This was due to a less favourable mix of operating profit in higher taxed countries.

Share of profit of associates and joint ventures

Share of profit of associates and joint ventures for the six months ended 30 June 2021 was €20 million. It decreased by €16 million, or 80.0%, to €4 million for the six months ended 30 June 2022. This decrease was mainly the result of various smaller divestments in 2021, such as the AOC specialty resins business.

Net profit from continuing operations

Net profit from continuing operations for the six months ended 30 June 2021 was €285 million. It increased by €6 million, or 2.1%, to €291 million for the six months ended 30 June 2022, mainly as a result of an increase in gross margin of €161 million, or 12.7%, partially offset by an increase in Operating Expenses of €157 million, or 18.0%.

Net profit from discontinued operations

Net profit from discontinued operations for the six months ended 30 June 2021 was €725 million. It decreased by €558 million, or 77.0%, to €167 million for the six months ended 30 June 2022. This decrease was the result of the €570 million gain after tax taken on the sale of the Resins & Functional Materials and associated businesses in the six months ended 30 June 2021. Excluding this gain, net profit from discontinued operations increased by €12 million, largely the result of the strong performance of the Engineering Materials and Protective Materials businesses, with €155 million, or 16% organic growth in net sales.

Net profit for the period

Net profit for the period for the six months ended 30 June 2021 was €1,010 million. It decreased by €552 million, or 54.7%, to €458 million for the six months ended 30 June 2022, mainly as a result of a decrease in net profit from discontinued operations of €558 million, or 77.0%, partially offset by an increase in net profit from continuing operations of €6 million, or 2.1%.

Comparison of the results of operations for the years ended 31 December 2021, 2020 and 2019

The results of operations for the years ended 31 December 2021, 2020 and 2019 have not been restated to account for the announced sale of the Engineering Materials and Protective Materials businesses. However, the result for the year ended 31 December 2019 has been restated to account for the sale of the Resins & Functional Materials and associated businesses.

The table below sets out the results of operations for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
		(in € millions)		%	
Net sales	9,204	8,106	7,998	13.5	1.4
Cost of sales	(6,040)	(5,330)	(5,234)	(13.3)	(1.8)
Gross margin	**3,164**	**2,776**	**2,764**	**14.0**	**0.4**
Marketing and sales	(1,270)	(1,149)	(1,154)	(10.5)	0.4
Research and development	(323)	(398)	(295)	18.8	(34.9)
General and administrative	(517)	(469)	(478)	(10.2)	1.9
Other operating income	95	102	142	(6.9)	(28.2)
Other operating expense	(128)	(200)	(107)	36.0	(86.9)
Operating profit	**1,021**	**662**	**872**	**54.2**	**(24.1)**
Financial income	24	44	30	(45.5)	46.7
Financial expense	(130)	(111)	(122)	(17.1)	9.0
Profit before income tax expense	**915**	**595**	**780**	**53.8**	**(23.7)**
Income tax expense	(168)	(106)	(145)	(58.5)	26.9
Share of the profit of associates and joint ventures	16	(64)	(9)	n.m.	(611.1)
Other results related to associates and joint ventures	326	32	63	918.8	(49.2)
Net profit from continuing operations	**1,089**	**457**	**689**	**138.3**	**(33.7)**
Net profit from discontinued operations	591	51	75	1,058.8	(32.0)
Net profit for the period	**1,680**	**508**	**764**	**230.7**	**(33.5)**

Net sales

Net sales for the year ended 31 December 2019 were €7,998 million. These increased by €108 million, or 1.4%, to €8,106 million for the year ended 31 December 2020 and by €1,098 million, or 13.5%, to €9,204 million for the year ended 31 December 2021.

The increase in 2020 was due to €150 million, or 2% Organic Growth and a €200 million, or 2% contribution from M&A, mainly driven by the acquisitions of Glycom and Erber Group, partially offset by a €242 million, or 3%, negative contribution from foreign exchange. Organic Growth was composed of a contribution from Volume Developments of €210 million, or 3% and a negative impact from Price / Mix Effects of €60 million, or 1%.

The increase in 2021 was due to €983 million, or 13% Organic Growth and a €268 million, or 3% contribution from M&A, partially offset by foreign exchange, which had a negative impact of €153 million, or 2%, on net sales. Organic Growth was composed of a contribution from Volume Developments of €775 million, or 10%, due to strong COVID-19 recovery in Materials and Animal Nutrition, customers increasing stock levels given widespread supply chain concerns and a €208 million, or 3% contribution from Price / Mix Effects.

Operating segments

The following table sets out a breakdown of net sales by operating segment for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
		(in € millions)		%	
Nutrition	7,031	6,365	6,028	10.5	5.6
Materials	1,935	1,518	1,744	27.5	(13.0)
Innovation Center	168	184	184	(8.7)	-
Corporate Activities	70	39	42	79.5	(7.1)
Total	**9,204**	**8,106**	**7,998**	**13.5**	**1.4**

- Nutrition

The following table sets out a breakdown of the net sales from Nutrition for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	**2020**	**2019**	**2021 v 2020**	**2020 v 2019**
		(in € millions)		%	
Animal Nutrition & Health	3,502	3,025	2,892	15.8	4.6
Human Nutrition & Health	2,207	2,143	2,046	3.0	4.7
Personal Care & Aroma Ingredients	484	404	425	19.8	(4.9)
Other	122	145	93	(15.9)	55.9
Total Nutritional Products	**6,315**	**5,717**	**5,456**	**10.5**	**4.8**
Food Specialties	716	648	572	10.5	13.3
Total	**7,031**	**6,365**	**6,028**	**10.5**	**5.6**

Net sales for the year ended 31 December 2019 in Nutrition were €6,028 million. These increased by €337 million, or 5.6%, to €6,365 million for the year ended 31 December 2020 and by €666 million, or 10.5%, to €7,031 million for the year ended 31 December 2021. The increase in 2020 was mainly driven by €362 million, or 6% Organic Growth and €192 million, or 3% growth from M&A, driven by the acquisition of Erber Group, offset by a negative contribution from foreign exchange of €217 million, or 3%. Organic Growth was composed of a contribution from Volume Developments of €323 million, or 5% and a €39 million, or 1% contribution from price/mix effects. The increase in 2021 was mainly due to €527 million, or 8% Organic Growth, driven entirely by volume developments, and €272 million, or 4% growth from M&A, notably driven by the acquisition of full ownership of Midori USA, a biotechnology start-up developing targeted eubiotics for animals, and First Choice Ingredients, partially offset by a negative contribution from foreign exchange of €133 million, or 2%.

In Animal Nutrition & Health, net sales for the year ended 31 December 2019 were €2,892 million. These increased by €133 million, or 4.6%, to €3,025 million for the year ended 31 December 2020 and by €477 million, or 15.8%, to €3,502 million for the year ended 31 December 2021. In 2020, Animal Nutrition & Health delivered €228 million, or 8% Organic Growth, supported by good sales in poultry and pork and a good performance in ruminant and aquaculture. In 2021, Animal Nutrition & Health delivered strong volume-led Organic Growth of €305 million, or 10%, with good underlying demand from ruminants and poultry and further supported by higher customer inventory levels.

In Human Nutrition & Health, net sales for the year ended 31 December 2019 were €2,046 million. These increased by €97 million, or 4.7%, to €2,143 million for the year ended 31 December 2020 and by €64 million, or 3.0%, to €2,207 million for the year ended 31 December 2021. In 2020, €104 million, or 5% Organic Growth was driven by strong performance of Dietary Supplements and Pharma, as COVID-19 stimulated the rise in demand for immunity-optimising ingredients. In 2021, Organic Growth of €105 million, or 5%, was driven by good conditions in Food & Beverage, resulting from continuing consumer demand for healthy and environmentally sustainable food choices, Pharma and Dietary Supplements, partially offset by difficult conditions in early-life nutrition.

In Personal Care & Aroma Ingredients, net sales for the year ended 31 December 2019 were €425 million. These decreased by €21 million, or 4.9%, to €404 million for the year ended 31 December 2020, but increased by €80 million, or 19.8%, to €484 million for the year ended 31 December 2021. In 2020, Aroma Ingredients sales were supported by increased demand for detergents and disinfectants. In 2021, strong growth was driven by the recovery in sun and skin care and continuing demand for detergents and disinfectants.

In Food Specialties, net sales for the year ended 31 December 2019 were €572 million. These increased by €76 million, or 13.3%, to €648 million for the year ended 31 December 2020 and by €68 million, or 10.5%, to €716 million for the year ended 31 December 2021. In 2020, Food Specialties delivered €22 million, or 4%, Organic Growth, with good demand for savoury and dairy throughout the year. Growth was further supported by the integration of Royal CSK's specialty dairy solutions business. In 2021, growth was strong and broad-based, supported by the re-opening of the global economy and the acquisition of First Choice Ingredients, which further drove growth in biotech-based dairy flavours.

- Materials

The following table sets out a breakdown of the net sales from Materials for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	**2020**	**2019**	**2021 v 2020**	**2020 v 2019**
		(in € millions)		%	
DSM Engineering Materials	1,600	1,217	1,406	31.5	(13.4)
DSM Protective Materials	335	301	338	11.3	(10.9)
Total	**1,935**	**1,518**	**1,744**	**27.5**	**(13.0)**

Net sales for the year ended 31 December 2019 in Materials were €1,744 million. These decreased by €226 million, or 13.0%, to €1,518 million for the year ended 31 December 2020, but increased by €417 million, or 27.5%, to €1,935 million for the year ended 31 December 2021. The decrease in 2020 was mainly due to a €211 million, or 12% decrease of Organic Net Sales. The increase in 2021 was mainly due to €432 million, or 28% increase in Organic Net Sales.

In Engineering Materials, net sales for the year ended 31 December 2019 were €1,406 million. These decreased by €189 million, or 13.4%, to €1,217 million for the year ended 31 December 2020, but increased by €383 million, or 31.5%, to €1,600 million for the year ended 31 December 2021. In 2020 softness in the global automotive segment, driven by COVID-19, negatively impacted volumes. In 2021, Engineering Materials saw strong volume and price development in an environment of good demand recovery and supply chain uncertainty.

In Protective Materials, net sales for the year ended 31 December 2019 were €338 million. These decreased by €37 million, or 10.9%, to €301 million for the year ended 31 December 2020, but increased by €34 million, or 11.3%, to €335 million for the year ended 31 December 2021. In 2020, Protective Materials suffered from the impact of COVID-19 on personal protection activities, with delays in large orders by local authorities and governments. In 2021, the market showed good performance as demand improved.

Cost of sales

Cost of sales for the year ended 31 December 2019 were €5,234 million. These increased by €96 million, or 1.8%, to €5,330 million for the year ended 31 December 2020 and by €710 million, or 13.3%, to €6,040 million for the year ended 31 December 2021. The increase in 2020 was largely driven by strong volume increases in dietary supplements, pharma and poultry. The increase in 2021 was mainly the result of volume increases in Engineering Materials and animal proteins and an overall increase in prices.

Gross margin

Gross margin for the year ended 31 December 2019 was €2,764 million. This increased by €12 million, or 0.4%, to €2,776 million for the year ended 31 December 2020, due to an increase in net sales of €108 million, or 1.4%, partially offset by an increase in cost of sales of €96 million, or 1.8%, and by €388 million, or 14.0%, to €3,164 million for the year ended 31 December 2021, as a result of an increase in net sales of €1,098 million, or 13.5%, partially offset by an increase in cost of sales of €710 million, or 13.3%. As a percentage of net sales, the gross margin remained stable at 35% in 2019 and 34% in 2020 and 2021.

Marketing and sales

Marketing and sales for the year ended 31 December 2019 were €1,154 million. These decreased by €5 million, or 0.4%, to €1,149 million for the year ended 31 December 2020 and increased by €121 million, or 10.5%, to €1,270 million for the year ended 31 December 2021. The decrease in 2020 was largely driven by a strict focus on costs throughout the organisation during the COVID-19 pandemic, partially offset by increased net sales. The increase in 2021 was mainly the result of supply chain disruptions and inflationary pressure.

Research and development

Research and development for the year ended 31 December 2019 was €295 million. This increased by €103 million, or 34.9%, to €398 million for the year ended 31 December 2020, but decreased by €75 million, or 18.8%, to €323 million for the year ended 31 December 2021. As a percentage of net sales, research and development went from 3.7% in 2019 to 4.9% in 2020, which was largely driven by an increase of €91 million in research and development expenses in the Innovation Center, due to an impairment related to DSM's Bio-based Products & Services, owing to an expected subdued outlook for biofuels and to an impairment related to DSM Advanced Solar following the sale of the solar coating activities to Covestro AG. In 2021, research and development came back down to 3.5% of net sales. This decrease was partially offset by a €25 million increase in research and development expenses in Nutrition, primarily related to key innovations such as Veramaris®, Bovaer®, EVERSWEET™ and ampli-D®.

General and administrative

General and administrative costs for the year ended 31 December 2019 was €478 million. It decreased by €9 million, or 1.9%, to €469 million for the year ended 31 December 2020 and increased by €48 million, or 10.2%, to €517 million for the year ended 31 December 2021. The decrease in 2020 was largely driven by a strict focus on costs throughout the organisation during the COVID-19 pandemic. The increase in 2021 was mainly the result of inflationary pressure, notably on wages and salaries and other personnel-related expenses.

Other operating income

The following table sets out a breakdown of other operating income for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			**Change**	
	2021	**2020**	**2019**	**2021 v 2020**	**2020 v 2019**
		(in € millions)		%	
Release of provisions	24	11	6	118.2	83.3
Gain on sale of assets and activities	13	-	7	n.m.	(100.0)
Insurance benefits	11	29	16	(62.1)	81.3
Amendments / settlements to pension plans	9	-	16	n.m.	(100.0)
Earn-out payments and other settlements	2	7	47	(71.4)	(85.1)
Release translation reserve	-	-	11	n.m.	(100.0)
Legal and other settlements	2	23	8	(91.3)	187.5
Sundry	34	32	31	6.3	3.2
Total	**95**	**102**	**142**	**(6.9)**	**(28.2)**

Other operating income for the year ended 31 December 2019 was €142 million. It decreased by €40 million, or 28.2%, to €102 million for the year ended 31 December 2020 and by €7 million, or 6.9%, to €95 million for the year ended 31 December 2021. The decrease in 2020 was largely the result of a €40 million decrease in earn-out payments and other settlements related to acquisitions and disposals. The decrease in 2021 was mainly driven by a €21 million decrease in legal and other settlement income and an €18 million decrease in insurance benefits, partially offset by an increase in the release of provisions of €13 million, and an increase in the gain on sale of assets and activities related to the sale of land and buildings of €13 million.

Other operating expense

The following table sets out a breakdown of other operating expense for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
		(in € millions)		%	
Additions to provisions	67	93	67	(28.0)	38.8
Exchange differences	7	18	9	(61.1)	100.0
Acquisitions / disposals	25	55	11	(54.5)	400.0
Sundry	29	34	20	(14.7)	70.0
Total	**128**	**200**	**107**	**(36.0)**	**86.9**

Other operating expense for the year ended 31 December 2019 was €107 million. It increased by €93 million, or 86.9%, to €200 million for the year ended 31 December 2020, but decreased by €72 million, or 36.0%, to €128 million for the year ended 31 December 2021. The increase in 2020 was mainly driven by an increase of €44 million in acquisition / disposals expenses related to Glycom and Erber Group, a €26 million increase in additions to provisions, the result of one-time provisions taken for a restructuring programme and a €9 million increase in exchange differences due to high volatility in the U.S. dollar. The decrease in 2021 was largely the result of a €30 million decrease in acquisitions / disposal expenses, a €26 million decrease in additions to provisions and an €11 million decrease in exchange differences due to decreased volatility in the U.S. dollar.

Operating profit

Operating profit for the year ended 31 December 2019 was €872 million. It decreased by €210 million, or 24.1%, to €662 million for the year ended 31 December 2020, largely due to an increase in research and developments costs of €103 million, or 34.9%, and an increase in other operating expense of €93 million, or 86.9%, and increased by €359 million, or 54.2%, to €1,021 million for the year ended 31 December 2021, largely as a result of an increase in gross margin of €388 million, or 14.0%. As a percentage of net sales, operating profit decreased from 10.9% in 2019 to 8.2% in 2020, before returning to 11.1% in 2021.

DSM Adjusted EBITDA

DSM Adjusted EBITDA for the year ended 31 December 2019 was €1,551 million. It decreased by €17 million, or 1.1%, to €1,534 million for the year ended 31 December 2020 and increased by €280 million, or 18.3%, to €1,814 million for the year ended 31 December 2021. This meant the DSM Adjusted EBITDA Margin went from 19.4% for the year ended 31 December 2019, to 18.9% for the year ended 31 December 2020, to 19.7% for the year ended 31 December 2021. The decrease in DSM Adjusted EBITDA in 2020 was largely driven by a decrease of €100 million in Materials due to the significant impact of COVID-19, partially offset by an increase of €88 million in Nutrition. DSM Adjusted EBITDA increased in 2021 mainly due to the performance of Nutrition, which showed an increase of €109 million, supported by continued growth and contributions from acquisitions, as well as an increase of €163 million in Materials, compared with a prior year of weak industry demand impacted by the pandemic. For a reconciliation of DSM Adjusted EBITDA, see section 8.8 "*Non-IFRS financial measures*".

Operating segments

The following table sets out a breakdown of DSM Adjusted EBITDA by operating segment for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
		(in € millions)		%	
Nutrition	1,447	1,338	1,250	8.1	7.0
Materials	435	272	372	59.9	(26.9)
Innovation Center	26	21	26	23.8	(19.2)

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
		(in € millions)		%	
Corporate Activities	(94)	(97)	(97)	3.1	-
DSM Adjusted EBITDA	**1,814**	**1,534**	**1,551**	**18.3**	**(1.1)**

- Nutrition

DSM Adjusted EBITDA for Nutrition for the year ended 31 December 2019 was €1,250 million. It increased by €88 million, or 7.0%, to €1,338 million for the year ended 31 December 2020 and by €109 million, or 8.1%, to €1,447 million for the year ended 31 December 2021. The increase in 2020 was mainly driven by higher volumes in high margin products, driving an increase in DSM Adjusted EBITDA Margin from 20.7% to 21.0%. Furthermore, a €55 million, or 4% contribution from M&A was partially offset by a €44 million, or 4% negative foreign exchange effect. The increase in 2021 was largely related to increased volumes, with a €73 million, or 6% contribution from M&A and a €47 million, or 4% negative foreign exchange effect. The DSM Adjusted EBITDA Margin decreased to 20.6% owing to inflationary effects in the fourth quarter.

- Materials

DSM Adjusted EBITDA for Materials for the year ended 31 December 2019 was €372 million. It decreased by €100 million, or 26.9%, to €272 million for the year ended 31 December 2020 and increased by €163 million, or 59.9%, to €435 million for the year ended 31 December 2021. The decrease in 2020 was driven by a negative operational leverage and particularly lower volumes in high margin specialties. Foreign exchange had a small negative impact. Materials realised a 59.9% increase in 2021 in DSM Adjusted EBITDA compared to 2020, driven by strong volume growth. The DSM Adjusted EBITDA Margin recovered from 17.9% in 2020 to 22.5% in 2021 due to strong operational leverage.

Financial income and expense

The following table sets out a breakdown of financial income for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
		(in € millions)		%	
Interest income	3	17	9	(82.4)	88.9
Fair value change in derivatives	10	27	20	(63.0)	35.0
Sundry	11	-	1	n.m.	(100.0)
Total financial income	**24**	**44**	**30**	**(45.5)**	**46.7**
Interest expense	(91)	(90)	(92)	(1.1)	2.2
Interest relating to lease liabilities	(5)	(6)	(7)	16.7	14.3
Interest relating to defined benefit plans	(2)	(4)	(7)	50.0	42.9
Fair value change in derivatives	(17)	-	-	n.m.	n.m.
Capitalised interest during construction	4	6	3	(33.3)	100.0
Exchange differences	-	(4)	(2)	100.0	(100.0)
Unwinding of discounted payables	(16)	(4)	(8)	(300.0)	50.0
Sundry	(3)	(9)	(9)	66.7	-
Total financial expense	**(130)**	**(111)**	**(122)**	**(17.1)**	**9.0**
Net financial expense	**(106)**	**(67)**	**(92)**	**(58.2)**	**27.2**

Net financial expense for the year ended 31 December 2019 was €92 million. It decreased by €25 million, or 27.2%, to €67 million for the year ended 31 December 2020, but increased by €39 million, or 58.2%, to €106 million for the year ended 31 December 2021. The decrease in net financial expense in 2020 was mainly attributable to the increase in interest income by €8 million, mainly caused by lower interest margins and lower cash balances compared to the previous year, which suffered from a negative interest rate on deposits, and was also partly attributable to the change in fair value of derivatives by €7 million, mainly caused by the impact of accounting for renewable energy contracts.

The increase in net financial expense in 2021 was mainly attributable to the change in fair value of derivatives by €34 million, mainly caused by the impact of accounting for renewable energy contracts. Besides the movements in the fair value of derivatives for renewable energy contracts, interest income decreased by €14 million in 2021 as a result of lower income from foreign exchange hedges and derivatives.

Profit before income tax expense

Profit before income tax expense for the year ended 31 December 2019 was €780 million. It decreased by €185 million, or 23.7%, to €595 million for the year ended 31 December 2020, mainly driven by a €210 million decrease in operating profit, and increased by €320 million, or 53.8%, to €915 million for the year ended 31 December 2021, largely the result of a €359 million increase in operating profit.

Income tax expense

The following table sets out a breakdown of income tax expense for the years ended 31 December 2021, 2020 and 2019.

	For the years ended 31 December			Change	
	2021	2020	2019	2021 v 2020	2020 v 2019
	(in € millions, unless indicated otherwise)			%	
Current tax expense:					
Current year	(120)	(155)	(72)	22.6	(115.3)
Prior-year adjustments	1	8	(12)	(87.5)	n.m.
Tax credits compensated	4	4	3	-	33.3
Non-recoverable withholding tax	(7)	(2)	(1)	(250.0)	(100.0)
Total current tax expense	**(122)**	**(145)**	**(82)**	**15.9**	**(76.8)**
Deferred tax expense:					
Originating from temporary differences and their reversal	(3)	47	(10)	n.m.	n.m.
Tax benefit from innovation facilities	-	-	14	n.m.	(100.0)
Prior-year adjustments	5	(5)	2	n.m.	n.m.
Change in tax rate	4	(2)	(26)	n.m.	92.3
Changes arising from write-down of deferred tax assets	(18)	(3)	(3)	(500.0)	-
Changes in previously and newly recognised tax losses and tax credits	(21)	(7)	-	(200.0)	n.m.
Other changes in tax losses and tax credits	(13)	9	(40)	n.m.	n.m.
Total deferred tax expense	**(46)**	**39**	**(63)**	**n.m.**	**n.m.**
Total tax expense	**(168)**	**(106)**	**(145)**	**(58.5)**	**26.9**
Effective tax rate (%)	18.4	17.9	18.6	n.m.	n.m.

Income tax expense for the year ended 31 December 2019 was €145 million. It decreased by €39 million, or 26.9%, to €106 million for the year ended 31 December 2020 and increased by €62 million, or 58.5%, to €168 million for the year ended 31 December 2021.

The decrease in income tax expense in 2020 was mainly attributable to the decrease in total deferred tax expense by €102 million, which originates from temporary differences and their reversal and the change in tax rate, partially offset by the decrease in tax benefit from innovation facilities. The decrease in deferred tax expense was partially offset by the increase in total current tax expense by €63 million.

The decrease in the total effective tax rate over taxable result from 18.6% for the year ended 31 December 2019 to 17.9% for the year ended 31 December 2020 was mainly due to the one-time impact on the deferred tax position caused by the increase of the tax rate in Switzerland in 2019.

The increase in income tax expense in 2021 was mainly attributable to the increase in total deferred tax expense by €85 million, which originates from temporary differences and their reversal, an increase in changes arising from write-down of deferred tax assets and an increase in changes in previously and newly recognised tax losses and tax credits. The increase in deferred tax expense was partially offset by the decrease in current tax expense by €23 million, which was mainly attributable to the decrease in current year tax expense.

The increase in the total effective tax rate over taxable result from 17.9% for the year ended 31 December 2020 to 18.4% for the year ended 31 December 2021 was mainly due to uncertainties under local laws, partly compensated by higher tax-exempt income in several countries and the higher tax rate in the Netherlands as of 2022.

Share of the profit of associates and joint ventures

Share of the profit of associates and joint ventures for the year ended 31 December 2019 was a loss of €9 million. This decreased by €55 million, or 611.1%, to a loss of €64 million for the year ended 31 December 2020, primarily due to an impairment loss of €74 million recognised on DSM's Advanced Biofuels joint venture, but recovered by €80 million, or 125.0%, to a gain of €16 million for the year ended 31 December 2021.

Other results related to associates and joint ventures

Other results related to associates and joint ventures for the year ended 31 December 2019 was €63 million. It decreased by €31 million, or 49.2%, to €32 million for the year ended 31 December 2020 and increased by €294 million, or 918.8%, to €326 million for the year ended 31 December 2021. The decrease in 2020 was due to high profits taken in 2019, notably on the revaluation of DSM's investment in AnQore. The increase in 2021 was mainly due to the book profit of €303 million that resulted from the sale of AOC specialty resins business, in which DSM is a minority shareholder, and a fair value step up of €10 million recognised as part of the acquisition of the remaining shares of Midori USA.

Net profit from continuing operations

Net profit from continuing operations for the year ended 31 December 2019 was €689 million. It decreased by €232 million, or 33.7%, to €457 million for the year ended 31 December 2020, mainly as a result of an 11.7% increase in Operating Expenses, and increased by €632 million, or 138.3%, to €1,089 million for the year ended 31 December 2021, largely driven by a 13.5% increase in net sales and 918.8% increase in other results related to associates and joint ventures.

Net profit from discontinued operations

Discontinued operations for the years ended 31 December 2019, 2020 and 2021 consist of the Resins & Functional Materials and associated businesses. This business was discontinued in 2020 and 2019 figures were re-presented to account for this. In 2021 the business was sold, resulting in a €570 million gain after tax. This largely drove an increase of net profit from discontinued operations of €540 million, or 1,058.8%, from €51 million for the year ended 31 December 2020 to €591 million for the year ended 31 December 2021.

Net profit for the period

Net profit for the period for the year ended 31 December 2019 was €764 million. It decreased by €256 million, or 33.5%, to €508 million for the year ended 31 December 2020 largely due to a 33.7% decrease in net profit from continuing operations, and increased by €1,172 million, or 230.7%, to €1,680 million for the year ended 31 December 2021, mainly driven by a 138.3% increase in net profit from continuing operations and a 1,058.8% increase in net profit from discontinued operations.

8.7 Balance sheet

The table below sets out the balance sheet as of 31 December 2021, 2020 and 2019 and as of 30 June 2022.

	As of 31 December			As of 30 June
	2021[(1)]	**2020**	**2019**	**2022**
	(in € millions)			
Assets				
Intangible assets	5,310	4,440	3,515	5,192

	As of 31 December			As of 30 June
	2021[(1)]	2020	2019	2022
	(in € millions)			
Property, plant and equipment	3,957	3,775	4,040	3,570
Other non-current assets	617	711	664	512
Cash and cash equivalents	1,561	871	800	792
Other current assets	4,512	3,453	4,424	5,061
Assets held for sale	56	1,096	-	1,726
Total assets	**16,013**	**14,346**	**13,443**	**16,853**
Equity	9,397	7,487	7,835	9,823
Provisions	164	184	168	154
Other non-current liabilities	4,089	4,493	3,325	3,923
Other current liabilities	2,353	1,928	2,115	2,425
Liabilities associated with the assets held for sale	10	254	-	528
Total equity and liabilities	**16,013**	**14,346**	**13,443**	**16,853**

(1) The financial numbers for the year ended 31 December 2021 have been derived from the audited historical consolidated financial statements of DSM for the year ended 31 December 2021 and are included on an as reported basis. These numbers reflect the draft initial purchase price allocation for the acquisition of Vestkorn Milling. The independent valuation process was completed in the first half of 2022 and resulted in a reclassification from goodwill to other intangible assets. The adjusted consolidated balance sheet of 31 December 2021 can be found in the DSM HY 2022 Financial Statements incorporated by reference in this Offering Circular. For the below discussion of changes, the adjusted consolidated balance sheet of 31 December 2021 has been used.

Assets

Total assets increased by €903 million to €14,346 million as of 31 December 2020, compared to €13,443 million as of 31 December 2019. This increase was largely due to an increase in intangible assets of €1,362 million (excluding the impact from the reclassification to assets held for sale) largely due to an increase in goodwill from acquisitions, an increase in property, plant and equipment of €88 million (excluding the impact from the reclassification to assets held for sale) and an increase in cash and cash equivalents of €71 million largely due to cash provided by operating activities. These increases were partially offset by a decrease in current investments of €645 million due to a decrease in fixed deposits to finance acquisitions.

Total assets increased by €1,667 million, to €16,013 million as of 31 December 2021, compared to €14,346 million as of 31 December 2020. This increase was largely due to an increase in intangible assets of €870 million as a result of the effects of acquisitions and exchange rate variances on goodwill, an increase in cash and cash equivalents of €690 million and an increase in current investments of €446 million, both largely due to cash inflows from divestments, partially offset by cash outflows for acquisitions and the early redemption of bonds, and an increase of €418 million in inventories due to a build-up in finished goods. These were partially offset by a decrease in assets held for sale of €1,040 million largely driven by the sale of Resins & Functional Materials and associated businesses to Covestro AG.

Total assets increased by €840 million to €16,853 million as of 30 June 2022, compared to €16,013 million as of 31 December 2021. This increase was largely due to an increase in inventories of €635 million and trade receivables of €389 million (both excluding the impact from the reclassification to assets held for sale) as the result of an increase in prices, the impact from foreign exchange rates, supply chain constraints, increased net sales and an increase in current investments of €349 million largely due to net additions to fixed-term deposits. These were partially offset by a decrease in cash and cash equivalents of €769 million mainly due to cash outflows for additions to fixed-term deposits, capital expenditure, the repurchase of shares and the payment of a dividend.

Liabilities

Total liabilities increased by €1,251 million, to €6,859 million as of 31 December 2020, compared to €5,608 million as of 31 December 2019. This increase was largely due to increased borrowings of €933 million and an increase of €135 million in deferred tax liabilities due to the effect of acquisitions and disposals.

Total liabilities decreased by €243 million, to €6,616 million as of 31 December 2021, compared to €6,859 million as of 31 December 2020. This decrease was largely due to a decrease in borrowings of €493 million as the result of an early redemption and a decrease in liabilities held for sale of €244 million due to the sale of Resins & Functional Materials and associated businesses to Covestro AG, partially offset by an increase in trade payables of €353 million largely due to an increase in the cost of sales.

Total liabilities increased by €414 million to €7,030 million as of 30 June 2022, compared to €6,616 million as of 31 December 2021. This increase was largely due to an increase in trade payables of €348 million (excluding the impact from the reclassification to liabilities associated with the assets held for sale) due to an increase in prices, the impact from foreign exchange rates and supply chain constraints, and an increase in other current liabilities of €141 million, largely due to an increase in prices and the impact from foreign exchange rates. These were partially offset by a decrease in employee benefit liabilities of €82 million due to an increase in discount rates.

8.8 Non-IFRS financial measures

Overview

DSM presents certain financial measures and ratios, including Organic Net Sales, Organic Growth, Volume Developments, Price / Mix Effects, DSM Adjusted EBITDA, DSM Adjusted EBITDA Margin, Operating Expenses, Adjusted Operating Profit, Operating Profit, Adjusted Net Profit, Adjusted Net Operating Free Cash Flow, Return on Capital Employed (ROCE), working capital, DSM Capital Expenditure and DSM Net Debt which are not recognised measures of financial performance or liquidity under IFRS.

The non-IFRS financial measures presented herein are not measures of financial performance or liquidity under IFRS or any other generally accepted accounting standards, but measures used by management to monitor the underlying performance of DSM's business and operations and, accordingly, they have not been audited or reviewed. Further, they may not be indicative of DSM's historical operating results, nor are such measures meant to be predictive of DSM's future results. These non-IFRS measures are presented herein because management considers them to be of interest to investors as important supplemental measures of DSM's performance and believes that they and similar measures are widely used in the industry in which DSM operates as a means of evaluating a company's operating performance and liquidity.

However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios have limitations as analytical tools and may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained herein and they should not be considered in isolation or as a substitute for operating profit, net profit for the year, cash flow or other financial measures computed in accordance with IFRS.

The presentation of the non-IFRS measures herein should not be construed as an implication that DSM's future results will be unaffected by exceptional or non-recurring items. In making an investment decision, investors must rely upon their own examination of the terms of the Transactions and the financial information contained herein. Investors should consult their own professional advisers for an understanding of the differences between IFRS and U.S. GAAP and how those differences could affect the financial information contained herein.

The table below sets out certain selected non-IFRS measures and operating data of DSM's continuing operations for the years ended 31 December 2021, 2020 and 2019 and for the six months ended 30 June 2022 and 2021.

	For the years ended 31 December			**For the six months ended 30 June**	
	2021	**2020**	**2019**	**2022**	**2021**
	(in € millions, unless indicated otherwise)				
Continuing operations					
Net sales	9,204	8,106	7,998	4,115	3,517

	For the years ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
	(in € millions, unless indicated otherwise)				
Organic Net Sales	9,089	8,148	n/a	3,869	n/a
DSM Adjusted EBITDA	1,814	1,534	1,551	746	693
DSM Adjusted EBITDA Margin (%)	19.7	18.9	19.4	18.1	19.7
Adjusted Operating Profit	1,139	929	989	450	423
Operating Profit	1,021	662	872	398	394
Adjusted Net Profit	858	711	752	335	294
Adjusted Net Operating Free Cash Flow	949	872	736	-	202
ROCE (%)	11.1	10.4	12.3	8.8	n/a
Working capital	1,805	1,591	1,852	1,919	n/a
Capital expenditure	608	573	564	266	212
DSM Net Debt	1,014	2,577	1,144	1,395	n/a

Reconciliation

Organic Net Sales, Organic Growth, Volume Developments and Price / Mix Effects

DSM considers Organic Growth to be a useful metric as it provides a view of DSM's underlying net sales, by excluding the effects of M&A and foreign exchange. Furthermore, Volume Developments and Price / Mix Effects are useful metrics as these enable the allocation of increases or decreases in Organic Growth to developments in volumes and developments in price and product mix.

Organic Net Sales is defined as net sales adjusted for M&A and foreign exchange effects. M&A effects are material volume effects coming from acquisitions, divestments, (de)consolidation or internal shifts over a period of 12 months. Foreign exchange effects are calculated as the previous period net sales translated at the period under review's average exchange rate, less the previous period net sales translated at the previous period's average foreign exchange rate. Organic Growth is defined as Organic Net Sales of the period under review less Net sales of the previous period. Volume Developments is defined as the difference in net sales volumes between the period under review and the previous period, multiplied by the selling price of the previous period. Price / Mix Effects is defined as the net sales volume of the period under review, multiplied by the difference in gross selling price in functional currency between the period under review and the previous period.

The tables below provide a reconciliation from net sales to Organic Growth, Volume Developments and Price / Mix Effects for the years ended 31 December 2021, 2020, and 2019, and for the six months ended 30 June 2022 and 2021.

	For the years ended 31 December		Change	
	2021	2020	2021 v 2020	2021 v 2020
		(€ in millions)		%
Net sales (Growth)	**9,204**	**8,106**	**1,098**	**13.5**
M&A			268	3.0
Foreign exchange			(153)	(2.0)
Organic Net Sales (Growth)	**9,089**	**8,106**	**983**	**13.0**
Volume Developments			775	10.0
Price / Mix Effects			208	3.0

	For the years ended 31 December		Change	
	2020	2019	2020 v 2019	2020 v 2019
		(€ in millions)		%
Net sales (Growth)	**8,106**	**7,998**	**108**	**1.0**
M&A			200	2.0
Foreign exchange			(242)	(3.0)
Organic Net Sales (Growth)	**8,148**	**7,998**	**150**	**2.0**
Volume Developments			210	3.0
Price / Mix Effects			(60)	(1.0)

	For the six months ended 30 June		Change	
	2022	2021	2022 v 2021	2022 v 2021
		(€ in millions)		%
Net sales (Growth)	**4,115**	**3,157**	**598**	**17.0**
M&A			70	2.0
Foreign exchange			176	5.0
Organic Net Sales (Growth)	**3,869**	**3,157**	**352**	**10.0**
Volume Developments			282	8.0
Price / Mix Effects			70	2.0

DSM Adjusted EBITDA, DSM Adjusted EBITDA Margin, Operating Expenses, Adjusted Operating Profit, Operating Profit and Adjusted Net Profit

DSM considers DSM Adjusted EBITDA, DSM Adjusted EBITDA Margin, Adjusted Operating Profit and Adjusted Net Profit to be useful metrics for evaluating DSM's performance as they facilitate comparison of DSM's core operating results from period to period by removing the impact of, among other things, its capital structure, asset base, tax consequences and other specified adjustments not directly resulting from DSM's core operations.

DSM considers Operating Expenses to be a useful metric for evaluating its performance as it measures the costs associated with operating its business. DSM considers Operating Profit to be a useful metric for evaluating its performance as it is a measure of profitability to assess the profit made after deducting the costs associated with selling its goods and services and the costs associated with operating its business.

Operating Expenses are defined as the sum of marketing and sales, research and development, general and administrative, other operating income and other operating expense. Operating Profit is defined as net sales less the cost of sales and Operating Expenses. DSM Adjusted EBITDA is defined as Operating Profit before depreciation, amortisation and impairments, adjusted for material items of profit/loss following acquisitions / divestments, restructurings and other circumstances that the management of DSM deemed necessary to adjust in order to provide clear reporting on the development of the business of DSM. DSM Adjusted EBITDA Margin is calculated as DSM Adjusted EBITDA divided by net sales. Adjusted Operating Profit is defined as Operating Profit, adjusted for material items of profit/loss following acquisitions / divestments, restructurings and other circumstances that the management of DSM deemed necessary to adjust in order to provide clear reporting on the development of the business of DSM, and impairments of property, plant and equipment (**PP&E**) and intangible assets. Adjusted Net Profit is defined as net profit from continuing operations adjusted for material items of profit/loss following acquisitions / divestments, restructurings and other circumstances that the management of DSM deemed necessary in order to provide clear reporting on the development of the business of DSM, impairments of PP&E and intangible assets, the alternative performance measure (**APM**) adjustments to financial income and expense, the result relating to associates / joint ventures, and the income tax related to these adjustments.

The table below provides a reconciliation from Net sales to Operating Profit, DSM Adjusted EBITDA, DSM Adjusted EBITDA Margin, Adjusted Operating Profit, and Adjusted Net Profit for the years ended 31 December 2021, 2020, and 2019, and for the six months ended 30 June 2022 and 2021.

	For the years ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
	(in € millions, unless indicated otherwise)				
Net sales	**9,204**	**8,106**	**7,998**	**4,115**	**3,517**
Cost of sales	(6,040)	(5,330)	(5,234)	(2,689)	(2,252)
Gross margin	**3,164**	**2,776**	**2,764**	**1,426**	**1,265**
Operating Expenses	**(2,143)**	**(2,114)**	**(1,892)**	**(1,028)**	**(871)**
Operating Profit	**1,021**	**662**	**872**	**398**	**394**
Depreciation, amortisation and impairments	681	706	585	296	270
Acquisitions / divestments	26	52	13	1	12
Restructuring	92	103	64	51	21

	For the years ended 31 December			For the six months ended 30 June	
	2021	**2020**	**2019**	**2022**	**2021**
	(in € millions, unless indicated otherwise)				
Other	(6)	11	17	-	(4)
DSM Adjusted EBITDA	**1,814**	**1,534**	**1,551**	**746**	**693**
DSM Adjusted EBITDA Margin (%)	19.7	18.9	19.4	18.1	19.7
Operating Profit	**1,021**	**662**	**872**	**398**	**394**
Acquisitions / divestments	26	52	13	1	12
Restructuring	92	103	64	51	21
Other	(6)	11	17	-	(4)
Impairments of PP&E and intangible assets	6	101	23	-	-
Adjusted Operating Profit	**1,139**	**929**	**989**	**450**	**423**
Net profit from continuing operations	**1,089**	**457**	**689**	**291**	**285**
Acquisitions / divestments	26	52	13	1	12
Restructuring	92	103	64	51	21
Other	(6)	11	17	-	(4)
Impairments of PP&E and intangible assets	6	101	23	-	-
APM adjustments to financial income and expense	-	-	-	4	-
Result relating to associates / joint ventures	(319)	41	(28)	-	(10)
Income tax related to APM adjustments	(30)	(54)	(26)	(12)	(10)
Adjusted Net Profit	**858**	**711**	**752**	**335**	**294**

The APM adjustments in the six months ended 30 June 2022 are listed below:

- *Acquisition and divestments* costs of €1 million relate mainly to the acquisition of Vestkorn Milling;
- *Restructuring* costs of €51 million relate mainly to various restructuring programs related to DSM's new organisational structure per 1 January 2022; and
- *APM adjustments to financial income and expense* of €4 million relate to costs for the bridge facility.

The APM adjustments in the six months ended 30 June 2021 are listed below:

- *Acquisition and divestments* costs of €12 million relate mainly to the acquisitions of the Erber Group animal nutrition and health business and Glycom;
- *Restructuring* costs of €21 million relate mainly to programs for the restructuring of the IT department and preparation for DSM's new organisational structure per 1 January 2022;
- The *other* APM adjustment is a profit of €4 million and relates to the reversal of an impairment; and
- *APM adjustments to the result from associates and joint ventures* are a profit of €10 million and relate mainly to the finalisation of various smaller divestment-related items.

The APM adjustments in the year ended 31 December 2021 are listed below:

- *Acquisition and divestment* costs of €26 million relate mainly to the acquisition and integration of Erber Group and First Choice Ingredients;
- *Restructuring* costs of €92 million relate mainly to restructuring projects, following the new strategy and the restructuring project at Materials, including the redundancy schemes associated with the dismissal of employees and costs of termination of contracts; and
- *APM adjustments to the result from associates and joint ventures* are a profit of €319 million and relate mainly to the book profit of €303 million on the sale of DSM's share of AOC specialty resins business and a profit of €13 million on a higher earn-out relating to previous divestments.

The APM adjustments in the year ended 31 December 2020 are listed below:

- *Acquisition and divestment* costs of €52 million relate mainly to the acquisition of Glycom, Royal CSK and Erber Group;

- *Restructuring* costs of €103 million relate to restructuring projects together with the redundancy schemes associated with the dismissal of employees and costs of termination of contracts;

- *Impairments of PP&E and intangible assets* of €101 million and the other APM adjustment of €11 million relate to an impairment of €56 million of DSM Bio-based Products & Services, owing to an expected subdued market outlook for biofuels which led to insufficient expected future cash flows and an impairment of €56 million relating to DSM Advanced Solar on its solar assets following the sale to Covestro AG; and

- *APM adjustments to the result from associates and joint ventures* of €41 million relate mainly to the joint venture POET-DSM, following the decision to mothball the second-generation bio-ethanol plant in Emmetsburg (Iowa, USA), and includes DSM's equity-accounted share in the impairment loss recognised by the joint venture (€74 million), the impairment of the associated intangible assets (€11 million) and the related tax benefit (-€28 million).

The APM adjustments in the year ended 31 December 2019 are listed below:

- *Acquisition and divestment* costs of €13 million relate mainly to the acquisition of Yimante, Andre Pectin and Royal CSK;

- *Restructuring* costs of €64 million relate to project costs of the restructuring projects together with the redundancy schemes associated with the dismissal of employees and costs of termination of contracts;

- The *other* APM adjustment of €17 million relates to the provision for soil cleaning within Corporate Activities;

- *Impairments of PP&E and intangible assets* of €23 million relate mainly to a development project of DSM Nutritional Products and the impairment of an investment project within DSM Food Specialties; and

- *APM adjustments to the result from associates and joint ventures* of €28 million mainly relate to the step-up to the fair value of the associate Andre Pectin prior to the acquisition.

Adjusted Net Operating Free Cash Flow

DSM presents Adjusted Net Operating Free Cash Flow because it believes that this metric is useful to investors to track the underlying cash flow generation and understand the funds that it has available to finance acquisitions and meet its financial obligations. Adjusted Net Operating Free Cash Flow is the cash flow from operating activities, corrected for the cash flow of the APM adjustments, minus capital expenditure and payments regarding drawing rights.

The table below provides a reconciliation from cash provided by operating activities to Adjusted Net Operating Free Cash Flow for the years ended 31 December 2021, 2020 and 2019 and for the six months ended 30 June 2022 and 2021.

	For the years ended 31 December			For the six months ended 30 June	
	2021	**2020**	**2019**	**2022**	**2021**
			(in € millions)		
Cash provided by operating activities	**1,427**	**1,494**	**1,385**	**299**	**579**
Cash impact APM adjustments	91	87	57	50	42
Less: capital expenditure	(570)	(609)	(627)	(299)	(236)

	For the years ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
			(in € millions)		
Less: payments regarding drawing right	(7)	(17)	(14)	(2)	(5)
Adjusted net operating free cash flow *(all operations)*	**941**	**955**	**801**	**48**	**380**
Adjusted Net Operating Free Cash Flow *(continuing operations)*	**949**	**872**	**736**	-	202

Return on Capital Employed

DSM presents ROCE because it believes that this metric is useful for investors as it enables comparison with general market trends and DSM's peers. ROCE represents the Adjusted Operating Profit as a percentage of average capital employed, which is the average of quarterly totals of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables, other current liabilities, investment grants and customer funding.

The table below provides a reconciliation of ROCE for the years ended 31 December 2021, 2020 and 2019 and for the six months ended 30 June 2022.

	For the years ended 31 December			For the six months ended 30 June
	2021	2020	2019	2022
	(in € millions, unless indicated otherwise)			
Intangible assets	5,310	4,440	3,515	5,192
Property, plant and equipment	3,957	3,775	4,040	3,570
Investment grants / drawing rights	(111)	(112)	(96)	(55)
Inventories	2,297	1,879	2,019	2,394
Current receivables	1,696	1,483	1,698	1,774
Current liabilities	(2,188)	(1,771)	(1,865)	(1,805)
Included discontinued operations[(1)(2)]	-	-	(883)	(444)
Capital employed	**10,961**	**9,694**	**8,428**	**10,626**
Capital employed as of 1 January	9,694	8,428	7,527	10,961
Capital employed as of 31 March	10,033	8,422	8,021	9,229
Capital employed as of 30 June	10,064	9,024	7,850	10,626
Capital employed as of 30 September	10,414	9,018	8,415	n/a
Capital employed as of 31 December	10,961	9,694	8,428	n/a
Average capital employed	**10,233**	**8,918**	**8,048**	**10,272**
Adjusted Operating Profit	1,139	929	989	450
ROCE (%)	**11.1**	**10.4**	**12.3**	**8.8**

(1) Following the announced divestment of the Resins & Functional Materials and associated businesses to Covestro AG (that closed on 1 April 2021), DSM reclassified the results of these businesses to 'discontinued operations' and reclassified all related assets and liabilities as held for sale on 30 September 2020.

(2) Following the announcements on 20 April and 31 May 2022 of the intended sale of DSM's two remaining Materials businesses, these are now reported as 'discontinued operations'. Therefore, in the six months ended 30 June 2022, the results of the Materials businesses are included in discontinued operations.

DSM Working Capital

DSM's daily operations are driven by its investment in working capital. As a result, it closely monitors its levels of working capital not only to support its daily operations, but also to minimise costs for working capital of DSM. Working capital is defined as the total of inventories and current receivables, less current payables. Please note that the working capital of DSM as defined here is different from section 17.9 "*Working capital statement*", where the issuer assesses whether it is able to access cash and other available liquid resources in order to meet its liabilities as they fall due.

The table below provides a reconciliation of the working capital of DSM as of 31 December 2021, 2020 and 2019 and as of 30 June 2022.

	As of 31 December			As of 30 June
	2021	2020	2019	2022
		(*in € millions*)		
Inventories	2,297	1,879	2,019	2,394
Current receivables	1,696	1,483	1,698	1,774
Less: current payables	(2,188)	(1,771)	(1,865)	(2,249)
DSM working capital	**1,805**	**1,591**	**1,852**	**1,919**

The working capital of DSM as of 31 December 2019 was €1,852 million. This decreased by €261 million, or 14.1%, to €1,591 million as of 31 December 2020, increased by €214 million, or 13.5%, to €1,805 million as of 31 December 2021 and increased by €114 million, or 6.3%, to €1,919 million as of 30 June 2022. As a percentage of sales (over the last 12 months), the working capital of DSM came down from 23.2% in 2019 to 19.6% in 2020, 2021 and the first half of 2022. The decrease of the working capital of DSM in 2020 was primarily due to a decrease in current receivables, whereas the increase in 2021 was driven by a build-up in inventories and a decrease in current payables. The increase in the first half of 2022 was driven by higher inventory levels reflecting higher costs, the impact from exchange rates and supply chain constraints and higher current receivables due to increased net sales.

DSM Capital Expenditure

DSM considers capital expenditure to be a useful metric to investors because it shows the investment in both developing and maintaining intangible and tangible assets. DSM Capital Expenditure includes all investments in intangible assets and property, plant and equipment, adjusted for non-cash items and discontinued operations.

The table below provides a reconciliation of DSM Capital Expenditure for the years ended 31 December 2021, 2020 and 2019 and for the six months ended 30 June 2022 and 2021.

	For the years ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
			(in € millions)		
Intangible assets	137	151	107	62	46
Property, plant and equipment	433	458	520	184	152
Capital expenditure, cash-based	**570**	**609**	**627**	**246**	**198**
Non-cash items	44	13	(4)	53	38
Discontinued operations	(6)	(49)	(59)	(33)	(24)
DSM Capital Expenditure, continuing operations	**608**	**573**	**564**	**266**	**212**

DSM's Capital Expenditure for the year ended 31 December 2021 consisted mainly of ordinary course investments in production equipment, investments in growing the business's topline and investments in DSM's ICT infrastructure.

DSM's Capital Expenditure for the year ended 31 December 2020 consisted mainly of ordinary course investments in production equipment, such as upgrading and expanding wastewater treatment facilities, investments in growing the business' topline, and investments in ICT and research and development capabilities.

DSM's Capital Expenditure for the year ended 31 December 2019 consisted mainly of investments in growing the business' topline, ordinary course investments in production equipment and investments in research and development capabilities.

DSM's Capital Expenditure for the six months ended 30 June 2022 consisted mainly of ordinary course investments in production equipment and growing the business' topline.

DSM's Capital Expenditure for the six months ended 30 June 2021 consisted mainly of ordinary course investments in production equipment, investments in growing the business' topline and investments in DSM's ICT infrastructure.

DSM's Capital Expenditure contracted for at 30 June 2022 but not recognised as liabilities amounted to €105 million and mainly consisted of ordinary course investments in production equipment.

DSM Net Debt

DSM presents net debt because it believes this metric to be useful to investors because it reflects DSM's financial risk. DSM Net Debt is defined as the total of current and non-current borrowings, less cash and cash equivalents, current investments and the net position of derivatives, all as obtained from the line items in the financial statements.

	As of 31 December			As of 30 June
	2021	**2020**	**2019**	**2022**
		(€ in millions)		
Current borrowings	104	102	189	98
Non-current borrowings	2,989	3,484	2,464	2,985
Cash and cash equivalents	(1,561)	(871)	(800)	(792)
Current investments	(489)	(43)	(688)	(838)
Derivatives	(29)	(95)	(21)	(58)
DSM Net Debt	**1,014**	**2,577**	**1,144**	**1,395**

8.9 Liquidity and capital resources

General

DSM's primary sources of liquidity are net cash inflows from operating activities and credit facilities, as described below. The primary use of this liquidity is to fund DSM's ongoing operations, capital expenditure requirements, acquisitions and dividend payments.

Cash flows

The following table sets out financial information extracted from the cash flow statements for the years ended 31 December 2021, 2020 and 2019 and for the six months ended 30 June 2022 and 2021. The cash flow statements include an analysis of all cash flows, including those related to discontinued operations.

	For the years ended 31 December			For the six months ended 30 June	
	2021	2020	2019	2022	2021
			(in € millions)		
Cash provided by operating activities	1,427	1,494	1,385	299	579
Cash from / (used in) investing activities	208	(1,482)	(525)	(662)	970
Cash (used in) / from financing activities	(984)	83	(1,332)	(421)	(771)

The main events that have influenced the cash flows in the financial years under review are briefly described below.

Cash provided by operating activities

Cash provided by operating activities for the year ended 31 December 2021 was €1,427 million. This was mainly driven by operating profit (including discontinued operations) of €1,689 million and cash inflow from trade payables of €334 million, partially offset by an adjustment for the gain from disposals of €649 million, cash outflows for inventories of €323 million and for trade receivables of €194 million.

Cash provided by operating activities for the year ended 31 December 2020 was €1,494 million. This was mainly due to operating cash flow before changes in working capital of €1,469 million, cash inflow from trade payable of €48 million, and changes in non-operating working capital of €17 million, partially offset by cash outflows for inventories of €36 million.

Cash provided by operating activities for the year ended 31 December 2019 was €1,385 million. This was mainly due to operating cash flow before changes in working capital of €1,398 million, cash inflows from inventories of €114 million, partially offset by cash outflows for trade payables of €121 million.

Cash provided by operating activities for the six months ended 30 June 2022 was €299 million. This was due to operating cash flow before changes in working capital of €895 million and cash inflows from trade payables of €299 million, partially offset by cash outflows for inventories of €509 million, cash outflows for trade receivables of €315 million and changes in non-operating working capital of €71 million.

Cash provided by operating activities for the six months ended 30 June 2021 was €579 million. This was mainly due to operating profit (including discontinued operations) of €1,229 million and cash inflows from trade payables of €236 million, partially offset by the €570 million net book profit on the divestment of the Resins & Functional Materials and associated businesses, cash outflows for trade receivables of €267 million, and cash outflows for inventories of €213 million.

Cash from / (used in) investing activities

Cash from investing activities for the year ended 31 December 2021 was €208 million. This was mainly driven by cash inflow from the disposal of subsidiaries, businesses and associates of €1,791 million, partially offset by cash outflow for the acquisition of subsidiaries and associates of €704 million, net additions to fixed-term deposits of €445 million and capital expenditure on property, plant and equipment of €433 million.

Cash used in investing activities for the year ended 31 December 2020 was €1,482 million. This was largely due to cash outflows for the acquisition of subsidiaries and associates of €1,533 million, capital expenditure on property, plant and equipment of €458 million and capital expenditure on intangible assets of €151 million, partially offset by a net withdrawal from fixed-term deposits of €646 million.

Cash used in investing activities for the year ended 31 December 2019 was €525 million. This was mainly due to the acquisition of subsidiaries and associates of €556 million and capital expenditure on property, plant and equipment of €520 million, offset by a net withdrawal from fixed-term deposits of €588 million.

Cash used in investing activities for the six months ended 30 June 2022 was €662 million. This was mainly due to net additions to fixed-term deposits of €348 million and capital expenditure of €299 million.

Cash from investing activities for the six months ended 30 June 2021 was €970 million. This was mainly due to cash inflow from the disposal of subsidiaries, businesses and associates of €1,462 million and the disposal of other non-current assets of €131 million, partially offset by capital expenditure of €236 million, cash outflow for acquisitions of €212 million and additions to fixed-term deposits of €172 million.

Cash (used in) / from financing activities

Cash used in financing activities for the year ended 31 December 2021 was €984 million. This was mainly driven by the repayment of loans of €513 million, the payment of a €266 million dividend and the repurchase of shares of €165 million.

Cash from financing activities for the year ended 31 December 2020 was €83 million. This was largely driven by cash inflow from the take-up of loans of €1,123 million, offset by the repurchase of shares of €309 million, the payment of a €289 million dividend, the repayment of loans of €268 million and cash outflows for the change in debt to credit institutions of €95 million.

Cash used in financing activities for the year ended 31 December 2019 was €1,332 million. This was mainly due to cash outflows for the repurchase of shares of €869 million, the repayment of loans of €302 million and the payment of a €291 million dividend, partially offset by cash inflows from the proceeds from reissued treasury shares of €180 million.

Cash used in financing activities for the six months ended 30 June 2022 was €421 million. This was mainly due to the repurchase of shares of €210 million and the payment of a €156 million dividend.

Cash used in financing activities for the six months ended 30 June 2021 was €771 million. This was mainly due to the repayment of corporate bonds of €500 million, the payment of a €170 million dividend and the repurchase of shares of €120 million.

Borrowings

The following table sets out DSM's borrowings as of 31 December 2021, 2020, and 2019.

	As of 31 December		
	2021	2020	2019
		(in € millions)	
Debenture loans	2,739	3,237	2,244
Private loans	116	81	41
Lease liabilities	195	215	236
Credit institutions	43	53	132
Total	**3,093**	**3,586**	**2,653**

The average effective interest rate on the portfolio of borrowings outstanding in 2021, including hedge instruments related to these borrowings, amounted to 1.86% (2020: 1.78%, 2019: 2.31%).

Debenture loans

The following table sets out a breakdown of debenture loans as of 31 December 2021.

			Nominal amount	2021
			(in € millions)	
EUR loan	2.375%	2014–2024	500	499
EUR loan	1.00%	2015–2025	500	499
EUR loan	1.375%	2015–2022	500	-

			Nominal amount	2021
			(in € millions)	
EUR loan	0.75%	2016–2026	750	749
EUR loan	0.25%	2020–2028	500	498
EUR loan	0.625%	2020–2032	500	495
			3,250	**2,739**

All debenture loans have a fixed interest rate and are listed on Euronext Amsterdam.

- The 2.375% EUR bond 2014–2024 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond of 3.97%, including the settlement of the pre-hedge.

- The 1.00% EUR bond 2015–2025 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond at 3.65%, including the settlement of the pre-hedge.

- The 1.375% EUR bond 2015–2022 of €500 million had an effective interest rate of 1.40% and was early redeemed during 2021, as is mentioned above.

- The 0.75% EUR bond 2016–2026 of €750 million was pre-hedged by means of a collar resulting in an effective interest rate for this bond of 1.08%, including the settlement of the pre-hedge.

- The 0.25% EUR bond 2020–2028 of €500 million has an effective interest rate of 0.29%.

- The 0.625% EUR bond 2020–2032 of €500 million has an effective interest rate of 0.70%.

In agreements governing the debenture loans, negative pledge causes have been included that restrict the provision of security.

The documentation of the €500 million bond issued in March 2014, the €500 million bond issued in April 2015, the €750 million bond issued in September 2016 and both €500 million bonds issued in June 2020 include a change-of-control clause. This clause allows the bond investors to request repayment at par if 50% or more of the DSM shares are controlled by a third party and if the company is downgraded below investment grade (< BBB-). DSM's credit rating has been kept stable throughout the period under review and is set out as follows: Moody's: "A3"/stable outlook and S&P: "A-"/stable outlook. The Merger is not expected to result in a change of control event for the bonds, since DSM anticipates that DSM-Firmenich will maintain a strong investment grade rating. As of 31 December 2021, there was €1,043 million in borrowings outstanding with a remaining term of more than five years (as of 31 December 2020: €1,813 million, 2019: €1,265 million).

In June 2021, DSM exercised its right to redeem early, in full and at the make-whole redemption amount, the €500 million bond issued on 24 September 2015 and with scheduled maturity of 26 September 2022. The make-whole redemption amount was €1,033.91 per €1,000 in principal amount of notes inclusive of accrued and unpaid interest up to, but excluding, the make-whole redemption date falling on 18 June 2021.

DSM Revolving Credit Facility

DSM also has one committed revolving credit facility for €1 billion. This facility remains undrawn as of 30 June 2022. The facility includes a change-of-control provision, whereby a) the lenders will not be obliged to fund a loan, and b) each lender can decide that it wishes to cancel its commitment. As a result of the Merger, the change of control provision will be triggered. However, DSM intends to request a waiver of the change of control provision from the lenders ahead of the closing of the Merger and anticipates that such a waiver will be granted.

Contractual obligations and commitments

The following table sets out the DSM's contractual obligations as of 31 December 2021, based upon the period in which payments are due.

	Carrying amount	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
				(in € millions)			
Borrowings	3,093	104	73	549	553	771	1,043
Monetary liabilities	2,399	2,188	67	37	57	18	32
Guarantees	206	-	-	-	-	-	206
Derivatives	49	40	7	2	-	-	-
Interest payments	127	27	27	27	15	10	21
Cash at redemption	11	2	2	2	1	1	3
Total	**5,885**	**2,361**	**176**	**617**	**626**	**800**	**1,305**

Cash at redemption represents the difference between nominal redemption and amortised costs.

Lease liabilities

In addition to the contractual lease commitments, DSM has identified explicit renewal options available to DSM, which are currently not reasonably certain to be exercised and are therefore not included in the measurement of the lease.

The associated future lease payments which are uncommitted and optional for DSM, are estimated around €79 million (undiscounted; 2020: €78 million, 2019: €76 million).

The interest expense on the lease liabilities was €5 million (2020: €6 million, 2019: €7 million) and the total repayments of the lease liabilities amounted to €54 million in 2021 (2020: €55 million, 2019: €53 million). These cash flows are reported as financing cash flows.

Off-balance sheet arrangements

The following table sets out the off-balance sheet arrangements as of 31 December 2021, 2020, and 2019.

	As of 31 December		
	2021	2020	2019
		(in € millions)	
Guarantee obligations on behalf of associates and third parties	206	196	182
Outstanding orders for projects under construction	11	30	8
Other	108	82	61
Total	**325**	**308**	**251**

Guarantee obligations are principally related to VAT and duties on the one hand and to financing obligations of associated companies or related third parties on the other. Guarantee obligations will only lead to a cash outflow when called upon. As of 31 December 2021, no obligations had been called upon. Most of the outstanding orders for projects under construction will be completed in 2022. Others relate mainly to contingent liabilities in contracts for catalysts.

Litigation

DSM has a process in place to monitor legal claims periodically and systematically. DSM is involved in several legal proceedings, most of which are related to the ordinary course of business. DSM does not expect these proceedings to result in liabilities that have a material effect on its financial position.

Environmental provisions

DSM has provisions for environmental costs related to soil clean-up obligations, among other things. These provisions have an average life of around ten years. As of 31 December 2021, DSM had a provision for environmental costs amounting to €37 million for which current liabilities existed of €4 million.

8.10 Quantitative and qualitative disclosures about market risk

As an international company, DSM is exposed to financial risks in the normal course of business. A major objective of our group policy is to minimise the impact of market, liquidity and credit risk on the value of the company and its profitability. In order to achieve this, a systematic financial and risk management system has been established. For the purpose of securing compliance with the risk management policies, an internal control framework has been implemented, and the controls are monitored and tested periodically. For more information, please refer to note 23 of the DSM Annual Financial Statements, included elsewhere in this Offering Circular.

8.11 Significant and critical accounting policies, judgments, estimates and assumptions

The preparation of the DSM Annual Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. DSM exercises judgements in applying DSM's accounting policies. For a description of DSM's critical accounting judgements and key sources of estimation uncertainty, see the summary of significant accounting policies in the DSM Annual Financial Statements, included elsewhere in this Offering Circular.

9. SELECTED CONSOLIDATED FINANCIAL INFORMATION OF FIRMENICH

This section contains information extracted and derived from the audited historical consolidated financial statements of Firmenich for the years ended 30 June 2022, 30 June 2021 and 30 June 2020. Firmenich's audited consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020 have been prepared in accordance with IFRS-IASB and Swiss law. Firmenich's audited consolidated financial statements, including the auditor's reports thereon, are incorporated by reference.

Firmenich's audited consolidated financial statements have been audited by KPMG SA, an independent auditor located at Esplanade de Pont-Rouge 6, PO Box 1571, CH-1211 Geneva 26, Switzerland. KPMG SA has not resigned, been removed or not been reappointed as Firmenich's auditor during the period covered by Firmenich's audited consolidated financial statements. KPMG SA is a member of EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary (*Schweizer Expertenverband für Wirtschaftsprüfung, Steuern und Treuhand*). Firmenich's consolidated financial statements cover the periods from 1 July to 30 June of the relevant financial periods. The financial information of Firmenich as included in this Offering Circular therefore relates to a different financial period than the financial information of DSM as included in this Offering Circular, which financial information relates to the period from 1 January to 31 December of the relevant financial periods.

9.1 Selected financial statements

Presented below is selected consolidated financial information of Firmenich derived from the audited consolidated financial statements for the year ended 30 June 2022, 30 June 2021 and 30 June 2020. The selected consolidated financial information may not contain all of the information that is important to prospective investors and, accordingly, should be read in conjunction with (i) this Offering Circular as a whole and (ii) Firmenich's audited consolidated statements with the accompanying notes thereto.

Selected consolidated income statement

	Financial year ended 30 June		
	2022	**2021**	**2020**
		(in CHF millions)	
Revenue	**4,722.7**	**4,272.1**	**3,877.6**
Cost of goods sold	(2,876.0)	(2,513.2)	(2,149.2)
Gross profit	**1,846.7**	**1,758.9**	**1,728.4**
Distribution expenses	(161.9)	(121.5)	(91.9)
Research and development expenses	(401.1)	(397.7)	(366.5)
Commercial and marketing expenses	(464.9)	(448.2)	(378.7)
Administration expenses	(322.2)	(276.3)	(283.9)
Other operating income	11.4	79.2	15.2
Operating profit	**508.0**	**594.4**	**622.6**
Financing costs	(48.3)	(48.4)	(36.6)
Net other financial expenses	(13.7)	(18.9)	(53.1)
Remeasurement to fair value of pre-existing interest in an acquiree	(23.7)	-	30.1
Share of profit / (loss) of jointly controlled entities and associates, net of taxes	10.3	5.7	(3.9)
Income before taxes	**480.0**	**532.8**	**559.1**
Income tax expense	(83.7)	(79.6)	(96.9)
Net income for the period	**396.3**	**453.2**	**462.2**
Attributable to			
Non-controlling interests	4.6	3.8	2.0
Equity holders of the parent	391.7	449.4	460.2
Basic and diluted earnings per A share	483.57	554.88	568.11
Basic and diluted earnings per B share	48.36	55.49	56.81

Selected consolidated statement of financial position

	As at 30 June		
	2022	2021	2020
		(in CHF millions)	
Assets			
Non-current assets			
Goodwill and intangible assets	2,900.3	2,888.4	2,805.7
Property, plant and equipment	1,688.7	1,635.0	1,555.3
Financial investments and loans	607.6	686.1	577.5
Investments in jointly controlled entities and associates	148.8	146.3	71.6
Deferred tax assets	83.6	116.5	122.3
Total non-current assets	**5,429.0**	**5,472.3**	**5,132.4**
Current assets			
Inventories	1,133.6	896.1	857.8
Trade accounts receivable	1,020.7	958.2	878.4
Other receivables and prepaid expenses	212.4	145.3	160.5
Derivative financial instruments assets	13.8	1.8	9.4
Current income tax assets	64.3	59.2	78.9
Financial investments	164.4	223.2	123.3
Cash and cash equivalents	591.7	571.4	704.7
Total current assets	**3,200.9**	**2,855.2**	**2,813.0**
Total assets	**8,629.9**	**8,327.5**	**7,945.4**
Equity			
Share capital	40.5	40.5	40.5
Retained earnings and other reserves	4,728.6	4,755.5	4,384.3
Remeasurement of employee benefit obligations	4.6	(244.8)	(461.4)
Translation of foreign operations	(532.1)	(527.6)	(486.0)
Equity attributable to equity holders of the parent	**4,241.6**	**4,023.6**	**3,477.4**
Non-controlling interests	55.0	44.9	45.0
Total equity	**4,296.6**	**4,068.5**	**3,522.4**
Liabilities			
Non-current liabilities			
Employee benefit obligations	210.2	463.0	706.5
Provisions	11.9	12.7	19.0
Deferred tax liabilities	276.1	301.8	268.3
Long-term borrowings	2,250.3	2,287.5	2,249.0
Redemption liabilities	99.7	77.4	50.0
Other debt	35.3	18.1	18.9
Total non-current liabilities	**2,883.5**	**3,160.5**	**3,311.7**
Current liabilities			
Trade accounts payable	527.1	354.1	309.5
Other payables and accrued expenses	674.1	529.4	488.8
Derivative financial instruments liabilities	7.0	6.5	75.7
Employee benefit obligations	50.5	18.2	6.7
Provisions	4.6	11.5	5.8
Current income tax liabilities	80.8	80.8	73.7
Short-term borrowings	105.7	98.0	151.1
Total current liabilities	**1,499.8**	**1,098.5**	**1,111.3**
Total liabilities	**4,333.3**	**4,259.0**	**4,423.0**
Total equity and liabilities	**8,629.9**	**8,327.5**	**7,945.4**

Selected consolidated statement of cash flows

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Cash flows from operating activities	620.8	693.3	641.9
Cash flows used in investing activities	390.8	(466.4)	(2,442.8)

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Cash flows (used in) / from financing activities	(205.2)	(359.1)	2,139.3
Net (decrease) / increase in cash and cash equivalents	**24.8**	**(132.2)**	**338.4**
Cash and cash equivalents at beginning of period	571.4	704.7	376.4
Cash and cash equivalents at end of period	**591.7**	**571.4**	**704.7**

10. FIRMENICH OPERATING AND FINANCIAL REVIEW

The following is a discussion of Firmenich's results of operations and financial condition as at and for the financial years ended 30 June 2022, 2021 and 2020 (collectively, the ***Firmenich Periods Under Review****). This discussion should be read in conjunction with the selected historical financial information included in section 9 "Selected Consolidated Financial Information of Firmenich" as well as with Firmenich's consolidated financial statements included elsewhere in this Offering Circular, which have been audited by KPMG SA. The following discussion of Firmenich's results of operations and financial condition should be read in conjunction with section 17.4 "Presentation of financial information, independent auditors and other information" and section 3 "DSM-Firmenich's Business". Prospective investors should read the entire Offering Circular and not just rely on the information set out below.*

The following discussion of Firmenich's results of operations and financial condition contains forward-looking statements that involve risks and uncertainties. Firmenich's actual results could differ materially from those that are discussed in any forward-looking statements. Investors should read section 17.8 "Information regarding forward-looking statements" for a discussion of the risks and uncertainties related to those statements. Investors should also read section 2 "Risk Factors" for a discussion of certain factors that may affect Firmenich's business, financial condition and results of operations.

10.1 Overview

Firmenich has been a private, family-owned company for 127 years, active in the fragrance and flavours industry. Firmenich's business is predominantly business-to-business, with primary customers in the food and beverage industries, as well as manufacturers of fine fragrance, personal, body and home care products which use products from Firmenich to produce consumer goods.

10.2 Segmentation

Firmenich's internal reporting is split into two reportable segments:

- perfumery and ingredients, which segment includes the business lines fine fragrance, consumer fragrances and ingredients; and
- taste and beyond, which segment includes the business lines beverages, sweet goods and savoury.

The segments are based on the structure of internal management reporting of Firmenich to facilitate decision-making with respect to the allocation of resources and to assess the performance of its operations. The performance of the segments is measured and assessed on the basis of revenue, EBITDA and Firmenich Adjusted EBITDA.

10.3 Key factors affecting Firmenich's business and results of operations

Firmenich's results of operations are affected by a combination of factors affecting the industry as a whole, and various operating factors specific to Firmenich. The following factors have contributed significantly to the development of Firmenich's business and results of operations during the Firmenich Periods Under Review.

Overall economic trends

Firmenich's business and results of operations are driven by its customers' demand for its flavours and fragrances used in the manufacture of a wide array of products, which in turn is driven by the demand of consumers and other end-users for the products made by Firmenich's customers. Demand levels for Firmenich's products depend, to a large extent, on macroeconomic conditions on a global level and in the regional economies supplied by its customers. As a result, Firmenich's business and results of operations have a strong correlation to general economic conditions and changes in consumer confidence and behaviour around the world. An improvement or deterioration in levels of economic activity and consumer demand tends to be reflected in the overall level of production and consumption of flavours and fragrances. The demand for fine fragrances in particular depends largely on discretionary spending by consumers and end-users. Consequently, positive conditions in the broader economy may promote customer demand for Firmenich's products, while high inflation levels or recessionary pressures, such as wage stagnation, unemployment rates, reduced levels of consumer spending and the reduction of dual income households, may have a negative effect on customer demand for more expensive Firmenich products. For example, high inflation rates or reduced consumer spending could deter consumers from purchasing the goods in which Firmenich's products are processed, which could materially and adversely affect Firmenich's results of operations. In addition, customers' demand for certain Firmenich products, such as fine fragrances, may experience more cyclical fluctuations, whereas other products, such as consumer fragrance, experience a more stable demand through economic cycles.

The COVID-19 pandemic and the government measures taken in response to it have caused stronger demand in consumer fragrance categories, such as household cleaning and laundry, as well as in savoury products (in particular for shelf-stable food products). However, during the COVID-19 pandemic Firmenich experienced a decline in sales of fine fragrance products, as this is a discretionary spending item and is driven by retail store sales and duty-free sales, both of which have been heavily impacted by the government measures taken in response to the COVID-19 pandemic. In the financial year ended 30 June 2022, there was a significant recovery in the demand for fine fragrance products. Firmenich's operations are considered part of the essential food and hygiene supply chains. Consequently, there have been no material facility closures during the COVID-19 pandemic that affected Firmenich's business.

Foreign currency exchange rates

Firmenich operates globally and conducts much of its business in currencies other than its reporting currency (CHF). Consequently, Firmenich's results of operations are sensitive to fluctuations in currency exchange rates as a result of its significant activities in international markets. A decline in the value of foreign currencies against the CHF would have a negative effect on its results of operations. Firmenich is primarily exposed to foreign exchange effects with respect to the U.S. dollar, the Euro and to a lesser extent Asian and Latin American currencies. A significant part of Firmenich's revenue and costs, as well as certain of its assets and liabilities, are recorded in other currencies than its reporting currency. In the financial year ended 30 June 2022, 39.8% of Firmenich's revenue was generated in U.S. dollar, 25.9% was generated in Euro, 7.9% was generated in CHF and 26.4% was generated in other currencies.

Exchange rate fluctuations have in the past had a significant impact in the form of both translation risk and transaction risk on Firmenich's results of operations. Transactional foreign exchange risk arises when Firmenich's future commercial transactions, recognised assets or liabilities are denominated in a currency that is different from its functional currency. Translation risk arises from the conversion of net assets of Firmenich's foreign operations to its reporting currency. To manage its foreign exchange transaction risks, Firmenich enters into forward contracts as well as currency options. However, hedging through derivative financial instruments may not fully offset adverse currency fluctuations, and such fluctuations, therefore, may affect Firmenich's results of operations. For more information on exchange rate risks, see section 2.4 "*Risks relating to DSM-Firmenich's financial matters and its capital and corporate structure – DSM-Firmenich will be subject to fluctuations in foreign exchange rates*".

Strategic acquisitions and investments

Acquisitions have played an important part in the growth of Firmenich during the Firmenich Periods Under Review. Firmenich has completed seven material acquisitions and investments between 1 July 2019 and the date of this Offering Circular. The results of operations of any business acquired by Firmenich are reflected in the historical financial information of Firmenich only from the date of completion of the respective acquisition. The following table provides an overview of the material acquisitions and investments completed by Firmenich during the Firmenich Periods Under Review.

Business acquired or investments made	Price paid (CHF)	Share of capital and voting rights (%)	Segment	Date of acquisition
ArtSci Biology Technologies Co Ltd (China)[(1)]	229.7 million	90%	Taste and beyond	April 2022
S H Kelkar and Co. Ltd (India)[(2)]	30.0 million	10%	N/A[(3)]	N/A[(3)]
Essential Labs LLC (USA)	108.1 million	49%	Perfumery and ingredients	September 2021
Gülçiçek Kimya ve Uçan Yaglar Sanayive Ticaret A.S. (MG International) (Turkey)[(4)]	155.3 million	87%	Perfumery and ingredients	July 2020
Robertet SA (France)[(5)]	395.1 million	22% of share capital and 11% of voting rights	N/A[(3)]	N/A[(3)]
Les Dérivés Résiniques et Terpéniques SAS (DRT) (France)	1,782.5 million	100%	Perfumery and ingredients	May 2020
VKL Seasoning Private Ltd (India)[(6)]	74.8 million	69%	Taste and beyond	July 2019

(1) In April 2022, the Firmenich group increased its ownership in ArtSci Biology Technologies Co Ltd from 49.99% to 90%. The acquisition price indicated corresponds to the aggregated price paid for the 90% shares.

(2) S H Kelkar and Co. Ltd is listed on the National Stock exchange of India and on the Mumbai Stock Exchange.

(3) The investments in S H Kelkar and Co. Ltd. and in Robertet SA are both financial investments of Firmenich that were acquired through the stock exchanges on which these companies are listed. These companies are not affiliated with the Firmenich group and their business does not interfere with Firmenich's operating segments. As such, this information is not applicable for these financial investments.

(4) The Firmenich group initially acquired 69% of MG International in July 2020 and later increased its share to 87%. The acquisition price indicated corresponds to the aggregated price for the 87% shares.

(5) Robertet SA is listed on Euronext Paris.

(6) The Firmenich group initially acquired a 65% stake in VKL Seasoning Private Ltd in July 2019 for an acquisition price of CHF 65.8 million. Since then, it has gradually increased its ownership to 69% as of December 2021. The acquisition price indicated corresponds to the aggregated price paid for the 69% shares.

The most significant acquisition completed by Firmenich during the Firmenich Periods Under Review was the acquisition of Les Dérivés Résiniques et Terpéniques SAS (**DRT**) in 2020, which is a platform in providing green ingredients to perfumery. The acquisition of DRT is an important step in Firmenich's ambition to build a leading innovation platform for renewable, biodegradable and sustainable ingredients for flavours and fragrances. For more information, see section 3 "*DSM-Firmenich's Business*".

Consumer preferences

Firmenich's primary customers are companies in the food and beverage industries, as well as manufacturers of fine fragrance, personal, body and home care products which use Firmenich's products to produce consumer goods. As such, Firmenich's results of operations depend on its ability to anticipate market trends and develop and introduce new products and enhance or improve existing products that appeal to its customers and to consumers. For example, sustainability and increased environmental consciousness are key drivers in the industries in which Firmenich operates, as shown by the growing customer and consumer demand for natural ingredients and sustainable products. In the taste and beyond segment, consumers are increasingly focused on well-being and healthy food and beverage choices. Firmenich makes significant investments in research and development to respond to changes in consumer demands. However, such investments may not result in the introduction of new or enhanced products that the meet continuously changing consumer preferences, particularly as there may be significant lag times from the time the research and development investments are made to the launch of a new product. In addition, as Firmenich's products are used in the manufacture of consumer products, the success of the brands of its customers to which it supplies its products affects Firmenich's results of operations. Firmenich's success therefore partially depends on factors which are outside its control, including the ability of its customers to anticipate and respond to changing consumer preferences, the ability of its customers to timely launch new products and the performance of third-party vendors.

10.4 Non-IFRS financial measures

Firmenich uses several financial key performance indicators (Revenue, Growth at Constant Currency, Revenue Growth on an Organic Basis at Constant Currency, EBITDA, Firmenich Adjusted EBITDA, Firmenich Adjusted EBITDA Margin, Free Cash Flow and Firmenich Net Debt) to track the performance of its business. Except for Revenue, none of these key performance indicators is a measure of financial performance or cash flow under

IFRS. Firmenich's management nonetheless believes that these performance indicators provide important information of trends in its financial or operational performance that is also useful to investors.

Although certain of the data below has been extracted or derived from Firmenich's consolidated financial statements contained in this Offering Circular, this data, and the assumptions underlying this data, have not been audited or reviewed by Firmenich's independent statutory auditors. The information used to calculate these measures is partly derived from Firmenich's management accounts and Firmenich's consolidated financial statements. These non-IFRS financial measures may not be indicative of the Firmenich Group's historical operating results, nor are such measures meant to be predictive of future results of DSM-Firmenich. These non-IFRS financial measures are presented because the Firmenich Group considers them an important supplemental measure of its performance and believe that they and similar measures are widely used in the industry in which the Firmenich Group operates as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Offering Circular and they should not be considered as a substitute for operating profit, profit for the year, cash flow, expenses or other financial measures computed in accordance with IFRS.

The following table presents Firmenich's key performance indicators for each of the periods indicated.

	Financial year ended 30 June		
	2022	**2021**	**2020**
	(in CHF millions, unless indicated otherwise)		
Revenue	4,722.7	4,272.1	3,877.6
Growth at Constant Currency	11.2%	16.8%	2.8%
Revenue Growth on an Organic Basis at Constant Currency	11.1%	4.7%	1.1%
EBITDA	798.1	873.6	822.5
Firmenich Adjusted EBITDA	904.5	815.9	858.8
Firmenich Adjusted EBITDA Margin	19.2%	19.1%	22.1%
Free Cash Flow	413.6	511.3	454.5
Firmenich Net Debt	(1,599.9)	(1,590.9)	(1,572.1)

Each of Firmenich's non-IFRS financial measures is described below.

- **Growth at Constant Currency** for a period is defined as the year-over-year increase of revenue, where the revenue for that period is converted at the foreign exchange rates of the previous period and the revenue for the previous period is also converted at the foreign exchange rates of that period.

  Firmenich uses Growth at Constant Currency to evaluate its operating performance. It considers this metric to be particularly useful as it facilitates comparisons of Firmenich's operating performance on a period-to-period basis by eliminating the effects of foreign currency exchange rate fluctuations on its revenue and provides relevant information for management to better understand the underlying factors contributing to such performance.

- **Revenue Growth on an Organic Basis at Constant Currency** for a period is defined as the year-over-year increase of revenue (i) excluding the impact of business acquisitions and disposals for a period of 12 months following or preceding the date of such business acquisition or disposal, respectively, and (ii) where the revenue for that period is converted at the foreign exchange rates of the previous period and the revenue for the previous period is also converted at the foreign exchange rates of that period.

  Firmenich uses Revenue Growth on an Organic Basis at Constant Currency to evaluate its operating performance. It considers this metric to be particularly useful as it facilitates comparisons of Firmenich's sales performance on a period-to-period basis by eliminating the effects of business acquisitions and disposals and of foreign currency exchange rate fluctuations on its revenue and provides relevant information for management to better understand the underlying factors contributing to such performance.

- **EBITDA** for a period is defined as earnings before financial income (expense), tax, depreciation and amortisation. It corresponds to operating profit before depreciation, amortisation and impairment losses.

  Firmenich uses EBITDA to calculate Firmenich Adjusted EBITDA.

- **Firmenich Adjusted EBITDA** for a period is defined as EBITDA adjusted to eliminate the impact of identified items of a non-recurring nature and / or not directly attributable to the operating performance that may materially distort period to period comparisons and / or the evaluation of Firmenich's ongoing business performance. The defined list of adjustments comprises restructuring and transformation costs, acquisition and disposal related costs, gain and loss on disposals of intangible assets and property, plant and equipment, and other items of a one-time and / or non-operating nature, which may include elements such as legal claims and settlements, or curtailments of defined benefits pension plans.

  Firmenich considers Firmenich Adjusted EBITDA to be a useful metric for evaluating its operating performance, in particular as it facilitates comparisons of Firmenich's core operating results on a period-to-period basis by removing the impact of, among other things, changes to its asset base and other non-recurring items and items not related to Firmenich's core business operations.

- **Firmenich Adjusted EBITDA Margin** for a period is defined as Firmenich Adjusted EBITDA for that period as a percentage of revenue for that period.

  Firmenich considers Firmenich Adjusted EBITDA Margin to be a useful metric for evaluating its operating performance in general and believes that Firmenich Adjusted EBITDA Margin is relevant as an internal key performance indicator and for investors to evaluate Firmenich's ongoing operating performance relative to its revenue on a consistent basis as its business grows.

- **Free Cash Flow** for a period is defined as cash flows from operating activities less purchases of intangible assets and property, plant and equipment net of disposals.

  Firmenich considers Free Cash Flow to be a useful metric for evaluating its ability to generate cash and determining the allocation of resources. It provides relevant information for management and investors about the amount of cash generated by Firmenich's business for the purpose of returning capital to its shareholders, to repay debt or to fund potential acquisitions.

- **Firmenich Net Debt** for a period is defined as the sum of short-term and long-term borrowings less cash and cash equivalents and current financial investments.

  Firmenich considers Firmenich Net Debt to be a useful metric to assess its financial position as it provides relevant information about Firmenich's cash position compared to its indebtedness.

Reconciliation

Growth at Constant Currency and Revenue Growth on an Organic Basis at Constant Currency

The following tables set out a reconciliation of Growth at Constant Currency and Revenue Growth on an Organic Basis at Constant Currency to revenue for the periods indicated.

Reconciliation for the year ended 30 June 2022

	Financial year ended 30 June		**Year-over-year**	**Year-over-year %**
	2022	**2021**		
	(in CHF millions, unless indicated otherwise)			
Revenue	**4,722.7**	**4,272.1**		
Revenue growth			**450.6**	**10.5%**
Effect of foreign exchange rates			(29.3)	(0.7)%

Growth at Constant Currency			**480.0**	**11.2%**
Effect of business acquisitions and disposals			6.4	0.1%
Revenue Growth on an Organic Basis at Constant Currency			**473.6**	**11.1%**

Reconciliation for the year ended 30 June 2021

	Financial year ended 30 June		Year-over-year	Year-over-year %
	2021	2020		
	(in CHF millions, unless indicated otherwise)			
Revenue	**4,272.1**	**3,877.6**		
Revenue growth			**394.5**	**10.2%**
Effect of foreign exchange rates			(255.3)	(6.6)%
Growth at Constant Currency			**649.8**	**16.8%**
Effect of business acquisitions and disposals			469.8	12.1%
Revenue Growth on an Organic Basis at Constant Currency			**180.0**	**4.7%**

Reconciliation for the year ended 30 June 2020

	Financial year ended 30 June		Year-over-year	Year-over-year %
	2020	2019		
	(in CHF millions, unless indicated otherwise)			
Revenue	**3,877.6**	**3,873.8**		
Revenue growth			**3.8**	**0.1%**
Effect of foreign exchange rates			(102.9)	(2.7)%
Growth at Constant Currency			**106.7**	**2.8%**
Effect of business acquisitions and disposals			65.6	1.7%
Revenue Growth on an Organic Basis at Constant Currency			**41.1**	**1.1%**

EBITDA and Firmenich Adjusted EBITDA

The following table sets out a reconciliation of EBITDA and Firmenich Adjusted EBITDA to operating profit for the periods indicated.

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Operating profit	**508.0**	**594.4**	**622.6**
Depreciation of property, plant and equipment	177.9	170.8	129.9
Amortisation of intangible assets	106.9	102.6	68.3
Impairment losses	5.3	5.8	1.7
EBITDA	**798.1**	**873.6**	**822.5**
Restructuring and transformation costs	4.8	10.2	7.1
Acquisition and disposal-related costs	99.9[(1)]	9.1	29.2
Gain on disposal of intangible assets and property, plant and equipment	1.7	(46.9)	-
Other items of a one-time and or non-operating nature	-	(30.1)[(2)]	-
Firmenich Adjusted EBITDA	**904.5**	**815.9**	**858.8**

(1) This amount mainly consists of expenses and provisions related to the Merger.
(2) This amount reflects an income related to a settlement of legal proceedings.

Free Cash Flow

The following table sets out a reconciliation of Free Cash Flow to net cash flows from operating activities for the periods indicated.

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Cash flows from operating activities	**620.8**	**693.3**	**641.9**
Purchase of property, plant and equipment	(171.5)	(185.7)	(157.6)
Purchase of intangible assets	(37.8)	(38.1)	(33.9)
Disposal of intangible assets, property, plant and equipment	2.1	41.8	4.1
Free Cash Flow	**413.6**	**511.3**	**454.5**

Firmenich Net Debt

The following table sets out a reconciliation of Firmenich Net Debt to line items from Firmenich's consolidated statement of financial position for the periods indicated.

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Short-term borrowings	(105.7)	(98.0)	(151.1)
Long-term borrowings	(2,250.3)	(2,287.5)	(2,249.0)
Financial investments	164.4	223.2	123.3
Cash and cash equivalents	591.7	571.4	704.7
Firmenich Net Debt	**(1,599.9)**	**(1,590.9)**	**(1,572.1)**

10.5 Description of key income statement line items

The following descriptions of key line items pertains to Firmenich's consolidated financial statements that have been prepared in accordance with IFRS-IASB and Swiss law for the financial years ended 30 June 2022, 2021 and 2020.

Revenue

Firmenich generates revenue from contracts with customers for the sale of fragrances and products used in the production of food and beverages. The performance obligation is satisfied when control over a good is transferred to the customer. Revenue is recognised at that point in time based on the price specified in the contract, net of the estimated volume discounts provided that it is highly probable that a significant reversal will not occur. Firmenich recognises revenue when it transfers control over a good to a customer, which is deemed upon shipment.

No element of financing is deemed present as the sales are made with a short-term credit term.

Cost of goods sold

Cost of goods sold includes all manufacturing costs related to the goods sold, including raw materials and consumables used (such as packaging materials), inward freight and warehousing, labour and production costs.

Gross profit

Gross profit is the sum of revenue and cost of goods sold.

Distribution expenses

Distribution expenses include costs and expenses for the fleet, warehousing, third-party distribution and associated personnel costs.

Research and development expenses

Research and development expenses include the cost of scientific and technical activities, intellectual property rights and the education and training necessary for the creation of molecules, development, production or implementation and marketing of new or substantially improved materials, methods, products, processes, systems or services.

Commercial and marketing expenses

Commercial and marketing expenses include personnel expenses for Firmenich's sales force, direct marketing expenditures, and associated labour costs.

Administration expenses

Administration expenses consist of costs associated with Firmenich's central functions of finance, human resources, IT, site and general management and associated labour costs.

Other operating income

Other operating income primarily comprises legal settlements, indemnities related to business interruption and gains on the sale of assets.

Operating profit

Operating profit is the sum of gross profit, distribution expenses, research and development expenses, commercial and marketing expenses, administration expenses, and other operating income.

Financing costs

Financing costs include interests paid on bank borrowings and bonds and on net defined benefit liability.

Net other financial expenses

Net other financing expenses mainly include interest and dividend income, change in fair value of financial assets, foreign exchange gains and losses, bank charges and other financial charges, and other financial gains and losses.

Remeasurement to fair value of pre-existing interest in an acquiree

Remeasurement to fair value of pre-existing interest in an acquiree has been recognised in Firmenich's consolidated income statement for the financial years ended 30 June 2022 and 2020, pursuant to the investment in ArtSci Biology Technologies Co Ltd in April 2022 and the acquisition of DRT by Firmenich in May 2020. After increasing its interest in ArtSci Biology Technologies Co Ltd by acquiring 40.01% of the outstanding shares, Firmenich's existing 49.99% interest in ArtSci Biology Technologies Co Ltd was remeasured to fair value, resulting in a one-off gain of CHF 23.7 million in the financial year ended 30 June 2022. As a result of the DRT acquisition, Firmenich took ownership of the remaining 50% interest in Fider S.A., previously a joint venture with DRT. Firmenich's existing 50% interest in Fider S.A. was remeasured to fair value, resulting in a one-off gain of CHF 30.1 million in the financial year ended 30 June 2020.

Share of profit / (loss) of jointly controlled entities and associates, net of taxes

Share of profit / (loss) of jointly controlled entities and associates, net of taxes, relates to the share of profit or loss after adjusting for taxes in entities in which Firmenich has a joint control or in which Firmenich has a significant influence.

Income before taxes

Income before taxes is the sum of operating profit, financing costs, net other financial expenses, remeasurement to fair value of pre-existing interest in an acquiree, and share of profit / (loss) of jointly controlled entities and associates, net of taxes.

Income tax expense

Income tax expense includes current tax charges, deferred tax income and expenses as well as adjustments to taxes and deferred taxes of previous years.

Net income for the period

Net income for the period is the sum of income before taxes and income tax expense.

10.6 Current trading and recent developments

On 22 November 2022, Firmenich published a trading update (the **Firmenich Trading Update**). The Firmenich Trading Update is not audited or reviewed by an independent accountant. The Firmenich Trading Update is incorporated by reference in, and forms part of, the Offering Circular. The Firmenich Trading Update may be obtained in electronic form free of charge from Firmenich's website.

Other than those mentioned in the Firmenich Trading Update, there are no significant changes in the financial performance or the financial position of Firmenich since 30 June 2022, and there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Firmenich's prospects for the remainder of Firmenich's current financial year.

10.7 Results of operations

The following table sets out Firmenich's financial performance and certain operating results on the basis of its audited consolidated financial information for the periods indicated.

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Revenue	**4,722.7**	**4,272.1**	**3,877.6**
Cost of goods sold	(2,876.0)	(2,513.2)	(2,149.2)
Gross profit	**1,846.7**	**1,758.9**	**1,728.4**
Distribution expenses	(161.9)	(121.5)	(91.9)
Research and development expenses	(401.1)	(397.7)	(366.5)
Commercial and marketing expenses	(464.9)	(448.2)	(378.7)
Administration expenses	(322.2)	(276.3)	(283.9)
Other operating income	11.4	79.2	15.2
Operating profit	**508.0**	**594.4**	**622.6**
Financing costs	(48.3)	(48.4)	(36.6)
Net other financial expenses	(13.7)	(18.9)	(53.1)
Remeasurement to fair value of pre-existing interest in an acquiree	23.7	-	30.1
Share of profit / (loss) of jointly controlled entities and associates, net of taxes	10.3	5.7	(3.9)
Income before taxes	**480.0**	**532.8**	**559.1**
Income tax expense	(83.7)	(79.6)	(96.9)
Net income for the period	**396.3**	**453.2**	**462.2**
Attributable to:			
Non-controlling interests	4.6	3.8	2.0

	Financial year ended 30 June		
	2022	2021	2020
	(in CHF millions)		
Equity holders of the parent	391.7	449.4	460.2

Certain segmental information

The following table sets out certain key metrics per segment and for the holding level for the periods indicated.

	Financial year ended 30 June		
	2022	2021	2020
	(in CHF millions)		
Revenue	**4,722.7**	**4,272.1**	**3,877.6**
Perfumery and ingredients	3,141.2	2,854.8	2,450.0
Taste and beyond	1,581.5	1,417.3	1,427.6
Operating profit	**508.0**	**594.4**	**622.6**
Perfumery and ingredients	324.3	387.8	402.2
Taste and beyond	183.7	206.6	220.4
Depreciation and amortisation	**(290.1)**	**(279.2)**	**(199.9)**
Perfumery and ingredients	(189.4)	(183.9)	(107.4)
Taste and beyond	(100.7)	(95.3)	(92.5)
EBITDA	**798.1**	**873.6**	**822.5**
Perfumery and ingredients	513.7	571.7	509.6
Taste and beyond	284.4	301.9	312.9
Firmenich Adjusted EBITDA	**904.5**	**815.9**	**858.8**
Perfumery and ingredients	588.4	549.8	532.2
Taste and beyond	316.1	266.1	326.6

The following table sets out a reconciliation of EBITDA and Firmenich Adjusted EBITDA to segmental operating profit for the periods indicated.

	Financial year ended 30 June		
	2022	2021	2020
	(in CHF millions)		
Perfumery and ingredients segment			
Operating profit	**324.3**	**387.8**	**402.2**
Depreciation of property, plant and equipment	118.0	112.5	74.3
Amortisation of intangible assets	67.9	66.6	33.0
Impairment losses	3.5	4.8	0.1
EBITDA	**513.7**	**571.7**	**509.6**
Restructuring and transformation costs	3.7	8.0	4.2
Acquisition and disposal related costs	69.8	6.5	18.4
Gain on disposal of intangible assets and property, plant and equipment	1.2	(36.4)	-
Other items of a one-time and / or non-operating nature	-	-	-
Firmenich Adjusted EBITDA	**588.4**	**549.8**	**532.2**

	Financial year ended 30 June		
	2022	2021	2020
	(in CHF millions)		
Taste and beyond segment			
Operating profit	**183.7**	**206.6**	**220.4**
Depreciation of property, plant and equipment	59.9	58.3	55.6
Amortisation of intangible assets	39.0	36.0	35.3
Impairment losses	1.8	1.0	1.6
EBITDA	**284.4**	**301.9**	**312.9**
Restructuring and transformation costs	1.1	2.2	2.9
Acquisition and disposal related costs	30.1	2.6	10.8

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Gain on disposal of intangible assets and property, plant and equipment	0.5	(10.5)	-
Other items of a one-time and / or non-operating nature..........................	-	(30.1)[(1)]	-
Firmenich Adjusted EBITDA	**316.1**	**266.1**	**326.6**

(1) This amount reflects an income related to a settlement of a legal proceedings.

Comparison of results of operations for the financial years ended 30 June 2022 and 2021.

The following discussion sets out Firmenich's financial performance and certain operating results on the basis of its audited financial information for the financial years ended 30 June 2022 and 2021.

Revenue

Total revenue increased by CHF 450.6 million, or 10.5%, to CHF 4,722.7 million for the financial year ended 30 June 2022, from CHF 4,272.1 million for the financial year ended 30 June 2021. This increase was driven by the organic growth of Firmenich's business, which increased revenue by CHF 473.6 million or 11.1%, and was mainly due to improving customer demand and Firmenich gaining market share and outperforming its key competitors. The increase in revenue was partially offset by foreign exchange decreasing revenue by CHF 29.3 million or 0.7%, linked primarily to the strengthening of the Swiss Franc against the Euro and other trading currencies. Business acquisitions resulted in a revenue increase of CHF 6.4 million or 0.1%.

Revenue per segment

Revenue for the Perfumery & Ingredients segment increased by CHF 286.4 million, or 10.0%, to CHF 3,141.2 million for the financial year ended 30 June 2022, from CHF 2,854.8 million for the financial year ended 30 June 2021. Organic growth in the perfumery and ingredients segment increased revenue by CHF 322.2 million or 11.3%. This increase was mainly driven by favourable product mix effects resulting from strong growth and market share gains in the fine fragrance division, increasing revenue by 32.5%, due to growing consumption of luxury fragrance products and a gradual recovery in travel retail in the wake of the COVID-19 pandemic. Revenue increase was further driven by strong customer demand in the ingredients division, increasing revenue by 18.1% and resulting in double digit revenue growth, also as a result of price increases to offset input cost inflation. The consumer fragrances division showed low single-digit growth in the financial year ended 30 June 2022. Organic revenue growth was partially offset by the effects of foreign exchange, which decreased revenue for the Perfumery & Ingredients segment by CHF 35.8 million or 1.3%.

Revenue for the Taste & Beyond segment increased by CHF 164.2 million, or 11.6%, to CHF 1,581.5 million for the financial year ended 30 June 2022, from CHF 1,417.3 million for the financial year ended 30 June 2021. Organic growth in the taste and beyond segment increased revenue by CHF 151.4 million or 10.7%. This increase was driven by Firmenich's successful innovation portfolio, commercial focus on strategic partnerships with key customers and volume growth. Business acquisitions increased revenue for the taste and beyond segment by CHF 6.3 million or 0.4% and foreign exchange had a favourable effect of CHF 6.5 million or 0.5%.

Cost of goods sold

Cost of goods sold increased by CHF 362.8 million, or 14.4%, to CHF 2,876.0 million for the financial year ended 30 June 2022, from CHF 2,513.2 million for the financial year ended 30 June 2021. This increase was driven by increased volumes as well as inflationary pressures on raw materials and energy costs.

Gross profit

Gross profit increased by CHF 87.8 million, or 5.0%, to CHF 1,846.7 million for the financial year ended 30 June 2022, from CHF 1,758.9 million for the financial year ended 30 June 2021, as a result of the factors described above, which were partly offset by price increases and the favourable effects of product mix linked to the performance in the fine fragrance division.

Distribution expenses

Distribution expenses increased by CHF 40.4 million, or 33.3%, to CHF 161.9 million for the financial year ended 30 June 2022, from CHF 121.5 million for the financial year ended 30 June 2021. This increase was driven by increased volumes and inflationary pressures on transportation costs.

Research and development expenses

Research and development expenses increased by CHF 3.4 million, or 0.9%, to CHF 401.1 million for the financial year ended 30 June 2022, from CHF 397.7 million for the financial year ended 30 June 2021. This increase was driven by Firmenich's ongoing research and development activity.

Commercial and marketing expenses

Commercial and marketing expenses increased by CHF 16.7 million, or 3.7%, to CHF 464.9 million for the financial year ended 30 June 2022, from CHF 448.2 million for the financial year ended 30 June 2021. This increase was driven primarily by one-off expenses related to the Merger and one-off expenses related to other M&A activity.

Administration expenses

Administration expenses increased by CHF 45.9 million, or 16.6%, to CHF 322.2 million for the financial year ended 30 June 2022, from CHF 276.3 million for the financial year ended 30 June 2021. This increase was driven primarily by one-off expenses related to the Merger and one-off expenses related to other M&A activity.

Other operating income

Other operating income decreased by CHF 67.8 million, or 85.6%, to CHF 11.4 million for the financial year ended 30 June 2022, from CHF 79.2 million for the financial year ended 30 June 2021. Other operating income in the financial year ended 30 June 2022 primarily consisted of a one-off operating income gain resulting from an indirect tax credit received in Brazil.

Operating profit

Operating profit decreased by CHF 86.4 million, or 14.5%, to CHF 508.0 million for the financial year ended 30 June 2022, from CHF 594.4 million for the financial year ended 30 June 2021, as a result of the factors described above.

Financing costs

Financing costs remained stable, with a minimal decrease of CHF 0.1 million, or 0.2%, to CHF 48.3 million for the financial year ended 30 June 2022, from CHF 48.4 million for the financial year ended 30 June 2021.

Net other financial expenses

Net other financial expenses decreased by CHF 5.2 million, or 27.5%, to CHF 13.7 million for the financial year ended 30 June 2022, from CHF 18.9 million for the financial year ended 30 June 2021. This decrease was due to lower foreign exchange losses, partly offset by the devaluation of financial instruments linked to the investment in Essential Labs LLC.

Remeasurement to fair value of pre-existing interest in an acquiree

Remeasurement to fair value of pre-existing interest in an acquiree increased by CHF 23.7 million, or 100%, to CHF 23.7 million for the financial year ended 30 June 2022, from nil for the financial year ended 30 June 2021. In April 2022, Firmenich acquired 40.01% of the outstanding shares in ArtSci Biology Technologies Co Ltd. Firmenich's existing 49.99% interest in ArtSci Biology Technologies Co Ltd was remeasured to fair value, resulting in a one-off gain of CHF 23.7 million in the financial year ended 30 June 2022.

Share of profit / (loss) of jointly controlled entities and associates, net of taxes

Share of profit / (loss) of jointly controlled entities and associates, net of taxes increased by CHF 4.6 million, or 80.1%, to CHF 10.3 million for the financial year ended 30 June 2022, from a profit of CHF 5.7 million for the financial year ended 30 June 2021. This increase was mainly due to the investment in Essential Labs LLC in September 2021.

Income before taxes

Income before taxes decreased by CHF 52.8 million, or 9.9%, to CHF 480.0 million for the financial year ended 30 June 2022, from CHF 532.8 million for the financial year ended 30 June 2021, as a result of the factors described above.

Income tax expense

Income tax expenses increased by CHF 4.1 million, or 5.1%, to CHF 83.7 million for the financial year ended 30 June 2022, from CHF 79.6 million for the financial year ended 30 June 2021. Firmenich's effective tax rate increased from 14.9% to 17.4% as a result of a change in the geographical distribution of one-time tax expenses.

Net income for the period

Net income for the period decreased by CHF 56.9 million, or 12.6%, to CHF 396.3 million the financial year ended 30 June 2022, from CHF 453.2 million for the financial year ended 30 June 2021. This decrease was driven by a reduction of operating profit, the exceptional impact of costs linked to the Merger and higher income tax expenses that were partly offset by lower other financial expenses, whereas net income for the period in the year ended 30 June 2021 had benefited from exceptional gains linked to disposals and settlement of legal proceedings, resulting in a higher base of comparison.

Firmenich Adjusted EBITDA and Firmenich Adjusted EBITDA Margin

Firmenich Adjusted EBITDA increased by CHF 88.6 million, or 10.9%, to CHF 904.5 million for the financial year ended 30 June 2022, from CHF 815.9 million for the financial year ended 30 June 2021. This meant the Firmenich Adjusted EBITDA Margin increased by 0.1 percentage points to 19.2% for the financial year ended 30 June 2022, from 19.1% for the financial year ended 30 June 2021. This increase was driven by volume growth, favourable product mix effects resulting from strong growth in the fine fragrance division and price increases to offset input cost inflation. The increase was partly offset by ongoing inflationary pressures on raw materials, energy and transportation costs and by the unfavourable evolution of foreign exchange rates.

Firmenich Adjusted EBITDA and Firmenich Adjusted EBITDA Margin per segment

Firmenich Adjusted EBITDA for the perfumery and ingredients segment increased by CHF 38.6 million, or 7.0%, to CHF 588.4 million for the financial year ended 30 June 2022, from CHF 549.8 million for the financial year ended 30 June 2021. This meant the Firmenich Adjusted EBITDA Margin for the Perfumery & Ingredients segment decreased by 0.6 percentage points to 18.7% for the financial year ended 30 June 2022, from 19.3% for the financial year ended 30 June 2021. This decrease was driven by the unfavourable impact of foreign exchange, in addition to raw material and logistical cost inflation. The decrease was partly offset by favourable product mix effects resulting from strong growth in fine fragrance. Foreign exchange, in comparison to prior year rates, had a negative impact of CHF (24.7) million on Firmenich Adjusted EBITDA.

Firmenich Adjusted EBITDA for the taste and beyond segment increased by CHF 50.0 million, or 18.8%, to CHF 316.1 million for the financial year ended 30 June 2022, from CHF 266.1 million for the financial year ended 30 June 2021. This meant Firmenich Adjusted EBITDA Margin for the taste and beyond segment increased by 1.2 percentage points to 20.0% for the financial year ended 30 June 2022, from 18.8% for the financial year ended 30 June 2021. This increase was driven by strong volume growth and the favourable impact of foreign exchange and acquisitions, despite the unfavourable effects of raw material and logistical cost inflation.

Comparison of results of operations for the financial years ended 30 June 2021 and 30 June 2020.

The following discussion sets out Firmenich's financial performance and certain operating results on the basis of its audited financial information for the financial years ended 30 June 2021 and 2020.

Revenue

Total revenue increased by CHF 394.5 million, or 10.2%, to CHF 4,272.1 million for the financial year ended 30 June 2021, from CHF 3,877.6 million for the financial year ended 30 June 2020. This increase was mainly driven by business acquisitions, which increased revenue by CHF 469.8 million or 12.1%, whereas foreign exchange had an impact of CHF (255.3) million or (6.6)%, caused by the appreciation of the Swiss Franc. The organic growth of Firmenich's business resulted in a revenue increase of CHF 180.0 million or 4.7%.

Revenue per segment

Revenue for the Perfumery & Ingredients segment increased by CHF 404.8 million, or 16.5%, to CHF 2,854.8 million for the financial year ended 30 June 2021, from CHF 2,450.0 million for the financial year ended 30 June 2020. This increase was mainly driven by the further integration of DRT after its acquisition in the financial year ended 30 June 2020 and the acquisition of MG International in the financial year ended 30 June 2021, increasing revenue by CHF 469.8 million or 19.2%. The increase in revenue was partially offset by foreign exchange decreasing revenue by CHF 171.2 million or 7.0%. Organic growth in the Perfumery & Ingredients segment increased revenues by CHF 106.2 million or 4.3%. Organic growth was mainly driven by strong customer demand in the ingredients division and a significant rebound in the second half of the financial year in the fine fragrance division, after a decline in the first half. The consumer fragrances division showed stable performance in the financial year ended 30 June 2021, increasing revenue by 0.6%, after a very strong financial year ended 30 June 2020 due to the strong demand of consumer hygiene products as a result of the COVID-19 pandemic.

Revenue for the Taste & Beyond segment decreased by CHF 10.3 million, or 0.7%, to CHF 1,417.3 million for the financial year ended 30 June 2021, from CHF 1,427.6 million for the financial year ended 30 June 2020. This decrease was mainly driven by foreign exchange, which decreased revenue by CHF 84.1 million or 5.9%. This decrease was partially offset by organic growth in the Taste & Beyond segment, which increased revenues by CHF 73.8 million or 5.2% and was mainly due to Firmenich's sugar reduction solutions driving production and sale of dairy products and beverages.

Cost of goods sold

Cost of goods sold increased by CHF 364.0 million, or 16.9%, to CHF 2,513.2 million for the financial year ended 30 June 2021, from CHF 2,149.2 million for the financial year ended 30 June 2020. This increase was due to the impact of business acquisitions, as well as increased manufacturing costs and supply chain costs relating to the COVID-19 pandemic. In addition, as a result of the COVID-19 pandemic, there was a decline in sales of fine fragrance products and an increase in sales of consumer fragrance products, and the costs of the production of consumer fragrance products are generally higher than those of fine fragrance products. See also section 10.3 "*Key factors affecting Firmenich's business and results of operations – Overall economic trends*".

Gross profit

Gross profit increased by CHF 30.5 million, or 1.8%, to CHF 1,758.9 million for the financial year ended 30 June 2021, from CHF 1,728.4 million for the financial year ended 30 June 2020, as a result of the factors described above.

Distribution expenses

Distribution expenses increased by CHF 29.6 million, or 32.2%, to CHF 121.5 million for the financial year ended 30 June 2021, from CHF 91.9 million for the financial year ended 30 June 2020. This increase was due to the impact of business acquisitions, an increase in volumes and higher transportation costs.

Research and development expenses

Research and development expenses increased by CHF 31.2 million, or 8.5%, to CHF 397.7 million for the financial year ended 30 June 2021, from CHF 366.5 million for the financial year ended 30 June 2020. This increase was mainly due to the depreciation of research and development intangibles newly acquired in the acquisitions of DRT and MG International, as well as the implementation of digitalisation programmes such as digitally enhanced product design.

Commercial and marketing expenses

Commercial and marketing expenses increased by CHF 69.5 million, or 18.4%, to CHF 448.2 million for the financial year ended 30 June 2021, from CHF 378.7 million for the financial year ended 30 June 2020. This increase was mainly due to the depreciation of marketing intangibles newly acquired in the acquisitions of DRT and MG International.

Administration expenses

Administration expenses decreased by CHF 7.6 million, or 2.7%, to CHF 276.3 million for the financial year ended 30 June 2021, from CHF 283.9 million for the financial year ended 30 June 2020. This decrease was driven by the effects of foreign exchange and cost containment measures in support functions.

Other operating income

Other operating income increased by CHF 64.0 million, or 420.8%, to CHF 79.2 million for the financial year ended 30 June 2021, from CHF 15.2 million for the financial year ended 30 June 2020. This increase was due to (i) the sale of Firmenich's site in La Jonction in Geneva, Switzerland, which resulted in a one-time gain of CHF 48.0 million and (ii) the settlement of a legal proceedings, which resulted in an income of CHF 30.1 million, whereas the other operating income in the previous year was a result of indemnities related to business interruption.

Operating profit

Operating profit decreased by CHF 28.2 million, or 4.5%, to CHF 594.4 million for the financial year ended 30 June 2021, from CHF 622.6 million for the financial year ended 30 June 2020, as a result of the factors described above.

Financing costs

Financing costs increased by CHF 11.8 million, or 32.2%, to CHF 48.4 million for the financial year ended 30 June 2021, from CHF 36.6 million for the financial year ended 30 June 2020. This increase was due to an increase in interest payments on the bonds issued by Firmenich.

Net other financial expenses

Net other financial expenses decreased by CHF 34.2 million, or 64.5%, to CHF 18.9 million for the financial year ended 30 June 2021, from CHF 53.1 million for the financial year ended 30 June 2020. This decrease was primarily due to lower net exchange losses and lower bank charges and other financial charges in the financial year ended 30 June 2021 compared to the financial year ended 30 June 2020.

Remeasurement to fair value of pre-existing interest in an acquiree

Remeasurement to fair value of pre-existing interest in an acquiree decreased by CHF 30.1 million, or 100.0%, to nil for the financial year ended 30 June 2021, from CHF 30.1 million for the financial year ended 30 June 2020. As a result of the acquisition of DRT by Firmenich in May 2020, Firmenich took ownership of the remaining 50% interest in Fider S.A., previously a joint venture with DRT. Firmenich's existing 50% interest in Fider S.A. was remeasured to fair value, resulting in a one-off gain of CHF 30.1 million in the financial year ended 30 June 2020.

Share of profit/(loss) of jointly controlled entities and associates, net of taxes

Share of profit/(loss) of jointly controlled entities and associates, net of taxes increased by CHF 9.6 million, or 247.9%, to a profit of CHF 5.7 million for the financial year ended 30 June 2021, from a loss of CHF 3.9 million for the financial year ended 30 June 2020. This increase was mainly driven by the previous year being impacted by the impairment of CHF (7.4) million of its investment in The Nelixia Company SA.

Income before taxes

Income before taxes decreased by CHF 26.3 million, or 4.7%, to CHF 532.8 million for the financial year ended 30 June 2021, from CHF 559.1 million for the financial year ended 30 June 2020, as a result of the factors described above.

Income tax expense

Income tax expenses decreased by CHF 17.3 million, or 17.9%, to CHF 79.6 million for the financial year ended 30 June 2021, from CHF 96.9 million for the financial year ended 30 June 2020. This decrease was due to a decrease in income tax payable by Firmenich and to a lower effective tax rate, decreasing from 17.3% to 14.9% as a result of a change in the geographical distribution of Firmenich's taxable income.

Net income for the period

Net income for the period decreased by CHF 9.0 million, or 1.9%, to CHF 453.2 million for the financial year ended 30 June 2021, from CHF 462.2 million for the financial year ended 30 June 2020. This decrease was primarily due to the unfavourable effects of foreign exchange and acquisitions.

Firmenich Adjusted EBITDA and Firmenich Adjusted EBITDA Margin

Firmenich Adjusted EBITDA decreased by CHF 42.9 million, or 5%, to CHF 815.9 million for the financial year ended 30 June 2021, from CHF 858.8 million for the financial year ended 30 June 2020. This meant Firmenich Adjusted EBITDA Margin decreased by 3 percentage points to 19.1% for the financial year ended 30 June 2021, from 22.1% for the financial year ended 30 June 2020. This decrease was driven by the negative impact of acquisitions and foreign exchange, as well as increased costs in connection with the increase in sales of consumer fragrance products and the decline in sales of fine fragrance products as a result of the COVID-19 pandemic. Excluding the impact of acquisitions and foreign exchange, Firmenich Adjusted EBITDA Margin would have decreased by 1.2 percentage points.

Firmenich Adjusted EBITDA and Firmenich Adjusted EBITDA Margin per segment

Firmenich Adjusted EBITDA for the Perfumery & Ingredients segment increased by CHF 17.6 million, or 3.3%, to CHF 549.8 million for the financial year ended 30 June 2021, from CHF 532.2 million for the financial year ended 30 June 2020. This meant Firmenich Adjusted EBITDA Margin for the Perfumery & Ingredients segment decreased by 2.4 percentage points to 19.3% for the financial year ended 30 June 2021, from 21.7% for the financial year ended 30 June 2020. This decrease was due to the negative impact of foreign exchange and the short-term impact of acquisitions, partly offset by the rebound of fine fragrance products in the second half of the year.

Firmenich Adjusted EBITDA for the Taste & Beyond segment decreased by CHF 60.5 million, or 18.5%, to CHF 266.1 million for the financial year ended 30 June 2021, from CHF 326.6 million for the financial year ended 30 June 2020. This meant Firmenich Adjusted EBITDA Margin for the Taste & Beyond segment decreased by 4.1 percentage points to 18.8% for the financial year ended 30 June 2021, from 22.9% for the financial year ended 30 June 2020. This decrease was driven by increased costs linked to changing consumption patterns during the COVID-19 pandemic, additional costs incurred to ensure business continuity and avoid supply chain disruptions, raw material price fluctuations and a negative foreign exchange impact.

10.8 Liquidity and capital resources

Firmenich's principal sources of liquidity have been cash flow from operating activities and proceeds from loans and borrowings. Firmenich's primary liquidity and capital resource needs are to finance working capital requirements and investments in property, plant, equipment and intangibles.

Cash flow

The table below summarises Firmenich's consolidated cash flow for the periods indicated. This table should be read in conjunction with the accompanying notes in Firmenich's consolidated financial statements included elsewhere in this Offering Circular.

	Financial year ended 30 June		
	2022	**2021**	**2020**
		(in CHF millions)	
Cash flows from operating activities	620.8	693.3	641.9
Cash flows used in investing activities	(390.8)	(466.4)	(2,442.8)
Cash flows (used in) / from financing activities	(205.2)	(359.1)	2,139.3

Cash flows from operating activities

Cash flows from operating activities consist of income before taxes, adjusted for non-cash items, changes in working capital and interests and income taxes paid.

Cash generated from operating activities was an inflow of CHF 620.8 million in the financial year ended 30 June 2022, a decrease of CHF 72.5 million compared to a cash inflow of CHF 693.3 million for the financial year ended 30 June 2021. This decrease was mainly driven by lower income before taxes, amounting to CHF (52.8) million, and changes in working capital linked to prioritising customer service resulting in increased inventory levels as well as raw material cost inflation, amounting to CHF (34.6) million.

Cash generated from operating activities was an inflow of CHF 693.3 million in the financial year ended 30 June 2021, an increase of CHF 51.4 million compared to a cash inflow of CHF 641.9 million for the financial year ended 30 June 2020. This increase was due to changes in working capital, amounting to an increase of CHF 25.9 million, as well as higher adjustments for non-cash items of CHF 58.5 million, mainly due to increased expenses related to the depreciation of assets acquired in business acquisitions. The increase was partially offset by lower income before tax and higher interest paid, amounting to CHF (26.3) million and CHF (5.8) million, respectively.

Cash flows used in investing activities

Cash flows used in investing activities consist of the acquisition and disposal of tangible and intangible fixed assets, the acquisition and disposal of business and jointly controlled entities and associates, the acquisition and proceeds of financial investments as well as interest and dividend received from financial investments.

Cash generated from investing activities was an outflow of CHF 390.8 million in the financial year ended 30 June 2022, a decrease of CHF 75.6 million compared to a cash outflow of CHF 466.4 million for the financial year ended 30 June 2021. This decrease was mainly due to the cash inflow of CHF 56.8 million following the disposal of short-term financial investments compared to an outflow of CHF 103.8 million in the previous financial year, partially offset by the increase in cash spent in acquisition of associates due to the investment in Essential Labs LLC, amounting to CHF 42.4 million, and a decrease of CHF 39.7 million in cash received from the disposals of property, plant and equipment.

Cash generated from investing activities was an outflow of CHF 466.4 million in the financial year ended 30 June 2021, a decrease of CHF 1,976.4 million compared to a cash outflow of CHF 2,442.8 million for the financial year ended 30 June 2020. This decrease was mainly due to a decrease in cash spent for the acquisition of businesses and long-term financial investments compared to the previous financial year, which was marked by large cash outflows of CHF 1,815.3 million for the acquisition of businesses and of CHF 391.1 million for long-term financial investments, to a large extent due to the acquisition of DRT and the financial investment in Robertet SA.

Cash flows (used in) / from financing activities

Cash flows (used in) / from financing activities consist of proceeds and repayment of bank borrowings, lease liabilities, bonds and perpetual notes, as well as dividend payments.

Cash generated from financing activities was an outflow of CHF 205.2 million in the financial year ended 30 June 2022, a decrease of CHF 153.9 million compared to a cash outflow of CHF 359.1 million for the financial year ended 30 June 2021. This decrease was due to a net increase in bank borrowings, bonds and other liabilities of CHF 81.1 million in the financial year ended 30 June 2022, whereas in the financial year ended 30 June 2021 there was a net repayment of bank borrowings, bonds and other liabilities of CHF 169.8 million. The decrease was partly offset by a higher dividend payment of CHF 250.3 million in the financial year ended 30 June 2022 compared to a dividend payment of CHF 180.2 million over the financial year ended 30 June 2021.

Cash generated from financing activities was an outflow of CHF 359.1 million in the financial year ended 30 June 2021, a decrease of CHF 2,498.4 million compared to a cash inflow of CHF 2,139.3 million for the financial year ended 30 June 2020. This decrease was due to a net repayment of bank borrowings, bonds and other liabilities of CHF 169.8 million in the financial year ended 30 June 2021, whereas in the previous year there was a net increase of bank borrowings, bonds (including the Hybrid Bonds, as defined below) and lease liabilities of CHF 2,357.9 million which was used to finance business acquisitions and financial investments.

10.9 Borrowings

The following table provides an overview of Firmenich's financial liabilities as at the end of the periods indicated.

	Financial year ended 30 June		
	2022	**2021**	**2020**
		(in CHF millions)	
Non-current financial liabilities			
Bonds	1,960.7	2,110.8	2,060.7
Bank borrowings	142.1	34.2	60.8
Lease liabilities	147.5	142.5	127.5
Total non-current financial liabilities	**2,250.3**	**2,287.5**	**2,249.0**
Current financial liabilities			

	Financial year ended 30 June		
	2022	2021	2020
		(in CHF millions)	
Bank borrowings	66.2	59.8	115.6
Lease liabilities	39.5	38.2	35.5
Total current financial liabilities	**105.7**	**98.0**	**151.1**

Eurobonds

The series A eurobonds (the **Series A Eurobonds**) and series B eurobonds (the **Series B Eurobonds**, and together with the Series A Eurobonds, the **Eurobonds**) have been issued by Firmenich Productions Participations SAS on 30 April 2020. The Eurobonds are admitted to the official list of Euronext Dublin and are admitted to trading on the Global Exchange Market, which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purpose of Directive 2014/65/EU (MiFID II).

The EUR 750 million Series A Eurobonds accrue interest at 1.375% per annum, the EUR 750 million Series B Eurobonds accrue interest at 1.750% per annum.

Interests on the Series A Eurobonds are payable annually in arrears on 30 October of each year, commencing on 30 October 2020. Interests on the Series B Eurobonds are payable annually in arrears on 30 April of each year, commencing on 30 April 2021.

The Series A Eurobonds mature on 30 October 2026 and the Series B Eurobonds mature on 30 April 2030.

The Eurobonds are guaranteed on an unsecured and unsubordinated basis by Firmenich. The obligations of Firmenich as guarantor of the Eurobonds shall at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations. The Eurobonds are encumbered with a negative pledge, subject to certain exceptions.

The Eurobonds:

- constitute direct, unconditional and unsecured obligations of Firmenich Productions Participations SAS;
- shall at all times rank *pari passu* and without any preference among themselves; and
- rank at least equally in right of payment to all present and future unsecured and unsubordinated obligations of Firmenich Productions Participations SAS.

Optional redemption

Up until 90 days prior to the maturity date, Firmenich Productions Participations SAS may redeem all or part of the Eurobonds outstanding at a redemption price equal to (a) 100% of the principal amount thereof or, if higher, (b) the sum of the then present values of the remaining scheduled payments of principal and interest in respect of such Eurobond discounted to the date of redemption on an annual basis at a rate determined by an institution appointed by Firmenich Productions Participations SAS, in each case, together with interest accrued to (but excluding) the date of redemption.

Firmenich Productions Participations SAS may redeem all, but not part, of the Eurobonds at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption (a) at any time during the period between 90 days prior to the maturity date and the maturity date (inclusive) or (b) at any time if 80% or more in principal amount of the Eurobonds originally issued have been redeemed or purchased.

In the event of certain tax changes, Firmenich Productions Participations SAS may redeem all, but not part, of the Eurobonds at any time at their principal amount, together with interest accrued to (but excluding) the date of redemption.

Change of control

Upon the occurrence of certain change of control events, each bondholder shall have the option to require Firmenich Productions Participations SAS to redeem all or some only of the Eurobonds of such holder at their principal amount together with interest accrued to (but excluding) the date of purchase. A change of control event occurs if the credit rating carried by the bonds is downgraded or withdrawn, or no credit rating of at least investment grade is awarded, within 180 days from and as a result of the announcement that a person or persons (other than certain permitted holders) acting directly, indirectly or in concert, acquires or will potentially acquire more than 50% of the share capital or voting rights of Firmenich. The Merger is not expected to result in a change of control event for the Eurobonds, since Firmenich anticipates that DSM-Firmenich will maintain a strong investment grade rating.

Swiss Franc Bonds

The Swiss Franc bonds (the **Swiss Franc Bonds**) have been issued by Firmenich International SA on 19 May 2020. The Swiss Franc Bonds are listed on SIX Swiss Exchange Ltd.

The CHF 475 million Swiss Franc Bonds accrue interest at 1% per annum and comprise two tranches, tranche A of CHF 425 million and tranche B of CHF 50 million.

Interests on the Swiss Franc Bonds are payable annually in arrears on 19 December of each year, commencing on 19 December 2020. The Swiss Franc Bonds mature on 19 December 2023.

The Swiss Franc Bonds are encumbered with a negative pledge, subject to certain exceptions, and are not secured or guaranteed.

The Swiss Franc Bonds:

- constitute direct, unconditional, unsubordinated and unsecured obligations of Firmenich;
- shall at all times rank *pari passu* and without any preference among themselves; and
- rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of Firmenich.

Optional redemption

Firmenich may redeem all, but not part, of the Swiss Franc Bonds at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption (a) at any time during the period between 30 days prior to the maturity date and the maturity date (inclusive) or (b) at any time if 80% or more in principal amount of the Swiss Franc Bonds originally issued have been redeemed or purchased.

Change of control

Upon the occurrence of certain change of control events, each bondholder shall have the option to require Firmenich to redeem all or some only of the Swiss Franc Bonds of such holder at their principal amount together with interest accrued to (but excluding) the date of purchase. A change of control event occurs if the credit rating carried by the bonds is downgraded or withdrawn, or no credit rating of at least investment grade is awarded, within 180 days from and as a result of the announcement that a person or persons (other than certain permitted holders) acting directly, indirectly or in concert, acquires or will potentially acquire more than 50% of the share capital or voting rights of Firmenich. Firmenich anticipates that DSM-Firmenich will maintain a strong investment grade rating and does not expect that the change of control provision will be triggered by the Merger.

Revolving credit facility agreement

On 4 March 2020, Firmenich entered into an English law-governed multicurrency revolving credit facility agreement between, among others, Citigroup Global Markets Limited and UBS AG, London Branch, as arrangers and UBS Switzerland AG, as agent (as amended on 17 April 2020 and further amended and restated on 5 October 2021, the **Firmenich Revolving Credit Facility Agreement**).

A revolving credit facility with a total commitment of CHF 750 million (the **Firmenich Revolving Credit Facility**) was made available to Firmenich pursuant to the Firmenich Revolving Credit Facility Agreement. The Firmenich Revolving Credit Facility is available for general corporate purposes of the Firmenich Group (including, without limitation, acquisitions, mergers, joint ventures or any form of cooperation or participation by a Firmenich Group company with anyone who is not a member of the Firmenich Group), working capital needs and investments in property, plant, equipment and intangibles with respect to the business operations of the Firmenich Group. The Firmenich Revolving Credit Facility loans must be repaid or renewed on the last day of the relevant interest period with a final maturity date on 4 March 2025. The Firmenich Revolving Credit Facility is unsecured. There is no amount outstanding under the Firmenich Revolving Credit Facility as of 30 June 2022.

Interest and fees

The interest rate on each loan under the Firmenich Revolving Credit Facility Agreement is a rate per annum equal to the aggregate of (a) LIBOR, EURIBOR or the relevant benchmark rate set for a currency in the Firmenich Revolving Credit Facility Agreement, as applicable (in each case subject to a zero floor), unless a reference rate switch occurs, in which case the compounded reference rate will be calculated as set out in the Firmenich Revolving Credit Facility Agreement, and (b) until a public corporate credit rating from Standard & Poor's Rating Services (**S&P**) is published in respect of Firmenich, a margin of 0.40% per annum for any loan in USD or 0.30% per annum for any loan not in USD, and following the publication of such a rating from S&P, provided that certain conditions set out in the Firmenich Revolving Credit Facility Agreement are satisfied, the margin will be determined by reference to such S&P rating as follows:

S&P rating	**Margin for any loan in USD**	**Margin for any loan not in USD**
	(% per annum)	*(% per annum)*
Greater than or equal to A-	*0.25*	*0.35*
BBB+	*0.30*	*0.40*
BBB	*0.40*	*0.50*
BBB-	*0.55*	*0.65*
Less than or equal to BB+	*0.80*	*0.90*

Default interest of 1% will be added on top of the applicable interest rate under the Firmenich Revolving Credit Facility Agreement if Firmenich fails to comply with any of its payment obligations under the Firmenich Revolving Credit Facility Agreement and related documents.

The commitment fee is 35% of the applicable margin per annum on that lender's total available commitment under the Firmenich Revolving Credit Facility for the duration of the availability period applicable to the Firmenich Revolving Credit Facility. The utilisation fee is 0.10% per annum of the aggregate outstanding loans on that day if less than or equal to 33.33% of the total commitment is utilised, 0.20% per annum of the aggregate outstanding loans on that day if more than 33.33% but less than or equal to 66.66% of the total commitment is utilised, and 0.30% per annum of the aggregate outstanding loans on that day if more than 66.66% of the total commitment is utilised.

Change of control and prepayment

In the event that a change of control occurs and Firmenich and the lenders are unable to agree to the continuance of the Firmenich Revolving Credit Facility, each lender is entitled to require by notice to the agent, who will notify Firmenich, that (i) the commitments under the Firmenich Revolving Credit Facility Agreement of that lender will be immediately cancelled; and (ii) the participation of that lender in all amounts payable under the Firmenich Revolving Credit Facility Agreement or any related documents will immediately become due and payable.

Under the Firmenich Revolving Credit Facility Agreement, a change of control occurs if either the Firmenich family ceases to control, directly or indirectly, Firmenich or if any other person or group of persons acting in concert gains control, directly or indirectly, of Firmenich. For the purposes of the change of control mandatory prepayment event under the Firmenich Revolving Credit Facility Agreement, control is defined as (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) control more than 50% of the issued voting share capital of Firmenich, (ii) appoint or remove all, or the majority, of the directors or equivalent officers of Firmenich, or (iii) give directions with respect to the operating and financial policies of Firmenich, which the directors or equivalent officers of Firmenich are obliged to comply with; or (B) beneficial ownership of more than 50% of the issued share capital of Firmenich (excluding any part of that share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital). As a result of the Merger, the change of control provision will be triggered. However, Firmenich intends to request a waiver of the change of control provision from the lenders ahead of the closing of the Merger and anticipates that such a waiver will be granted.

Mandatory prepayments and cancellation of a given lender's commitment may also be required in the event it becomes unlawful for such lender to perform any of its obligations under the Firmenich Revolving Credit Facility Agreement or to fund or maintain its participation in any loan.

Firmenich has a right to cancel an available facility or to prepay outstanding loans under the Firmenich Revolving Credit Facility, in whole or in part in a minimum amount of CHF 10 million without premium or penalty, if it gives the agent not less than three business days' prior notice. Any such cancellation or prepayment must be applied pro rata to each lender's participation in that loan.

Undertakings

The Firmenich Revolving Credit Facility Agreement contains a number of customary undertakings. The undertakings include a negative pledge over the assets of the Firmenich Group (subject to certain baskets and exceptions, including any security or quasi-security securing indebtedness the aggregate outstanding principal amount of which does not exceed CHF 100 million (or its equivalent in other currencies) at any time), maintenance of insurance and credit ratings, compliance with applicable laws and regulations and information undertakings. Other relevant undertakings create certain restrictions on the Firmenich Group's ability, among other things, to incur additional debt or allow any additional debt to remain outstanding, effect disposals, engage in mergers, demergers or corporate reconstructions, or to make substantial changes to the general nature of the Firmenich Group's business (each subject to certain baskets and exceptions).

In relation to the restriction on disposals, the Firmenich Group is restricted from entering into a transaction to sell, lease, transfer or otherwise dispose of any asset. Certain exceptions to this restriction include (i) the disposal of assets made in the ordinary course of trading of the disposing entity; (ii) disposals made with the prior written consent of lenders whose commitments aggregate more than 66.66% of the total commitment under the Firmenich Revolving Credit Facility Agreement; (iii) where the higher of the market value or consideration receivable in any financial year (in aggregate) does not exceed an amount equal to 20% of the total of the Firmenich Group's consolidated assets in that financial year.

In relation to the restrictions on mergers, Firmenich or any of its material subsidiaries (defined as subsidiaries whose revenues, EBITDA or gross assets account for at least 10% of the Firmenich Group's consolidated revenues, EBITDA or gross assets (in each case excluding intra-group items)) are restricted from entering into any amalgamation, demerger, merger or corporate reconstructions. Exceptions to this restriction are (i) any permitted disposal of assets as described above; and (ii) any merger or intercompany reorganisation where Firmenich is the surviving entity and such merger or reorganisation does not affect the validity, legality or enforceability of the Firmenich Revolving Credit Facility Agreement and related documentation.

Representations

The Firmenich Revolving Credit Facility Agreement contains the following representations: the status of Firmenich, non-conflict with other obligations, power and authority, authorisations, governing law and enforcement, tax deduction, no filing or stamp taxes, no environmental claims or proceedings, no default, accuracy of information, ranking of financial obligations, insolvency and compliance with applicable laws and regulations.

Events of default

The Firmenich Revolving Credit Facility Agreement also contains the following events of default: non-payment of any amounts due under the finance documents, breach of other obligations under the finance documents, misrepresentation, cross default, certain insolvency-related events, unlawfulness of performance, repudiation, and any event or circumstance which has a material adverse change, in each case subject to the materiality thresholds, qualifications and cure periods in the Firmenich Revolving Credit Facility Agreement.

Any event of default which, if subject to a remedy period, is not remedied within such period may result in (i) the cancellation of the total commitments of the Firmenich Revolving Credit Facility; (ii) all or part of the amounts outstanding under the Firmenich Revolving Credit Facility Agreement and related documents becoming immediately due and payable; and (iii) all or part of the loans becoming payable on demand.

10.10 Hybrid Bonds

On 3 June 2020, Firmenich issued deeply subordinated fixed rate resettable perpetual notes (the **Hybrid Bonds**). The Hybrid Bonds are accounted for as equity in Firmenich's consolidated financial statements. See note 12 of Firmenich's consolidated financial statements for the financial year ended 30 June 2022.

The EUR 750 million Hybrid Bonds accrue interest at 3.750% per annum until the first reset date on 3 September 2025. Thereafter, the interest rate is reset every five years. Interests on the Hybrid Bonds are payable annually in arrears on 3 September of each year, commencing on 3 September 2020. The Hybrid Bonds have no fixed redemption date.

Firmenich may, in its sole discretion, elect to defer, in whole or in part, any interest payment on the Hybrid Bonds. Any deferred interest payment must be paid in whole, but not in part, upon the earliest of: (i) the declaration of a dividend payment, redemption or repurchase or any capital return or distribution in respect of any obligation of Firmenich ranking equally or junior to the Hybrid Bonds, subject to certain exceptions; (ii) the next date on which Firmenich makes an interest payment on the Hybrid Bonds; (iii) the date on which the Hybrid Bonds are redeemed or repaid or become due and payable; or (iv) the date on which the Hybrid Bonds are substituted. If mandatory settlement of deferred interest payment does not occur within five years of such payment being deferred, Firmenich has expressed its intention, but is not obliged, to pay all such outstanding interest payments on the next following interest payment date.

The Hybrid Bonds are not guaranteed and constitute direct, unsecured and subordinated obligations of Firmenich. The Hybrid Bonds shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of bondholders against Firmenich in respect of the Hybrid Bonds rank:

- junior to the claims of all present and future obligations of Firmenich that are subordinated to all of Firmenich's unsubordinated obligations, but which are senior to the Hybrid Bonds or equally ranking obligations of Firmenich;
- *pari passu* with the claims of all present and future securities or obligations of Firmenich that rank equally to the Hybrid Bonds; and
- senior to the claims of holders of any present and future obligations of Firmenich that rank junior to the Hybrid Bonds, including Firmenich Ordinary Shares.

Optional redemption

Firmenich may redeem all, but not part, of the Hybrid Bonds at their principal amount, together with any deferred interest payments and interest accrued to (but excluding) the date fixed for redemption (a) on any business day from and including 3 June 2025 to and including 3 September 2025 or (b) on 3 September of each year thereafter.

In the event of certain tax changes, or in the event that the accounting treatment of the Hybrid Bonds changes or the capital rating of the Hybrid Bonds is downgraded, Firmenich may redeem all, but not part, of the Hybrid Bonds at (i) 101% of the principal amount if redeemed prior to 3 June 2025, or (ii) their principal amount if redeemed on or after 3 June 2025, in each case together with any deferred interest payments and interest accrued to (but excluding) the date of redemption.

Change of control

Upon the occurrence of certain change of control events, Firmenich may redeem all, but not part, of the Hybrid Bonds at their principal amount, together with any deferred interest payments and interest accrued to (but excluding) the date fixed for redemption. A change of control event occurs if the credit rating carried by the senior unsecured obligations of Firmenich is downgraded or withdrawn, or no credit rating of at least investment grade is awarded, within 180 days from and as a result of the announcement that a person or persons (other than certain permitted holders) acting directly, indirectly or in concert, acquires or will potentially acquire more than 50% of the share capital or voting rights of Firmenich.

10.11 Contractual obligations and commitments

For an overview of Firmenich's contractual obligations and commitments, see note 29 of Firmenich's consolidated financial statements for the financial year ended 30 June 2022.

10.12 Investments

The following table summarises Firmenich's investments in property, plant, equipment and intangibles in the financial years ended 30 June 2022, 2021 and 2020, and the distribution of these investments across its operating segments.

	Financial year ended 30 June		
	2022	**2021**	**2020**
	(in CHF millions, unless indicated otherwise)		
Investments in property, plant, equipment and intangibles			
Perfumery & Ingredients	163.2	171.0	116.7
Taste & Beyond	46.1	52.8	74.8
Total	**209.3**	**223.8**	**191.5**

Investments for the financial year ended 30 June 2022

In the financial year ended 30 June 2022, Firmenich's investments in property, plant, equipment and intangibles amounted to CHF 209.3 million, of which CHF 163.2 million was attributable to its Perfumery & Ingredients segment and CHF 46.1 million was attributable to its Taste & Beyond segment. These investments related primarily to ordinary course investments in connection with the maintenance of Firmenich's existing property, plants and equipment and in connection with increasing Firmenich's production capacity.

Investments for the financial year ended 30 June 2021

In the financial year ended 30 June 2021, Firmenich's investments in property, plant, equipment and intangibles amounted to CHF 223.8 million, of which CHF 171.0 million was attributable to its Perfumery & Ingredients segment and CHF 52.8 million was attributable to its Taste & Beyond segment. These investments related primarily to ordinary course investments in production equipment and further investments in connection with the DRT business acquired in the financial year ended 30 June 2021.

Investments for the financial year ended 30 June 2020

In the financial year ended 30 June 2020, Firmenich's investments in property, plant, equipment and intangibles amounted to CHF 191.5 million, of which CHF 116.7 million was attributable to its perfumery and ingredients segment and CHF 74.8 million was attributable to its taste and beyond segment. These investments related primarily to ordinary course investments in production equipment.

Current and future investments

As of 30 June 2022, Firmenich has commitments amounting to CHF 15.2 million relating to investments in property plant and equipment and amounting to CHF 0.2 million relating to investments in intangible assets. These commitments relate to ordinary course investments in production equipment and capacity increases. Firmenich intends to finance these investments from its cash flows and credit facilities. The majority of these commitments with respect to investments in property, plant, equipment and intangibles relate to investments outside of Switzerland.

10.13 Contingent and other off-balance sheet liabilities

An overview of Firmenich's contingent liabilities and off-balance sheet commitments are included in note 28 of Firmenich's consolidated financial statements for the financial year ended 30 June 2022.

10.14 Financial risk management

An overview of the financial risk management objectives of Firmenich are presented in note 25 of Firmenich's consolidated financial statements for the financial year ended 30 June 2022.

10.15 Critical accounting policies

Unless otherwise indicated, the financial information of Firmenich included in this Offering Circular is derived from Firmenich's consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020, which have been prepared in accordance with IFRS-IASB and Swiss law. See section 17.3 "*Information for DSM Shareholders in Australia, Japan and Canada*" and the notes to Firmenich's consolidated financial statements included elsewhere in this Offering Circular.

An overview of the main accounting policies applied in the preparation of Firmenich's consolidated financial statements is presented in note 1 of Firmenich's consolidated financial statements for the financial year ended 30 June 2022.

11. GOVERNANCE, MANAGEMENT AND EMPLOYEES

11.1 General

This section gives an overview of relevant information concerning the Board of Directors, Executive Committee and DSM-Firmenich's employees as of the Settlement Date and its corporate governance. It includes an overview of certain significant provisions of Swiss corporate law as in effect on the Settlement Date, the articles of association of the Company to enter into force before the Settlement Date (the **Articles of Association**) and the Organisational Regulations (please refer to section 11.3 "*Board of Directors*").

This overview does not purport to give a complete overview and should be read in conjunction with the Articles of Association and the relevant provisions of Swiss corporate law. This overview does not constitute legal advice regarding these matters and should not be considered as such. The full text of the Articles of Association is available in German and English at the Company's business address during regular business hours. The Articles of Association are also available in German and English on DSM-Firmenich's website (www.creator-innovator.com).

11.2 Management structure

As of the Settlement Date, the Company will have a two-tier management structure consisting of the Board of Directors and the Executive Committee. The Board of Directors is the highest executive oversight body of the Company and has the ultimate responsibility for all matters not expressly reserved to other corporate bodies of the Company. The Board of Directors delegates the management of the Company's business to the Executive Committee.

11.3 Board of Directors

Powers, responsibilities and functioning

The Board of Directors is ultimately responsible for the overall management of the Company and for the supervision of the other corporate bodies of the Company and persons entrusted with its management. The Board of Directors' responsibilities include all matters not expressly reserved to other corporate bodies of the Company, and it is also responsible for matters such as convening the General Meeting, overseeing DSM-Firmenich's business, approving and giving necessary guidance and support regarding the objectives and strategies of DSM-Firmenich, reviewing DSM-Firmenich's risk management system, approving and giving necessary guidance and support regarding the opening, closing down, acquisition or sale of legal entities or other restructuring measures of fundamental significance to DSM-Firmenich's business and appointing and removing the members of the Executive Committee. The Board of Directors may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting as a matter of Swiss law or pursuant to the Articles of Association.

Pursuant to the Articles of Association and the Organisational Regulations, the Board of Directors may delegate powers and the management of the Company (or individual parts thereof) to individual members or committees of the Board of Directors, provided such affairs are not inalienably assigned to it by law or under the Articles of Association. Such inalienable responsibilities include: (1) the ultimate direction of DSM-Firmenich and issuing the necessary directives, (2) determining DSM-Firmenich's organisation, (3) the overall structuring of the accounting system, financial controls and financial planning, (4) the appointment and dismissal of those persons to whom the management of the Company is delegated and who are authorised to represent the Company, (5) the regulation of signatory authorities of those persons and the determination of other authorities of those persons, (6) the supervision of persons to whom the management of the Company is delegated, especially with a view to their compliance with the law, with the Articles of Association and with regulations and directives, (7) compiling the annual report, the compensation report, the report on non-financial matters (ESG report) and other reports that are subject to mandatory approval by the Board of Directors, (8) preparing the General Meeting and implementing its resolutions, (9) all decisions relating to the ascertainment of changes in capital and the consequent amendments to the Articles of Association, (10) filing of a motion for debt-restructuring moratorium and notifying the courts in the event of over-indebtedness and (11) all other non-transferable and inalienable responsibilities attributed to the Board of Directors by law.

In fulfilling their responsibilities and performing their tasks, the individual members and committees of the Board of Directors and the individual members of the Executive Committee must apply due care and pursue the Company's interests in good faith, as well as safeguard and further the interests of the Company's stakeholders.

The Board of Directors determines the signatory power of its members and the registered authorised signatories. The Company's co-CEOs and each member of its Executive Committee are authorised to represent the Company acting jointly by two. The Board of Directors is authorised to grant one or more persons, whether or not in the Company's employ, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit, within the limits of the specific delegated powers provided to them in the power of attorney.

Organisational Regulations

In accordance with the Articles of Association, the Board of Directors will adopt rules governing, among other things, the Board of Directors' decision-making and delegation processes. Such rules describe the duties, tasks, composition and procedures of the Board of Directors. The Board of Directors will enact such rules before the Settlement Date (the **Organisational Regulations**), which will be available on the Company's website (www.creator-innovator.com).

Composition, appointment, dismissal and suspension

The Articles of Association provide that the Board of Directors shall at all times be composed of between nine and 12 members. As of the Settlement Date, the Board of Directors will consist of 12 members comprising the 11 members listed below and one additional member that is expected to be appointed and elected together with the 11 other members in DSM-Firmenich's extraordinary meeting of shareholders that is expected to take place on 1 February 2023 (subject to any extension of the Acceptance Period).

Each member of the Board of Directors has to be elected and may be removed at any time by the General Meeting with a majority of the votes cast at such General Meeting. All elections are made individually for a term of one year. In this context, a year means the time period between one annual General Meeting (*ordentliche Generalversammlung*) and the next or, if a member is elected at an extraordinary General Meeting (*ausserordentliche Generalversammlung*), between such extraordinary General Meeting and the next annual General Meeting. Re-election is permitted. The Organisational Regulations specify that a member of the Board of Directors' term of service shall not exceed ten years in total and that the mandate shall automatically terminate on the date of the annual General Meeting called to approve the accounts for the financial year in which such member of the Board of Directors has attained the age of 70.

The Company sees value in having the culture and expertise of Firmenich represented in the Board of Directors. To that end, any Firmenich Shareholder, whether alone or together with other Firmenich Shareholders, holding 8.5% or more of the Company's issued share capital shall have the right to nominate for election one member to the Board of Directors, provided that only such persons shall be nominated who have the appropriate expertise, skills and reputation for such a mandate as verified by the Nomination Committee. Any Firmenich Shareholder, whether alone or together with other Firmenich Shareholders, holding 17% or more of the Company's issued share capital, shall have the right to nominate two members for the Board of Directors (each member of the Board of Directors nominated by a Firmenich Shareholder being a **Firmenich Nominated Director**). To ensure that the Board of Directors further remains sufficiently diverse and independent, these nomination rights have been granted only to Firmenich Shareholders and are for a maximum of three Firmenich Nominated Directors in total. For the other positions, and while there are two or more persons nominated as Firmenich Nominated Directors, a number of Firmenich Shareholders have agreed to sign relationship agreements with DSM-Firmenich in which, among other things, they agree not to propose and vote for the appointment of any candidate who is (i) a Firmenich

Shareholder or a family member or person related to any Firmenich Shareholder, (ii) any current employee of Firmenich or DSM or former employee of Firmenich or DSM whose employment relationship has terminated less than five years before the date of the electing General Meeting, (iii) and / or any person with whom any Firmenich Shareholder or Firmenich or DSM itself has or has had significant business relationships in the last five years before the date of the electing General Meeting, in each case unless that individual candidate is proposed by the Board of Directors to the General Meeting (see section 11.21 "*Related party transactions*").

The chairman of the Board of Directors is elected by the General Meeting and the Board of Directors elects from among its members one vice chairman and designates a secretary who need not be a member of the Board of Directors. As long as at least two members of the Board of Directors are Firmenich Nominated Directors, the position of the vice chairman is filled by a Firmenich Nominated Director (except in case the chairman of the Board of Directors is exceptionally a Firmenich Nominated Director, in which case the vice chairman shall be an independent member of the Board of Directors).

Decision-making

Pursuant to the Organisational Regulations and subject to the below qualified quorums for certain important matters, resolutions of the Board of Directors are adopted by an affirmative majority of the votes cast in a meeting where a majority of the Board of Directors is present (in person, or – where allowed under the Articles of Association and the Organisational Regulations – by telephone or by video conference). Each member of the Board of Directors has one vote. Abstentions do not count as votes cast. In the event that votes are tied, the chairman of the Board of Directors has the casting vote. As long as three members of the Board of Directors are Firmenich Nominated Directors, the affirmative vote of at least two of these nominated members of the Board of Directors – and in case there are two such nominated members of the Board of Directors, the affirmative vote of one such nominated member of the Board of Directors – is required for:

- a resolution on a change of the Organisational Regulations;
- a proposal to the General Meeting to change the name of Danube AG to DSM-Firmenich AG;
- removal of and / or replacement / appointment of certain members of the Executive Committee within the first five years from the date of listing;
- a change of the Company's headquarters;
- a change to the Company's tax residency or any matter that affects such tax residency;
- a capital increase based on conditional capital or the capital band under the Articles of Association in the amount of more than 5% of the Company's issued share capital or, if the Board of Directors has already issued share capital in a previous capital increase or reserved such capital based on the Articles of Association, any capital increase that would, together with such previous capital increase or reserved capital, exceed 5% of the Company's issued share capital;
- an additional listing of the DSM-Firmenich Ordinary Shares on a stock exchange or a change of the current listing; and
- a change to or deviation from the Company's dividend policy.

11.4 Members of the Board of Directors

As of the Settlement Date, the Board of Directors will be comprising the members listed below. It is expected that one additional member of the Board of Directors will be appointed and elected together with the 11 other members in DSM-Firmenich's extraordinary meeting of shareholders that is expected to take place on 1 February 2023 (subject to any extension of the Acceptance Period). This additional member of the Board of Directors will be an independent member. Given that the DSM-Firmenich EGM during which the General Meeting will elect this Board of Directors is tentatively scheduled while the Company is still solely held by DSM, the term of all members of the Board of Directors will end with the annual General Meeting 2024.

The current and previous other roles of the Board of Directors of DSM-Firmenich are illustrated in the overview below.

Thomas Leysen, chairman (independent)

Thomas Leysen (1960) is a Belgian national. He will be chairman of the Board of Directors of the Company. Thomas has been a member of the DSM Supervisory Board since 2020 and has been serving as chairman since 2021. In the DSM Supervisory Board, he is chair of the nomination committee and a member of the remuneration committee.

Patrick Firmenich, deputy chair (Firmenich Nominated Director)

Patrick Firmenich (1962) is a Swiss national. He will be deputy chair of the Board of Directors of the Company. Patrick has been a member of the Firmenich Board since 2002 and has been serving as its chairman since 2016. In the Firmenich Board, he is chair of the human capital committee.

Erica Mann (independent)

Erica Mann (1958) is an Australian national. She will be an independent member of the Board of Directors of the Company. Erica has been on the DSM Supervisory Board since 2019. In the DSM Supervisory Board, she is a member of the sustainability committee and a member of the audit committee.

Corien Wortmann-Kool (independent)

Corien Wortmann-Kool (1959) is a Dutch national. She will be an independent member of the Board of Directors of the Company. Corien has been on the DSM Supervisory Board since 2021. In the DSM Supervisory Board she is a member of the sustainability committee and a member of the audit committee.

André Pometta (Firmenich Nominated Director)

André Pometta (1965) is a Swiss national. He will be a member of the Board of Directors of the Company. André has been a member of the Firmenich Board since 2003. In the Firmenich Board, he is a member of the finance, audit & risk committee and the human capital committee.

Antoine Firmenich, PhD (Firmenich Nominated Director)

Antoine Firmenich (1965) is a Swiss national. He will be a member of the Board of Directors of the Company. Antoine has been a member of the Firmenich Board since 2009. In the Firmenich Board, he is a member of the governance & sustainability committee and finance, audit & risk committee. He is also a member of Firmenich's scientific advisory board.

Richard Ridinger (independent)

Richard Ridinger (1958) is a German national. He will be an independent member of the Board of Directors of the Company. Richard has been member of the Firmenich Board since 2016. In the Firmenich Board, he is a member of the finance, audit & risk committee. He is also a member of Firmenich's scientific advisory board.

Pradeep Pant (independent)

Pradeep Pant (1953) is a Singaporean national. He will be an independent member of the Board of Directors of the Company. Pradeep has been a member of the DSM Supervisory Board since 2016. In the DSM Supervisory Board, he is a member of the audit committee and the nomination committee.

Frits van Paasschen (independent)

Frits Dirk van Paasschen (1961) is a Dutch and American national. He will be an independent member of the Board of Directors of the Company. Frits has been on the DSM Supervisory Board since 2017. In the DSM Supervisory Board, he is a member of the remuneration committee and the sustainability committee.

John Ramsay (independent)

John Ramsay (1957) is a British national. He will be an independent member of the Board of Directors of the Company. John has been on the DSM Supervisory Board since 2017. In the DSM Supervisory Board, he is a member of the remuneration committee and chair of the audit committee.

Carla Mahieu (independent)

Carla Mahieu (1959) is a Dutch national. She will be an independent member of the Board of Directors of the Company. Carla has been on the DSM Supervisory Board since 2021. In the DSM Supervisory Board, she is chair of the remuneration committee and member of the nomination committee.

The overview below includes the other roles of the members of the Board of Directors in the five years prior to the date of the Offering Circular.

Name	**Other roles**	**Private / Listed / Foundation / Other**
Thomas Leysen (1960)	***Other roles – current and past***	
	1. **Current**: Non-executive Chair of the board of Mediahuis and its majority shareholder Mediahuis Partners	Private
	2. **Current**: Non-executive Chair of the supervisory board of Umicore	Listed
	3. **Past**: CEO of Umicore	Listed
	4. **Past**: Chair of the Belgian Corporate Governance Commission (till end 2022)	Foundation
	5. **Past:** Chair of the King Baudouin Foundation	Foundation
Patrick Firmenich (1962)	***Other roles – current and past***	
	1. **Current**: Non-executive board member of UBS	Listed
	2. **Current**: Non-executive board member of Jacobs Holding	Private
	3. **Current**: Non-executive board member of INSEAD	Foundation
	4. **Current**: Non-executive board member of INSEAD World Foundation	Foundation

Name	Other roles	Private / Listed / Foundation / Other
Erica Mann (1958)	***Other roles – current and past***	
	1. **Current**: Non-executive member of the board of Blackmores	Listed
	2. **Current**: Non-executive member of the board of Kellogg Company	Listed
	3. **Current**: Non-executive member of the board of Perrigo	Listed
	4. **Past**: Global president of Bayer's Consumer Health division	Listed
	5. **Past**: Executive member of the management board of the Bayer Group	Listed
	6. **Past**: Non-Executive Director role at Soho Flordis International	Private
Corien Wortmann-Kool (1959)	***Other roles – current and past***	
	1. **Current**: Non-executive Chair of the board of ABP Pension Fund (she will step down as chair per the end of 2022)	Foundation
	2. **Current**: Non-executive Vice-chair of the supervisory board of Aegon N.V.	Listed
	3. **Past**: Chair of the Board of Save the Children	Foundation
	4. **Past:** Member Supervisory Board of the Central Bureau of Statistics (Statistics Netherlands)	Governmental institutions
	5. **Past:** Vice Chairman Supervisory Board Het Kadaster	Governmental institutions
André Pometta (1965)	***Other roles – current and past***	
	1. **Current**: Non-executive chairman of the board of Sentarom	Private
	2. **Current**: Non-executive board member of White Lobster and its affiliates	Private
	3. **Current**: Non-executive board member of Noyb and its affiliates	Other
	4. **Current**: Non-executive board member of Smixin	Private
	5. **Past**: President of Firmenich China	Private
	6. **Past**: Non-executive board member of Cluster 1	Private
	7. **Past:** Member of Firmenich's Flavor executive team	Private
Antoine Firmenich (1965)	***Other roles – current and past***	
	1. **Current**: CEO & managing director of Aquilus Pte Ltd	Private
	2. **Current**: Non-executive board member of Alatus Capital	Private
	3. **Current**: Executive board member of Aquilus Management Ltd	Private

Name	Other roles	Private / Listed / Foundation / Other
	4. **Current**: Non-executive member of the Stanford Interdisciplinary Life Sciences Council	Foundation
	5. **Past**: Lead of Firmenich's Flavor division Sweet Goods global business unit, Savory global business unit and all Encapsulated Solutions	Private
	6. **Past**: Non-executive board member of Conservation International	Private
	7. **Past**: Non-executive board member of Nobel Biocare	Listed
	8. **Past:** Member of the Advisory Council of Stanford Graduate School of Business	Other
Richard Ridinger (1958)	***Other roles – current and past***	
	1. **Current**: Non-executive chairman of the board of Recipharm	Private
	2. **Current**: Non-executive board member of SHL Medical	Private
	3. **Current**: Member of the supervisory board of Brenntag	Listed
	4. **Past**: Non-executive board member of Evolva	Listed
	5. **Past:** Non-executive board member of WCG Clinical	Private
	6. **Past**: CEO of Lonza	Listed
Pradeep Pant (1953)	***Other roles – current and past***	
	1. **Current**: Non-executive Chair of the board of Blaine Investments (Holding Company of Clyde Investments)	Private
	2. **Current**: Non-executive Chair of the board of Clyde Investments Pte Ltd. Asia Sustainable Foods	Private
	3. **Current**: President of Pant Consulting Pte Ltd.	Private
	4. **Current**: Non-executive director of Max India Ltd. and its affiliates Antara Senior Living Ltd. and MAX Life Insurance Co Ltd. (India)	Listed
	5. **Current**: Non-executive director of NIVA BUPA Health Insurance Co. Ltd. (India)	Private
	6. **Past**: EVP and President APAC and EMEA of Mondelez International	Listed
	7. **Past:** Non-executive Director Antara Purukul Senior Living Ltd.	Private
Frits van Paasschen (1961)	***Other roles – current and past***	
	1. **Current**: Non-executive board member of CitizenM Hotels (NL)	Private
	2. **Current**: Founder of The Disruptor's Feast Advisory	Private
	3. **Current**: Non-executive board member of J.Crew Group, Inc.	Private

Name	Other roles	Private / Listed / Foundation / Other
	4. **Current**: Non-executive board member of Crown Proptech Acquisitions (must liquidate not later than February 2023)	Listed
	5. **Current**: Non-executive board member of Sonder Inc	Listed
	6. **Current**: Non-executive board member of Williams Sonoma, Inc. (USA)	Listed
	7. **Past**: CEO of Starwood Hotels and Resorts	Private
	8. **Past:** Non-executive Chairman of the Supervisory Board of Apollo Hotels	Private
	9. **Past:** Non-executive Chair of the Board of Convene	Private
John Ramsay (1957)	***Other roles – current and past***	
	1. **Current**: Non-executive director of RHI Magnesita N.V.	Listed
	2. **Current**: Non-executive director of Babcock International PLC	Listed
	3. **Current**: Non-executive director of Croda International PLC	Listed
	4. **Past**: CFO and interim CEO of Syngenta AG	Listed
	5. **Past:** Non-executive director of G4S PLC	Listed
Carla Mahieu (1959)	***Other roles – current and past***	
	1. **Current**: Non-executive member of the board of VodafoneZiggo Group B.V. Netherlands	Private
	2. **Current**: Non-executive member of the board of Stichting Continuiteit PostNL	Foundation
	3. **Current**: Non-executive director of Arcadis	Listed
	4. **Past**: Global head of human resources and member of the management board of Aegon N.V.	Listed
	5. **Past**: Non-executive member of the board of Koninklijke BAM Groep	Listed

11.5 Members of the Executive Committee

As of the Settlement Date, the Executive Committee will consist of the following members:

Dimitri de Vreeze (co-CEO)

Dimitri de Vreeze (1967) is a Dutch national. He will be co-CEO. Dimitri has been member of the DSM Managing Board since September 2013. His positions in the DSM Managing Board are co-CEO and COO since February 2020. Dimitri began working at DSM in 1990 and held a series of leadership roles before being named Young Captain of the Year in the Netherlands – a countrywide leadership talent programme – in 2006. He was later appointed to the DSM Managing Board in 2013.

His current positions are: (i) chairman of the supervisory board of DSM Netherlands, (ii) chairman of the Young Captain Foundation and (iii) chairman of the ALV United World College Maastricht.

Geraldine Matchett (co-CEO)

Geraldine Matchett (1972) is a British, French and Swiss national. She will be co-CEO. Geraldine has been a member of the DSM Managing Board since August 2014 and CFO since December 2014. Her position in the DSM Managing Board is co-CEO and CFO since February 2020.

Her current positions are: (i) non-executive director of ABB, (ii) board member of Catalyst Europe, (iii) member of HRH the Prince of Wales' A4S (Accounting for Sustainability) CFO Leadership Network Europe, (iv) board member of FCLTGlobal, (v) executive committee member of the World Business Council for Sustainable Development (WBCSD) and (vi) member of the Foundation Board of IMD Business School. Geraldine has been global chief financial officer and member of the Operations Council of the SGS Group since 2010, during which she was voted Switzerland's CFO of the year for large companies.

Emmanuel Butstraen (leading Integration)

Emmanuel Butstraen (1968) is a French national. He leads the interim integration management office of DSM-Firmenich and will be chairman of the Integration Committee. Emmanuel is a member of the Executive Committee of Firmenich, which he joined in 2018 as president of Taste & Beyond.

He is currently the non-executive vice president of International Organization of the Flavor Industry. Prior to joining Firmenich, Emmanuel was president of Solvay's Novecare global business unit. Prior to Solvay, Emmanuel spent 17 years with BASF, where he led several businesses including agricultural products, plant science, fine chemical and feed-ingredients.

Sarah Reisinger PhD (leading Science and Research)

Sarah Reisinger (1979) is a U.S. national. She will be leading Science and Research. She is a member of the executive committee of Firmenich (the **Firmenich Executive Committee**), which she joined in 2021 as chief research officer.

Prior to joining Firmenich in 2018 as VP Biotechnology and Process Engineering, Sarah held pivotal roles at Ginkgo Bioworks, Intrexon and Amyris, after starting her career in the field of biology and cancer therapeutics.

Ilaria Resta (leading Perfumery & Beauty)

Ilaria Resta (1973) is an Italian-Swiss national. She will be leading Perfumery & Beauty. Ilaria is member of the Firmenich Executive Committee, which she joined in 2020 as president of Perfumery.

Ilaria is also a board member of (i) the International Fragrance Association (IFRA), (ii) the Research Institute for Fragrance Materials and (iii) Oriflame Holding (OHAG). Prior to joining Firmenich, Ilaria worked for over 20 years at Procter & Gamble, where she was responsible for building some of the world's leading home and personal care brands.

Patrick Niels (leading Taste & Beyond / Food & Beverage)

Patrick Niels (1968) is a Dutch and U.S. national. He will be leading Taste & Beyond / Food & Beverage. Patrick is a member of the DSM Executive Committee, which he joined in 2022 as executive vice president Food & Beverage. Patrick held leadership roles across a number of regions and businesses for DSM, most recently as president of DSM Food & Beverage.

Patrick began his career at Gist-Brocades in 1991 and held several marketing & sales as well as business management roles after Gist-Brocades was acquired by DSM in 1998.

Philip Eykerman (leading Health, Nutrition & Care)

Philip Eykerman (1968) is a Belgian national. He will be leading Health, Nutrition & Care. Philip is a member of the DSM Executive Committee, which he joined in 2015, where he is executive vice president of Health, Nutrition & Care. Philip began his career at Fluor in 1993 after which he moved to McKinsey & Company in 1997 and was the leader of McKinsey's chemicals practice in the Benelux and France, where he has been heavily involved in a number of large strategy development, transformation and M&A projects in the broader chemicals industry. Philip left McKinsey & Company in 2011 to oversee DSM's corporate strategy and M&A as executive vice president Corporate Strategy & Acquisitions.

Philip is also a non-executive director of (i) Amyris Inc, (ii) AnQore TopCo BV, (iii) ChemicaInvest and (iv) Avansya V.O.F. and he is a member of the advisory board of the Rotterdam School of Management.

Ivo Lansbergen (leading Animal Health & Nutrition)

Ivo Lansbergen (1973) is a Dutch national. He will be leading Animal Nutrition & Health. Ivo is a member of the DSM Executive Committee, which he joined in 2022 as executive vice president Animal Nutrition & Health.

Ivo has been with DSM since 1997 during which time he has held various senior positions in different DSM businesses in both Europe and Asia. In 2019, he was as appointed DSM's executive vice president of Animal Health & Nutrition.

Jane Sinclair (leading Legal)

Jane Sinclair (1962) is an Australian national. She will be leading Legal. Jane has been a member of the Firmenich Executive Committee since 2016, where she is general counsel and head of Legal and Compliance. She is non-executive board member of the U.S. National Safety Council, a public service organisation promoting health and safety.

Prior to joining Firmenich, Jane worked in multiple senior legal counsel roles in the Asia Pacific, USA, Europe and Australia for Abbott, AbbVie, Genea and The Coca-Cola Company.

Mieke Van de Capelle (leading People, Culture and Organisation)

Mieke Van de Capelle (1974) is a Belgian national. She will be leading People, Culture and Organisation. Mieke is a member of the Firmenich Executive Committee, which she joined in 2016 as chief human resources officer, and which includes responsibility for Sustainability and Corporate Communications.

Prior to joining Firmenich, Mieke was (i) chief human resources officer at Perfetti van Melle, (ii) leader of the EMEA sales HR organisation for Electrolux Corporate and (iii) vice president Human Resources at Sara Lee Corporation.

11.6 Board committees

As soon as practicable after the Settlement Date, but by the Contribution Completion, the Board of Directors is expected to have a compensation committee (the **Compensation Committee**), a nomination committee (the **Nomination Committee**), a finance, audit and risk committee (the **Finance, Audit and Risk Committee**), and a governance and sustainability committee (the **Governance and Sustainability Committee**). As long as at least two Firmenich Nominated Directors are on the Board of Directors, the Nomination Committee shall be chaired by a Firmenich Nominated Director and each standing board committee shall have one (but not more than one) Firmenich Nominated Director.

Compensation Committee

According to the Articles of Association, the Compensation Committee shall consist of no less than three members of the Board of Directors. Pursuant to Swiss law, the members of the Compensation Committee must be elected by the General Meeting on an individual basis for a term of one year ending with the conclusion of the next annual General Meeting (with re-elections, subject to the maximum term of ten years and the age limit of 70 years as per the Organisational Regulations, being permitted). Members of the Compensation Committee should (i) be non-executive, (ii) have not been a member of the Executive Committee less than three years ago and (iii) have no or only relatively minor business relations with DSM-Firmenich. In the event that the Compensation Committee is not fully constituted, the Board of Directors appoints from among its members an appropriate number of Compensation Committee members *ad interim*, for the remainder of the term of office. The Compensation Committee is expected to consist of Carla Mahieu (chair), André Pometta, Thomas Leysen and Frits Van Paasschen.

The Board of Directors designates from among the members of the Compensation Committee a committee chair. According to the Organisational Regulations, the Compensation Committee is chaired by the chairman of the Board of Directors or by an independent director. The Board of Directors further issues regulations defining, in particular, the tasks and powers of the Compensation Committee in accordance with the law and the Articles of Association.

The Compensation Committee assists the Board of Directors in determining and reviewing the Company's compensation strategy and guidelines and the qualitative and quantitative criteria for variable compensation with regard to the Board of Directors and the Executive Committee and with the preparation of the proposals to the General Meeting concerning compensation of the members of the Board of Directors and Executive Committee. It may submit to the Board of Directors suggestions and recommendations on further compensation matters.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee shall consist of at least three members of the Board of Directors. The members of the Finance, Audit and Risk Committee are appointed by the Board of Directors and, according to the Organisational Regulations, its chairman shall be an independent member of the Board of Directors. The term of office of the members of the Finance, Audit and Risk Committee is one year. Re-election is possible. The initial members of the Finance, Audit and Risk Committee are expected to be John Ramsay (chair), Antoine Firmenich, Corien Wortmann and Frits van Paasschen.

The Finance, Audit and Risk Committee assists the Board of Directors in overseeing the accounting and financial reporting processes, internal and external control systems, risk management processes and the audits of the financial statements of the Company and its subsidiaries.

Governance and Sustainability Committee

The Governance and Sustainability Committee shall consist of at least three members of the Board of Directors. The members of the Governance and Sustainability Committee are appointed by the Board of Directors and, according to the Organisational Regulations, its chairman shall be a Firmenich Nominated Director or an independent member of the Board of Directors. The term of office of the members of the Governance and Sustainability Committee is one year. Re-election is possible. The initial members of the Governance and Sustainability Committee are expected to be Antoine Firmenich (chair), Erica Mann, Corien Wortmann and one member to be appointed in due course.

The Governance and Sustainability Committee assists the Board of Directors in the development and supervision of procedures and systems to ensure the pursuit of DSM-Firmenich's social and environmental goals and oversees the corporate governance of the Company.

Nomination Committee

The Nomination Committee shall consist of at least three members of the Board of Directors. The members of the Nomination Committee are appointed by the Board of Directors and, according to the Organisational Regulations, its chairman shall be a Firmenich Nominated Director, unless the chairman of the Board of Directors is exceptionally a Firmenich Nominated Director, in which case the chair of the Nomination Committee shall be an independent member of the Board of Directors. The term of office of the members of the Nomination Committee is one year. Re-election is possible. The initial members of the Nomination Committee are expected to be Patrick Firmenich (chair), Pradeep Pant, Carla Mahieu and Richard Ridinger.

The function of the Nomination Committee is to support the Board of Directors in fulfilling its duty to establish and maintain a process for appointing new members of the Board of Directors and to manage, in consultation with the chairman of the Board of Directors, the succession of the co-CEOs and the Executive Committee members.

11.7 Integration Committee

In order to facilitate the integration of DSM's and Firmenich's businesses, DSM and Firmenich agreed to establish an integration committee as of the Contribution Completion Date consisting of four members (two representatives of each of DSM and Firmenich (the **Integration Committee**)). The Integration Committee will draw up an integration plan and submit it through the Executive Committee to the entire Board of Directors, monitor its implementation and do all things necessary to assist the integration of the two companies and to optimise the benefits of the Merger for DSM-Firmenich, including identifying and delivering cost savings, synergies and growth opportunities. The Integration Committee shall discuss the status and progress of the implementation of the integration plan and related topics on a regular basis. DSM and Firmenich will each provide reasonable development resources (such as persons, instructions and (online) training) in order to allow for optimal integration. The Integration Committee will monitor the provision of these resources. DSM and Firmenich shall procure that the integration is supported throughout DSM-Firmenich.

Shortly after signing the Business Combination Agreement and in accordance with strict legal guidelines, an interim integration committee was established (called the integration management office), led by Emmanuel Butstraen, to plan for and prepare the integration to ensure synergies are achieved post-Closing. In addition to Emmanuel Butstraen, who will also be a member of the Executive Committee, one senior executive of Firmenich and one senior executive of DSM are part of the interim integration management office. The co-CEOs and Firmenich’s current CEO participate as leaders of the interim integration management office.

11.8 Executive Committee and co-CEOs

The Board of Directors will delegate the management of the Company and DSM-Firmenich to the members of the Executive Committee and to the co-CEOs subject to the powers of the Board of Directors reserved by law (in particular art. 716a CO), the Articles of Association and the Organisational Regulations.

According to the Organisational Regulations, the co-CEOs are jointly responsible for overseeing the operational management of the Company and DSM-Firmenich. They organise the Executive Committee and set the responsibilities of each of the members of the Executive Committee. Furthermore, they propose to the Board of Directors the appointment of each of the members of the Executive Committee after having discussed the candidacy with the chairman of the Board of Directors, the chairman of the Nomination Committee and the Nomination Committee. The co-CEOs annually assess the performance of the members of the Executive Committee and share these assessments with the chairman of the Board of Directors and the chairman of the Nomination Committee.

11.9 Board conflicts of interest

Under Swiss law as in force starting from 1 January 2023, the members of the Board of Directors and the Executive Committee must notify the Board of Directors immediately and fully of conflicts of interests affecting them, and the Board of Directors shall take the necessary measures to safeguard the interests of the Company. In addition, the CO contains a provision that requires members of the Board of Directors and members of the Executive Committee to safeguard the Company's interests and imposes a duty of loyalty and duty of care. This rule is generally understood to disqualify directors and executive officers from participation in decisions that directly affect them. Directors and executive officers are personally liable to the Company for breaches of these obligations. Swiss law also contains provisions under which directors and all persons engaged in the Company's management are liable to the Company, each shareholder and in certain circumstances, the Company's creditors for damages caused by an intentional or negligent violation of their duties. Furthermore, under Swiss law, payments made to any of the DSM-Firmenich Shareholders or directors or any person related to any such shareholder or director, other than payments made at arm's length, must be repaid to the Company if such shareholder or director acted in bad faith.

Pursuant to the Organisational Regulations, any member of the Board of Directors, the co-CEOs (or the CEO) who believes that he / she has a conflict of interest or that there is a potential for such a conflict to occur, must discuss the matter with the chairman of the Board of Directors. Moreover, any member of the Executive Committee who believes that he / she has a conflict of interest or that there is a potential for such a conflict to occur, must discuss the matter with the co-CEOs (or the CEO) in consultation with the chairman of the Board of Directors. The chairman of the Board of Directors (or the co-CEOs (or the CEO) in consultation with the chairman of the Board of Directors in respect of members of the Executive Committee) shall then propose to the Board of Directors a solution appropriate to the intensity of the conflict of interest. The Board of Directors shall finally decide on the appropriate measures to be taken upon such proposal.

If the chairman of the Board of Directors has an actual or potential conflict of interest, he or she should report this to the vice-chairperson of the Board of Directors or, if there is no vice-chairperson, to the entire Board of Directors.

According to the Organisational Regulations, in case the Board of Directors decides that total reclusion is required on a certain topic or decision item, any member of the Board of Directors or member of the Executive Committee who has a conflict of interest or interests contrary to the interests of the Company or who has to represent such interests on behalf of third parties shall, to the extent possible and legally permissible, not receive confidential information about this business or matter, and the member concerned shall make his or her best efforts to ensure that he / she does not receive such information, nor may such member attend meetings where such business or matters are discussed and / or resolved. The non-conflicted members of the Board of Directors or the Executive Committee respectively may validly take resolutions on the agenda item in question.

If the conflict is expected to persist and to have a significant impact on the ongoing ability of that individual to perform his or her functions for the Company, the individual should offer his or her resignation. An ordinary or extraordinary General Meeting may elect new candidates to the Board of Directors in such an event.

See section 11.10 "*Potential conflicts of interest and other information*" for a description of the applicable rules in the event of any such conflict of interest in respect of the Business Combination Agreement.

As a general rule, the existence of an actual or potential conflict of interest does not affect the authority to represent the Company, as described under section 11.10 "*Potential conflicts of interest and other information*" below. Furthermore, as a general rule, agreements and transactions entered into by a company cannot be annulled on the grounds that a decision of its management board was adopted with the participation of conflicted members of the Board of Directors. However, under certain circumstances, a company may annul such an agreement or transactions if the counterparty misused the relevant conflict of interest.

11.10 Potential conflicts of interest and other information

See section 11.21 "*Related party transactions*" for a description of the Company's related party transactions.

Other than as described in this section, there are no other circumstances that may lead to a potential conflict of interest between the private interests or other duties of members of the Board of Directors or the members of the Executive Committee vis-à-vis the Company's interests.

The parties to the Business Combination Agreement agreed to the initial composition of the Board of Directors as of the Settlement Date, including three Firmenich Nominated Directors. The Hedione Firmenich Shareholder Group and a number of individual Firmenich Shareholders will enter into separate relationship agreements with the Company, which govern the nomination process for Firmenich Nominated Directors. See also sections 11.21 "*Related party transactions*", 11.3 "*Board of Directors – Composition, appointment, dismissal and suspension*" and 11.4 "*Members of the Board of Directors*".

With respect to each of the members of the Board of Directors and the Executive Committee, the Company is not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships, liquidations of any entities, or entities put into administration, in which such member held any office, directorship or senior management position in the last five years, or (iii) any official public incriminations or sanctions of such member by statutory or regulatory authorities (including designated professional bodies), or (iv) disqualifications by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Patrick Firmenich and Antoine Firmenich, who will both be members of the Board of Directors, are brothers.

11.11 Directors' indemnification and insurance

Under Swiss law, the members of the Board of Directors and the Executive Committee must perform their duties with due diligence and safeguard the interests of the Company in good faith. They must afford the shareholders' equal treatment in equal circumstances. The duty of care requires that members of the Board of Directors act in good faith, with the care that an ordinarily prudent director would exercise under like circumstances. The duty of loyalty requires that a member of the Board of Directors safeguards the interest and act in the interest of the Company and, if necessary, put aside their own interests. If there is a risk of a conflict of interest, the Board of Directors must take appropriate measures to ensure that the interests of the Company are duly taken into account. The burden of proof for a violation of these duties is with the corporation or with the shareholder bringing a suit against the director. The Swiss Federal Supreme Court established a doctrine that restricts its review of a business decision if the decision has been taken following proper preparation, on an informed basis and without conflicts of interest.

As per the Articles of Association, any disputes arising from or in connection with the corporate relationship in the Company shall be exclusively resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Arbitration Center, including its Supplementary Rules for Corporate Disputes, in force on the date on which the notice of arbitration is submitted. The number of arbitrators shall be three, with the claimant or group of claimants on the one hand and the respondent or group of respondents on the other hand, each appointing one arbitrator and the two arbitrators thus appointed designating the third arbitrator who shall be the chairperson of the arbitral tribunal. The seat of arbitration is at the registered office of the Company. The proceedings will be conducted, and any award will be rendered, in English. In general, class actions as such are not available under Swiss law. However, a shareholder is entitled to bring a suit against directors for an intentional or negligent breach of their duties and claim the payment of the company's losses or damages to the corporation and, in some cases, to the individual shareholder. Likewise, an appraisal lawsuit won by a shareholder may indirectly compensate all shareholders.

Members of the Board of Directors and the Executive Committee, certain other officers of the Company and certain subsidiaries will be insured under an insurance policy against damages resulting from their conduct when acting in their capacities as such members or officers.

The Articles of Association provide for an indemnity for the members of the Board of Directors and the Executive Committee for any prejudice suffered through administrative or judicial proceedings or settlements in connection with their services for the Company. In addition, under general principles of Swiss employment law, an employer may be required to indemnify an employee against losses and expenses incurred by such employee in the proper execution of his or her duties under the employment agreement with the employer.

To the fullest extent authorised by applicable law, including but not limited to Dutch and Swiss law, every person who is or formerly was a member of the Board of Directors or the Executive Committee shall be indemnified and held harmless out of the assets of the Company against all costs, expenses, liability, loss, damages and claims (including attorneys' fees, judgments, fines or penalties and amounts paid in settlement) reasonably incurred or suffered by such member in connection with any action, suit or proceeding by reason of the fact that he or she is or was a member of the Board of Directors or the Executive Committee of the Company, regardless of whether the claim relates to personal damages or damages incurred by third parties. The indemnification does not apply in case of personal fraud, wilful recklessness or wilful misconduct, or if the current member of the Board of Directors or the Executive Committee is personally liable for a violation of criminal law or to the extent any related costs and losses have been reimbursed or paid to such person under any applicable insurance policy.

Furthermore, the General Meeting may discharge (release) the members of the Board of Directors and the Executive Committee from liability for their conduct to the extent the respective facts are known to the DSM-Firmenich Shareholders. Such discharge is effective only with respect to claims of the Company and of those DSM-Firmenich Shareholders who approved the discharge or who have since acquired their DSM-Firmenich Ordinary Shares in full knowledge of the discharge. Most violations of corporate law are regarded as violations of duties towards the corporation rather than towards the shareholders. In addition, indemnification of other controlling persons is not permitted under Swiss corporate law, including shareholders of the corporation.

11.12 Diversity

Swiss law has at the date of this Offering Circular no mandatory requirements regarding board diversity. The Company will as from 2026 at the level of the Board of Directors and from 2031 at the level of the Executive Committee be subject to Swiss regulations requiring the Board of Directors to comprise at least 30% female members, and the Executive Committee 20%. If these requirements are not met the Company must disclose the reason why and any measures taken in that respect. The Swiss Code of Best Practice for Corporate Governance (the **Swiss Code of Best Practice**) provides that the Board of Directors should be comprised of male and female members and that it must guarantee appropriate diversity among its members.

The Company prioritises and embraces diversity in the broadest sense (such as gender diversity and cultural diversity). As of the Settlement Date, the Company's Executive Committee will have a composition of 50% female members and 50% male members. It is intended that as of Settlement, the Board of Directors will consist of 12 members of which four are female. The Board of Directors will then be composed of 33% female members and 67% male members.

11.13 Swiss Code of Best Practice

The Swiss Code of Best Practice applies to the Company as the Company has its registered office in Switzerland. It is currently under review and a revised version is expected to enter into force in 2023. These explanations relate to the current version.

The Swiss Code of Best Practice is based on a 'comply or explain'-principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice provisions of the Swiss Code of Best Practice that are addressed to the Board of Directors. If a company deviates from a best practice provision in the Swiss Code of Best Practice, the reason for such deviation must be properly explained in its management report.

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Swiss Code of Best Practice. However, considering its interests and the interest of its stakeholders, the Company may from time to time deviate from a limited number of best practice provisions. The only best practice provision of the Swiss Code of Best Practice the Company expects not to comply with following Completion is the following: According to the Swiss Code of Best Practice, the Company shall publish in its business report the information as set out in the SIX Directive regarding information on corporate governance. As the Company will not be listed on the SIX Swiss Exchange, the SIX Directive regarding information on corporate governance is not applicable and the Company will therefore not be guided by the directive mentioned above.

11.14 Remuneration

The Company's remuneration

DSM-Firmenich will develop its remuneration approach in due course and in accordance with the following principles to ensure that its approach is aligned with the applicable governance standards, ensures transparency and values the diversity and inclusion of its 28,000 employees:

- DSM-Firmenich rewards long-term stakeholder value creation: DSM-Firmenich's remuneration strategies and outcomes will be tied to its purpose and will reflect the long-term value created for its varied stakeholders.

- DSM-Firmenich rewards competitively and fairly to attract, engage and retain the best qualified talent: DSM-Firmenich's reward opportunities will reflect competitive pay practices of peer companies, guaranteeing pay equity and competitiveness on total direct remuneration and benefits, securing pay for performance and rewarding superior and sustainable value creation.

- DSM-Firmenich's rewards approach is aligned with its strategy and sustainability ambitions. DSM-Firmenich's sustainability commitments and its overall performance will be reflected in the rewards design and remuneration.

Following Completion, the DSM-Firmenich Shareholders will at each annual General Meeting have the opportunity to vote, with non-binding effect, on the Company's remuneration report (for the prior financial year) and, with binding effect, on the maximum remuneration envelope for the members of the Board of Directors (until the next annual General Meeting) and the Executive Committee (for the next financial year). For the remuneration envelope, the Company will give due consideration to the outcome of the advisory vote on the remuneration report and will exchange with DSM-Firmenich Shareholders on the process for developing those envelopes.

Considering the nature of the Transactions, regulatory requirements and the Articles of Association, as well as the fact that the Company will become a public company during the financial year 2023, the following shall apply for financial years 2023 and 2024.

- The Company's extraordinary General Meeting, expected to be held in February 2023, shall cast a binding vote on (i) the maximum envelope for the remuneration of the Board of Directors until the extraordinary General Meeting of the Company expected to be held in May 2023, and (ii) the maximum envelope for the remuneration of the Executive Committee regarding financial year 2023, and shall preliminarily approve the maximum remuneration of the Executive Committee for financial year 2024 which will however be subject to a binding vote at the extraordinary General Meeting expected to be held in May 2023.

- As of Completion, the Company will engage with shareholders and investors on the remuneration approach.

- In addition to a decision on dividends, the extraordinary General Meeting expected to be held in May 2023 shall cast (i) a binding vote on the maximum envelope for the remuneration of the Executive Committee in financial year 2024 and (ii) a binding vote on the maximum remuneration of the Board of Directors for the period from that extraordinary General Meeting 2023 until the annual General Meeting in 2024.

The annual General Meeting to be held in 2024, will cast a binding vote on (i) the maximum envelope for the remuneration of the Executive Committee for the financial year 2025 and on (ii) the maximum envelope for the remuneration of the Board of Directors for the period from the annual General Meeting to be held in 2024 until the annual General Meeting to be held in 2025. Furthermore, the annual General Meeting to be held in 2024 will have a non-binding vote on the remuneration report over the financial year 2023.

At the time of this Offering Circular, the Company does not yet have any service contracts in place and it has not agreed on benefits upon termination of employment with the members of the Board of Directors or the Executive Committee.

Remuneration history of DSM

Managing Board

The below table displays the remuneration expenses for the members of the DSM Managing Board for the financial year 2021 (ended 31 December 2021) on an individual basis. See the DSM 2021 Financial Statements for more information relating to the remuneration.

(x € thousand)	**Base salary / fees**	**Short-term incentive**	**Share-based compensation**	**Pension expenditure**	**Other items**	**Total**
Geraldine Matchett	994	820	903	153	17	2,887
Dimitri de Vreeze	994	820	903	180	46	2,943
Total	**1,998**	**1,640**	**1,806**	**333**	**63**	**5,830**

Members of the DSM Managing Board participated in the Pensioenfonds DSM Nederland (i.e. Dutch pension fund available to all employees in the Netherlands). No loans have been provided.

Supervisory Board

The table below displays the remuneration of the members of the DSM Supervisory Board for the financial year 2021 (ended 31 December 2021) on an individual basis. See the DSM 2021 Financial Statements for more information relating to the remuneration.

(€)	**Annual fee**	**Committee fee**	**Other costs**	**Total**
Thomas Leysen	90,417	21,667	1,250	113,334
John Ramsay	72,917	27,000	1,250	101,167
Rob Routs	43,750	9,375	521	53,646
Pauline van der Meer Mohr	31,250	9,375	521	41,146
Eileen Kennedy	70,000	22,500	6,250	98,750
Carla Mahieu	40,833	8,167	729	49,729
Erica Mann	70,000	20,500	1,250	91,750
Frits van Paasschen	70,000	18,458	11,250	99,708
Pradeep Pant	70,000	20,500	11,250	101,750
Corien Wortmann-Kool	40,833	11,958	729	53,520
Total	**600,000**	**169,500**	**35,000**	**804,500**

In line with the remuneration policy of DSM, variable compensation did not apply. The members of the DSM Supervisory Board neither participated in any pension scheme, nor were they eligible for any benefit programmes offered by DSM (or any beneficiary) to its employees. No loans have been provided. The members of the DSM Supervisory Board did not receive any equity-based compensation.

Key management personnel

The table below displays the remuneration of the key management personnel as paid by DSM for the financial year 2021 (ended 31 December 2021) on an aggregated basis. See the DSM 2021 Financial Statements for more information relating to the remuneration.

(x € thousand)	
Salary	4,443
Short-term incentive	3,474
Pension expenditure	801
Share-based compensation	3,774
Other	2,216
Total key management personnel compensation	**14,708**
Of which: Managing Board remuneration	5,830
Supervisory Board remuneration	805

Remuneration history of Firmenich

This paragraph sets out the remuneration of the Firmenich Board for the year ended 30 June 2022 as historically disclosed and certain other remuneration information.

Remuneration Firmenich Board for the year ended 30 June 2022

The total amount of fees and remuneration received by the members of the Firmenich Board for the year ended 30 June 2022 is CHF 3.7 million.

Additional payments DSM and Firmenich

Members of the DSM Executive Committee have been awarded a performance-based right to an additional payment in view of the extraordinary engagement required and the supplementary work carried out. The total amount involved is expected to be €6.1 million, payable over a period of two years following the Settlement Date to the members of the Executive Committee that remain in service and around the Settlement Date to the members of the Executive Committee members who will leave the organisation. The severance obligation amounts to €1.7 million. In addition, a total amount of €29.1 million is expected to cover the additional RSU grant under the DSM Share Unit Plans (see section 11.16 "*Long-term incentive plans*"), the DSM Cash Settlement and special bonuses awarded to recognise employees that had a pivotal role in the process to bring about the merger. All of these payments involve a group of over 300 employees.

Members of the Firmenich Board have been awarded a right to an additional payment of €6.7 million to compensate for the supplementary amount of work that has been carried out, which will be paid out in the first quarter of 2023. Members of the Firmenich Executive Committee and certain senior leaders of Firmenich have been awarded a right to an incentive payment (involving €40.1 million for the Firmenich Executive Committee), which amount will be paid out on or around the Settlement Date for employees that will leave the organisation. With respect to employees that will not leave the organisation, this amount will be paid out over a period of two years as from the Settlement Date. The incentive payments for the members of the Firmenich Executive Committee and certain senior leaders of Firmenich are conditional upon Completion and are intended to ensure retention and continued engagement until Completion and also after Completion with respect to the persons that will not leave the organisation. The total amount of the incentive payments for the Firmenich Executive Committee and senior leaders of Firmenich is expected to amount to €116 million to be paid out over a group of approximately 150 persons.

11.15 Equity holdings

Board of Directors

As of the date of the Offering Circular, none of the members of the Board of Directors hold any shares in DSM-Firmenich.

As of the date of the Offering Circular, Thomas Leysen holds 10,035 DSM Ordinary Shares, representing approximately 0.0058% of the DSM Ordinary Shares outstanding.

As of the date of the Offering Circular, John Ramsay holds 1,788 DSM Ordinary Shares, representing approximately 0.001% of the DSM Ordinary Shares outstanding.

As of the date of the Offering Circular, Antoine Firmenich directly holds 19,445 Firmenich Ordinary Shares, representing 2.7% of the Firmenich Ordinary Shares outstanding.

As of the date of the Offering Circular, Patrick Firmenich directly holds 26,733 Firmenich Ordinary Shares, representing 3.7% of the Firmenich Ordinary Shares outstanding.

As of the date of the Offering Circular, André Pometta directly holds 56,456 Firmenich Ordinary Shares, representing 7.8% of the Firmenich Ordinary Shares outstanding.

Executive Committee

As of the date of the Offering Circular, none of the members of the Executive Committee hold any shares in the Company.

As of the date of the Offering Circular, Geraldine Matchett holds 78,166 DSM Ordinary Shares, representing approximately 0.0452% of the DSM Ordinary Shares outstanding, and Dimitri de Vreeze holds 77,827 DSM Ordinary Shares, representing approximately 0.0450% of the DSM Ordinary Shares outstanding. As of the date of the Offering Circular, other members of the Executive Committee that are currently members of the DSM Executive Committee hold 107,009 DSM Ordinary Shares (this includes 957 DSM Ordinary Shares held by the spouse of one of the Executive Committee members), representing 0.0618% of the DSM Ordinary Shares outstanding.

As of the date of the Offering Circular, none of the members of the Executive Committee that are currently members of the Firmenich Executive Committee hold any Firmenich Ordinary Shares.

11.16 Long-term incentive plans

DSM incentive plans

At the date of the Business Combination Agreement, the members of the DSM Managing Board and the DSM Executive Committee, the DSM Executives and certain groups of employees of the DSM Group (the **Eligible Persons**) have rights outstanding under the following share incentive plans of DSM (the **DSM Incentive Plans**):

- the Royal DSM STI Deferral & Share Matching Plan – Regulations applicable to the DSM Managing Board;
- the Royal DSM STI Deferral & Share Matching Plan – Regulations applicable to the DSM Executive Committee;
- the Royal DSM STI Deferral & Share Matching Plan – Regulations applicable to the DSM leadership team;
- the Royal DSM Restricted- and Performance Share Unit Plan – Regulations applicable to the DSM Managing Board and the DSM Executive Committee;
- the Royal DSM Restricted- and Performance Share Unit Plan – Regulations applicable to the DSM Executives and managers;
- the Staff Option Plan – DSM Nederland as included in the collective labour agreement applicable to DSM NL Services B.V. (the **DSM Staff Option Plan**); and
- the legacy Royal DSM Stock Incentive Plan (the **DSM Stock Incentive Plan**).

The Royal DSM STI Deferral & Share Matching Plans applicable to the DSM Managing Board, the DSM Executive Committee and the DSM leadership team are hereinafter collectively referred to as the **DSM Share Matching Plans**. The Royal DSM Restricted- and Performance Share Unit Plans applicable to the DSM Managing Board, the DSM Executive Committee and the DSM Executives and managers are hereinafter collectively referred to as the **DSM Share Unit Plans**.

The DSM Share Matching Plans allow for the grant of performance share units (**PSUs**), matching the number of DSM Ordinary Shares obtained upon a conversion of part of the short-term incentive over any financial year (one-on-one matching).

The DSM Share Unit Plans allow for the grant of restricted share units (**RSUs**) and PSUs to members of the DSM Managing Board, the DSM Executive Committee and the DSM Executives. Furthermore, selected employees at managerial level (below the executive level), may receive a one-off recognition grant.

Under the DSM Stock Incentive Plan, stock options have been granted to DSM Executives (members of the DSM Executive Committee may hold stock options granted to them prior to their appointment as member of the DSM Executive Committee). The final grant under the DSM Stock Incentive Plan has been made in 2016. The stock options granted under the DSM Stock Incentive Plan have a term of eight years, including a three-year vesting period.

Under the DSM Staff Option Plan, and subject to the plan rules included in the applicable collective labour agreement, employees of DSM NL Services B.V. might be eligible for a stock option grant depending on the results of DSM. The stock options granted under the DSM Staff Option Plan have a term of five years (no vesting period).

There are no incentive plans within the DSM Group that grant any person a right to receive one or more securities in DSM, other than the DSM Incentive Plans. Members of the DSM Supervisory Board are not eligible for any equity-based remuneration.

All rights of and all individual commitments to Eligible Persons, in all cases in respect of the DSM Incentive Plans, will be respected, settled and / or, in respect of the DSM Staff Option Plan, amended, as the case may be, in accordance with the plan rules of the DSM Incentive Plans. In principle, all plan rules of the DSM Incentive Plans shall continue to apply after the Settlement Date. If a situation occurs that is not foreseen in the DSM Incentive Plans, the respective relevant corporate body shall at its sole discretion, subject to the plan rules of the DSM Incentive Plans, take such decision, taking into account the intention of the respective plan rules, to cater for such situation.

Roll-Over

Except for such rights that are subject to the DSM Cash Settlement as described in section 11.16 "*Long-term incentive plans – DSM incentive plans – Cash settlement*", all rights of Eligible Persons recorded as outstanding immediately prior to the Settlement Date relating to DSM Ordinary Shares, such as entitlements to DSM Ordinary Shares under PSUs, RSUs or stock options, where applicable, granted under the respective DSM Incentive Plans (the **Employee Share Rights**) shall, as per the Settlement Date, be exchanged for equivalent rights to DSM-Firmenich Ordinary Shares under the same DSM Incentive Plans, upon which any entitlement to DSM Ordinary Shares in relation to the Employee Share Rights shall lapse and shall be replaced by an entitlement to the same number of DSM-Firmenich Ordinary Shares (the **DSM Roll-Over**). The number of DSM Ordinary Shares comprising the Employee Share Rights that will be subject to the DSM Roll-Over is based on the number of DSM Ordinary Shares that are recorded as outstanding to Eligible Persons under the respective DSM Incentive Plans immediately prior to the Settlement Date.

Any Investment Shares (as defined under the respective DSM Share Matching Plans) or other DSM Ordinary Shares acquired by Eligible Persons under the respective DSM Incentive Plans, in all cases to the extent transfer restrictions apply in accordance with the DSM Incentive Plans, shall be subject to the principles of the DSM Roll-

Over, in the sense that DSM shall enable the Eligible Persons to exchange such Investment Shares or other DSM Ordinary Shares for equivalent rights to DSM-Firmenich Ordinary Shares under the same transfer restrictions.

DSM may, in accordance with the plan rules as included in the DSM Incentive Plans, amend or waive performance targets in relation to grants under the DSM Incentive Plans.

In respect of the DSM Staff Option Plan, the DSM Roll-Over shall be subject to consent of the relevant Trade Unions in accordance with the applicable collective bargaining agreement.

Cash settlement

All rights of Eligible Persons recorded as outstanding immediately prior to the Settlement Date relating to DSM Ordinary Shares under PSUs granted under the respective DSM Share Matching Plans (the **Employee Share Matching Rights**) shall, insofar as they relate to 100% of the grants made in respect of the performance years 2019, 2020 or 2021, be cancelled against payment in cash in full and final satisfaction of such rights on the Settlement Date (the **DSM Cash Settlement**), considering the average opening share price of DSM Ordinary Shares over the period starting on the grant date of the respective grant and ending on the date that is one day prior to the date of Announcement, as derived from the official price list of Euronext Amsterdam. Settlement is expected to involve € 6.1 million.

The number of DSM Ordinary Shares comprising the Employee Share Matching Rights that will be subject to the DSM Cash Settlement is based on the number of DSM Ordinary Shares that are recorded as outstanding to Eligible Persons under the respective DSM Share Matching Plans immediately prior to the Settlement Date. As per the Settlement Date, the existing DSM Share Matching Plans will lapse, and no more rights can be derived from the DSM Share Matching Plans by Eligible Persons.

With regard to the performance year 2022, no performance share units will be granted to Eligible Persons under the respective DSM Share Matching Plans. Instead, a payment in cash will be made to each Eligible Person in the amount of the maximum deferral percentage as applicable to the Eligible Person under the DSM Share Matching Plans (i.e. the maximum percentage as applicable to the Eligible Person of the short-term incentive over the performance year 2022 by each Eligible Person) that would have applied under the respective DSM Share Matching Plans over the performance year 2022.

Taxes and social security

Any taxes and social security contributions payable in connection with the DSM Roll-Over and DSM Cash Settlement shall, to the maximum extent permitted under Applicable Rules, be entirely for the account of the relevant Eligible Persons, and, among others, DSM or any member of the DSM Group may withhold or deduct any amounts so required under the law in respect of the liability for tax, social security or any other liability in connection with the DSM Roll-Over and DSM Cash Settlement.

Grants under the DSM Incentive Plans until the Settlement Date

DSM is allowed to make grants under the respective DSM Incentive Plans until the Settlement Date in the ordinary course consistent with the manner in which grants have been made in the three years prior to the date of the Business Combination Agreement, in accordance with the respective plan rules and anyhow in any event as far as DSM has an obligation to do so under any DSM Incentive Plan or any binding agreements, including collective bargaining agreements, as applicable from time to time. With effect from the Settlement Date, DSM is allowed to continue the DSM Staff Option Plan and make grants in the ordinary course consistent with the manner in which grants have been made in the three years prior to the date of the Business Combination Agreement as far as DSM has an obligation to do so under any binding collective bargaining agreements.

In recognition for the supplementary amount of work that has been carried out, to attend to the expected workload moving forward and the uncertainties this brings in a stressed labour market and as an expression of the responsibility going forward, a group of DSM senior key employees (including DSM Executives) have received a grant of 103,064 RSUs (face value underlying shares: € 14.7 million) in total under the DSM Share Unit Plans on 30 September 2022, which grant is subject to a three-year vesting period and will be cash-settled upon vesting. If the Transactions will not be completed, the grant will lapse.

Overview of outstanding rights and obligations under the DSM Incentive Plans

Considering the DSM Roll-Over, outstanding obligations (i.e. RSUs and PSUs granted in 2020, 2021 and 2022) under the DSM Share Unit Plans shall vest at the vesting date as initially determined at the grant date (i.e. at the third anniversary of the respective grant date), provided that the respective vesting conditions have been met. RSUs shall vest upon the condition of continued employment until the vesting date. PSUs granted in 2020, shall vest as per 31 March 2023, considering continued employment until the vesting date as well as the achievement of the underlying targets. PSUs granted in 2021 and 2022, respectively, shall vest against the average of the vesting result achieved over the vesting that occurred in 2020, 2021 and 2022.

The table below provides an overview of the outstanding RSUs and PSUs under the DSM Share Unit Plans recorded as unvested as of the date of this Offering Circular.

	Outstanding share units							
	2020		**2021**		**2022**		**Total**	
Number of share units	**RSU**	**PSU**	**RSU**	**PSU**	**RSU**	**PSU**	**RSU**	**PSU**
DSM Managing Board								
- Geraldine Matchett............................	0	12,500	0	10,000	0	8,500	0	31,000
- Dimitri de Vreeze..............................	0	12,500	0	10,000	0	8,500	0	31,000
DSM Executive Committee								
- Executive Committee excl. DSM Managing Board..................................	4,287	18,387	3,897	17,659	11,212	24,500	19,396	60,546
- DSM Executives and grants at managerial level	58,410	42,332	46,325	37,424	140,241	36,984	244,976	116,740
Total..	**62,697**	**85,719**	**50,222**	**75,083**	**151,453**	**78,484**	**264,372**	**239,286**

The minimum shareholding requirement for members of the DSM Managing Board respectively the DSM Executive Committee remain in force, considering the DSM Roll-Over.

Considering the DSM Roll-Over, the number of outstanding stock options (i.e. vested stock options not yet exercised) under the DSM Stock Incentive Plan as of the date of this Offering Circular amounts to 543,425 stock options in total. The members of the DSM Executive Committee hold 99,000 stock options as of the date of this Offering Circular (such stock options have been granted to the members of the DSM Executive Committee prior to 2017 and prior to their appointment as member of the DSM Executive Committee). None of the members of the DSM Managing Board hold any stock options as of the date of this Offering Circular.

Considering the DSM Roll-Over, the number of outstanding stock options (i.e. not yet exercised) under the DSM Staff Option Plan as of the date of this Offering Circular amounts to 572,535 stock options in total.

Considering the DSM Cash Settlement, outstanding obligations (i.e. PSUs granted in 2019, 2020 and 2021) under the DSM Share Matching Plans shall be cancelled against payment in cash in full and final satisfaction of such rights on the Settlement Date.

The table below provides an overview of the outstanding PSUs under the DSM Share Matching Plans recorded as outstanding as of the date of this Offering Circular.

	Outstanding PSUs			
Number of PSUs	**2019**	**2020**	**2021**	**Total**
DSM Managing Board				
- Geraldine Matchett..	1,558	1,850	2,506	5,914
- Dimitri de Vreeze..	1,632	1,850	2,506	5,988
DSM Executive Committee				
- Executive Committee excl. DSM Managing Board..............	4,426	4,234	8,551	17,211

	Outstanding PSUs			
Number of PSUs	**2019**	**2020**	**2021**	**Total**
Total	**7,616**	**7,934**	**13,563**	**29,113**

Lock-up arrangements

Under the DSM Share Matching Plans applicable to the DSM Managing Board and the DSM Executive Committee, it is mandatory to defer and convert 25% of the short-term incentive (**STI**) into DSM Ordinary Shares (**Investment Shares**). In addition, eligible participants may at their sole discretion choose to defer and convert an additional 5% (minimum) up to 25% (maximum) of the STI into Investment Shares. The eligible participants may opt for a lock-up period of three or five years immediately following the date that these Investment Shares are obtained, but they are not required to opt for a lock-up period (in which case no lock-up period will apply).

DSM matches the total number of Investment Shares obtained under the STI deferral and conversion with an equivalent number of PSUs (1:1 match). These PSUs are subject to a five-year holding period (including a three-year vesting period) as of the grant date of the PSUs. These PSUs will only vest if the Investment Shares are held until at least the vesting date of the PSUs, while vesting is subject to predefined performance hurdles. At vesting of the PSUs, the eligible participants may opt for a lock-up period of two or five years immediately following the vesting date of the PSUs, but they are not required to opt for a lock-up period (in which case no lock-up period will apply).

Under the DSM Share Unit Plan applicable to the DSM Managing Board and the DSM Executive Committee, RSUs or PSUs may be granted, subject to a five-year holding period (including a three-year vesting period) as of the grant date of the RSUs or PSUs. Vesting is subject to continued engagement of the eligible participant and predefined performance hurdles. At vesting of the RSUs or PSUs, the eligible participants may opt for a lock-up period of two or five years immediately following the vesting date of the RSUs or PSUs, but they are not required to opt for a lock-up period (in which case no lock-up period will apply).

During a lock-up period or holding period, members of the DSM Managing Board and the DSM Executive Committee are restricted to sell, transfer, assign, charge, pledge, encumber or hedge any Investment Shares and / or any DSM Ordinary Shares obtained upon the vesting of RSUs or PSUs (the **Transfer Restrictions**). In the event of a change in control, the relevant DSM corporate body as identified in the respective DSM Incentive Plan has the discretionary power to waive Transfer Restrictions.

As described under section 11.16 "*Long-term incentive plans – DSM incentive plans – Roll-Over*", the entitlements to DSM Ordinary Shares upon the vesting of underlying RSUs or PSUs shall, as per the Settlement Date, be exchanged for equivalent rights to DSM-Firmenich Ordinary Shares that shall be subject to the same Transfer Restrictions. DSM shall enable Eligible Persons, among whom members of the DSM Managing Board and the DSM Executive Committee, to exchange under the Exchange Offer their Investment Shares or other DSM Ordinary Shares that might be subject to Transfer Restrictions for DSM-Firmenich Ordinary Shares that shall be subject to the same Transfer Restrictions.

Firmenich incentive plans

As of the date of the Firmenich Contribution, there are no equity incentive plans in place for Firmenich.

DSM-Firmenich incentive plans

At the time of this Offering Circular, no remuneration policy for the Company has been adopted and it is not yet determined whether the existing DSM Incentive Plans will be continued by the Company or whether new incentive plans will be developed for the Company. As referred to in section 11.16 "*Long-term incentive plans – DSM incentive plans - Roll-Over*", some of the existing DSM Incentive Plans are subject to the DSM Roll-Over. The remuneration policy, including the applicable incentive plans, for the Company will be developed and implemented in due course. This implies that as per the date of this Offering Circular, no decisions are made with regard to any equity plan to be operated by the Company after Completion. The Board of Directors or the Compensation Committee may determine that the compensation of the Board of Directors and / or the Executive Committee is to be paid in part in the form of freely available or blocked DSM-Firmenich Ordinary Shares (or conditional entitlements in respect of such DSM-Firmenich Ordinary Shares). The Board of Directors specifies, in particular, the time of the grant, the term of the blocking period and any discounts to be made in consideration of the term of the blocking period. The Board of Directors may provide that upon the occurrence of certain events defined in advance, such as the termination of a mandate or a change of control, such blocking periods shall remain in effect or be shortened or be cancelled, or compensation is to be paid or is no longer due.

In addition, the Company has conditional capital in the amount of 5% of the DSM-Firmenich Completion Issued Share Capital based on which DSM-Firmenich Ordinary Shares with a par value of €0.01 each equal to up to 5% of the DSM-Firmenich Completion Issued Share Capital may be issued through the exercising of rights or entitlements in respect of DSM-Firmenich Ordinary Shares granted to employees or members of the Board of Directors of the Company, its consolidated subsidiaries or other entities in which the Company has a direct or indirect stake of at least 50% in accordance with regulations and terms and conditions to be specified by the Board of Directors.

11.17 The DSM-Firmenich EGM in May 2023

Following Completion, the Company intends to convene an EGM, which is expected to take place in May 2023, during which the following topics will be discussed and voted on by the DSM-Firmenich Shareholders:

- the maximum envelope for the remuneration of the Executive Committee in financial year 2024 and the maximum remuneration of the Board of Directors for the period between the EGM in May 2023 and the annual General Meeting in 2024;

- the dividend payment of €423 million by DSM-Firmenich, to be paid fully out of Swiss recognised capital contribution reserves; and

- an amendment to the Articles of Association with respect to, among others, a provision on which resolutions of the Board of Directors require approval of the General Meeting.

11.18 Employees

DSM employees

As of 31 December 2021, DSM had 21,358 employees and, on average during the financial year 2021, DSM had 21,268 FTEs, comprising approximately of 30% female and 70% male employees. As of 31 December 2021, DSM's Executive Committee is 40% female and the DSM Managing Board and DSM Supervisory Board are 50% female. DSM has set a target to have 30% of DSM's executive roles fulfilled by females by the end of 2025.

The table below provides an overview of the numbers of DSM's headcount by function as at 31 December 2021, 2020 and 2019 and the average workforce for these financial years measured in FTEs.

	2021		**2020**		**2019**	
Business department	**Employees**	**FTEs**	**Employees**	**FTEs**	**Employees**	**FTEs**
Nutrition	16,091	15,623	15,838	14,535	14,599	13,874
Materials	2,885	2,815	2,857	2,852	2,951	2,988
Innovation Centre	578	498	579	613	683	663
Corporate Activities	1,804	1,902	2,039	2,012	2,087	2,042
Total continuing operations	**21,358**	**20,838**	**21,313**	**20,012**	**20,320**	**19,567**
Discontinued operations	-	430	1,814	1,803	1,854	1,823
Total	**21,358**	**21,268**	**23,127**	**21,815**	**22,174**	**21,390**

The following table details the numbers of DSM's headcount by geographical location as at 31 December 2021, 2020 and 2019 and the average workforce for these financial years measured in FTEs.

	2021		2020		2019	
Location	**Employees**	**FTEs**	**Employees**	**FTEs**	**Employees**	**FTEs**
The Netherlands	3,006	3,040	3,858	3,708	3,960	3,785
Switzerland	2,174	2,099	2,129	2,135	2,275	2,192
Rest of Europe	4,161	4,064	4,384	3,625	3,433	3,346
North America	3,018	2,971	3,185	3,195	3,346	3,336
Latin America	2,290	2,255	2,243	2,108	2,134	2,232
China	4,704	4,768	5,025	4,950	4,960	4,515
Rest of Asia	1,709	1,771	1,996	1,803	1,774	1,691
Rest of the world	296	299	307	291	292	293
Total	**21,358**	**21,268**	**23,127**	**21,815**	**22,174**	**21,390**

Firmenich employees

As of 30 June 2022, Firmenich had 10,531 employees representing 10,467 FTEs, comprising approximately of 37% female and 63% male employees. Firmenich has adapted flexible working and smarter working guidelines which give individuals choice in where, when and how they work while ensuring collaboration and well-being and achieving results. Firmenich's executive committee is now 50% female and the Firmenich Board is 30% female. Firmenich has set a target to have 35% of Firmenich's top 250 senior leader roles fulfilled by females by the end of 2025.

Firmenich uses a combination of permanent and temporary employees, which enables it to amend the capacity up and down to match the demand of its customers. During the year ended 30 June 2022, Firmenich employed 104 temporary employees, representing 104 FTEs. In addition, Firmenich engaged 431 independent contractors during the year ended 30 June 2022.

The table below provides an overview of the numbers of Firmenich's headcount by function as at 30 June 2022, 2021 and 2020.

	As at June 30					
	2022		2021		2020	
Business department	**Employees**	**FTEs**	**Employees**	**FTEs**	**Employees**	**FTEs**
Perfumery & Ingredients	3,736	3,712	3,552	3,525	3,413	3,395
Taste & Beyond	1,281	1,270	1,170	1,159	1,470	1,461
Research & Development	481	472	432	423	393	383
Global operations supply chain	3,291	3,282	3,158	3,150	3,438	3,428
Enablers	1,742	1,731	1,688	1,677	1,382	1,373
Total	**10,531**	**10,467**	**10,000**	**9,934**	**10,096**	**10,042**

The following table details the numbers of Firmenich's headcount by geographical location as at 30 June 2022, 2021 and 2020.

	As at 30 June					
	2022		2021		2020	
Location	**Employees**	**FTEs**	**Employees**	**FTEs**	**Employees**	**FTEs**
Europe	4,789	4,727	4,464	4,404	4,904	4,852
North America ..	2,014	2,012	1,987	1,983	1,708	1,706
India, Middle East & Africa	1,221	1,221	1,2127	1,217	1,198	1,198
Latin America ...	931	931	925	923	903	903
North & East Asia	945	945	799	799	779	779
South East Asia.	631	631	608	608	604	604
Total	**10,531**	**10,467**	**10,000**	**9,934**	**10,096**	**10,042**

11.19 Pensions

DSM pensions

The DSM Group operates various pension plans, which are geared to the local regulations and practices in the countries in which they operate. As these plans are designed to comply with the statutory framework, tax legislation, local customs and the economic situation of the countries concerned, it follows that the nature of the plans varies from country to country. The plans are based on local legal and contractual obligations. DSM's current policy is to offer defined contribution retirement plans to new employees wherever possible. However, DSM still has a small number of defined benefit pension and healthcare schemes from the past or in countries where legislation does not allow DSM to offer a defined contribution scheme. Generally, these schemes have been funded through external trusts or foundations, where DSM faces the potential risk of funding shortfalls. The most significant defined benefits schemes are held in Switzerland, the United Kingdom, the United States and Germany.

The annual pension costs for both the defined contribution and the defined benefit plans in 2021 amount to €116 million.

Firmenich pensions

The Firmenich Group operates various defined benefit and defined contribution pension plans in accordance with local conditions and practices in the countries concerned. The pension plans are generally funded by payments from employees and by the relevant Firmenich Group companies considering the recommendations of the independent qualified actuaries.

A defined contribution plan is a pension plan under which the Firmenich Group pays fixed contributions into a separate entity. The Firmenich Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The most significant pension plans for the Firmenich Group are held in Switzerland, the United States and the United Kingdom and are defined benefit pension plans.

The annual pension costs for both the defined contribution and the defined benefit plans as of 30 June 2022 amount to €108.6 million.

11.20 Major shareholders

As of the date of this Offering Circular, DSM is the sole shareholder of the Company. Following the Post-Closing Acceptance Settlement Date, the former DSM Shareholders will collectively own 100% of the Company's issued share capital. Following the Firmenich Contribution, it is envisaged that the former Firmenich Shareholders will collectively own 34.5% of the Company's issued share capital and the former DSM Shareholders will be diluted to collectively own 65.5% of the Company's issued share capital. The Hedione Firmenich Shareholder Group will sign the Hedione Relationship Agreement with the Company, and certain individual Firmenich Shareholders will enter into Individual Relationship Agreements with the Company prior to or at the Contribution Completion. See section 11.21 "*Related party transactions – DSM-Firmenich's related party transactions*".

Based on the regulatory filings with the AFM, the following persons owned, directly or indirectly, in excess of three percent of DSM's capital and / or voting interest as of the date of this Offering Circular:

DSM Shareholders	Number of DSM Ordinary Shares	Number of DSM Preference Shares A	% of share capital	% of voting rights	% of share capital in the Company after the Firmenich Contribution(1)
BlackRock, Inc.	9,680,058	0	4.42%	5.54%	2.9%
Capital Research and Management Company	0	0	0%	4.89%	0%
NN Group N.V.	3,100,418	12,082,592	6.73%	6.73%	0.93%
ASR Nederland N.V.	248,066	17,520,000	7.85%	7.75%	0.07%

DSM Shareholders	Number of DSM Ordinary Shares	Number of DSM Preference Shares A	% of share capital	% of voting rights	% of share capital in the Company after the Firmenich Contribution[(1)]
Coöperatieve Rabobank U.A.	0	14,437,408	5.85%	5.85%	0%

(1) This column presents the dilution of DSM's major shareholders as a result of the Firmenich Contribution, assuming that they will hold the same number of shares in the Company following Completion, and following the repurchase and cancellation of the DSM Preference Shares A by DSM. No commitments from DSM's shareholders in relation to the Exchange Offer have been provided.

There are no persons that hold an interest in Firmenich's capital or voting rights that is notifiable under Swiss law.

11.21 Related party transactions

DSM's related party transactions

See Note 28 of the DSM Annual Financial Statements for information on related party transactions entered into by DSM in the DSM Period Under Review.

Firmenich's related party transactions

See Notes 5 and 21 of the Firmenich's consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020 for information on related party transactions entered into by Firmenich in the Firmenich Periods Under Review.

DSM-Firmenich's related party transactions

Hedione Relationship Agreement

Ultimately on the Firmenich Contribution date, the Company will enter into a relationship agreement with a certain number of former Firmenich Shareholders (the **Hedione Firmenich Shareholders**) (the **Hedione Relationship Agreement**). It is expected that following the Firmenich Contribution, the Hedione Firmenich Shareholders will collectively hold approximately 22% of the Company's issued share capital and voting rights.

The Hedione Relationship Agreement governs the strategic support by the Hedione Firmenich Shareholders, compliance with the Organisational Regulations, a restricted information flow from the Company or from members of the Board of Directors nominated by the Hedione Firmenich Shareholders as per the nomination right contained in the Articles of Association (the **Hedione Representatives**) to the Hedione Firmenich Shareholders for compliance purposes only, and the nomination process for Hedione Representatives.

With respect to the composition of the Board of Directors, the Hedione Relationship Agreement provides certain voting restrictions and undertakings for the Hedione Firmenich Shareholders:

- while there are two or more Firmenich Nominated Directors, no Hedione Firmenich Shareholder may propose and vote for the appointment of a candidate for the Board of Directors (in addition to the Hedione Representative(s) and any other Firmenich Nominated Directors) who is (i) a Firmenich Shareholder or a family member or person related to any Firmenich Shareholder, (ii) any current employee of Firmenich or DSM or former employee of Firmenich or DSM whose employment relationship has terminated less than five years before the date of the electing General Meeting, (iii) and / or any person with whom any Firmenich Shareholder or Firmenich or DSM itself has or has had significant business relationships in the last five years before the date of the electing General Meeting, in each case unless that individual candidate is proposed by the Board of Directors to the General Meeting;

- each Hedione Firmenich Shareholder undertakes to exercise his / her / its voting rights in such a way that the chairperson of the Board of Directors is independent from Hedione Firmenich Shareholders or from other Firmenich Shareholders unless (i) the chairperson of the Board of Directors is unable to continue as chairperson for whatever reason and (ii) a Firmenich Nominated Director candidate is proposed by the Board of Directors to the General Meeting and such proposal is supported by two thirds of the members of the Board of Directors who are not Firmenich Nominated Directors; and

- each Hedione Firmenich Shareholder undertakes to vote for (i) the election of the former DSM independent directors to the Board of Directors, and Thomas Leysen as chairperson of the Board of Directors, at each annual General Meeting up to the annual General Meeting to be held in 2025, and (ii) the election of Carla Mahieu and Corien Wortmann-Kool to the Board of Directors at the annual General Meeting to be held in 2026, in each case unless the chairperson of the Board of Directors advises not to vote for any such particular former DSM independent director for reasons relating to the requirements set out in the Company's board profile.

In addition, each Hedione Firmenich Shareholder who, in the opinion of the Board of Directors (in case the facts are disputed, with the assistance of an external expert), acts in concert with a third party and exceeds by doing so the threshold of 30%, undertakes to not legally challenge in any manner the authority of the Board of Directors to require a tender offer and to impose – if no offer is made – the 15% voting limit of the Articles of Association (or the 20% voting limit of the Articles of Association if an offer is made that does not lead to 75% ownership). See also section 12.10 "*General Meeting – Voting rights, registration as a shareholder*". However, such Hedione Firmenich Shareholder retains the right to challenge the Board of Directors' conclusion that it is acting in concert.

The Hedione Relationship Agreement will terminate (i) automatically upon the Hedione Firmenich Shareholders in aggregate holding less than 8.5% of the DSM-Firmenich Ordinary Shares, (ii) automatically if an individual Hedione Firmenich Shareholder ceases to hold any DSM-Firmenich Ordinary Shares, for that Hedione Firmenich Shareholder only (but not for the other parties thereto) and (iii) by mutual agreement of the parties in writing.

Individual Relationship Agreements

Ultimately on the Firmenich Contribution Date, the Company will enter into individual relationship agreements with certain individual former Firmenich Shareholders that will collectively hold approximately 12.4% of the Company's issued share capital and voting rights following the Firmenich Contribution (the **Individual Relationship Agreements**). The Individual Relationship Agreements govern the strategic support by the relevant Firmenich Shareholder, application of the Organisational Regulations and the nomination process for Firmenich Nominated Directors.

With respect to the composition of the Board of Directors, the Individual Relationship Agreements provide certain voting restrictions and undertakings for the relevant Firmenich Shareholders:

- while there are two or more persons nominated as Firmenich Nominated Directors, no Firmenich Shareholder being a party to an Individual Relationship Agreement may propose and vote for the appointment of a candidate for the Board of Directors (in addition to the Firmenich Nominated Directors) who is (i) a Firmenich Shareholder or a family member or person related to any Firmenich Shareholder, (ii) any current employee of Firmenich or DSM or former employee of Firmenich or DSM whose employment relationship has terminated less than five years before the date of the electing General Meeting, (iii) and / or any person with whom any Firmenich Shareholder or Firmenich or DSM itself has or had significant business relationships in the last five years before the date of the electing General Meeting, in each case unless that individual candidate is proposed by the Board of Directors to the General Meeting; and

- each Firmenich Shareholder being a party to an Individual Relationship Agreement undertakes to exercise his / her / its voting rights in such a way that the chairperson of the Board of Directors is independent from Firmenich Shareholders unless (i) the chairperson of the Board of Directors is unable to continue as chairperson for whatever reason and (ii) a Firmenich Nominated Director candidate is proposed by the Board of Directors to the General Meeting and such proposal is supported by 2/3 of the members of the Board of Directors who are not Firmenich Nominated Directors.

In addition, each Firmenich Shareholder being a party to an Individual Relationship Agreement who, in the opinion of the Board of Directors, acts in concert with a third party and exceeds by doing so the threshold of 30%, undertakes to not legally challenge in any manner the authority of the Board of Directors to require a tender offer and to impose – if no offer is made – the 15% voting limit of the Articles of Association (or the 20% voting limit of the Articles of Association if an offer is made that does not lead to 75% ownership). See also section 12.10 "*General Meeting – Voting rights, registration as a shareholder*". However, such Firmenich Shareholder retains the right to challenge the Board of Directors' conclusion that it is acting in concert.

The Individual Relationship Agreements will terminate (i) automatically upon the relevant Firmenich Shareholder holding less than 1.5% of the DSM-Firmenich Ordinary Shares and (ii) by mutual agreement of the parties in writing.

11.22 Comparison of shareholder rights between DSM and the Company

There will be certain differences between the rights of DSM shareholders before the consummation of the Merger, and the rights of DSM-Firmenich Shareholders after the Merger. These differences in shareholder rights result from the differences between Swiss and Dutch law and the respective governing documents of DSM and the Company. As the Company is a Swiss company, the rights of holders of DSM-Firmenich Ordinary Shares will be governed directly by the CO, the Articles of Association and the Organisational Regulations. The material differences are set out below.

The Netherlands	Switzerland
Corporate bodies	
The corporate bodies of DSM are the general meeting, the DSM Managing Board and the DSM Supervisory Board.	The corporate bodies of the Company are the General Meeting, the Board of Directors, the statutory auditor and the Executive Committee.
Shareholders' right to call a general meeting	
The DSM Managing Board and DSM Supervisory Board have the obligation to call a general meeting of shareholders, if one or more of those having the right to vote who hold, as between them, at least 10% of the issued share capital make a request in writing to the board to that effect, stating the matters to be dealt with. If the DSM Managing Board and DSM Supervisory Board fail to call a meeting, then such shareholders may, on their application, be authorised by the interim provisions judge of the court to convene a general meeting of shareholders.	The Board of Directors is required to convene an EGM if shareholders registered in the share register with voting rights, together representing at least 5% of the share capital or of the voting rights of the Company request such General Meeting in writing, stating the agenda items and requests for resolutions. If the Board of Directors fails to call a meeting within an appropriate deadline (but at most within 60 days), then the competent court may order upon request of the applicants the convocation of the General Meeting.
Shareholders' Right to place items on the agenda of a Shareholders' meeting	
Shareholders who, alone or jointly, represent at least 1% of DSM's issued capital and otherwise meet the requirements set out in Dutch law will have the right to request the DSM Managing Board or DSM Supervisory Board to place items on the agenda of the general meeting of shareholders, provided the reasons for the request are stated therein and the request is received at least 60 days before the date of the general meeting of shareholders.	Shareholders registered in the share register with voting rights who together represent at least 0.5% of the Company's share capital or voting rights may request that an item be placed on the agenda of a General Meeting, provided they submit details thereof to the Company in writing at least 50 calendar days in advance of the General Meeting concerned.
Shareholder Meetings; Quorum	

The Netherlands	Switzerland
According to Dutch law and DSM's articles of association, the annual general meeting of shareholders must be held at least once a year within six months after the end of DSM's fiscal year.	According to Swiss law, the annual General Meeting must be held at least once a year within six months after the end of the Company's fiscal year.
Persons with the right to vote or attend meetings shall be considered those persons who have these rights at the 28th day prior to the day of the meeting (the "record date"), irrespective of whether they will have these rights at the date of the meeting. In addition to the record date, the notice of the meeting shall state the manner in which shareholders and other parties with meeting rights may have themselves registered and the manner in which those rights may be exercised.	Only those shareholders entered in the share register as shareholders with voting rights until a specific qualifying day (record date) designated by the Board of Directors are entitled to vote at a General Meeting. In the absence of such designation, the record date shall be ten calendar days prior to the General Meeting. The Board of Directors may, in the notice of a General Meeting or in general regulations or directives, specify or supplement these rules. As further described in section 12.9 "*Form of shares and transfer of shares - Shares held through the facilities of Euroclear Nederland*", Beneficial Owners holding shares through the facilities of Euroclear Nederland may vote through voting arrangements entered into with Euroclear Nederland and the settlement and listing agent ABN AMRO if they provide disclosure on their identity through ABN AMRO. Further details and conditions for such voting will be disclosed prior to general meetings, and Beneficial Owners wishing to vote should contact their bank or broker for more information.
According to DSM's articles of association, shareholders and those permitted by law to attend the meetings may elect to be represented at any meeting by a proxy duly authorised in writing, provided they notify DSM in writing of their wish to be represented at such time and place as shall be stated in the notice of the meetings. The DSM Managing Board may determine further rules concerning the deposit of the powers of attorney; these shall be mentioned in the notice of the meeting.	According to the Articles of Association, a shareholder registered in the share register with voting rights at the record date may attend the General Meeting or be represented either by the independent proxy or by another third person who need not be a shareholder. The Board of Directors may adopt procedural rules in connection with the participation and representation of shareholders in the General Meeting and in particular regulate in more detail the issuing of instructions to the independent proxy. The recognition of proxies at a General Meeting shall be determined by the chair of the meeting. Beneficial Owners holding shares through the facilities of Euroclear Nederland and voting through voting arrangements entered into with Euroclear Nederland and the settlement and listing agent ABN AMRO, as further described in section 12.9 "*Form of shares and transfer of shares - Shares held through the facilities of Euroclear Nederland*", may also attend the General Meeting or be represented by either the independent proxy or another person.
Pursuant to DSM's articles of association, the general meeting of shareholders shall be presided over by the chairperson of the DSM Supervisory Board or, in his or her absence, by the person chosen by the DSM Supervisory Board to act as chairman for such meeting.	The General Meeting shall be chaired by the chairman of the Board of Directors, by the vice chairman or by another person appointed by the Board of Directors. The chair of the meeting shall designate a minuting secretary and tellers.

The Netherlands	Switzerland
All DSM-Firmenich Ordinary Shares carry one vote.	All DSM-Firmenich Ordinary Shares carry one vote.
All resolutions shall be passed with an absolute majority of the votes validly cast, unless otherwise provided by Dutch law.	All resolutions shall be passed with an absolute majority of the votes validly cast, unless otherwise provided by Swiss law, and with the exceptions of the following resolutions, which must be adopted by absolute majority, in a meeting where at least two thirds of the votes are present or represented: 1. changing the name, purpose or legal seat of the Company; 2. consolidation of DSM-Firmenich Ordinary Shares, provided this is possible without the approval of all affected shareholders; 3. introducing DSM-Firmenich Ordinary Shares with privileged voting rights; 4. limiting or facilitating the transferability of registered DSM-Firmenich Ordinary Shares; 5. introducing a conditional share capital or introducing a capital band; 6. capital increases from shareholders' equity, against contributions in kind, by setting off against a payable and the granting of special benefits; 7. limiting or suspending subscription rights; 8. conversion of participation certificates into DSM-Firmenich Ordinary Shares; 9. change of the currency of the share capital; 10. delisting of DSM-Firmenich Ordinary Shares or other equity instruments; 11. a provision in the Articles of Association for holding the General Meeting abroad; 12. the dissolution, merger, de-merger or conversion of the Company; and 13. the change, amendment or removal of Art. 4, Art. 5, Art. 6, Art. 16, Art. 18, Art. 19, Art. 35 or Art. 38 of the articles of association of the Company.
Amendment to By-laws / Articles of Association / Increases in Share Capital / Capital Reduction	
A resolution to amend DSM's articles of association can only be passed by a general meeting of shareholders pursuant to a prior proposal of the DSM Managing Board, that is approved by the DSM Supervisory Board. Under Dutch law and DSM's articles of association, when a proposal to amend DSM's articles of association is to be dealt with, a copy of that proposal shall be made available for inspection to the shareholders and others	A resolution to amend the Articles of Association can only be passed by a General Meeting of shareholders pursuant to a prior proposal of the Board of Directors or shareholders registered in the share register with voting rights representing (together) at least 0.5% of the share capital or voting rights.

The Netherlands	Switzerland
who are permitted by law to attend the meeting, at the office of DSM, as from the day the general meeting of shareholders is called until after the close of that meeting. The general meeting of shareholders or alternatively the DSM Managing Board, subject to approval by the DSM Supervisory Board, if it has been designated to do so by DSM's articles of association or the general meeting of shareholders, shall have authority to resolve on any further issue of DSM-Firmenich Ordinary Shares. The DSM Managing Board is designated by DSM's articles of association as the competent body to issue DSM Ordinary Shares for an initial period of five years which may be extended by the general meeting of shareholders with additional consecutive periods of up to a maximum of five years each. The general meeting of shareholders shall have power to pass a resolution to reduce the issued share capital by the cancellation of DSM-Firmenich Ordinary Shares or by reducing the amount of the DSM-Firmenich Ordinary Shares by means of an amendment to DSM's articles of association. The DSM-Firmenich Ordinary Shares to which such resolution relates shall be stated in the resolution and it shall also be stated therein how the resolution shall be implemented.	There is no obligation of the Company to make a copy of the agenda items available for inspection at its office. However, the agenda items of a General Meeting, including proposals to amend the Articles of Association, must be included in the invitation to the General Meeting which is published in the Swiss Official Gazette of Commerce at least 20 days prior to the General Meeting. In general, the General Meeting has the authority to resolve on any further issue of DSM-Firmenich Ordinary Shares. In addition, according to the Articles of Association, the Board of Directors is authorised to issue DSM-Firmenich Ordinary Shares (i) based on conditional capital in connection with employee participation plans (up to 5% of the of the issued share capital post-consummation of the Merger) and the issuance of financial instruments (up to 5% of the of the issued share capital post-consummation of the Merger) and (ii) at any time until 1 February 2028, based on DSM-Firmenich's capital band (up to 10% of the issued share capital post-consummation of the Merger). The maximum number of DSM-Firmenich Ordinary Shares available for issuance under the conditional capital and the capital band respectively, will be reduced by the amount for which the Board of Directors has issued or reserved DSM-Firmenich Ordinary Shares based on the capital band and conditional capital respectively. The General Meeting has the power to pass a resolution to reduce the issued share capital by the cancellation of DSM-Firmenich Ordinary Shares or by reducing the nominal value of the DSM-Firmenich Ordinary Shares by means of an amendment to the Articles of Association (whereas the factual possibility to reduce the nominal value of the DSM-Firmenich Ordinary Shares given their par value of €0.01 is very limited).
Pre-emptive Rights	
In the event of an issue of shares of any class every holder of shares of that class shall have pre-emptive rights with regard to the shares to be issued of that class in proportion to the aggregate amount of his shares of that class, provided however that no such pre-emptive rights shall exist in respect of shares to be issued to employees of DSM pursuant to any stock option plan of DSM. Pre-emptive rights may be limited or excluded by resolution of the general meeting of shareholders or resolution of the DSM Managing Board, subject to approval by the DSM Supervisory Board, if it has been designated to do so by DSM's Articles of Association or the general meeting of shareholders provided the DSM Managing Board has also been authorised to	In general, shareholders benefit from pro rata pre-emptive rights with regard to newly-to-be-issued shares. Pre-emptive rights may be limited or excluded by resolution of the General Meeting of shareholders based on important reasons only. According to the Articles of Association, in case of a capital increase based on conditional capital, the Board of Directors may limit or exclude the pre-emptive rights in connection with the financing of acquisitions of companies or investment projects or an issue on national or international capital markets or to strategic or financial investors. In case of a capital increase based on conditional capital for the purposes of employee participation, shareholders'

The Netherlands	Switzerland
resolve on the issue of shares of the company. In the proposal to the general meeting of shareholders in respect thereof, the reasons for the proposal and the choice of the intended price of issue shall be explained in writing.	pre-emptive rights are always excluded. In case of a capital increase based on the capital band, the Board of Directors may limit or exclude shareholders' pre-emptive rights (i) if the new shares are being used to acquire companies, for the conversion of loans for example, into shares, for the financing of investment projects, the acquisition of or financing of products, intellectual property or licences, or the financing of strategic initiatives, (ii) if the new shares are being used for investments by strategic partners, or (iii) if the new shares are being placed nationally or internationally at market conditions.
Inspection of Books and Records	
Under Dutch law, the annual accounts of a company are submitted to the general meeting of shareholders for their adoption. Shareholders have the right to obtain a copy of any proposal to amend DSM's articles of association at the same time as meeting notices referring to such proposals are published. Under Dutch law, the shareholders' register is available for inspection by the shareholder.	Under the CO, a shareholder has the right to inspect the share register with respect to his or her own registered DSM-Firmenich Ordinary Shares and otherwise to the extent necessary to exercise his or her shareholder rights. No other person has a right to inspect the share register. Effective 1 January 2023, books and records of the Company may be inspected by DSM-Firmenich Shareholders registered in the share register with voting rights representing alone or together at least 5% of the share capital or the votes, provided business secrets and / or other justified interests of DSM-Firmenich are not in danger to be jeopardised. The shareholder may take notes of such records but shall not make copies or scans.
Shareholder Lawsuits	
In the event a third party is liable to DSM, only DSM itself can bring a civil action against that party. Individual shareholders do not have the right to bring an action on behalf of the company. Only in the event that the cause for the liability of a third party to the company also constitutes a tortious act directly against a shareholder, does that shareholder have an individual action against such third party in its own name. The DCC provides for the possibility to initiate such actions collectively. A foundation or association whose objective is to protect the rights of a group of persons having similar interests can alternatively institute a collective action. Such collective action can only result in a declaratory judgment. In order to obtain compensation for damages, the foundation or association and the defendant may reach, often on the basis of such declaratory judgment, a settlement. A Dutch court may declare the settlement agreement binding upon all of the injured parties with an opt-out choice for an individual injured party. In the event a director is liable to the company (e.g., for breach of fiduciary duties towards the company) only DSM itself can bring a civil action against that director. Individual shareholders do not have the right to bring an action against the director.	In the event a third party is liable to the Company, only the Company itself can bring a civil action against that party. Individual shareholders do not have the right to bring an action on behalf of the Company. Only in the event that the cause for the liability of a third party to the Company also constitutes a tortious act directly against a shareholder or if a shareholder suffers a direct damage does that shareholder have an individual action against such third party in its own name. Swiss law does not provide for the possibility to initiate such actions collectively (such as class actions). According to the CO, an individual shareholder registered in the share register may bring an action, in its own name and for the benefit of the Company, against the Company’s directors, officers or liquidators for the recovery of any losses the Company has suffered as a result of the intentional or negligent breach by such directors, officers or liquidators of their duties. Any shareholder registered in the share register with voting rights may (after having exercised its right for information and inspection) request that the General

The Netherlands	Switzerland
Shareholders representing DSM-Firmenich Ordinary Shares with a value of at least €20,000,000 may request the Dutch Enterprise Chamber of the Court of Appeal of Amsterdam to investigate the policy and / or overall activities of the company (over a certain period of time) on the basis that there are valid grounds to question the policy as conducted by the company. The Enterprise Chamber may order an investigation and grant other measures to remedy the alleged mismanagement, including replacement of directors, suspension of voting rights and annulment of corporate resolutions.	Meeting resolves to have specific matters clarified by a special (external) auditor, provided such information is necessary for the proper exercise of the DSM-Firmenich Shareholders' rights. If denied, DSM-Firmenich Shareholders registered in the share register with voting rights representing alone or together at least 5% of the share capital or the votes may request that courts order a special investigation. The written report of the external auditor containing the audit results may be partly redacted in order to protect business secrets and other justified interests of DSM-Firmenich.
Removal of Directors	
The general meeting of shareholders appoints the directors and has at all times the power to suspend or to dismiss any of the directors.	The General Meeting appoints the members of the Board of Directors and has at all times the power to suspend or to dismiss any of the directors.
Number of Directors	
The DSM Managing Board consists of at least two members. The DSM Supervisory Board determines the number of members of the DSM Managing Board.	The Board of Directors is composed of between nine and 12 members appointed by the General Meeting. The Board of Directors determines the number of members of the Executive Committee and appoints its members.
The DSM Supervisory Board consist of at least five members. The DSM Supervisory Board determines the number of members of the DSM Supervisory Board.	As per the Articles of Association, the former shareholders of Firmenich have the right to nominate up to three members of the Board of directors: (i) Firmenich shareholders holding at least 8.5% of the share capital have the right to nominate one member of the Board of Directors and (ii) Firmenich shareholders holding at least 17% of the share capital have the right to nominate two members of the Board of Directors. This nomination right is for a maximum of three members of the Board of Directors.
Cash Exit Rights / Appraisal Rights	
Shareholders of DSM will have no appraisal rights and / or cash exit rights, as Dutch law does not recognise this concept (other than in the context of a cross-border merger whereby DSM would be the entity ceasing to exist).	In general, DSM-Firmenich Shareholders will have no general appraisal rights and / or cash exit rights, as Swiss law does not recognise this concept (other than in the context of a statutory merger or demerger pursuant to the Swiss Merger Act).

12. DESCRIPTION OF SHARE CAPITAL

12.1 General

The Company was incorporated on 16 May 2022 as Danube AG, a company limited by shares (*Aktiengesellschaft*) under the laws of Switzerland. On or around the Admission, Danube AG will be renamed DSM-Firmenich AG, which will be the legal and commercial name of the Company created by the Merger. The Company has its statutory seat and its (exclusive) tax residency in Kaiseraugst, Switzerland and its office address at Wurmisweg 576, 4303 in Kaiseraugst, Switzerland. Effective as from the Contribution Completion Date, the Company will have a dual headquarter structure, with a headquarter, statutory seat and exclusive tax residence in Kaiseraugst, Switzerland, and a headquarter located in Heerlen, the Netherlands, and later Maastricht, the Netherlands. The Company is registered with the Commercial Register Office of the canton of Aargau under number CHE-441.853.769 and its Legal Entity Identifier (**LEI**) is 506700G44V67MPM4BI12. The Company's telephone number is +41 (0)61 815 17 26 and its website address is www.creator-innovator.com. The Company's affairs are governed by the provisions of the Articles of Association, as amended and restated from time to time, the Organisational Regulations, additional group internal regulations and by the provisions of applicable Swiss law and regulations of Euronext Amsterdam.

As part of the Exchange Offer, up to 174,786,029 DSM-Firmenich Ordinary Shares will be offered for subscription by the Company. The DSM-Firmenich Ordinary Shares will be created under Swiss law.

On 19 June 2020, the Swiss Parliament approved legislation that will modernise certain aspects of Swiss corporate law. Most importantly, the legislative reform addresses, among other topics, (i) the modernisation and increased flexibility for a stock corporation's capital base, (ii) corporate governance and executive compensation matters, (iii) the strengthening of shareholders' rights and the protection of minorities, (iv) measures related to financial distress and restructuring and (v) certain socio-political topics, including gender representation and disclosure requirements for companies active in the raw materials sector. Other than with respect to the new rules on gender representation and disclosure requirements for companies active in the raw materials sector, which, subject to transitional periods, entered into force on 1 January 2021, the effective date of the new legislation will be 1 January 2023. The Articles of Association will address the new provisions of Swiss corporate law.

The following is a summary of the material provisions of the Company's share capital and the respective provisions in the Articles of Association as well as rights conferred by shares in the Company.

12.2 Outstanding share capital

Upon completion of the Transactions, expected on or around 23 February 2023, the Company will have such amount of fully paid-in DSM-Firmenich Ordinary Shares with a par value of €0.01 each and registered with the commercial register equal to the outcome of the following formula: (all issued and outstanding DSM Ordinary Shares at the Contribution Completion plus the Net Dilutive Instruments) divided by 65.5 times 100. Therefore, the DSM-Firmenich share capital will be such as it would have been if 100% of DSM's issued and outstanding ordinary shares would have been tendered plus the Net Dilutive Instruments. For example, if all issued and outstanding DSM Ordinary Shares equal 173,053,974 and the Net Dilutive Instruments equal 705,282, then the DSM-Firmenich Ordinary Shares issued upon Completion of the Transaction equal 265,281,307 resulting in a total amount of issued and outstanding capital of €2,652,813.07. In respect of the DSM-Firmenich Ordinary Shares not issued to former DSM Shareholders or former Firmenich Shareholders pursuant to the Exchange Offer and the Firmenich Contribution, respectively, minus such number of DSM-Firmenich Ordinary Shares equal to the Net Dilutive Instruments, the following will apply. In the event of a statutory buy-out procedure in accordance with section 2:359c of the Dutch Civil Code (**DCC**) or a buy-out procedure in accordance with section 2:92a of the DCC for the Company to acquire the DSM Ordinary Shares that have not been tendered under the Exchange Offer (the **Buy-Out**), such DSM-Firmenich Ordinary Shares will be sold prior to the end of 2023 with the aim to recover any cash payments made by the Company in connection with the Buy-Out. In the event of the implementation of a customary pre-wired back-end structure (the **Post-Offer Merger and Liquidation**), approximately 85% of the DSM-Firmenich Ordinary Shares not issued to former DSM Shareholders at Settlement minus the number of DSM-Firmenich Ordinary Shares equal to the Net Dilutive Instruments, will be received by non-tendering former DSM Shareholders in such Post-Offer Merger and Liquidation and the remaining approximately 15% will be sold prior to the end of 2023 with the aim to recover any cash payments made by the Company or DSM Holdco to the Dutch Tax Authorities in connection with the Post-Offer Merger and Liquidation. As of the Admission, the Company has only one category of shares, i.e. the DSM-Firmenich Ordinary Shares, issued and outstanding. The Company has not issued any participation certificates (*Partizipationsscheine*) or profit-sharing certificates (*Genussscheine*), nor has the Company issued any preference shares (*Vorzugsaktien*).

Except in connection with employee compensation plans as described in more detail in sections 13.7 "*Principal terms of the Business Combination Agreement*" and 11 "*Governance, Management and Employees*", immediately following the completion of the Exchange Offer, the Company is expected to have no conversion or options outstanding regarding the Company's shares.

12.3 Pending developments in the outstanding share capital, issue dates

The Company was incorporated with an initial nominal issued capital of CHF 100,000. It is intended that, after the date of this Offering Circular, the Company will cancel these CHF denominated shares, convert the currency of its share capital into Euros, and increase its capital in four subsequent tranches, as follows. All increases will be made pursuant to a resolution to be adopted by the General Meeting prior to completion of the Transactions. Pre-emptive rights with respect to these issuances of shares will be excluded. A first capital increase will be implemented for the purposes of settlement of the Exchange Offer with respect to DSM Ordinary Shares tendered during the Acceptance Period, in which the nominal paid-in capital will increase by a number of shares with a nominal value of €0.01 each, required to settle the tenders, at the time of Settlement. Subsequently, a second capital increase may be implemented for the purposes of settlement of the Exchange Offer with respect to DSM Ordinary Shares tendered in the Post-Closing Acceptance Period, if applicable, in which the nominal paid-in capital will increase by a number of shares with a nominal value of €0.01 each, required to settle the tenders, on the Post-Closing Acceptance Settlement Date. Thirdly, the total issued share capital of the Company will be increased to arrive at an issued capital that consists of a number of DSM-Firmenich Ordinary Shares that is equal to the number of issued and outstanding DSM Ordinary Shares (excluding treasury shares) plus the Net Dilutive Instruments, as soon as practically possible following the Post-Closing Acceptance Settlement Date (such shares the **Third Capital Increase Shares**). If at the time of such third capital increase, the Company and its group companies within the meaning of the DCC hold in the aggregate at least 95% of DSM's aggregate issued and outstanding DSM Ordinary Shares (calculated in accordance with the DCC), the Third Capital Increase Shares will be subscribed by one or several banks and will be sold on the market prior to the end of the calendar year 2023. If at the time of such third capital increase, the Company and its group companies within the meaning of the DCC hold in the aggregate less than 95% of DSM's aggregate issued and outstanding DSM Ordinary Shares (calculated in accordance with the DCC), then the DSM-Firmenich Ordinary Shares issued in the context of such third capital increase will be subscribed by DSM Holdco in view of a potential Post-Offer Merger and Liquidation. See section 14.20 "*Post-Offer Merger and Liquidation*" for a more detailed description. In a fourth capital increase, the Company will create shares to be issued to the Fiduciary Agent against the Firmenich Contribution.

12.4 Articles of Association

At the Settlement Date, the Company intends to adopt the amended and restated Articles of Association, which will become effective upon the registration of the amended and restated Articles of Association with the Commercial Register. When referring to the Company's Articles of Association in this section, reference is made to the Company's amended and restated Articles of Association as they will be in effect upon the Settlement Date.

12.5 Ordinary capital increase, authorised and conditional share capital, capital band

Under the CO, the Company may increase its share capital (*Aktienkapital*) with a resolution of the General Meeting (ordinary capital increase) that must be carried out by the Board of Directors within six months of the respective General Meeting in order to become effective. Under the Articles of Association and the CO, in the case of an increase against payment of contributions in cash, a resolution passed by an absolute majority of the voting rights represented at the General Meeting is required. In the case of an increase against contributions in kind, by setting off against a payable and the granting of special benefits, when shareholders' statutory pre-emptive subscription rights or advance subscription rights are limited or withdrawn, or where transformation of freely disposable equity into share capital is involved, a resolution passed by two-thirds of the voting rights represented at a General Meeting and the absolute majority of the par value of the shares represented is required. See also sections 12.7 "*Conditional capital*" and 12.8 "*The Company's capital band*".

12.6 Pre-emptive and advance subscription rights

Pursuant to the CO, shareholders have pre-emptive subscription rights (*Bezugsrechte*) to subscribe for new issuances of shares. With respect to conditional capital in connection with the issuance of conversion rights, convertible bonds or similar debt instruments, shareholders have advance subscription rights (*Vorwegzeichnungsrechte*) for the subscription of such conversion rights, convertible bonds or similar debt instruments. A resolution passed at a General Meeting by two-thirds of the voting rights represented and the absolute majority of the par value of the shares represented may authorise the board of directors to withdraw or limit pre-emptive subscription rights and / or advance subscription rights in certain circumstances.

If pre-emptive subscription rights are granted, but not exercised, the board of directors may allocate the unexercised pre-emptive subscription rights at its discretion.

Please also refer to section 14.29 "*Further terms of the Exchange Offer*" for a description of the pre-emptive rights of the DSM-Firmenich Shareholders.

12.7 Conditional capital

Under the Articles of Association, the Company has a conditional capital as follows:

- the share capital of the Company may be increased by up to 5% of the DSM-Firmenich Completion Issued Share Capital through the issuance of such amount of DSM-Firmenich Ordinary Shares with a nominal value of €0.01 each, corresponding to up to 5% of the DSM-Firmenich Completion Issued Share Capital through the exercise of rights or entitlements in respect of shares (hereinafter the **Share Related Rights**) granted to employees or directors of the Company, its consolidated subsidiaries or other entities in which the Company has a direct or indirect stake of at least 50% in accordance with regulations and terms and conditions to be specified by the Board of Directors; and

- the share capital of the Company may further be increased through the voluntary or mandatory exercise of conversion and/or option rights granted in connection with bonds or similar instruments including loans or other financial instruments including warrants of the Company or consolidated subsidiaries (hereinafter collectively the **Equity-Linked Financing Instruments**) by up to 5% of the DSM-Firmenich Completion Issued Share Capital through the issuance of such amount of DSM-Firmenich Ordinary Shares with a nominal value of €0.01 each, corresponding to up to 5% of the DSM-Firmenich Completion Issued Share Capital.

The maximum amount of the conditional share capital for Share Related Rights and Equity-Linked Financing Instruments will be reduced by the amount for which the Board of Directors has already reserved registered shares based on conditional capital or issued shares under the capital band as per the Articles of Association. In connection with the issuance of shares based on the conditional capital, the existing DSM-Firmenich Shareholders' subscription rights are excluded.

The acquisition of shares through the exercise of option rights and the further transfer of registered shares is subject to the applicable transfer restrictions under the Articles of Association.

12.8 The Company's capital band

Under the Articles of Association, the Board of Directors is authorised to conduct one or more increases of the share capital at any time until 1 February 2028 within an upper limit of 10% of the DSM-Firmenich Completion Issued Share Capital, corresponding to such amount of DSM-Firmenich Ordinary Shares with a nominal value of €0.01 each, corresponding to up to 10% of the DSM-Firmenich Completion Issued Share Capital.

In case of a capital increase based on the capital band, the Board of Directors determines:

- the amount of share capital to be issued;
- the type of contribution;
- the date of issue; and
- the conditions governing the exercise of subscription rights and the commencement of dividend entitlement.

For one or more increases until 1 February 2028 in the amount of a maximum of such amount of DSM-Firmenich Ordinary Shares with a nominal value of €0.01 each, corresponding to up to 10% of the DSM-Firmenich Completion Issued Share Capital, the Board of Directors is authorised to withdraw or limit the subscription rights of DSM-Firmenich Shareholders and to allocate subscription rights to individual DSM-Firmenich Shareholders or third parties:

- if the new shares are being used to acquire companies, parts thereof or participations, or for the financing or refinancing of such transactions, for the conversion of loans or securities into shares, for the financing of new investment projects undertaken, the acquisition or financing of products, intellectual property or licenses, or the financing of strategic initiatives undertaken by the Company;
- if the new shares are being used for investment by strategic partners; and
- if the new shares are being placed nationally or internationally (including by way of private placement) at market conditions.

The maximum amount of shares that can be issued under the capital band will be reduced by the amount for which the Board of Directors has issued or reserved registered shares based on conditional capital as per the Articles of Association.

The acquisition of shares issued based on the capital band and the further transfer of registered shares is subject to the applicable transfer restrictions under the Articles of Association.

12.9 Form of shares and transfer of shares

According to the Articles of Association, DSM-Firmenich Ordinary Shares shall, as a rule, be issued in the form of uncertificated securities (*Wertrechte*) (as defined under the CO). The Company may cause all or a part of such uncertificated securities to be registered on a so-called main register (*Hauptregister*) of a custodian for the purposes of issuing intermediated book-entry securities (*Bucheffekten, titres intermédiés*) (as defined under the Swiss Federal Act on Intermediated (or Book-Entry) Securities of 3 October 2008, as amended). DSM-Firmenich Shareholders are not entitled to the printing or delivery of share certificates. The Company, however, may, in its sole discretion, print and deliver certificates (individual share certificates, certificates representing multiple shares or global share certificates) at any time. In addition, a shareholder may request the Company to issue a written confirmation stating the number of his or her shares at any time, provided the shareholder is registered in the share register.

The Company intends to operate a 'multi deposit' structure for the purposes of issuing book-entry securities. Under this structure, (i) part of the DSM-Firmenich Ordinary Shares will be held through the facilities of Euroclear Nederland and (ii) part of the DSM-Firmenich Ordinary Shares will be held through the facilities of SIX SIS.

Settlement of DSM-Firmenich Ordinary Shares traded at Euronext Amsterdam will generally only be possible through the facilities of Euroclear Nederland. On the other hand, shareholders wishing to be entered in their own name in the Company's share register can only do so if their DSM-Firmenich Ordinary Shares are held through the facilities of SIX SIS. While holders of shares held through the facilities of Euroclear Nederland will be able to receive dividends and vote their shares at General Meetings if the respective requirements are met, certain other shareholder rights (e.g. right to put items on the agenda, right to sue corporate bodies) will be limited to shareholders registered in their own name in the share register (see section 12.10 "*General Meeting*").

If requested by a shareholder, the Company will facilitate, through the settlement and listing agent ABN AMRO, the transfer of such shareholder's DSM-Firmenich Ordinary Shares from the facilities of Euroclear Nederland to the facilities of SIX SIS, and vice versa. Shareholders wishing to do so should contact their custodian bank or broker, which will have to contact ABN AMRO, to effect such transfers. It is anticipated, but cannot be guaranteed, that transfers of DSM-Firmenich Ordinary Shares between the facilities of Euroclear Nederland and SIX SIS, and vice versa, may be conducted swiftly, provided that they are conducted by experienced custodian banks or brokers.

Shares held through the facilities of Euroclear Nederland

Certain of the DSM-Firmenich Ordinary Shares shall be issued in uncertificated form and shall be entered into the collection deposits (*verzameldepots*) of admitted institutions of Euroclear Nederland and the giro deposit (*girodepot*) administered by Euroclear Nederland on the basis of the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*). Euroclear Nederland will be the holder of record for those DSM-Firmenich Ordinary Shares and registered as such in the share register of the Company. The DSM-Firmenich Ordinary Shares will be credited to admitted institutions of Euroclear Nederland, which in turn may, directly or indirectly, credit DSM-Firmenich Ordinary Shares to the ultimate beneficial owners (the **Beneficial Owners**) of the DSM-Firmenich Ordinary Shares.

Beneficial Owners will receive dividends and other distributions made in respect of the DSM-Firmenich Ordinary Shares through their bank or broker. Furthermore, Euroclear Nederland, ABN AMRO and the Company expect to enter into a share registration and voting agreement (the **Nominee Agreement**) to enable Beneficial Owners to vote at General Meetings of the Company. Under the Nominee Agreement, Euroclear Nederland will be registered without voting rights for the DSM-Firmenich Ordinary Shares that are held through Euroclear Nederland. In connection with General Meetings, information on the identity of Beneficial Owners wishing to vote will be collected through ABN AMRO, and upon disclosure of the identity of such Beneficial Owners, Euroclear Nederland will be registered temporarily as shareholder with voting rights for the DSM-Firmenich Ordinary Shares for which such disclosure has been given and will issue an omnibus proxy for the respective Beneficial Owners. The Beneficial Owners for which such disclosure has been duly made may then vote their DSM-Firmenich Ordinary Shares, either through instructions provided to the independent proxy or by attending the General Meeting in person. For a discussion of the restrictions applicable to the control and exercise of voting rights, which will also apply to Beneficial Owners voting their DSM-Firmenich Ordinary Shares under the Nominee Agreement, see section 12.10 "*General Meeting – Voting rights, registration as a shareholder*". Details of procedures and requirements to exercise voting rights by Beneficial Owners will be published before General Meetings. Beneficial Owners wishing to vote should contact their bank or broker for more information.

However, Beneficial Owners of DSM-Firmenich Ordinary Shares held through Euroclear Nederland's system will not have direct shareholder rights and are not considered shareholders for Swiss corporate law purposes, since Swiss corporate law only recognises the registered holder of shares as shareholder, and they are dependent of their bank or broker, their bank's or broker's sub-custodians and Euroclear Nederland to receive the direct shareholder rights associated with the DSM-Firmenich Ordinary Shares. Other than as set out above for dividends and distributions and for voting rights, there are no arrangements with Euroclear Nederland in place to facilitate any other shareholder rights (e.g. right to put items on the agenda of a General Meeting of shareholders, right to sue corporate bodies; see section 12.10 "*General Meeting – Agenda requests*" and "*General Meeting – DSM-Firmenich Shareholders' rights to bring actions for the benefit of the Company*"). Beneficial Owners wishing to do exercise such rights will have to transfer their DSM-Firmenich Ordinary Shares to the facilities of SIX SIS and have their shares registered in the share register (as the case may be, with voting rights).

Shares held through the facilities of SIX SIS

Part of the DSM-Firmenich Ordinary Shares shall be registered on a main register (*Hauptregister*) with SIX SIS, which provides services for the clearing, settlement and custody of Swiss and international securities, in order to issue them in book-entry form. SIX SIS will credit DSM-Firmenich Ordinary Shares to SIX SIS participants, which in turn may credit them further to other custodians or clients. Under Swiss law, investors may hold shares in a securities account with a custodian to which such shares have been credited. It is generally not possible for shareholders (except for certain financial institutions) to hold direct accounts or otherwise to be directly registered with SIX SIS. Also, the SIX SIS main register and SIX SIS participants' accounts with SIX SIS are different and separate from the share register of the Company.

Shareholders holding their DSM-Firmenich Ordinary Shares through the facilities of SIX SIS may be registered in the share register through their bank or broker. Voting rights may be exercised only after a shareholder has been entered in the share register with his or her name and address (in the case of legal entities, the registered office) as a shareholder with voting rights. For a discussion of the restrictions applicable to the control and exercise of voting rights, see section 12.10 "*General Meeting – Voting rights, registration as a shareholder*". If shareholders wish to be registered as a shareholder, they should contact their bank or broker.

Under Swiss law and the Articles of Association, a disposition of shares in the form of uncertificated securities which are not entered into the main register of a custodian must be effected by way of a written declaration of assignment and requires, as a condition for validity, to be notified to the Company. In contrast, a disposition of shares which exist in the form of book-entry securities entered into the main register of a custodian – i.e., the DSM-Firmenich Ordinary Shares held through the facilities of SIX SIS – can solely be effected by entries in securities accounts in accordance with applicable law, without the prerequisite to be notified to the Company; a disposition of such shares by way of assignment without corresponding entry in a securities account is excluded. In addition, art. 685f of the CO requires that off-exchange acquisitions are only effective if the acquirer applies for registration in the share register.

If a registered DSM-Firmenich Ordinary Share is transferred for inclusion in a collective deposit for inclusion in the facilities of Euroclear Nederland, then the transfer will be accepted by the intermediary concerned. If a registered DSM-Firmenich Ordinary Share is transferred for inclusion in a giro deposit or a central securities depository, then the transfer will be accepted by the central institute, being Euroclear Nederland.

Upon issue of a new DSM-Firmenich Ordinary Share to Euroclear Nederland or to an intermediary, the transfer and acceptance in order to include the DSM-Firmenich Ordinary Share in the giro deposit or the collection deposit in the facilities of Euroclear Nederland will be effected without the cooperation of the other participants in the collective deposit, central securities depository or the giro deposit in the facilities of Euroclear Nederland, respectively. DSM-Firmenich Ordinary Shares included in the collective deposit or giro deposit in the facilities of Euroclear Nederland can only be delivered from a collective deposit or giro deposit in the facilities of Euroclear Nederland with due observance of the related provisions of the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*). The transfer by a deposit Beneficial Owner of its book-entry rights representing DSM-Firmenich Ordinary Shares shall be effected in accordance with the provisions of Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*).

12.10 General Meeting

Ordinary / extraordinary meetings, powers

The General Meeting is the Company's supreme corporate body. Under Swiss law, an annual General Meeting of shareholders must be held annually within six months after the end of a corporation's financial year. In the case of the Company this generally means on or before 30 June. In addition, extraordinary General Meetings of shareholders may be held.

The following powers are vested exclusively in the General Meeting of shareholders to:

- determine and amend the Articles of Association;
- approve the management report, the consolidated and stand-alone financial statements and the report on non-financial matters of the Company (ESG report);
- approve the appropriation of the profit available for distribution and to determine the dividend (including any repayment of statutory reserves as well as the approval of interim dividends and the required interim financial statements);
- discharge the members of the Board of Directors and the Executive Committee from their responsibility for the conduct of business;
- elect and dismiss the chairman and the other members of the Board of Directors, the members of the Compensation Committee, the statutory auditors, and the independent proxy;
- approve the compensation of the Board of Directors and the Executive Committee;
- decide on the delisting of the shares or other equity instruments of the Company; and
- decide on other matters for which it is competent by law or the Articles of Association.

An extraordinary General Meeting may be called by a resolution of the Board of Directors or, under certain circumstances, by the Company's auditors, liquidator or the representatives of bondholders, if any. In addition, the Board of Directors is required to convene an extraordinary General Meeting of shareholders registered in the share register with voting rights representing at least 5% of the share capital or of the voting rights request such General Meeting of shareholders in writing. Such request must set out the items to be discussed and the proposals to be acted upon. The Board of Directors must convene an extraordinary General Meeting and propose financial restructuring measures if, based on the Company's stand-alone annual statutory balance sheet, half of the Company's share capital and reserves are not covered by assets.

Voting and quorum requirements

Shareholder resolutions and elections (including elections of members of the Board of Directors) require the affirmative vote of the majority of voting rights represented at the General Meeting, unless otherwise stipulated by law or the Articles of Association. As a result, abstentions have the effect of votes against such resolutions.

Under Swiss law (effective as of 1 January 2023) and the Articles of Association, a resolution of the General Meeting passed by two-thirds of the voting rights represented at the meeting and the absolute majority of the par value of the shares represented is required for:

- changing the purpose of the Company;
- changing the Company's name;

- consolidation of shares;
- introducing shares with privileged voting rights;
- limiting or facilitating the transferability of registered shares;
- introducing a conditional share capital or introducing a capital band;
- capital increases from shareholders' equity, against contributions in kind, by setting off against a payable and the granting of special benefits;
- limiting or suspending subscription rights;
- converting participation certificates into shares;
- changing the currency of the share capital;
- delisting the Company's shares or other equity instruments;
- introducing a provision in the Articles of Association for holding the General Meeting abroad;
- relocating the Company's legal seat;
- amending or removing the statutory arbitration clause;
- dissolving the Company;
- resolving the merger, de-merger or conversion of the Company according to Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets of 3 October 2003, as amended (the **Swiss Merger Act**) (subject to mandatory law);
- changing, amending or removing Art. 4, Art. 5, Art. 6, Art. 16, Art. 18, Art. 19 or Art. 35 of the Articles of Association; and
- other resolutions which are subject to a qualified majority according to the applicable legal provisions.

The same voting requirements apply to resolutions regarding transactions among corporations based on the Swiss Merger Act.

In accordance with Swiss law and generally accepted business practices, the Articles of Association do not provide quorum requirements generally applicable to General Meetings.

Notice

General Meetings must be convened by the Board of Directors at least 20 calendar days before the date of the meeting. The General Meeting is convened by way of a notice appearing in the Company's official publication medium, currently the Swiss Official Gazette of Commerce. The notice of a General Meeting must state the date, start, type and place of the General Meeting, the items on the agenda, the motions to be decided by the DSM-Firmenich Shareholders including a short reasoning, in case of elections the names of the nominated candidates, and the name and address of the independent proxy, if any. A resolution on a matter that is not on the agenda may not be passed at a General Meeting, except for motions to convene an extraordinary General Meeting to initiate a special investigation or to elect an auditor, regarding which the General Meeting may vote at any time. No previous notification is required for motions concerning items included in the agenda or for debates that do not result in a vote.

The Company's business report, the compensation report and the auditor's report must be made available to the DSM-Firmenich Shareholders no later than 20 calendar days prior to the annual General Meeting. If these reports are not available electronically, then DSM-Firmenich Shareholders of record may request that the documents be sent to them in due time.

Agenda requests

Pursuant to Swiss law and the Articles of Association, one or more DSM-Firmenich Shareholders registered in the share register with voting rights whose combined shareholdings represent 0.5% of the share capital or of the voting rights may request that an item be included in the agenda for a General Meeting. To be timely, the shareholder's request must be in writing and must be received by the Company at least 50 calendar days in advance of the General Meeting concerned.

Voting rights, registration as a shareholder

Each share entitles a holder to one vote in the General Meeting, irrespective of the par value of such share. Except for the applicable voting limitations as described in this subsection below, all DSM-Firmenich Shareholders will have equal voting rights. DSM-Firmenich Ordinary Shares are not divisible. The right to vote and the other rights of share ownership may only be exercised by DSM-Firmenich Shareholders (including any nominees) or usufructuaries who are entered in the share register with voting rights prior to the applicable cut-off date to be determined by the Board of Directors. As further described in section 12.9 "*Form of shares and transfer of shares - Shares held through the facilities of Euroclear Nederland*", Beneficial Owners holding shares through the facilities of Euroclear Nederland may vote through voting arrangements entered into with Euroclear Nederland and the settlement and listing agent ABN AMRO if they provide disclosure of their identity through ABN AMRO. Further details and conditions for such voting will be disclosed prior to general meetings and Beneficial Owners wishing to vote should contact their bank or broker for more information. Those DSM-Firmenich Shareholders and Beneficial Owners entitled to vote in the General Meeting may be represented by the independent proxy holder (annually elected by the General Meeting), by their legal representative or by a third party, who does not need to be a shareholder, with written authorisation to act as proxy. The chairman of the General Meeting has the power to decide whether to recognise a power of attorney.

According to the Articles of Association, no person or entity or group of entities or persons will be registered with the right to vote for more than 20% of the registered share capital as set out in the Commercial Register except if such person or entity (or group of persons or entities) has acquired and owns at least 75% of the share capital. This restriction of registration also applies to persons who hold some or all of their shares through nominees. Under the Articles of Association, two exceptions apply: (i) the Firmenich Shareholders (and their descendants, spouses and heirs) are not subject to this registration restriction and (ii) a person acting solely as a nominee upon instruction of beneficial owners is not subject to this registration restriction, unless the shares of a nominee are attributable to a beneficial owner who would, if such beneficial owner were a shareholder, be subject to the registration restriction.

Furthermore, at the General Meeting no person (or group of persons acting in concert), even if registered in the share register with voting rights, may exercise, directly or indirectly, voting rights, with respect to shares held by such person(s) or shares represented by proxy with more than 20% of the share capital, except if a mandatory bid is made and completed in accordance with the Articles of Association and such person or entity (or group of persons or entities acting in concert) has acquired and owns at least 75% of the share capital. For the Firmenich Shareholders, acting alone or in concert with other Firmenich Shareholders, the voting limitation is 30%. An exception to this voting restriction applies if a person acts solely as a nominee upon instruction of beneficial owners, unless the voting rights are attributable to a beneficial owner who would, if such beneficial owner were a shareholder, be subject to such voting restriction. See section 12.15 "*Mandatory and voluntary bid rules*" for details on the mandatory bid.

Legal entities linked to one another through capital, voting rights, management or in any other manner, as well as all natural persons or legal entities bound by contract, forming a syndicate or otherwise acting in concert to circumvent this voting limitation will be counted as one shareholder. After giving the persons concerned the right to be heard, the Board of Directors (in case the facts are disputed, with the assistance of an external expert determined by the Board of Directors) decides within ten business days on whether the DSM-Firmenich Shareholders are acting in concert. If a DSM-Firmenich Shareholder refuses to provide the information the Board of Directors has requested, the Board of Directors may apply the restrictions in such manner as the Board of Directors considers appropriate until the Board of Directors is satisfied to the contrary. The decision will be made public.

Lastly, persons not expressly declaring in their application for registration in the share register that they hold shares for their own account (hereafter referred to as **Nominees**) will unconditionally be entered in the share register with voting rights without further inquiry for up to a maximum of 2% of the share capital. Above this limit shares held by Nominees will be entered into the share register with voting rights only if the Nominee in question discloses the names, addresses and entitlements of the persons for whose account it is holding 0.5% or more of the share capital.

The Board of Directors has the right to conclude agreements with Nominees concerning their disclosure obligations, and may withhold registration with voting rights until a Nominee has entered such an agreement. In that context, the Board of Directors will apply standard practices and procedures to enable DSM-Firmenich Shareholders to exercise their rights.

For DSM-Firmenich Shareholders holding their shares through the facilities of Euroclear Nederland, Euroclear will act as a Nominee and be registered in the Company's share register. The Company expects to enter into the Nominee Agreement with Euroclear to allow the exercise of voting rights by Beneficial Owners, as described under section 12.9 "*Form of shares and transfer of shares – Shares held through the facilities of Euroclear Nederland*". DSM-Firmenich Shareholders holding their shares through the facilities of Euroclear Nederland may register their shares in their own name through their bank or broker, as described under section 12.9 "*Form of shares and transfer of shares – Shares held through the facilities of Euroclear Nederland*".

There are no limitations under the CO or the Articles of Association on the right of non-Swiss residents or nationals to own shares or exercise voting rights.

Inspection of books and records

Under the CO, a shareholder has the right to inspect the share register with respect to his or her own shares and otherwise to the extent necessary to exercise his or her shareholder rights. No other person has a right to inspect the share register. Effective 1 January 2023, books and records of the Company may be inspected by DSM-Firmenich Shareholders registered in the share register with voting rights representing alone or together at least 5% of the share capital or the votes, provided business secrets and / or other justified interests of the Company are not in danger to be jeopardised. The shareholder may take notes of such records but shall not make copies or scans.

Special investigation

Any shareholder registered in the share register with voting rights may (after having exercised its right for information and inspection) request that the General Meeting resolves to have specific matters clarified by a special (external) auditor, provided such information is necessary for the proper exercise of the DSM-Firmenich Shareholders' rights. If denied, DSM-Firmenich Shareholders registered in the share register with voting rights representing alone or together at least 5% of the share capital or the votes may request that courts order such a special investigation. The written report of the external auditor containing the audit results may be partly redacted in order to protect business secrets and other justified interests of the Company.

DSM-Firmenich Shareholders' rights to bring actions for the benefit of the Company

According to the CO, an individual shareholder registered in the share register may bring an action, in its own name and for the benefit of the Company, against the Company's directors, officers or liquidators for the recovery of any losses the Company has suffered as a result of the intentional or negligent breach by such directors, officers or liquidators of their duties.

Compulsory acquisitions; appraisal rights

Business combinations and other transactions that are governed by the Swiss Merger Act (i.e. mergers, demergers, transformations and certain asset transfers) are binding on all DSM-Firmenich Shareholders. A statutory merger or demerger requires approval of two-thirds of the shares represented at a General Meeting and the absolute majority of the par value of the shares represented.

If a transaction under the Swiss Merger Act receives all necessary consents, all DSM-Firmenich Shareholders are compelled to participate in such a transaction.

Swiss corporations may be acquired by an acquirer through the direct acquisition of the shares of the Swiss corporation. The Swiss Merger Act provides for the possibility of a so-called "cash-out" or "squeeze-out" merger with the approval of holders of 90% of the issued shares. In these limited circumstances, minority shareholders of the corporation being acquired may be compensated in a form other than through shares of the acquiring corporation (for instance, through cash or securities of a parent corporation of the acquiring corporation or of another corporation). For business combinations effected in the form of a statutory merger or demerger and subject to Swiss law, the Swiss Merger Act provides that if equity rights have not been adequately preserved or compensation payments in the transaction are unreasonable, then a shareholder may request a competent court to determine a reasonable amount of compensation.

In addition, under Swiss law, the sale of "all or substantially all of its assets" by the Company may require the approval of two-thirds of the voting rights represented at a General Meeting and the absolute majority of the par value of the shares represented. Whether a shareholder resolution is required depends on the particular transaction, including whether the following test is satisfied:

- a core part of the business is sold without which it is economically impracticable or unreasonable to continue to operate the remaining business;
- the Company's assets, after the divestment, are not invested in accordance with its corporate purpose as set out in the Articles of Association; and
- the proceeds of the divestment are not earmarked for reinvestment in accordance with the Company's corporate purpose but, instead, are intended for distribution to the DSM-Firmenich Shareholders or for financial investments unrelated to the Company's corporate purpose.

A shareholder of a Swiss corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights. As a result, such shareholder may, in addition to the consideration (be it in shares or in cash) receive an additional amount to ensure that the shareholder receives the fair value of the shares held by the shareholder. Following a statutory merger or demerger, pursuant to the Swiss Merger Act, shareholders can file an appraisal action against the surviving company. The action must be filed within two months after the merger or demerger resolution has been published in the Swiss Official Gazette of Commerce. The filing of the action will not prevent completion of the merger or demerger. If the consideration is deemed inadequate, then the court will determine an adequate compensation payment.

12.11 Dissolution and liquidation

The General Meeting may at any time resolve the dissolution and liquidation of the Company in accordance with Swiss law and the Articles of Association. The liquidation shall be carried out by the Board of Directors then in office, unless the General Meeting appoints other persons or entities as liquidators. The liquidators shall have unencumbered power and authority to liquidate all corporate assets and liabilities and wind up the Company. Upon discharge of all liabilities, the assets of the Company shall be distributed to the DSM-Firmenich Shareholders proportionally to the par values of their shares. Any amount not paid in by DSM-Firmenich Shareholders shall be set off against the liquidation dividend.

12.12 Dividend payments

The Board of Directors may propose to the DSM-Firmenich Shareholders that a dividend or other distribution be paid, but cannot itself authorise distributions. Dividend payments require a resolution passed by a majority of the voting rights represented at a General Meeting of shareholders. In addition, the statutory auditors must confirm that the dividend proposal of the Board of Directors conforms to Swiss statutory law and the Articles of Association.

Under Swiss law, the Company may pay dividends only if it has sufficient distributable profits from the previous business year or has brought forward profits from previous business years, or if the Company has distributable reserves, each as evidenced by the Company's audited stand-alone statutory balance sheet prepared pursuant to Swiss law and after allocations to reserves required by Swiss law and by the Articles of Association have been deducted. Dividends are paid to DSM-Firmenich Shareholders in proportion to the par value of the relevant shares held. There are no dividend restrictions or special procedures for non-resident shareholders under Swiss law or the Articles of Association. With respect to tax consequences for non-resident shareholders, see section 15.3 "*Taxation in Switzerland*".

Distributable reserves are generally booked either as "retained earnings", "free earnings reserves", "statutory earnings reserves" or as "capital reserves", which include qualifying "reserves from capital contributions" (as described in section 15 "*Material Tax Considerations*"). Under the CO, if the Company's capital reserves and statutory earnings reserves amount to less than 20% of the share capital recorded in the Commercial Register (i.e. 20% of the aggregate par value of the issued capital), then at least 5% of the annual profit must be retained as statutory earnings reserves. The CO permits the Company to accrue additional free earnings reserves or retained earnings by a resolution of the General Meeting or a respective provision in the Articles of Association if this is in the long-term interest of the Company and the DSM-Firmenich Shareholders. A loss of profit or loss carryover reduces the amount of distributable reserves. Furthermore, a purchase by the Company of its own shares or a purchase by one of the Company's subsidiaries of shares in the Company reduces the distributable reserves in an amount corresponding to the purchase price of such shares. Finally, the CO under certain circumstances requires the creation of revaluation reserves, which are not distributable.

Distributions out of issued share capital (i.e. the aggregate par value of the issued shares) are not allowed and may be made only by way of a share capital reduction. If the share capital shall be reduced, then the Board of Directors must give public notice of the capital reduction in the Swiss Official Gazette of Commerce and notify creditors that they may request, within 30 days after publication, security for their claims. However, no such security is required if the Company satisfies such claims or proves that the satisfaction of such claim is not endangered due to the reduction of the share capital. If a special audit report in this respect exists, then there is a legal presumption that creditors' claims remain fully covered. A capital reduction requires a resolution passed by an absolute majority of the shares represented at a General Meeting. The resolution of the DSM-Firmenich Shareholders must be recorded in a public deed and a special audit report must confirm that claims of the Company's creditors remain fully covered despite the reduction in the share capital recorded in the Commercial Register. The share capital may be reduced below CHF 100,000 only if and to the extent that at the same time the statutory minimum share capital of CHF 100,000 is re-established by sufficient new, fully paid-up capital.

The Board of Directors determines the date on which the dividend entitlement starts. Dividends are usually due and payable shortly after the DSM-Firmenich Shareholders have passed the resolution approving the payment, but the DSM-Firmenich Shareholders may also resolve at the General Meeting to pay dividends in quarterly or other instalments.

The Organisational Regulations provide that dividend proposals by the Board of Directors shall be made within the following parameters:

- generally, the Company shall pay out 40-60% of its total net income to the DSM-Firmenich Shareholders as dividends; and

- other than for the dividend 2023, which will be paid out of capital contribution reserves only, the following applies: in case the dividend yield is below or equal to 2%, 50% of the dividend shall be paid out of the Company's normal reserves or retained earnings and 50% shall be paid out of the Company's capital contribution reserves. Any dividends paid out in excess of a 2% dividend yield shall be paid out of capital contribution reserves only (i.e. when yield is 2.1, then 1.0/1.1 split between retained earnings/capital contribution reserves). The dividend yield shall be calculated as a percentage based on the closing share price as per 31 December of the previous year.

For a discussion of the taxation of dividends, see section 15 "*Material Tax Considerations*".

Under Swiss law and according to the Articles of Association, dividends which have not been collected by the shareholder(s) entitled to them within five years after their due date shall lapse and accrue to the Company.

12.13 Borrowing powers

Neither Swiss law nor the Articles of Association restrict the Company's power to borrow and raise funds. The decision to borrow funds is made by or under the direction of the Board of Directors, and no approval by the DSM-Firmenich Shareholders is required in relation to any such borrowing.

12.14 Repurchases of shares and purchases of own shares

The CO limits the Company's ability to repurchase and hold own shares (treasury shares). The Company and its subsidiaries may repurchase shares only to the extent that (i) the Company has freely distributable reserves in the amount of the purchase price; and (ii) the aggregate par value of all shares held by the Company does not exceed 10% of the share capital. Pursuant to Swiss law, where shares are acquired in connection with a transfer restriction set out in the Articles of Association or an action for dissolution (*Auflösungsklage*), the foregoing upper limit is 20%. If in such case the Company owns shares that exceed the threshold of 10% of the share capital, then the excess shares must be sold or cancelled by means of a capital reduction within two years. Under the CO, treasury shares may not be cancelled without the approval of a capital reduction by the General Meeting.

Shares held by the Company or its subsidiaries are not entitled to vote at the General Meeting but are entitled to the economic benefits applicable to the shares generally, including dividends and pre-emptive subscription rights in the case of share capital increases.

In addition, selective share repurchases are only permitted under certain circumstances. Within these limitations, as is customary for Swiss corporations, the Company may, subject to applicable law, purchase and sell own shares from time to time in order to meet imbalances of supply and demand, to provide liquidity and to balance variances in the market price of shares.

12.15 Mandatory and voluntary bid rules

The European Directive on Takeover Bids (2004/25/EC) has been implemented in Dutch legislation in the Wft and the Decree. Any takeover bid for the Company will be regulated by Dutch law and be subject to AFM supervision, pursuant to the Decree.

Because the Company is not incorporated in the Netherlands, the Dutch statutory mandatory bid rules do not apply. Also, because the Company's shares are not listed in Switzerland, the Swiss mandatory bid rules do not apply either.

The Company has incorporated a mandatory bid mechanism in the Articles of Association. Under these provisions, if any beneficial owner, directly or indirectly, formally, constructively or beneficially owns, or otherwise controls, alone or when acting in concert with others, more than 30% of the share capital, irrespective of whether the shares have voting rights or not, such beneficial owner has to launch and complete a tender offer for all of the shares. In addition, if a person or entity or group of persons wants to exercise, directly or indirectly, voting rights with respect to shares held by such person or entity or group of persons of more than 20% of the share capital, it may only do so if a tender is completed in accordance with the Articles of Association and such person or entity or group of persons has acquired and owns at least 75% of the Company's share capital. However, two exceptions apply: (i) the Firmenich Shareholders which, acting alone or in concert with other Firmenich Shareholders, are subject to a voting limitation of 30%, and (ii) the voting restriction does not apply to a person acting solely as a nominee upon instruction of beneficial owners, unless the voting rights of a nominee are attributable to a beneficial owner who would, if such beneficial owner were a shareholder, be subject to such restriction (see section 12.10 "*General Meeting – Voting rights, registration as a shareholder*" for these exceptions).

The Articles of Association prescribe that such an offer:

- must be made at a minimum price of the higher of (a) the volume weighted average price of the last 60 trading days prior to the publication of the tender offer, (b) the highest price paid by such acquirer or persons or entities acting in concert with such acquirer over the past 12 months prior to the publication of the tender offer for the shares, or (c) the minimum price required under the provisions of applicable takeover laws of the country where the shares are listed;

- must be made in accordance with the procedural rules applicable to mandatory takeover offers under the applicable takeover laws of the country where the shares are listed;

- must be made for all DSM-Firmenich Ordinary Shares; and

- may be made with a minimum acceptance threshold of not more than 75% of the share capital.

The Articles of Association also authorise the Board of Directors to enact, subject to applicable takeover laws or regulations, further rules governing the details of such an offer, e.g. on the possibility to make offer conditions or on exemptions.

If such person does not make such a tender offer, or does not successfully complete it, then the Board of Directors will refuse to grant such person voting rights of more than 15%. The same saction applies if the offer is made and completed, but the offeror has not acquired at least 75%, unless the offeror reduces its stake within three months after the completion of the offer so that it directly or indirectly, formally, constructively or beneficially owns, or otherwise controls 30% or less of the share capital (in which case the 20% voting cap applies again).

Under the Articles of Association, an exemption applies to the Firmenich Shareholders and their beneficial owners and each such shareholder's or beneficial owner's controlled entities (as long as they are controlled by such shareholder or beneficial owner or such shareholder's or beneficial owner's descendants, spouses or heirs), descendants, spouses and heirs. They can own more than 30% without incurring a mandatory bid obligation, provided that they do not act in concert with a third party and exceed by so doing the threshold 30%.

12.16 Transfer agent and registrar of shares

The Company's share register will initially be kept by Computershare, which acts as transfer agent and registrar. The share register reflects only holders of record of DSM-Firmenich Ordinary Shares, usufructuaries therein and / or nominees subject to the limitations set out in Articles of Association. See section 12.9 "*Form of shares and transfer of shares*" and 12.10 "*General Meeting – Voting rights, registration as a shareholder*" for further information. Swiss law does not recognise fractional share interests.

12.17 Disclose holdings

Notification and disclosure of substantial share interests under Swiss law

The disclosure obligations generally applicable to shareholders of Swiss corporations under the FMIA, in particular art. 120 et seq. FMIA, do not apply to the Company since its shares are not listed on a Swiss exchange.

Obligations of the DSM-Firmenich Shareholders to disclose holdings

The DSM-Firmenich Shareholders are subject to notification obligations under the Wft and Regulation (EU) No. 23 6/2012. Pursuant to chapter 5.3 of the Wft, any person who, directly or indirectly, acquires or disposes of an actual or deemed capital interest and / or voting rights in the Company must immediately give notice to the AFM of such acquisition or disposal, by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest and / or voting rights held (or deemed held) by such person reaches, exceeds or falls below the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest and / or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the Company's outstanding share capital or in the votes that can be cast on the DSM-Firmenich Ordinary Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published the Company's notification of the change in the outstanding share capital or in the votes that can be cast on the DSM-Firmenich Ordinary Shares.

Each person holding an interest in the Company's share capital or voting rights of 3% or more must immediately notify the AFM. In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that his or her interest reaches or crosses a relevant threshold.

For the purpose of calculating the percentage of capital interest and / or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and / or voting rights directly held (or acquired or disposed of) by any person; (ii) shares and / or voting rights held (or acquired or disposed of) by such person's controlled entities; (iii) voting rights held (or acquired or disposed of) by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; (v) shares and / or voting rights which such person (directly or indirectly), or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and / or the attached voting rights; (vi) shares that determine the value of certain cash settled financial instruments such as contracts for difference and total return swaps; (vii) shares that must be acquired upon exercise of a put option by a counterparty; and (viii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Controlled entities (within the meaning of the Wft) do not themselves have notification obligations under the Wft as their direct and indirect interests are attributed to their (ultimate) parent.

Special attribution rules apply to the attribution of shares and / or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and / or voting rights.

For the purpose of calculating the percentage of capital interest or voting rights, the following instruments qualify as 'shares': (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares; (ii) such person may be obliged to purchase shares on the basis of an option; or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

Under the Wft, the Company must file a report with the AFM promptly after the date of Admission of the DSM-Firmenich Ordinary Shares, setting out the issued and outstanding share capital and voting rights. In addition, the Company is required to notify the AFM promptly of any change of 1% or more in the Company's issued and outstanding share capital or voting rights since the previous notification. The AFM must be notified of other changes in the Company's issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all of the Company's notifications regarding the issued and outstanding share capital and voting rights in a public register.

Short positions

Any natural or legal person holding a net short position equal to or exceeding 0.2% of the issued share capital of a company whose financial instruments are admitted to trading on a trading venue in the Netherlands is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to or exceeding 0.5% of the issued share capital of a company whose financial instruments are admitted to trading on a trading venue in the Netherlands and any subsequent increase of that position by 0.1% will be made public by the AFM. To calculate whether a natural person or legal person has a net short position, his or her short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. The notification shall be made no later than 15.30 CET on the following trading day.

Any natural or legal person holding a gross short position in relation to the issued share capital of a non-EU entity whose financial instruments are admitted to trading on a trading venue in the Netherlands that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10 %, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM.

If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the Company's issued share capital, such person is required to make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. The future DSM-Firmenich Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

Obligations of members of the Board of Directors to disclose transactions

Pursuant to the Market Abuse Directive (2014/57/EU) as implemented in Dutch law and Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the **Market Abuse Regulation**), which entered into force on 3 July 2016, persons discharging managerial responsibilities (each a **PDMR**) must notify the AFM and the Company of any transactions conducted for their own account relating to DSM-Firmenich Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

PDMRs within the meaning of the Market Abuse Regulation include: (a) members of the Board of Directors, or (b) members of the senior management who have regular access to inside information relating directly or indirectly to that entity and the authority to take managerial decisions affecting the future developments and business prospects of the Company. PDMRs must notify the Company and the AFM by means of a standard form of any transactions conducted for his or her own account relating to the DSM-Firmenich Ordinary Shares or debt instruments of the Company or derivatives or other financial instruments linked thereto.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with PDMRs, are also required to notify the AFM and the Company of any transactions conducted for their own account relating to the DSM-Firmenich Ordinary Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transactions date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interest of which are substantially equivalent to those of such a person.

The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM and the Company no later than the third business day following the relevant transaction date. These notifications may be postponed until the total amount of the transactions conducted by a PDMR or a person closely associated to a PDMR reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). When calculating whether the threshold is reached or exceeded, PDMRs must add any transactions conducted by persons closely associated with them to their own transactions and vice versa. The first transactions reaching or exceeding the threshold must be notified as set out above. Notwithstanding the foregoing, members of the Board of Directors need to notify the AFM of each change in the number of DSM-Firmenich Ordinary Shares that they hold and of each change in the number of votes they are entitled to cast in respect of the Company's issued share capital, immediately after the relevant change.

Market abuse rules

The regulatory framework on market abuse is set out in the Market Abuse Regulation, which is directly applicable to the Company, PDMRs, persons closely associated with PDMRs, other insiders and persons performing or conducting transactions in the Company's financial instruments.

The Company is required to make inside information public. Pursuant to the Market Abuse Regulation, inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Unless an exception applies, the Company must, without delay, publish the inside information by means of a press release and post and maintain it on its website (www.creator-innovator.com) for at least five years. The Company may not combine the disclosure of inside information to the public with the marketing of its activities. The Company must also provide the AFM with its press release that contains inside information at the time of publication.

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, as well as an attempt thereto (insider dealing). The use of inside information by cancelling or amending of an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information also constitutes insider dealing. In addition, it is prohibited for any person to disclose inside information to anyone else (except where the disclosure is made in the normal exercise of an employment, profession or duties) or, while in possession of inside information, to recommend or induce anyone to acquire or dispose financial instruments to which the information relates. Furthermore, it is prohibited for any person to engage in or attempt to engage in market manipulation, for instance by conducting transaction which give, or are likely to give, false or misleading signals as to the supply of, the demand for, or the price of a financial instrument.

Public registry

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes any notification received.

Non-compliance

Non-compliance with the notification obligations under the Market Abuse Regulation and the Wft, set out in the paragraphs above, could constitute an economic offence (*economisch delict*) and / or a crime (*misdrijf*) and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions by the AFM. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. The AFM shall, in principle, also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

If criminal charges are pressed, then the AFM is no longer allowed to impose administrative penalties and vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and / or one or more DSM-Firmenich Shareholders who alone or together with others represent(s) at least 3% of the Company's issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose, include:

- an order requiring the person violating the disclosure obligations under the Wft to make appropriate disclosure;

- suspension of the voting rights in respect of such person's shares for a period of up to three years as determined by the court;

- voiding of a resolution adopted by the General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision on such voiding; and

- an order to the person violating the disclosure obligations under the Wft to refrain, during a period of up to five years as determined by the court, from acquiring the shares and / or voting rights in the shares.

The Company and any person acting on its behalf or on its account is obligated to maintain an insiders' list, to promptly update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or in its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

Home member state

The Netherlands will be the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU) as a consequence of which the Company will be subject to the Wft in respect of certain ongoing transparency and disclosure obligations.

13. THE MERGER

13.1 The Transactions

The Company is a company limited by shares (*Aktiengesellschaft*) incorporated and operating under the laws of Switzerland. The Company has been created for the purpose of serving as the holding company of DSM and Firmenich. All DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam, under the symbol "DSFIR".

On 30 May 2022, DSM, Firmenich, holders of shares in the issued share capital of Firmenich (the **Firmenich Shareholders**) and the Company entered into a business combination agreement (the **Business Combination Agreement**) (Firmenich, the Firmenich Shareholders, DSM and the Company together, the **Parties**), in which the Parties laid down their agreement to co-create a merger of equals by combining the businesses of DSM and Firmenich by contributing effectively the DSM Ordinary Shares and the shares in the capital of Firmenich (the **Firmenich Shares**) to the Company. The principal terms of the Business Combination Agreement are described in section 13.7 "*Principal terms of the Business Combination Agreement*".

The Merger will be effected through (i) an exchange offer by the Company to the DSM Shareholders for all DSM Ordinary Shares and (ii) the contribution of all Firmenich Shares to the Company against issuance of the Contribution Share Consideration and payment of the Contribution Cash Consideration to the Fiduciary Agent (the **Firmenich Contribution**). The Admission, the Exchange Offer and the Firmenich Contribution are together referred to as the **Transactions**.

The Exchange Offer

The Company is offering to acquire the DSM Ordinary Shares from the DSM Shareholders via a voluntary exchange offer on a one-by-one basis, against the Offer Consideration, as set out in section 14 "*The Exchange Offer*" (the **Exchange Offer**). Therefore, no direct new proceeds will result from the Exchange Offer.

The DSM Shareholders, subject to the terms and conditions of the Exchange Offer, will have the ability to tender up to 100% of their DSM Ordinary Shares in the Exchange Offer. The Exchange Offer is voluntary, which means that DSM Shareholders can choose not to subscribe for DSM-Firmenich Ordinary Shares, thereby retaining their holding in DSM in full, with due consideration of the provisions of section 14.19 "*Statutory buy-out*" and section 14.20 "*Post-Offer Merger and Liquidation*". The acceptance of the Exchange Offer by the DSM Shareholders will be subject to certain restrictions customary for transactions of this nature.

The Exchange Offer shall have an initial Acceptance Period of ten weeks. The Acceptance Closing Date shall be the last day, after extension(s), if any, of the Acceptance Period. In the event that any Transaction Condition is not satisfied or waived by the Initial Acceptance Closing Date and each Transaction Condition is at such time capable of being satisfied, then, unless DSM and Firmenich jointly decide otherwise, the Company shall, and DSM shall cause the Company to, extend the Acceptance Period by no less than two weeks and no more than ten weeks. The Company shall, and DSM shall cause the Company to, subject to the Transaction Conditions having been satisfied or waived, as applicable, in accordance with their terms, declare the Exchange Offer unconditional (*gestanddoening*) within three Business Days from the Acceptance Closing Date. The Company will ensure that the Exchange Offer complies, to the extent required, with the requirements of Regulation 14E.

Delivery of the DSM-Firmenich Ordinary Shares will take place on the Settlement Date. At or following the Unconditional Date, the Company may announce a Post-Closing Acceptance Period of no more than two weeks. The full details of the Exchange Offer, including the procedures for participating in the Exchange Offer are set out in section 14.9 "*Procedures for acceptances and action required by DSM Shareholders*".

If, after the Post-Closing Acceptance Period, then the Company holds less than 95%, but at least 80% of the DSM Ordinary Shares, the Company may decide to implement a customary pre-wired back-end structure (the **Post-Offer Merger and Liquidation**). Furthermore, if after the Post-Closing Acceptance Period, the Company holds at least 95% of the DSM Ordinary Shares, then the Company will commence a takeover buy-out procedure in accordance with Article 2:359c of the DCC or a buy-out procedure in accordance with Article 2:92a of the DCC (the **Buy-Out**). The full details of the Exchange Offer, including the Post-Offer Merger and Liquidation and Buy-Out, are set out in detail in section 14 "*The Exchange Offer*".

The Firmenich Contribution

Subject to the Transaction Conditions being satisfied or waived, the Firmenich Shareholders shall agree upon and appoint a fiduciary agent (the **Fiduciary Agent**), to contribute all Firmenich Shares (free of any encumbrances) to the Company, and the Company shall issue the Contribution Share Consideration and pay the Contribution Cash Consideration to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders (the **Contribution Completion**).

Subject to the Contribution Completion, the Firmenich Shares shall be deemed for the risk and benefit of the Company as of 1 January 2022.

The aggregate consideration for the transfer of the Firmenich Shares by way of the Firmenich Contribution shall be:

- an amount in cash of €3.5 billion minus an amount equal to the sum of any Firmenich Leakage and the actual compensation amount (as calculated in accordance with the applicable clauses in the Business Combination Agreement) to DSM and plus an amount equal to any DSM Leakage (the **Contribution Cash Consideration**) payable by the Company to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders; and

- such number of DSM-Firmenich Ordinary Shares representing 34.5% of the DSM-Firmenich Completion Issued Share Capital, newly issued by the Company to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders (the **Contribution Share Consideration**).

The Contribution Cash Consideration and Contribution Share Consideration have been determined on the basis of the relative valuation of DSM and Firmenich looking at a variety of financial analyses and valuation benchmarks. Please refer to section 14.7 "*The Offer Consideration*".

Firmenich Leakage consists of any transfer of value from Firmenich or any of its Subsidiaries to the Firmenich Shareholders or any of their Related Persons as of the Contribution Effective Date not being any Permitted Firmenich Leakage. Permitted Firmenich Leakage consists of payments made by Firmenich to, among others, shareholders, employees, officers or directors of any member of the Firmenich Group, which are allowed under the Business Combination Agreement. Firmenich will inform the Company of any Firmenich Leakage prior to the Contribution Completion. The Company must notify the Firmenich Shareholders Representative within six months after the Contribution Completion Date of any Firmenich Leakage not notified by Firmenich prior to the Contribution Completion or otherwise taken into account by the Company.

DSM Leakage consists of any dividends (in cash, shares or otherwise) actually paid or declared by DSM during the Interim Period in excess of €292 million and €163 million gross, respectively, and the actual compensation amount (as calculated in accordance with the applicable clauses in the Business Combination Agreement) paid to Firmenich.

The cash payment to be made by the Company in connection with the Contribution Cash Consideration will be financed by DSM from available cash resources in the form of a loan to the Company. To assist DSM therein, it has entered into the Bridge Facility.

Furthermore, DSM and Firmenich have agreed that the Company will aim to recover any cash payments to be made by the Company or DSM Holdco in connection with either the Post-Offer Merger and Liquidation or the Buy-Out (i.e. cash payments to non-tendering DSM Shareholders in the Buy-Out or to the Dutch Tax Authorities in case of the Post-Offer Merger and Liquidation), as the case may be, by selling DSM-Firmenich Ordinary Shares prior to the end of 2023 that will be created prior to the Contribution Completion. The DSM-Firmenich Ordinary Shares created for this purpose will be issued or transferred to a bank or third-party custodian of a bank, for the purpose of an orderly sale in the market.

The Admission

All of the DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam, under the symbol "DSFIR" (the **Admission**). The DSM-Firmenich Ordinary Shares ISIN is CH1216478797. The DSM-Firmenich Ordinary Shares are denominated in and will trade in Euro on Euronext Amsterdam. The Admission is a condition to each DSM's, Firmenich's and the Company's obligation to effect the Transactions and for the Company to declare the Exchange Offer unconditional. Other than the DSM-Firmenich Ordinary Shares, no securities issued by the Company have been admitted to listing and trading on any other stock exchange on the Settlement Date. See section 14 "*The Exchange Offer*" for further details regarding the terms and conditions of the Exchange Offer including the Transaction Conditions.

13.2 Delivery, clearing and admission

The DSM-Firmenich Ordinary Shares are registered shares, which will be held partially (i) through the facilities of Euroclear Nederland, i.e. be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*) and partially (ii) through the facilities of SIX SIS, i.e. be registered on a main register with SIX SIS, the Swiss central securities depository, which will credit DSM-Firmenich Ordinary Shares to SIX SIS participants, which in turn may credit them further to other custodians or clients. See section 12.9 "*Form of shares and transfer of shares*" for more details. Application has been made for the DSM-Firmenich Ordinary Shares to be accepted for delivery through the book-entry facilities of Euroclear Nederland and SIX SIS. Euroclear Nederland is located at Herengracht 469, 1017 BS Amsterdam, the Netherlands. SIX SIS is located at Baslerstrasse 100, Olten, CH-SO 4600, Switzerland.

The Unconditional Date is the first trading date for the issued DSM-Firmenich Ordinary Shares on an as-if-and-when delivered basis. Delivery of the DSM-Firmenich Ordinary Shares will take place on the Settlement Date. After the Settlement Date, a Post-Closing Acceptance Period of no more than two weeks may be commenced. The trades executed on the first trading date are expected to settle two trading days after a trade is executed on Euronext Amsterdam, in accordance with the respective settlement cycles of Euronext Amsterdam. See section 14 "*The Exchange Offer*" for further information concerning practical matters pertaining to the Exchange Offer.

13.3 Background to and rationale for the Transactions

The Transactions establish DSM-Firmenich, which will be a new, dynamic creation and innovation partner in nutrition, beauty and well-being. The Merger will bring together Firmenich's industry-leading Perfumery and Taste businesses and associated co-creation capabilities and DSM's Health and Nutrition portfolio and renowned scientific expertise.

Both DSM and Firmenich have successful track-records of investing in and delivering ground-breaking innovations that create and reshape markets for growth. DSM-Firmenich will operate at the highest safety and quality standards, with a strong regional manufacturing presence ensuring supply continuity, resilience and trust for its customers. DSM-Firmenich will continue both DSM's and Firmenich's relentless commitment to sustainability across the value chain.

DSM-Firmenich will be well positioned to accelerate growth by addressing shifts in consumer preferences and customer needs driven by global trends such as climate change, accessible nutrition, inequalities, and hygiene and sanitation. These shifts drive consumer preferences for health and sustainability benefits while enjoying superior experiences in areas such as taste and fragrance. As a market-leader with enhanced creation and application capabilities, DSM-Firmenich will be able to serve both global and local customers, informed by local consumer preferences, across regional and local hubs around the world. Opportunities from new pioneering and complementary digitally powered business models will build upon the 125+ year heritages of each DSM and Firmenich in purpose-led scientific discovery and innovation.

DSM-Firmenich will also bring together DSM's and Firmenich's relentless commitment to sustainability and traceability across the value chain, and in doing so help to drive environmental, social and governance leadership globally. Sustainability considerations have long been embedded within both DSM's and Firmenich's strategies and DSM-Firmenich will bring together two companies with shared values and longstanding action on climate change, embracing nature and care for people.

The compelling strategic rationale for this Merger is further supported by the opportunity to accelerate growth, delivering earnings accretion and long-term value to all stakeholders.

Please refer to the announcement of the Transactions (www.creator-innovator.com/en/key-documents/) on the website of the Company (www.creator-innovator.com) for further information on the background and rationale for the Transactions.

13.4 Benefits of the Transactions

The Company and each of DSM and Firmenich have decided to pursue the Transactions for the following reasons:

- the Transactions are expected to result in a highly complementary fit of two purpose-led, science-based companies with iconic heritages and a shared commitment to positively impact people and the planet;

- the Transactions create a new Swiss-Dutch global group, DSM-Firmenich, with leading capabilities across four high-performing businesses underpinned by excellent science, which is uniquely positioned to anticipate and address evolving consumer needs;

- the Transactions are expected to result in an annual run rate synergy potential of €350 million Adjusted EBITDA, including a projected annual sales uplift of approximately €500 million, especially from combining DSM's Food & Beverage and Firmenich's Taste & Beyond businesses;

- the Transactions establish complementary growth businesses across Perfumery & Beauty, Food & Beverage/Taste & Beyond, Health, Nutrition & Care and Animal Nutrition & Health;

- the Transactions are expected to result in a projected mid-single-digit organic sales growth moving to a 5-7% range, over a mid-term period, supported by revenue synergies and innovation; and

- the Transactions strengthen growth potential for purpose-led co-creation and innovation with customers, helping to address global shifts in societal and consumer trends through unparalleled science and discovery capabilities.

Please refer to section 3.5 "*Medium-term objectives of DSM-Firmenich*" for a description of DSM-Firmenich medium-term financial objectives.

13.5 Authorisation and implementation of the Transactions

On the date of this Offering Circular, DSM issued a shareholders circular to the DSM Shareholders (the **DSM Circular**) in relation to the extraordinary general meeting of the DSM Shareholders (the **DSM EGM**). At the DSM EGM, the Exchange Offer will be discussed and recommended to the DSM Shareholders for acceptance and the DSM Shareholders will be requested to vote in favour of the Transaction Resolutions.

The DSM EGM will be held at 14.00 hours CET on 23 January 2023. DSM Shareholders may attend physically or virtually.

The Firmenich Shareholders are a party to the Business Combination Agreement and have approved the Transactions.

Subject to the Transaction Conditions being fulfilled or waived, as applicable, the Parties will implement the Transactions by implementing the following steps in the order set out below.

- On the Unconditional Date, the DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam on an as-if-and-when-delivered basis.

- Settlement is expected to occur as soon as reasonably possible and in any event on the Settlement Date.

- No later than on the fifth Business Day after settlement of the DSM Ordinary Shares tendered during the Post-Closing Acceptance Period, the Firmenich Shareholders will contribute 100% of the shares in Firmenich to the Company.

- As soon as possible after completion of the Exchange Offer, the delisting of the DSM Ordinary Shares shall be procured and the DSM Preference Shares A will be repurchased and cancelled. Reference is made to sections 14.9 "*Procedures for acceptances and action required by DSM Shareholders*" and 14.14 "*DSM Preference Shares A*".

- After delisting of the DSM Ordinary Shares, DSM will be converted from a Dutch public limited liability company (*naamloze vennootschap*) into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

- The deposit agreement dated 8 July 2012 in relation to the American depositary receipts issued for DSM Ordinary Shares between DSM, Deutsche Bank Trust Company Americas, as depository, and holders and beneficial owners of the American depositary receipts has been terminated with an effective termination date of 14 November 2022. Deutsche Bank Trust Company Americas and DSM agreed that the Company shall establish a new sponsored depositary receipts programme with Deutsche Bank Trust Company Americas prior to 30 June 2023.

- The Company will initiate a Buy-Out or, alternatively, undertake the Post-Offer Merger and Liquidation as the case may be, in order to have the Company own all outstanding DSM Ordinary Shares.

13.6 Impact on employees and directors

It is currently not envisaged that the Transactions will have an impact on the continued engagement of the members of the DSM Managing Board. Initially, the DSM Supervisory Board will remain unchanged after Completion.

With regard to the Firmenich Board, the engagement of the following members of the Firmenich Board will be terminated in light of the Transactions: Barbara Kux, Pierre Bouchut, Dame Karen Jones DBE, Diana Oltramare and Ajai Puri. The members of the Firmenich Board will resign as members of the Firmenich Board and will be replaced with certain members of the Executive Committee.

There are currently no material redundancies planned with respect to the employees of DSM, Firmenich or the Company as a direct consequence of the Exchange Offer. However, the integration process may involve redundancies after Completion, which will be subject to employee consultations, where required.

At the time of this Offering Circular, no remuneration policy for the Company has been adopted. The remuneration policy will be developed and implemented in due course.

13.7 Principal terms of the Business Combination Agreement

General description of the Business Combination Agreement

The Business Combination Agreement was entered into on 30 May 2022 between the Parties. The Business Combination Agreement sets out the terms and conditions subject to which the Transactions will be implemented. The implementation of the Transactions is subject to the satisfaction of the conditions laid down in the Business Combination Agreement having been fulfilled on the Acceptance Closing Date or waived in accordance with the terms and conditions of the Business Combination Agreement no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date. See section 14.13 "*The Transaction Conditions*". The Business Combination Agreement also includes the strategic and business rationale for implementing the Transactions and the business objectives of DSM-Firmenich.

Representations and Warranties

To induce the Company to make the Exchange Offer on the terms as set out in this Offering Circular and the Parties to implement the Transactions, each of Firmenich and DSM have given (in respect of itself only) customary business representations and warranties in the Business Combination Agreement relating to:

- the valid existence of DSM and Firmenich;
- the power and authority of Firmenich and DSM to carry on its respective businesses as currently conducted and to enter into, execute, deliver and carry out the terms of the Business Combination Agreement;
- the due and proper execution and delivery of the Business Combination Agreement;
- the due authorisation of DSM and Firmenich to perform its obligations under and execute the Business Combination Agreement and of each of the other documents contemplated by the Business Combination Agreement or in connection with the Transactions;
- the share capital of Firmenich and DSM;
- the accounts of Firmenich and DSM;
- the absence of a change, event or development that has had or would reasonably be expected to have a Material Adverse Effect on Firmenich or DSM;
- the public disclosures made by DSM and Firmenich;
- the accuracy and completeness of the information contained in the Data Room prepared by Firmenich and DSM; and / or
- compliance with Applicable Rules.

The sole remedy in relation to a breach of the abovementioned representations and warranties is the right of DSM, Firmenich and the Company respectively to terminate the Business Combination Agreement as a result of the Transaction Conditions not having been satisfied. Neither DSM, Firmenich nor the Company have, according to the Business Combination Agreement, any liability in relation to a breach of a warranty, except in case of fraud or wilful misconduct.

Material Adverse Effect

The obligation of the Parties to effect the Transactions and for DSM to ensure that the Company effects the Transactions, including for the Company to declare the Exchange Offer unconditional, is subject to the satisfaction or waiver of, among other things, the condition that no Material Adverse Effect on Firmenich or DSM has occurred or has become known since the date of the Business Combination Agreement.

Pursuant to the Business Combination Agreement, a **Material Adverse Effect** on DSM or Firmenich means any change, event or development that, individually or taken together with all such other changes, events or developments, has or would reasonably be expected to have a material adverse effect on the business, assets, cash flow, liabilities, financial condition, results of operations or capitalisation of the Firmenich Group or the DSM Group, as applicable, provided that the following shall not be considered in determining whether a Material Adverse Effect has occurred:

(a) any change, event or development generally affecting the industries in which the Firmenich Group or the DSM Group, respectively, operate, or any change, event or development in general economic or regulatory, legislative or political conditions or securities, credit, financial or other capital markets conditions, in each case in the Netherlands, Switzerland, Belgium, United Kingdom, the United States or any other jurisdiction, in each case except to the extent that such change, event or development affects the Firmenich Group or the DSM Group, respectively, in a disproportionate manner relative to other businesses operating in the relevant industries in which the Firmenich Group or the DSM Group, respectively, operates;

(b) any change, event or development to the extent resulting from the execution and delivery of the Business Combination Agreement or the public announcement, pendency or consummation of the Transactions, including tax consequences or shareholder litigation and the impact of such changes or developments on the relationships, contractual or otherwise, of such party or any of its Subsidiaries with employees, Trade Unions, clients, customers, suppliers or partners;

(c) any change, event or development to the extent resulting from any failure of the Firmenich Group or the DSM Group, respectively, to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts and circumstances giving rise to such failure may be deemed to constitute, and may be taken into account in determining whether there has been, a Material Adverse Effect if such facts and circumstances are not otherwise described in paragraph (a), (b) or (e) through (h);

(d) any change, in and of itself, in the market price, credit rating (with respect to such Party or its securities) or trading volume of such Party's securities (it being understood that the facts and circumstances giving rise to such change may be deemed to constitute, and may be taken into account in determining whether there has been, a Material Adverse Effect if such facts and circumstances are not otherwise described in paragraph (a), (b) or (e) through (h);

(e) any change or proposed change, after the date of the Business Combination Agreement, in Applicable Rules or IFRS (or, in each case, authoritative interpretation thereof);

(f) geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of the Business Combination Agreement, except to the extent that such change, event or development affects the Firmenich Group or the DSM Group, respectively, in a disproportionate manner relative to other businesses operating in the relevant the industries in which the Firmenich Group or the DSM Group, respectively, operates;

(g) any hurricane, tornado, flood, earthquake or other natural disaster, except to the extent that such change, event or development affects the Firmenich Group or the DSM Group, respectively, in a disproportionate manner relative to other businesses operating in the relevant industries in which the Firmenich Group or the DSM Group, respectively, operates; or

(h) any change, event or development to the extent resulting from any action by any member of the Firmenich Group or the DSM Group, respectively, that is expressly required to be taken by the Business Combination Agreement.

Covenants and undertakings of the Parties

In the Business Combination Agreement, DSM has undertaken to:

(a) procure that each member of the DSM Boards will (i) tender the DSM Ordinary Shares directly or indirectly held or subsequently acquired by such member under the Exchange Offer and (ii) vote his or her DSM Ordinary Shares in favour of the Transaction Resolutions;

(b) tender in the Exchange Offer during the Acceptance Period such number of DSM Ordinary Shares held in treasury by it as is equal to the number of Net Dilutive Instruments; and

(c) effective upon the settlement of the DSM Ordinary Shares tendered in the Exchange Offer during the Acceptance Period, cancel all DSM Ordinary Shares that DSM holds after completing of the tendering by DSM of the DSM Ordinary Shares held in treasury.

The DSM Ordinary Shares that will be tendered by the members of the DSM Boards and DSM constitute approximately one percent of the issued share capital of DSM.

Furthermore, DSM has undertaken to convene the DSM EGM. See section 13.5 "*Authorisation and implementation of the Transactions*".

Firmenich and each Firmenich Shareholder has undertaken to (i) tender any DSM Ordinary Shares directly or indirectly held or subsequently acquired by it under the Exchange Offer and (ii) vote any of its DSM Ordinary Shares in favour of the Transaction Resolutions.

Furthermore, Firmenich, DSM and the Company have undertaken to:

(a) procure the delisting of the DSM Ordinary Shares as soon as possible after settlement of the Exchange Offer;

(b) procure the conversion of DSM from a Dutch public limited liability company (*naamloze vennootschap*) into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*);

(c) seek (i) the termination of the deposit agreement dated 9 July 2012 in relation to the American depositary receipts issued for DSM Ordinary Shares between DSM, Deutsche Bank Trust Company Americas, as depository, and holders and beneficial owners of the American depositary receipts or (ii) the replacement of the DSM Ordinary Shares, for which American depositary receipts have been issued, by DSM-Firmenich Ordinary Shares[4]; and

(d) initiate a Buy-Out or, alternatively, undertake the Post-Offer Merger and Liquidation, as the case may be, in order to have the Company own all outstanding DSM Ordinary Shares.

The undertaking under (c) above has been satisfied, please refer to section 13.5 "*Authorisation and implementation of the Transactions*".

With regard to the satisfaction of the Transaction Conditions, Firmenich, DSM and the Company have undertaken to, and DSM has undertaken to ensure that the Company shall, take or cause to be taken all actions, and do or

4 The deposit agreement dated 8 July 2012 in relation to the American depositary receipts issued for DSM Ordinary Shares between DSM, Deutsche Bank Trust Company Americas, as depository, and holders and beneficial owners of the American depositary receipts has been terminated with an effective termination date of 14 November 2022.

cause to be done all things, necessary on its part to satisfy the Transaction Conditions and consummate and effect the Transactions as soon as reasonably practicable. In addition, the Firmenich Shareholders have undertaken to use their best efforts to take such actions, and do or cause to be done such things, necessary on their part to satisfy the Transaction Conditions and consummate and effect the Transactions as soon as reasonably practicable, provided that no Firmenich Shareholder shall be required to take such action if it is unreasonably burdensome for such Firmenich Shareholder. In such case, such Firmenich Shareholder shall inform Firmenich and DSM thereof, and Firmenich, DSM and such Firmenich Shareholder shall discuss and agree whether such action should reasonably be deemed unreasonably burdensome for such Firmenich Shareholder. The Firmenich Shareholders have undertaken to provide all information in connection with satisfying a Transaction Condition or consummating and effecting the Transactions, in each case to the extent required by a regulatory authority under any Applicable Rules, provided that the continued confidentiality of such information is ensured.

Each of the Parties furthermore has undertaken to execute and perform all such deeds, documents, assurances, acts and things and to exercise all powers and rights available to them, in whatever capacity, including the giving of all waivers and consents and the passing of all resolutions reasonably required to ensure that each of DSM, Firmenich and the Company and their representatives (if any) give effect to the Business Combination Agreement. The Company, DSM and Firmenich have further undertaken to keep each other and their advisers apprised of any relevant developments in relation to the consummation of the Transactions and the progress on each of their obligations under the Business Combination Agreement, and that they will actively and timely involve each other and their advisers and seek each other's consent on any material documents and steps in relation to the Transactions, all to the extent permitted under applicable rules.

Termination

The Business Combination Agreement may be terminated immediately:

- if the Parties so explicitly agree in writing;

- by notice in writing given by one of the Parties to the other Parties that certain Transaction Conditions have not been satisfied on the Acceptance Closing Date or waived no later than on the third Business Day after Acceptance Closing Date or, if earlier, the Long Stop Date, provided that the non-satisfaction of the relevant Transaction Condition(s) is not primarily due to a breach by the Party terminating the Business Combination Agreement of any of its obligations under the Business Combination Agreement;

- by notice in writing given by DSM if the Firmenich Shareholders or Firmenich failed to perform, in all material respects, any covenant, agreement or obligation required to be performed by it under the Business Combination Agreement, if such failure is incapable of being remedied or has not been remedied by the Firmenich Shareholders or Firmenich, as applicable, at the earlier of (i) ten Business Days after Firmenich or the Firmenich Shareholders, as applicable, have received a written notice from DSM of such failure and (ii) three Business Days before the Acceptance Closing Date;

- by notice in writing given by Firmenich if DSM or the Company failed to perform, in all material respects, any covenant, agreement or obligation required to be performed by it under the Business Combination Agreement, if such failure is incapable of being remedied or has not been remedied by DSM or the Company, as the case may be, at the earlier of (i) ten Business Days after DSM has received a written notice from Firmenich of such failure and (ii) three Business Days before the Acceptance Closing Date;

- by notice in writing given by Firmenich in the event that since the date of the Business Combination Agreement a Material Adverse Effect on DSM has occurred or has become known prior to the Acceptance Closing Date or, if a Material Adverse Effect did occur or has become known, the closing condition has not been waived in accordance with the terms and conditions of the Business Combination Agreement no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date (or if it is apparent that such condition will not be satisfied on the Acceptance Closing Date or waived no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date);

- by notice in writing given by DSM in the event that since the date of the Business Combination Agreement a Material Adverse Effect on Firmenich has occurred or has become known prior to the Acceptance Closing Date or, if a Material Adverse Effect did occur or has become known, the closing condition has not been waived in accordance with the terms and conditions of the Business Combination Agreement no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date (or if it is apparent that such Transaction Condition will not be satisfied on the Acceptance Closing Date or waived no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date);

- by notice in writing given by Firmenich or DSM in the event that (i) any of the transactions resolutions have not been adopted at the DSM EGM or the Subsequent DSM EGM (if applicable) or (ii) the Acceptance Threshold has not been reached at the Acceptance Closing Date;

- by notice in writing given by DSM or Firmenich in the event that Firmenich has notified DSM that Firmenich has accepted a Superior Proposal;

- by notice in writing given by DSM or Firmenich in the event that the condition that (i) the Foundation has not exercised (either in whole or in part) the outstanding call option pursuant to the Foundation Call Option Agreement, and (ii) the Foundation having entered into the Foundation Termination Agreement and such agreement being in full force and effect and not having been amended or modified, has not been satisfied on the Acceptance Closing Date or waived on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date (or if it is apparent that such Transaction Condition will not be satisfied on the Acceptance Closing Date or waived no later than on the third Business Day after the Acceptance Closing Date or, if earlier, the Long Stop Date), provided that the Business Combination Agreement may not be so terminated if the foundation call option is exercised but the Foundation Termination Agreement has been entered into and is in full force and effect and the Transaction Resolutions have been approved by the DSM EGM and are in full force and effect; and

- by notice in writing given by either of the Parties in the event that an order, stay, judgment or decree has been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in full force and effect, or a statute, rule, regulation, governmental order or injunction has been enacted or remains in full force or effect, which in any such case prohibits the making and / or consummation of the Transactions in accordance with the Business Combination Agreement in any material respect.

To induce each other to enter into the Business Combination Agreement and to compensate each other for damages either Party has incurred and will continue to incur in connection with the Transactions, it was agreed in the Business Combination Agreement that:

- Firmenich must pay a termination fee of €400 million (amount exclusive of VAT, if any) in cash, without any withholding, deductions, defences or set-off in any kind, to DSM, if the Business Combination Agreement is terminated in connection with Firmenich having accepted a Superior Proposal;

- DSM must pay a reverse termination fee of €400 million (amount exclusive of VAT, if any) in cash, without any withholding, deductions, defences or set-off in any kind, to Firmenich, if (i) the Business Combination Agreement is terminated in connection with the DSM EGM not having approved the Transaction Resolutions, (ii) the Acceptance Threshold has not been satisfied, or (iii) the Foundation having exercised its call option; and

- if VAT is assessed on the termination fee, such VAT shall be borne by the payer of the termination fee.

Exclusivity

The Parties have agreed in the Business Combination Agreement that from the date of the Business Combination Agreement and ending on the earlier of (i) the Settlement Date and (ii) the date of termination of the Business

Combination Agreement each of DSM, the Company, the Firmenich Shareholders, the Firmenich Group and the DSM Group and its respective directors, employees, advisers and representatives, proceed with the preparations for the Transactions in good faith and as expediently as practicable.

According to the Business Combination Agreement, neither of the aforementioned entities / persons shall take or authorise any action or make or authorise any public statement that prejudices or frustrates or reasonably may prejudice or frustrate the Transactions. Furthermore, neither of the aforementioned entities / persons shall, in any way, directly or indirectly, approach, initiate, provide confidential information to, or engage in discussions or negotiations or enter into any transactions with any other party, regarding a public offer for DSM Ordinary Shares, a sale or initial public offer of Firmenich Ordinary Shares, a sale of all or a substantial part of the assets or business of DSM or the DSM Group (other than the disposal of the DSM's Engineering Materials business and DSM's Protective Materials business[5]) or Firmenich or the Firmenich Group or any other transaction that could result in a change of control of DSM or Firmenich or otherwise prevent the Transactions from being consummated (an **Alternative Proposal**). DSM or Firmenich, as the case may be, shall notify each other and the Company promptly (and in any event within 48 hours) in writing if any approach or enquiry, or request for information, is received by them or any of its group companies from any third party in relation to a potential Alternative Proposal. If Firmenich is approached by a bona fide third party with a potential Alternative Proposal that did not result from a breach of any of its obligations under the Business Combination Agreement, and that is or would reasonably be expected to lead to a Superior Proposal, Firmenich may provide confidential information and engage in discussions or negotiations, subject to appropriate confidentiality restrictions. If such Alternative Proposal leads to a Superior Proposal, Firmenich may notify DSM in writing that Firmenich has accepted the Superior Proposal, in which case each of Firmenich and DSM may terminate the Business Combination Agreement.

Lock-up undertakings and orderly market arrangements

Each Firmenich Shareholder has committed not to sell or acquire any DSM-Firmenich Ordinary Shares or related instruments for a period of six months following the Contribution Completion Date. In addition, each Firmenich Shareholder has committed that for a period of five years following the Contribution Completion Date it shall only sell down DSM-Firmenich Ordinary Shares (i) if it concerns an on exchange sell down which does not exceed 20% of the average daily trading volume on Euronext Amsterdam (measured over a three month period), or (ii) if it has notified a central contact person, designated by the Firmenich Shareholders, in advance of a sell down and has hired a reputable investment bank for the contemplated sell down. Sell downs exclude any intra-family transactions. Each Firmenich Shareholder has committed that for a period of five years following the Firmenich Contribution Date it shall not knowingly sell, in aggregate, any stake of 3% or more of the Company's total outstanding share capital to identified strategic parties. The Business Combination Agreement does not provide for a waiver of these undertakings.

Amendments

Any amendments of the Business Combination Agreement are valid only if they are in writing and signed by each Party. No Party is under any obligation to agree to any amendment of the terms or conditions of the Business Combination Agreement, unless and until specifically agreed in writing between DSM and Firmenich.

Governing law and dispute resolution

The Business Combination Agreement is governed by the laws of the Netherlands. Any dispute arising out of or relating to the Business Combination Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with said rules in force at the time the request for arbitration is filed. The seat of arbitration will be Amsterdam, the Netherlands. Any hearing will be held in Paris, France. The language of the arbitral proceedings will be English.

[5] DSM's Protective Materials business has been sold to Avient Corporation. Completion of the transaction took place on 1 September 2022.

Settlement of the DSM Incentive Plans

In the Business Combination Agreement, the Parties have agreed on the settlement terms of the DSM Incentive Plans. Please refer to section 11.16 "*Long-term incentive plans – DSM incentive plans*".

13.8 Accounting treatment of the Merger

Please refer to section 5.9 "*Note 3 – Pro forma adjustments – Merger pro forma adjustments*" for the accounting treatment of the Merger.

13.9 Interests of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent and the Listing and Paying Agent

Each of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent and the Listing and Paying Agent is acting exclusively for DSM, Firmenich and / or the Company and no one else in connection with the Transactions (or any part of it). They will not regard any other person (whether or not a recipient of this Offering Circular) as their respective clients in relation to the Transactions and will not be responsible to anyone other than DSM, Firmenich and / or the Company for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Transactions (or any part of it) or any Transactions or arrangement referred to in this Offering Circular.

Each of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and / or their respective affiliates has in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory, lending and financing services and ancillary activities in the ordinary course of its business with (i) DSM, Firmenich and / or the Company (or any parties related to DSM, Firmenich and / or the Company) or (ii) third parties undertaking transactions with DSM, Firmenich and / or the Company, including without limitation, transactions in respect of assets and / or businesses owned by DSM, Firmenich and / or the Company, in providing such services each of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Euronext Amsterdam Listing and Paying Agent and / or their respective affiliates (each as applicable) has received or may receive customary compensation, fees and / or commission. The financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and / or their respective affiliates may provide such services to DSM, Firmenich or the Company and / or with third parties undertaking transactions with DSM, Firmenich and / or the Company, in the future. J.P. Morgan and Goldman Sachs (in each case directly or through an affiliate) have entered into the Bridge Facility as underwriter and syndicate member, respectively to DSM, in respect of which it may in the future receive fees and commissions.

Each of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which each of them and any of their affiliates may from time to time acquire, hold or dispose of DSM-Firmenich Ordinary Shares. None of the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent and / or their affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. As a result of these Transactions, the financial advisers of DSM, Firmenich and the Company, the Settlement Agent, the Listing and Paying Agent may have interests that may not be aligned, or could potentially conflict, with the interests of investors, DSM, Firmenich or the Company.

14. THE EXCHANGE OFFER

14.1 Summary of the Exchange Offer and implications

This section of the Offering Circular contains the details of the voluntary public exchange offer (*openbaar ruilbod*) by the Company to the DSM Shareholders, to tender their DSM Ordinary Shares in exchange for DSM-Firmenich Ordinary Shares (1:1 exchange ratio (the **Exchange Ratio**)) on the terms and subject to the conditions and restrictions set out in this section. As of the date of this Offering Circular, 174,786,029 DSM Ordinary Shares are issued by DSM and subject to the Exchange Offer.

This section contains the information required by Article 5:76 of the Wft in conjunction with Article 8, paragraph 1 of the Decree in connection with the Exchange Offer. This Offering Circular, including this Exchange Offer section, has been reviewed and approved by the AFM as an offer memorandum (*biedingsbericht*) under Article 5:76 of the Wft on 22 November 2022.

The information required by Article 18, paragraph 2 of the Decree in connection with the Exchange Offer is included in a separate position statement of DSM¸ which statement does not form part of this Offering Circular (the **Position Statement**) and which has not been reviewed or approved by the AFM prior to publication. The Position Statement is published on the date of this Offering Circular.

The DSM Boards unanimously support the Transactions, recommend the Exchange Offer to the DSM Shareholders for acceptance and recommend the DSM Shareholders to vote in favour of the Transaction Resolutions. Reference is made to section 14.7 "*The Offer Consideration*" and the Position Statement. Please refer to section 13.3 "*Background to and rationale for the Transactions*" for the rationale of pursuing the Transactions, including the Exchange Offer.

The Board of Directors approved the publication of this Offering Circular and matters related to the execution of the Exchange Offer.

Subject to the restrictions set out in section 14.35 "*Notice to DSM Shareholders in certain jurisdictions*" below, the Exchange Offer is open to all DSM Shareholders and all DSM Shareholders can accept the Exchange Offer in accordance with the instructions set out herein and tender up to 100% of their existing DSM Ordinary Shares.

The Acceptance Period under the Exchange Offer begins at 09.00 hours CET on Wednesday 23 November 2022, and expires at 17.40 hours CET on Tuesday 31 January 2023, in which case the last day for the DSM Shareholders to trade in the DSM Ordinary Shares and to participate in the Exchange Offer is Tuesday 31 January 2023, unless the Company extends the Exchange Offer in accordance with section 14.11 "*Extension*". The Company will announce whether or not it declares the Exchange Offer unconditional (*gestanddoening*) within three Business Days following the Acceptance Closing Date, in accordance with Article 16 of the Decree. The obligation of the Company to declare the Exchange Offer unconditional (*gestanddoening*) is subject to the satisfaction or waiver of the Transaction Conditions in accordance with section 14.13 "*The Transaction Conditions*". DSM will ensure that the Exchange Offer complies, to the extent required, with the requirements of Regulation 14E.

Any Tendered Share tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of DSM Ordinary Shares during the Acceptance Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a, paragraph 3 of the Decree.

Participation in the Exchange Offer is voluntary and the DSM Shareholders that do not wish to participate in the Exchange Offer need not take any action to retain their DSM Ordinary Shares in full, with due consideration of the provisions of section 14.19 "*Statutory buy-out*" and section 14.20 "*Post-Offer Merger and Liquidation*".

In the event that the Company declares the Exchange Offer unconditional (*gestanddoening*), DSM Shareholders who have validly tendered their DSM Ordinary Shares, or defectively tendered, provided that such defect has been waived by the Company and not previously validly withdrawn their DSM Ordinary Shares in accordance with this Offering Circular (each of these DSM Ordinary Shares, a **Tendered Share**) will receive the Offer Consideration in respect of each Tendered Share and will transfer (*leveren*) their DSM Ordinary Shares to the Company, and the Company shall acquire each Tendered Share on the Settlement Date. Within three Business Days after the Company declares the Exchange Offer unconditional (*gestanddoening*), the Company may publicly announce a Post-Closing Acceptance Period (*na-aanmeldingsperiode*) of no more than two weeks to enable the DSM Shareholders who did not tender their DSM Ordinary Shares during the Acceptance Period to tender their DSM Ordinary Shares during the Post-Closing Acceptance Period on the same terms and subject to the same conditions and restrictions as the Exchange Offer.

Following the Settlement Date and, if applicable, the Post-Closing Acceptance Period, the Company may, if certain conditions are met, commence a statutory buy-out procedure (*uitkoopprocedure*) on the terms and subject to the conditions set out in section 14.19 "*Statutory buy-out*" or may decide to pursue the Post-Offer Merger and Liquidation on the terms and subject to the conditions set out in section 14.20 "*Post-Offer Merger and Liquidation*".

In accordance with Article 18, paragraph 1 of the Decree, DSM will hold the DSM EGM on 23 January 2023. At the DSM EGM, the Exchange Offer will be discussed and recommended to the DSM Shareholders for acceptance and the DSM Shareholders will be requested to vote in favour of the Transaction Resolutions. Separate convocation materials will be made available on DSM's website (www.dsm.com).

Under the Business Combination Agreement, DSM has undertaken to procure that each member of the DSM Boards will tender the DSM Ordinary Shares directly or indirectly held or subsequently acquired by such member under the Exchange Offer and vote his or her DSM Ordinary Shares in favour of the Transaction Resolutions. DSM has also undertaken to tender during the initial Acceptance Period such number of DSM Ordinary Shares held in treasury by it as is equal to the number of Net Dilutive Instruments and cancel all DSM Ordinary Shares that DSM holds after completion of the said tendering of DSM Ordinary Shares effective upon the settlement of the DSM Ordinary Shares tendered in the Exchange Offer during the initial Acceptance Period.

DSM Shareholders are reminded that distribution of this Offering Circular, including this section, may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offering Circular are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Company, DSM and Firmenich disclaim all responsibility for any violation of such restrictions by any person. Reference is made to sections 14.36 "*Restrictions applicable to Foreign DSM Shareholders in respect of the Exchange Offer*", 16 "*Restrictions*" and 17 "*Important Information*".

All announcements in relation to the Exchange Offer will be made by press release and placed on the website of DSM-Firmenich (www.creator-innovator.com). Reference is made to section 14.38 "*Announcements*".

DSM Shareholders that wish to participate in the Exchange Offer should contact their custodian, bank or stockbroker. If you are in any doubt as to what action you should take, please also consult your broker, banker, legal adviser or other professional adviser immediately.

14.2 Contact details in case of required assistance

If you require assistance with providing your acceptance under the Exchange Offer, please contact:

DSM media enquiries:
FTI Consulting LLP
Edward Bridges / Alex Le May
Email: scdsm@fticonsulting.com
Telephone: +44 20 3727 1017

DSM investor relations enquiries:
Dave Huizing

Email: investor.relations@dsm.com
Telephone: +31 45 578 2864

Firmenich media enquiries:
Brunswick Group
Joseph Chi Lo / Edward Brown
Email: firmenich@brunswickgroup.com
Telephone: +44 20 7404 5959

Firmenich investor relations enquiries:
Ingvild van Lysebetten
Email: investor_relations@firmenich.com
Telephone: +41 79 833 7252

Settlement Agent and Listing and Paying Agent:
ABN AMRO Bank N.V.
Corporate Broking Issuer Services
Email: as.exchange.agency@nl.abnamro.com
Telephone: +31 20 628 6070

14.3 Purpose of the Exchange Offer

The purpose of this section is to provide the DSM Shareholders with:

- the relevant information regarding the terms and conditions of the Exchange Offer;
- the relevant information regarding how to participate in the Exchange Offer; and
- further information regarding the Settlement and other practical matters relating to the Exchange Offer.

This section is made available by the Company, DSM and Firmenich. The Company, DSM and Firmenich declare that to the best of their knowledge, the information contained in this section is in accordance with the facts and contains no omission likely to affect its import.

To obtain a full understanding of the terms and conditions of the Exchange Offer, the contents of this section should be read in its entirety together with the contents of this Offering Circular.

14.4 Invitation to the DSM Shareholders

The Company hereby makes a recommended public exchange offer (*openbaar ruilbod*) to the DSM Shareholders on terms of which the DSM Shareholders are entitled to exchange their DSM Ordinary Shares for DSM-Firmenich Ordinary Shares against the Offer Consideration, in accordance with the terms and conditions set out in this section. DSM Shareholders are advised to review this Offering Circular, and in particular sections 16 "*Restrictions*" and 17 "*Important Information*", completely and thoroughly and to seek independent advice where appropriate in order to reach a balanced judgement with respect to the Exchange Offer and this Offering Circular.

Only whole DSM-Firmenich Ordinary Shares will be issued and allotted in connection with the Transactions and the Company will deliver only whole DSM-Firmenich Ordinary Shares to the DSM Shareholders.

With due observance of and without prejudice to the restrictions referred to in sections 16 "*Restrictions*", 14.35 "*Notice to DSM Shareholders in certain jurisdictions*" and 17 "*Important Information*", the Exchange Offer concerns all DSM Ordinary Shares and applies to all DSM Ordinary Shares and all DSM Shareholders.

Prior to any DSM Shareholder taking any action in terms of this Offering Circular, DSM Shareholders are advised to carefully consider the contents of this Offering Circular in full and to only take action after having considered the potential effects of the Transactions, detailed in this Offering Circular.

Subject to the terms and conditions of the Exchange Offer, the DSM Shareholders can tender up to 100% of their existing DSM Ordinary Shares. The DSM Shareholders that do not wish to participate in the Exchange Offer will retain their holdings in DSM in full, with due consideration of the provisions of section 14.19 "*Statutory buy-out*" and section 14.20 "*Post-Offer Merger and Liquidation*".

The DSM Shareholders that tender their DSM Ordinary Shares will, on the Settlement Date, transfer their selected number of DSM Ordinary Shares that were held by them as at the record date for the Exchange Offer and tendered in terms of the Exchange Offer to the Company in exchange for being issued with the DSM-Firmenich Ordinary Shares against the Offer Consideration on the Settlement Date.

All of the DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam on the Admission, under the symbol "DSFIR".

See section 14.9 "*Procedures for acceptances and action required by DSM Shareholders*" below for further information regarding participation in the Exchange Offer.

14.5 The offerors: the Company, DSM and Firmenich

Pursuant to Article 1:1 of the Wft, each of the Company, Firmenich and DSM will qualify as an offeror in respect of the Exchange Offer.

Information on the Company

Introduction

The Company is a company limited by shares (*Aktiengesellschaft*) incorporated and operating under the laws of Switzerland, having its statutory seat in Kaiseraugst, Switzerland, and its office address at Wurmisweg 576, 4303 Kaiseraugst, Switzerland. Please refer to section 3 "*DSM-Firmenich's Business*" for more information on the DSM-Firmenich Business and refer to section 12 "*Description of Share Capital*" for more information on the shareholding structure of the Company. Effective as from the Contribution Completion Date, the Company will have a dual headquarter structure, with a headquarter, statutory seat and exclusive tax residence in Kaiseraugst, Switzerland, and a headquarter located in Heerlen, the Netherlands, and later Maastricht, the Netherlands.

Current share capital of the Company

At the date of this Offering Circular, the share capital of the Company amounts to CHF 100,000, divided into 100,000 fully paid-up registered shares with a par value of CHF 1.00 each.

Ownership structure as per the date of this Offering Circular

At the date of this Offering Circular, all of the shares in the share capital of the Company are held by DSM.

Board of Directors of the Company

The board of directors of the Company currently consists of Eric Nicolas, Benedikt Suter and Silvia Sonneveld. Please refer to section 11.4 "*Members of the Board of Directors*" for the composition of the Board of Directors as of the Settlement Date.

Information on Firmenich

Introduction

Firmenich is a private company under the laws of Switzerland and has its corporate seat in Satigny, Switzerland, and its office address at 7 Rue de la Bergère, CH-1242, Satigny, Switzerland.

Capital structure Firmenich

At the date of this Offering Circular, the total issued share capital of Firmenich amounts to CHF 40,500,000, divided into 729,000 class A shares with a nominal value of CHF 50 each and 810,000 class B shares with a nominal value of CHF 5 each, all fully paid-in. At the date of this Offering Circular, none of the Firmenich Shares are held in treasury and all of these shares are held by the Firmenich Shareholders, either directly or indirectly (the indirect holding referring to the Firmenich Shares that the Firmenich Shareholders hold indirectly via Sentarom, with Sentarom holding all class B shares). Sentarom has 729,000 shares outstanding with a nominal value of CHF 5. Each Firmenich Shareholder holds for each class A Firmenich Share one share in Sentarom.

Business description

Firmenich is the world's largest privately owned fragrance and taste company and has been family-owned for 127 years. The Swiss company specialises in perfumes, flavours, and ingredients and is renowned for its excellent research as well as leadership in sustainability. Please refer to section 9 "*Selected Consolidated Financial Information of Firmenich*" for information on the financial results of Firmenich in the years ended 30 June 2022, 2021 and 2020.

Firmenich Board

The Firmenich Board currently consists of Patrick Firmenich, Barbara Kux, Pierre Bouchut, Antoine Firmenich, Dame Karen Jones DBE, Diana Oltramare, André Pometta, Ajai Puri and Richard Ridinger.

Information on DSM

Introduction

DSM is a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Heerlen, the Netherlands, and its office address at Het Overloon 1, 6411 TE Heerlen, the Netherlands.

Capital structure DSM

The authorised capital of DSM amounts to €1,125 million, distributed over 330,960,000 DSM Ordinary Shares, 44,040,000 DSM Preference Shares A and 375,000,000 DSM Preference Shares B, each with a nominal value of €1.50. At the date of this Offering Circular, the total issued share capital of DSM amounts to 218,826,029 shares, divided into 174,786,029 DSM Ordinary Shares and 44,040,000 DSM Preference Shares A, all fully paid-in. At the date of this Offering Circular, 173,055,579 DSM Ordinary Shares are outstanding. At the date of the Offering Circular, 1,730,450 DSM Ordinary Shares are held by DSM in treasury. The DSM Ordinary Shares are listed on Euronext Amsterdam. The Euronext ticker symbol is "DSM" and the ISIN code is NL0000009827. The DSM Preference Shares A are not listed on a stock exchange. In the United States, a sponsored unlisted American depositary receipts program was offered by Deutsche Bank Trust Co. Americas (DR ISIN US7802491081), with four American depositary receipts representing the value of one DSM Ordinary Share. This American depositary receipts program has been terminated, with an effective termination date of 14 November 2022.

Business description

DSM is a global, purpose-led company in Health, Nutrition & Bioscience, applying science to improve the health of people, animals and the planet. DSM's purpose is to create brighter lives for all. DSM's products and solutions address some of the world's biggest challenges while simultaneously creating economic, environmental and societal value for all its stakeholders – customers, employees, shareholders, and society at large. Please refer to section 7 "*Selected Consolidated Financial Information of DSM*" for information on the financial results of DSM in the financial years 2019, 2020, 2021 and the first half year of 2022.

DSM Boards

The DSM Managing Board currently consists of Dimitri de Vreeze and Geraldine Matchett. The DSM Supervisory Board currently consists of Thomas Leysen, John Ramsay, Eileen Kennedy, Pradeep Pant, Frits van Paasschen, Erica Mann, Carla Mahieu and Corien M. Wortmann-Kool.

DSM articles of association

At some point in time following Completion, following the envisaged delisting from Euronext Amsterdam, and only if the Company pursues a Buy-Out, the articles of association of DSM will be amended to effectuate the conversion of DSM from a Dutch public limited liability company (*naamloze vennootschap*) into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid)* and to reflect that DSM will no longer be a listed company.

The main changes concern the introduction of non-listed registered shares, removal of the protective preference shares B, and provisions that either mandatorily apply to non-listed entities or provisions that are more suitable for DSM's new status as non-listed private company. The full text of the new articles of association is made available on the website of DSM at the time of the publication of this Offering Circular.

14.6 Background to, and reasons for, the Exchange Offer

The Company, DSM and Firmenich have decided to pursue the Transactions, including the Firmenich Contribution and the Exchange Offer, for the reasons set out in section 13.3 "*Background to and rationale for the Transactions*".

There have been discussions between DSM and Firmenich regarding the Exchange Offer, which have resulted in the Business Combination Agreement. Please refer to section 13.7 "*Principal terms of the Business Combination Agreement*" for a description of the principal terms of the Business Combination Agreement, including the termination grounds and termination fees, and the reasons for agreeing such terms.

Discussions regarding the Exchange Offer, including, but not limited to, the Offer Consideration, the financing of the Exchange Offer, the Transaction Conditions, the corporate governance and the future strategy of DSM-Firmenich, took place between DSM and its advisers on the one hand and Firmenich and its advisers on the other hand. On behalf of the DSM Boards, these discussions were attended by Geraldine Matchett, Dimitri de Vreeze, Philip Eykerman and Thomas Leysen as representatives of the Executive Committee and the DSM Supervisory Board.

On 30 May 2022, upon request by the Firmenich Board, Goldman Sachs delivered to the Firmenich Board its opinion that, as of such date and based upon and subject to the factors, qualifications and assumptions set out therein, the aggregate consideration (defined as the Contribution Cash Consideration together with the Contribution Share Consideration), to be paid pursuant to the Business Combination Agreement, was fair from a financial point of view to the Firmenich Shareholders. Goldman Sachs' advisory services and its opinion were provided solely for the information and assistance of the Firmenich Board in connection with its consideration of the Transactions. Such opinion does not constitute a recommendation as to how any holder of shares of Firmenich, DSM or DSM Holdco should vote or act with respect to the Transactions, including whether any holder of shares of DSM should tender such shares in connection with the Exchange Offer, and the holders of shares of Firmenich, DSM and DSM Holdco may not rely upon such opinion.

The current business activities of DSM will be continued as part of DSM-Firmenich upon completion of the Exchange Offer. Please refer to section 13.6 "*Impact on employees and directors*" for information on the continued employment of the members of the DSM Managing Board and the Firmenich Board and the treatment of employees upon completion of the Exchange Offer. Please refer to section 11 "*Governance, Management and Employees*" for information on the composition of the Board of Directors after the Exchange Offer has been declared unconditional (*gestanddoening*). Please refer to section 3 "*DSM-Firmenich's Business*" for an overview of DSM-Firmenich's business and strategy as from the Firmenich Contribution.

14.7 The Offer Consideration

DSM Shareholders who have tendered their DSM Ordinary Shares under the Exchange Offer will receive the Exchange Ratio, on the terms and subject to the conditions and restrictions set out in this Offering Circular, in consideration for each validly Tendered Share, or defectively tendered provided that such defect has been waived by the Company, and transferred (*geleverd*) to the Company.

Following the Settlement Date, the Company will announce the results of the Exchange Offer by means of a press release, including the aggregate number of DSM-Firmenich Ordinary Shares that have been issued, and the Company's resulting ownership in DSM. Assuming no DSM Ordinary Shares will be issued before the Settlement Date, this aggregate number of DSM-Firmenich Ordinary Shares in issue at that point in time will be 174,786,029 (the number of DSM Ordinary Shares currently in issue), less the number of DSM Ordinary Shares not tendered as at the Initial Acceptance Closing Date, less the number of DSM treasury shares to be cancelled (1,730,450 minus the Net Dilutive Instruments).

Substantiation of the Offer Consideration

In assessing the Merger, which is a balance of appropriate levels of economic ownership and governance, the DSM Boards carefully considered the interest of all stakeholders concerned, including those of DSM shareholders. This process included the assessment of the history and prospects of both DSM and Firmenich incorporating analyses of historical financial information derived from DSM and Firmenich's financial statements and the commercial judgement of DSM's management. The DSM Boards considered the Offer Consideration in the context of the relative valuations of DSM and Firmenich calculated using the valuation analyses set out below. Having carefully considered these sources of information, the DSM Boards concluded that the consideration for the Firmenich Contribution consisting of an amount in cash of €3.5 billion and 34.5% of the DSM-Firmenich Ordinary Shares, as a result of which the former DSM Shareholders will following the Firmenich Contribution collectively own 65.5% of the DSM-Firmenich Ordinary Shares, represents a right economic balance in the context of the merger of equals. This valuation reflects a DSM market capitalisation of €25.3 billion[6] and implied enterprise value adjusted for the Materials business of €21.6 billion[7].

DSM

A discounted cash flow analysis: assuming (a) financial forecasts for DSM on a standalone basis, excluding its Materials businesses, based on DSM's business plan (on a December year-end basis, until 31 December 2024) and historical results (b) a weighted average cost of capital between 6.5% and 7.0%, (c) extrapolation of the management plan beyond 2024 based on projections of key profit and loss and cash flow items provided by the DSM management team, and consistent with the medium term guidance provided to the market, (d) a terminal value based on terminal growth rate of 2.5% post the forecasted period, (e) a €4.7 billion enterprise value for the Materials businesses based on the completed divestment of the DSM Protective Materials business of €1.45 billion on 20 April 2022 and €3.3 billion valuation based on the announced divestment of DSM's Engineering Materials business based on average sum-of-the-parts analysis by equity research analysts,[8] and (f) a capital structure reflecting financial debt including lease liabilities, cash and cash equivalents, preference shares,[9] pension liabilities, non-controlling interest and investments in associates at market value prior to transaction announcement, per DSM's latest disclosed financial reports.

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6 Figures based on share price of €145.65 for 174 million DSM fully diluted share count.

7 As per broker SOTP value of Materials of €4.7 billion and based on €1.0 billion Net Debt.

8 Analysis conducted 30 May 2022. €3.3bn average valuation for DSM Engineering Materials Business based on the following analysts: Barclays, BNP Exane, Citi, Goldman Sachs, Jefferies, KBC, Societe Generale, UBS.

9 DSM Preference shares A valuation based on DSM Preference Shares A Commitment Agreement as discussed in section 14.14 "*DSM Preference Shares A*".

A trading multiples analysis has been conducted based on trading and financial performances of DSM, excluding its Material businesses, compared with those of a group of comparable companies, including Archer-Daniels-Midland Co., Christian Hansen A/S, Glanbia PLC, Ingredion, Inc., Kerry Group PLC, Novozymes A/S, Tate & Lyle PLC, International Flavors & Fragrances Inc., Givaudan SA, Symrise AG and Sensient Technologies Corporation. The trading multiple analysis comprised (a) enterprise value to EBITDA multiples for calendar years (CY) 2022 and 2023, calculated using analyst estimates sourced from FactSet Research Systems Inc. and trading data as of 30 May 2022; (b) expected DSM EBITDA for 2022 and 2023; and (c) capital structure calculated in line with (f) above. The trading multiples analysis has been part of the overall assessment of the Exchange Offer by the DSM Boards. The Offer Consideration falls within the parameters of the outcome of the valuation analysis.

Firmenich

A discounted cash flow analysis: assuming (a) financial forecasts for Firmenich on a standalone basis based on Firmenich's business plan (on a June year-end basis, until 30 June 2025) and historical results, (b) a weighted average cost of capital between 6.0% and 6.5%, (c) extrapolation of the management plan beyond 30 June 2025 based on projections of key profit and loss and cash flow items provided by the Firmenich and DSM management teams, (d) a terminal value based on a terminal growth rate of 2.5% post forecasted period and (e) a capital structure reflecting financial debt including lease liabilities, convertible bond, cash and cash equivalents (including impact from acquisition spend after 1 January 2022), pension liabilities, non-controlling interest, investments in associates and equity investments based on market valuation prior to transaction announcement, as per Firmenich's latest disclosed financial reports.

A trading multiples analysis based on financial performances of Firmenich compared with those of a group of comparable companies, including Christian Hansen A/S, Kerry Group PLC, Novozymes A/S, International Flavors & Fragrances Inc., Givaudan SA, Symrise AG and Sensient Technologies Corporation. The trading multiple analysis comprised (a) enterprise value to EBITDA multiples for calendar years (CY) 2022 and 2023, calculated using analyst estimates sourced from Factset and trading data as of 30 May 2022; (b) expected Firmenich EBITDA for 2022 and 2023; and (c) capital structure calculated in line with (f) above. The trading multiples analysis has been part of the overall assessment by the DSM Boards of the consideration for the Firmenich Contribution consisting of an amount in cash of €3.5 billion and 34.5% of newly issued DSM-Firmenich Ordinary Shares by DSM-Firmenich to the Firmenich Shareholders. The consideration for the Firmenich Contribution falls within the parameters of the outcome of the valuation analysis.

Synergies

In addition, the Transactions are expected to result in an annual run rate synergy potential of €350 million Adjusted EBITDA, including a projected annual sales uplift of approximately €500 million, especially from combining DSM's Food & Beverage and Firmenich's Taste & Beyond businesses. To realise the synergies, DSM and Firmenich expect to incur one-time implementation costs of approximately €250 million.

See sections 3.5 "*Medium-term objectives of DSM-Firmenich*" and 3.6 "*Synergy potential of DSM-Firmenich*" for further details.

14.8 Decision making and Recommendation by the DSM Boards

The DSM Boards have requested separate opinions from Centerview Partners UK LLP (**Centerview**) and J.P. Morgan Securities plc (**J.P. Morgan**) as to (i) the fairness, from a financial point of view, of the Offer Consideration and (ii) the fairness, from a financial point of view, to DSM Holdco of the Share Sale Consideration to be paid to DSM Holdco in the proposed Share Sale in connection with the Post-Offer Merger and Liquidation.

On 30 May 2022, both Centerview and J.P. Morgan delivered to the DSM Boards their respective Fairness Opinions, in each case to the effect that, as of such date and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations as set out in each opinion, (i) the Offer Consideration provided for pursuant to the Business Combination Agreement, is fair from a financial point of view to the holders of DSM Ordinary Shares other than excluded shares (as defined in the Fairness Opinions) and (ii) the Share Sale Consideration to be paid to DSM Holdco in the proposed Share Sale in connection with the Post-Offer Merger and Liquidation as provided for in the Business Combination Agreement is fair from a financial point of view to DSM Holdco.

The full texts of the Fairness Opinions, which set out the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken in connection with the Fairness Opinions, are included as a schedule to the Position Statement. Centerview and J.P. Morgan's respective financial advisory services and Fairness Opinions were provided solely for the information and assistance of the DSM Boards in connection with their consideration of the Transactions. The Fairness Opinions are not a recommendation as to how any holder of shares of DSM, DSM Holdco or Firmenich or any other person should vote or act with respect to the Transactions or any other matter, including whether any holder of shares of DSM should tender such shares in connection with the Exchange Offer, and the holders of shares of DSM, DSM Holdco and Firmenich may not rely upon such Fairness Opinions.

With reference to the above, after having reviewed with the support of their legal and financial advisers the terms of the Exchange Offer and having taken the interest of all DSM's stakeholders into account, the DSM Boards on the basis of the terms of the Exchange Offer as set out in this Offering Circular unanimously determined that the Exchange Offer is in the best interest of the DSM Group, and promotes the sustainable success of its business, taking into account the interest of all stakeholders. Accordingly, the DSM Boards unanimously (i) support the Exchange Offer, (ii) recommend that the DSM Shareholders accept the Exchange Offer and tender their DSM Ordinary Shares in the Exchange Offer and (iii) recommend to the DSM Shareholders to vote in favour of all resolutions proposed in relation to the Transactions at the DSM EGM (the **Recommendation**).

At the date of this Offering Circular, DSM will publish a Position Statement pursuant to Article 18, paragraph 2 of the Decree, which sets out the Recommendation. The Position Statement does not form part of this Offering Circular. The full text of the Fairness Opinions is included in the Position Statement.

14.9 Procedures for acceptances and action required by DSM Shareholders

Any DSM Shareholder who wishes to accept the Exchange Offer must carefully read the contents of this Offering Circular in full in order to gain a full understanding of the Exchange Offer, the Company (and its operations) and the DSM-Firmenich Ordinary Shares.

The DSM Shareholders who do not wish to participate in the Exchange Offer do not need to take any action in relation to the Exchange Offer and will continue to hold their existing DSM Ordinary Shares where the Exchange Offer is implemented, with due consideration of the provisions of section 14.19 "*Statutory buy-out*" and section 14.20 "*Post-Offer Merger and Liquidation*".

The tender of any DSM Ordinary Share by a DSM Shareholder constitutes an acceptance of the Exchange Offer by the DSM Shareholder. Before taking any action, DSM Shareholders should carefully verify how they hold their DSM Ordinary Shares: through an Admitted Institution or directly (e.g. individually recorded in DSM's shareholders' register). If in doubt, DSM Shareholders should contact the Settlement Agent using the contact details included in section 14.2 "*Contact details in case of required assistance*".

Acceptance by DSM Shareholders through Admitted Institutions

DSM Shareholders who hold their DSM Ordinary Shares through an institution admitted to Euronext Amsterdam and / or Euroclear Nederland (*aangesloten instelling*) (an **Admitted Institution**) are requested to make their acceptance known through their bank or stockbroker no later than the Closing Time. The custodian, bank or stockbroker may set an earlier deadline for communication by the DSM Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner. Accordingly, the DSM Shareholders holding DSM Ordinary Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from and be earlier than the dates and times noted in this section.

Admitted Institutions may tender DSM Ordinary Shares for acceptance only to the Settlement Agent and only in writing. The Admitted Institutions are requested to tender the DSM Ordinary Shares via Euroclear Nederland (via Swift message MT565). In submitting the acceptance, Admitted Institutions are required to declare that (i) they have the Tendered Shares in their administration, (ii) each DSM Shareholder who accepts the Exchange Offer irrevocably represents and warrants that (A) the Tendered Shares are being tendered in compliance with the restrictions set out in sections 14.35 "*Notice to DSM Shareholders in certain jurisdictions*" and 16 "*Restrictions*" and (B) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended, and (iii) they undertake to effect the transfer (*levering*) of these Tendered Shares to the Company prior to or ultimately on the Settlement Date, provided that the Exchange Offer has been declared unconditional (*gestand wordt gedaan*).

Although under normal circumstances the relevant Admitted Institutions will ensure that the Tendered Shares are transferred (*geleverd*) to the Company on behalf of the DSM Shareholder, DSM Shareholders are advised that each DSM Shareholder is responsible for transfer (*levering*) of its Tendered Shares to the Company.

Subject to Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a, paragraph 3 of the Decree, the tendering of DSM Ordinary Shares by a DSM Shareholder in acceptance of the Exchange Offer will constitute irrevocable instructions (i) to block any attempt to transfer (*leveren*) such Tendered Shares, so that on or prior to the Settlement Date no transfer (*levering*) of such Tendered Shares may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Exchange Offer is declared unconditional (*gestand wordt gedaan*) and the Tendered Shares have been accepted for purchase) and (ii) to debit the securities account in which such Tendered Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Settlement Agent of the Offer Consideration per Tendered Share and (iii) to effect the transfer (*levering*) of those Tendered Shares to the Company.

Acceptance by DSM Shareholders individually recorded in DSM's shareholders' register

DSM Shareholders individually recorded in DSM's shareholders' register wishing to accept the Exchange Offer in respect of such registered DSM Ordinary Shares must deliver a completed and signed acceptance form to the Settlement Agent, in accordance with the terms and conditions of the Exchange Offer, no later than the Closing Time. The acceptance forms are available upon request from the Settlement Agent. The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the DSM Ordinary Shares referenced therein.

Acceptance by DSM Shareholders located in the United States

DSM Shareholders located the United States who hold their DSM Ordinary Shares through a custodian, bank or stockbroker are requested to make their acceptance known through their bank or stockbroker as set out in section 16.1 "*United States of America*".

If a beneficiary to DSM Ordinary Shares located in the United States is unable to make the QIB Confirmations on behalf of itself or the person on whose behalf such DSM Ordinary Shares are held, any DSM-Firmenich Ordinary Shares allotted to such person will instead be transferred to a nominee, and such DSM-Firmenich Ordinary Shares will be sold on his, her or its behalf with the proceeds being remitted to such person within five days of the Settlement Date, for DSM-Firmenich Ordinary Shares allotted in exchange for DSM Ordinary Shares tendered during the Acceptance Period, or within five days of the Post-Closing Acceptance Settlement Date, for DSM-Firmenich Ordinary Shares allotted in exchange for DSM Ordinary Shares tendered during any Post-Closing Acceptance Period.

The Exchange Offer is not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of, interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States except to DSM Shareholders who (i) are QIBs and (ii) have duly completed and returned to the Company a U.S. Investor Letter (as defined below).

Any DSM Shareholder that is a U.S. Person and (1) is not a QIB or (2) has not delivered an executed U.S. Investor Letter as contemplated under section 16.1 "*United States of America*" no later than 17.40 hours CET on the Acceptance Closing Date, but who nevertheless validly accepts the Exchange Offer will not receive DSM-Firmenich Ordinary Shares and the DSM-Firmenich Ordinary Shares that would otherwise be issuable to such DSM Shareholder will instead be allotted, issued and delivered to a sales agent appointed by the Company to hold such DSM-Firmenich Ordinary Shares for such U.S. Person on the basis that such sales agent shall, as soon as reasonably practicable, sell the DSM-Firmenich Ordinary Shares so issued on behalf of such U.S. Person in open market or other transactions outside the United States pursuant to a centralised sales process and shall remit the cash proceeds thereof to such U.S. Person (net of any taxes) in accordance with the terms of the Exchange Offer.

Validity of the Tendered Shares, waiver of defects, return of Tendered Shares

The Company will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of DSM Ordinary Shares, in its sole reasonable discretion and the Company's determination will be final and binding. The Company reserves the right to reject any and all tenders of DSM Ordinary Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of DSM Ordinary Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. The Company's interpretation of the terms and conditions of the Exchange Offer, including the acceptance forms and instructions thereto, will be final and binding.

There shall be no obligation on the Company, the Settlement Agent, or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification.

The Company reserves the right to accept any tender of DSM Ordinary Shares pursuant to the Exchange Offer, even if such tender has not been made in compliance with the terms and conditions of the Exchange Offer, including the procedures set out in this section.

If Tendered Shares in accordance with the instructions set out in this section are not accepted for purchase pursuant to the terms and conditions of the Exchange Offer, the Company will cause the DSM Ordinary Shares to be returned promptly following the announcement of the lapse or withdrawal of the Exchange Offer, as the case may be.

For the avoidance of doubt, the DSM Shareholders that wish to participate in the Exchange Offer are entitled to provide their acceptances under the Exchange Offer from 09.00 hours CET on Wednesday 23 November 2022, until 17.40 hours CET on Tuesday 31 January 2023, unless the Acceptance Period is extended in accordance with section 14.10 "*The Acceptance Period*". However, any tendered DSM Ordinary Share will not be acquired by, and surrendered to, the Company until the Exchange Offer has become unconditional and is settled on the Settlement Date, which is currently expected to occur on 3 February 2023 or as soon as practicable thereafter. If the Exchange Offer is declared unconditional (*gestand wordt gedaan*), the Company will accept the tendered DSM Ordinary Shares not previously withdrawn pursuant to the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a, paragraph 3 of the Decree.

14.10 The Acceptance Period

The Acceptance Period under the Exchange Offer begins at 09.00 hours CET on Wednesday 23 November 2022, and expires at 17.40 hours CET on Tuesday 31 January 2023 (the **Initial Acceptance Closing Date)**, unless extended in accordance with Article 15 of the Decree and section 14.11 "*Extension*". If all Transaction Conditions are satisfied or, if and to the extent permitted, waived, the Company will accept all DSM Ordinary Shares that have been validly tendered, or defectively tendered provided that such defect has been waived by the Company, and not previously validly withdrawn on the terms of the Exchange Offer in accordance with the procedures set out in sections 14.9 "*Procedures for acceptances and action required by DSM Shareholders – Acceptance by DSM Shareholders through Admitted Institutions*", 14.9 "*Procedures for acceptances and action required by DSM Shareholders - Acceptance by DSM Shareholders individually recorded in DSM's shareholders' register*" and 14.17 "*Withdrawal rights*".

Accordingly, the Exchange Offer will remain open for acceptance by those DSM Shareholders, subject to its terms and conditions, that are recorded in the DSM securities register at any time until and up to the Initial Acceptance Closing Date; provided that, should a DSM Shareholder provide an acceptance to the Company, it shall not be able to trade the DSM Ordinary Shares tendered pursuant to the acceptance before 17.40 hours CET on Tuesday 31 January 2023 on the Initial Acceptance Closing Date. Such DSM Shareholders may only continue to trade their DSM Ordinary Shares if the Exchange Offer is not proceeded with and their DSM Ordinary Shares are returned to them in accordance with the terms and conditions of this Offering Circular.

Any acceptance of the Exchange Offer and tender of DSM Ordinary Shares after the end of the Acceptance Period, but before the end of the Post-Closing Acceptance Period, will be deemed to constitute an acceptance of the Exchange Offer and a tendering of DSM Ordinary Shares during the Post-Closing Acceptance Period. Reference is made to section 14.23 "*Post-Closing Acceptance Period*".

14.11 Extension

If one or more of the Transaction Conditions set out in section 14.13 "*The Transaction Conditions*" is not satisfied by the Initial Acceptance Closing Date or waived in accordance with section 14.13 "*The Transaction Conditions*", and each Transaction Condition is at such time capable of being satisfied, then, unless DSM and Firmenich jointly decide otherwise, the Company shall, and DSM shall cause the Company to, extend the Acceptance Period no less than two weeks and no more than ten weeks, calculated from the Initial Acceptance Closing Date. Any subsequent extension shall be subject to the receipt of an exemption granted by the AFM under specific circumstances pursuant to article 5:81, Paragraph 3 and article 5:76, Paragraph 2, sub a of the Wft and such exemption would be requested for such a period as the Company reasonably believes is necessary to cause the Transaction Conditions to be satisfied. The Company shall, and DSM shall cause the Company to, declare the Exchange Offer unconditional (*het bod gestand doen*) within three Business Days from the Acceptance Closing Date.

In the event (i) the initial Acceptance Period is extended, (ii) the AFM does not grant an exemption to extend such extended Acceptance Period and (iii) the Acceptance Period has lapsed without the Exchange Offer having been declared unconditional (*gestand gedaan*), the Company may, in its sole discretion, promptly request the AFM to grant an exemption enabling the Company to immediately make (*uitbrengen*) a new public offer on the same terms and conditions as the Exchange Offer with an acceptance period not expiring after the Long Stop Date. In the event that a third party makes or announces an offer prior to the expiration of the Acceptance Period, the Company may decide to extend the Acceptance Period in accordance with Article 15, paragraph 5 of the Decree.

In the event of any extension, all references in this Offering Circular to 17.40 hours CET on Tuesday 31 January 2023 shall, unless the context requires otherwise, be changed to the date and time to which the initial Acceptance Period has been so extended.

If the Acceptance Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Exchange Offer is declared unconditional (*gestand wordt gedaan*) is postponed, a public announcement to that effect will be made ultimately on the third Business Day following the Initial Acceptance Closing Date in accordance with the provisions of Article 15, paragraphs 1 and 2 of the Decree. If the Company extends the Acceptance Period, the Exchange Offer will expire on the time and date to which the Company extends the Acceptance Period.

The DSM Shareholders will be notified of any such extension on the website of DSM-Firmenich (www.creator-innovator.com).

During an extension of the Acceptance Period, any DSM Ordinary Shares previously tendered and not validly withdrawn will remain tendered under the Exchange Offer, subject to the right of each DSM Shareholder to withdraw the DSM Ordinary Shares he or she has already tendered in accordance with section 14.17 "*Withdrawal rights*". Any DSM Ordinary Shares tendered during the extension of the Acceptance Period cannot be withdrawn, subject to the withdrawal rights set out in section 14.17 "*Withdrawal rights*".

14.12 Exchange Offer Timetable

The timetable below lists certain expected key dates for the Exchange Offer.

Event[i]	Date
Announcement of publication of this Offering Circular	22 November 2022
Publication of this Offering Circular	22 November 2022
Start Acceptance Period	23 November 2022 at 09:00 CET
DSM EGM	23 January 2023
EGM, at which meeting the DSM Shareholders will be requested to vote in favour of the Transaction Resolutions.	
Acceptance Closing Date	31 January 2023 at 17:40 CET
The last day of the Acceptance Period.	
Unconditional Date and First Trading Date	1 February 2023
The date on which the Company shall declare the Exchange Offer unconditional (*gestand doen*). Also the first trading date for the DSM-Firmenich Ordinary Shares on an as-if-and-when delivered basis.	
Start Post-Closing Acceptance Period	2 February 2023 at 09:00 CET
If the Exchange Offer is declared unconditional (*gestand wordt gedaan*), the Company may announce a Post-Closing Acceptance Period of no more than two weeks.	
Settlement Date	3 February 2023
The date on which the delivery of the DSM-Firmenich Ordinary Shares in the systems of Euronext Amsterdam will take place.	
End of the Post-Closing Acceptance Period	15 February 2023 at 17:40 CET

Event(i)	Date
Post-Closing Acceptance Settlement Date	17 February 2023
The date on which the DSM Shareholders who have validly tendered their DSM Ordinary Shares will receive the Offer Consideration.	
Firmenich Contribution Date	23 February 2023
The date on which the shares in the capital of Firmenich will be contributed to the Company.	

(i) These dates and times are subject to change and references to time are to CET. Any material changes will be announced in a press release published and placed on DSM-Firmenich's website (www.creator-innovator.com);

14.13 The Transaction Conditions

The respective obligation of the Parties to effect the Transactions, and for DSM to ensure that the Company effects the Transactions, including for the Company to declare the Exchange Offer unconditional (*gestanddoening*), is subject to the satisfaction or, to the extent permitted by Applicable Rules, the written waiver (either in whole or in part, provided that any part that is not waived is otherwise satisfied) by the Company with the prior written consent of DSM and Firmenich jointly, at or prior to the Acceptance Closing Date, of the following conditions (the **Joint Conditions**):

(a) the number of DSM Ordinary Shares validly tendered under the Exchange Offer and not withdrawn, in each case as at the Acceptance Closing Date, represent at least the Acceptance Threshold;

(b) the Competition Clearances having been obtained;

(c) the Dutch Central Bank (*De Nederlandsche Bank*) having issued a declaration of no objection (*verklaring van geen bezwaar*) to the Company and each other party who will obtain a qualifying holding in DSM Pension Services B.V. as a result of the Transactions;

(d) the FINMA has not issued any objections to the acquisition of a qualified interest in the sense of Article 21, paragraph 2 of the Swiss Insurance Supervisory Act dated 17 December 2004 in DSM RE Switzerland AG by any party who will do so as a result of the Transactions;

(e) the AFM having positively assessed the integrity (*betrouwbaarheid*) of the new co-policymaker(s) (*medebeleidsbepalers*) of DSM Pension Services B.V. and DSM Insurances B.V. following notifications by each of DSM Pension Services B.V. and DSM Insurances B.V. of the change in their co-policymaker(s) as a result of the Transactions in compliance with Articles 4:10 and 4:26 of the Wft;

(f) the FDI Approvals having been obtained;

(g) the DSM EGM or the Subsequent DSM EGM (if relevant) having approved the Transaction Resolutions;

(h) completion of the Employee Representative Body Procedures;

(i) the Foundation not having exercised (either in whole or in part) the outstanding call option pursuant to the Foundation Call Option Agreement, and the Foundation having entered into the Foundation Termination Agreement and such agreement being in full force and effect and not having been amended or modified;

(j) Euronext Amsterdam having granted, and not having revoked, its approval of the request for the Admission as per the Settlement Date;

(k) the AFM having approved this Offering Circular as an offer memorandum and a prospectus as required for the publication of this Offering Circular and such approvals remaining in full force and effect;

(l) Euroclear Nederland having confirmed that the DSM-Firmenich Ordinary Shares have been accepted for book-entry transfer; and

(m) no order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in full force and effect, and no statute, rule, regulation, governmental order or injunction having been enacted or remaining in full force and effect, which in any such case prohibits the making and / or consummation of the Transactions in accordance with the Business Combination Agreement in any material respect.

With regard to the Joint Condition under (b) above, at the date of this Offering Circular, DSM and Firmenich have identified that the Merger requires prior approvals and / or consents and clearances from the following competition authorities: the European Commission as well as the competition authorities in Brazil, China, Colombia, India, Mexico, South Africa, South Korea, Turkey and the U.S. DSM and Firmenich have already notified the Merger to the competition authorities in Brazil[10], China, Colombia, Mexico, South Africa[11], Turkey and the U.S.[12] and they will notify the Merger to the European Commission, India and South Korea with the aim to obtain all such approvals and / or consents and clearances prior to Completion. In addition, they intend to notify the Merger to competition authorities in Argentina and Indonesia after Completion has taken place (which is not part of the Joint Condition). At the date of this Offering Circular, DSM and Firmenich do not expect to make any other notifications to any competition authorities.

With regard to the Joint Condition under (d) above, the Company received a letter from FINMA on 2 November 2022 confirming that FINMA does not intend to prohibit any Party from obtaining a qualified holding in DSM RE Switzerland AG or make it subject to the satisfaction of certain conditions, as a result of which such Joint Condition is satisfied.

With regard to the Joint Condition under (e) above, the AFM has confirmed that no integrity assessment is required for the new co-policymaker(s) (*medebeleidsbepalers*) of DSM Pension Services B.V. and DSM Insurances B.V. Therefore, the approval process of the integrity assessment has been completed.

With regard to the Joint Condition under (f) above, at the date of this Offering Circular, DSM and Firmenich identified that FDI approvals are required from the competent authorities in the United Kingdom and Canada, it being understood that (i) no UK FDI Approval is required in the event that completion of the disposal of DSM's Engineering Materials business takes place prior to the Acceptance Closing Date and (ii) the Canadian FDI approval filing will take place after the Acceptance Closing Date and will therefore not be a condition to effecting the Transactions.

With regard to the Joint Condition under (h), DSM received a letter from its central works council (*centrale ondernemingsraad* or *COR*) on 3 October 2022, confirming that DSM's central works council positively advises to execute the Transactions and to create the dual headquarter structure in relation thereto, as a result of which the Employee Representative Body Procedure with DSM's central works council is completed.

In addition, the obligation of DSM, Firmenich and the Company to effect the Transactions, and for DSM and Firmenich to ensure that the Company effects the Transactions, including for the Company to declare the Exchange Offer unconditional (*gestanddoening*), is also subject to the satisfaction or waiver (either in whole or

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[10] Clearance from the Brazilian competition authority has been obtained on 8 November 2022.
[11] Clearance from the South African competition authority has been obtained on 1 November 2022.
[12] Clearance from the U.S. competition authority has been obtained on 25 October 2022.

in part, provided that any part that is not waived is otherwise satisfied) in writing by DSM at or prior to the Acceptance Closing Date of the following additional conditions (the **DSM Conditions**):

(a) the Firmenich Warranties being true and accurate at the Acceptance Closing Date, except where the failure of such Firmenich Warranties to be so true and accurate, individually or in the aggregate, has not and would not reasonably be expected to have a (i) Material Adverse Effect on the Firmenich Group or (ii) a Material Adverse Effect on the ability of Firmenich, the Firmenich Shareholders or the Fiduciary Agent to consummate the Transactions, and DSM shall have received a certificate signed on behalf of Firmenich by an authorised representative of Firmenich dated as of the Acceptance Closing Date certifying that this condition has been satisfied;

(b) no Material Adverse Effect on the Firmenich Group having occurred or become known since the date of the Business Combination Agreement; and

(c) the Firmenich Shareholders and Firmenich having performed, in all material respects all covenants, agreements and obligations required to be performed by it under the Business Combination Agreement at or prior to the Acceptance Closing Date (including having transferred all of the class A Firmenich shares and all of their shares in Sentarom to the Fiduciary Agent) and the Business Combination Agreement being in full force and effect.

In addition, the obligation of Firmenich and the Firmenich Shareholders to effect the Transactions, and for DSM and Firmenich to ensure that the Company effects the Transactions, including for the Company to declare the Offer unconditional (*gestanddoening*), is also subject to the satisfaction or waiver (either in whole or in part, provided that any part that is not waived is otherwise satisfied) in writing by Firmenich at or prior to the Acceptance Closing Date of the following additional conditions (the **Firmenich Shareholders Conditions**, and together with the Joint Conditions and the DSM Conditions, the **Transaction Conditions**):

(a) the DSM Warranties being true and accurate at the Acceptance Closing Date, except where the failure of such DSM Warranties to be so true and accurate, individually or in the aggregate, has not and would not reasonably be expected to have a (i) Material Adverse Effect on the DSM Group, or (ii) a Material Adverse Effect on the ability of DSM or the Company to consummate the Transactions and Firmenich and the Firmenich Shareholders shall have received a certificate signed on behalf of DSM and the Company by an authorised representative of each of DSM and the Company dated as of the Acceptance Closing Date certifying that this condition has been satisfied;

(b) no Material Adverse Effect on the DSM Group having occurred or become known since the date of the Business Combination Agreement;

(c) all DSM Preference Shares A Commitment Agreements being in full force and effect and not having been amended or modified; and

(d) DSM and the Company having performed in all material respects all covenants, agreements and obligations required to be performed by it under the Business Combination Agreement at or prior to the Acceptance Closing Date, and the Business Combination Agreement being in full force and effect.

To the knowledge of DSM, the Company and Firmenich, no Material Adverse Effect has occurred or has become known before the date of this Offering Circular.

Firmenich, DSM and the Company have undertaken, and DSM has undertaken to ensure that the Company shall, take or cause to be taken all actions, and do or cause to be done all things, necessary on its part to satisfy the Transaction Conditions and consummate and effect the Transactions as soon as reasonably practicable.

The Firmenich Shareholders have undertaken to use their best efforts to take such actions, and do or cause to be done such things, necessary on their part to satisfy the Transaction Conditions and consummate and effect the

Transactions as soon as reasonably practicable, provided that no Firmenich Shareholder shall be required to take such action if it is unreasonably burdensome for such Firmenich Shareholder. In such case, such Firmenich Shareholder shall inform Firmenich and DSM thereof, and Firmenich, DSM and such Firmenich Shareholder shall discuss and agree whether such action should reasonably be deemed unreasonably burdensome for such Firmenich Shareholder.

The Joint Conditions set out in sections 14.13(j) (Admission to Euronext Amsterdam) and 14.13(k) (AFM approval) and 14.13(m) (court/governmental order prohibiting the Transactions) cannot be waived.

The Firmenich Shareholders have further undertaken to provide all information in connection with satisfying a Transaction Condition or consummating and effecting the Transactions, in each case to the extent required by a regulatory authority under any Applicable Rules, provided that the continued confidentiality of such information is ensured.

Upon the satisfaction or waiver of the Transaction Conditions, the Company will release an announcement on DSM-Firmenich's website (www.creator-innovator.com) informing the DSM Shareholders accordingly. The Exchange Offer will be unconditional when all the of Transaction Conditions have been fulfilled or waived, as applicable.

14.14 DSM Preference Shares A

At the date of this Offering Circular, DSM has 44,040,000 cumulative preference shares A with a nominal value of €1.50 (the **DSM Preference Shares A**) outstanding. The DSM Preference Shares A are owned by:

- Rabo Participaties B.V., holder of 14,473,408 DSM Preference Shares A;
- Nationale Nederlanden Levensverzekering Maatschappij N.V., holder of 12,082,592 DSM Preference Shares A; and
- ASR Levensverzekering N.V. and ASR Schadeverzekering N.V., holders of 17,520,000 DSM Preference Shares A in aggregate,

(each a **Cumpref A Holder** and together the **Cumpref A Holders**).

The Exchange Offer does not extend to the DSM Preference Shares A. Each Cumpref A Holder entered into an agreement with DSM (**DSM Preference Shares A Commitment Agreement**), in which it is agreed that, subject to the condition precedent that the conditions for completion of the Transactions are satisfied or, as may be applicable, waived, each Cumpref A Holder irrevocably undertakes and agrees with DSM to:

- sell to DSM all of its DSM Preference Shares A at a cash purchase price equal to the computation base referred to in article 32(3) of DSM's articles of association plus 10% (€5.2942 + 10%) per DSM Preference Share A;
- exercise the voting rights attached to the DSM Preference Shares A to vote in favour of the repurchase and cancellation of the DSM Preference Shares A at the DSM EGM;
- deliver the DSM Preference Shares A to DSM at a date indicated by DSM against payment of the cash purchase price and any dividend accrued but not yet paid over the period until delivery; and
- not wilfully commit any act that could restrict or otherwise affect the legal power, authority and right of the Cumpref A Holder to vote on all of the irrevocable DSM Preference Shares A as required by the DSM Preference Shares A Commitment Agreement.

Pursuant to the Business Combination Agreement, DSM shall ensure that a meeting of the holders of DSM Preference Shares A is held in accordance with article 14(6) of DSM's articles of association prior to or concurrently with the DSM EGM in which meeting the holders of the DSM Preference Shares A shall resolve upon the cancellation of all DSM Preference Shares A, subject to Settlement occurring.

14.15 Foundation Termination Agreement

On 30 March 1999, DSM and Stichting Preferente Aandelen (the **Foundation**) entered into a call option agreement (as amended on 24 September 2008), pursuant to which the Foundation was granted a right to subscribe for and acquire cumulative preference shares B with a nominal value of €1.50 (the **DSM Preference Shares B**) (the **Foundation Call Option Agreement**).

On 18 July 2022, DSM and the Foundation entered into an agreement regarding the termination of the Foundation Call Option Agreement, to (i) terminate the Foundation Call Option Agreement, effective as of the Settlement Date, (ii) cancel any outstanding DSM Preference Share B, effective as of the Settlement Date (or such later date as necessary to ensure that the required DSM EGM for cancellation of such outstanding DSM Preference Shares B can be held and the subsequent two months objection period has lapsed) and (iii) to take all steps and actions reasonably required to ensure that the actions under (i) and (ii) are taken without delay (the **Foundation Termination Agreement**).

14.16 Declaring the Exchange Offer unconditional (*gestanddoening*)

The obligation of the Company to declare the Exchange Offer unconditional (*gestanddoening*) is subject to the satisfaction or waiver of the Transaction Conditions. The Transaction Conditions may be waived, to the extent permitted by law or by the Business Combination Agreement, as set out in section 14.13 "*The Transaction Conditions*". If any Transaction Condition is waived in accordance with section 14.13 "*The Transaction Conditions*", the Company will inform the DSM Shareholders as required by applicable laws.

No later than on the Unconditional Date, the Company will determine whether the Transaction Conditions have been satisfied or waived by the Party entitled to waive such Transaction Conditions in accordance with the terms of this Offering Circular as further set out in section 14.13 "*The Transaction Conditions*" to the extent permitted by applicable law. In addition, the Company will announce on the Unconditional Date whether (i) the Exchange Offer is declared unconditional (*gestand wordt gedaan*), (ii) the Acceptance Period will be extended in accordance with Article 15 of the Decree (see section 14.10 "*The Acceptance Period*") or (iii) the Exchange Offer is terminated as a result of the Transaction Conditions set out in section 14.13 "*The Transaction Conditions*" not having been satisfied or waived, all in accordance with Article 16 of the Decree.

If the Company declares the Exchange Offer unconditional (*gestanddoening*), it will state the total value, number and corresponding percentage of (i) the Tendered Shares and (ii) the aggregate of the Tendered Shares that are directly or indirectly held by the Company. In the event that the Exchange Offer is not declared unconditional (*niet gestand is gedaan*), the Company will explain such decision.

In the event that the Company declares the Exchange Offer unconditional (*gestanddoening*), the Company will accept all Tendered Shares and may announce a Post-Closing Acceptance Period (*na-aanmeldingsperiode*) as set out in section 14.23 "*Post-Closing Acceptance Period*" of no more than two weeks to enable DSM Shareholders who did not tender their DSM Ordinary Shares during the Acceptance Period to tender their DSM Ordinary Shares during the Post-Closing Acceptance Period under the same terms and conditions as the Exchange Offer.

14.17 Withdrawal rights

Acceptances by the DSM Shareholders under the Exchange Offer shall be irrevocable. DSM Ordinary Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any Tendered Shares:

- during any extension of the Acceptance Period in accordance with the provisions of Article 15, Paragraph 3 of the Decree;
- following an announcement of a mandatory public offer in accordance with the provisions of Article 5b, Paragraph 5 of the Decree, provided that such DSM Ordinary Shares were already tendered prior to such announcement and withdrawn within seven Business Days following such announcement;
- following the filing of a successful request with the Dutch Enterprise Chamber to set a reasonable price for a mandatory public offer by the Company in accordance with the provisions of Article 15, Paragraph 8 of the Decree, provided that (A) such request was granted, (B) such DSM Ordinary Shares were already tendered prior to the filing of such request, and (C) such DSM Ordinary Shares were withdrawn within seven Business Days following the date on which the judgment of the Dutch Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or
- following an increase of the Offer Consideration as a result of which a document in relation thereto is made publicly available in accordance with the provisions of Article 15a, Paragraph 3 of the Decree, provided that such DSM Ordinary Shares were already tendered before such document was made publicly available and withdrawn within seven Business Days after such document was made publicly available.

To withdraw previously Tendered Shares, DSM Shareholders must instruct the Admitted Institution they initially instructed to tender the DSM Ordinary Shares or, if DSM Ordinary Shares are individually recorded in DSM's shareholders' register, must instruct the Settlement Agent directly to arrange for the withdrawal of such DSM Ordinary Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent.

Any notice of withdrawal for DSM Ordinary Shares must specify the name of the person having tendered the DSM Ordinary Shares to be withdrawn, the number of DSM Ordinary Shares to be withdrawn and the name of the registered holder of the DSM Ordinary Shares to be withdrawn, if different from that of the person who tendered such DSM Ordinary Shares. The signature(s) on the notice of withdrawal of the DSM Ordinary Shares must be guaranteed by an Admitted Institution, unless such DSM Ordinary Shares have been tendered for the account of any intermediary. All questions as to the form and validity, including time of receipt, of any notice of withdrawal will be determined by the Company, in its sole discretion, which determination will be final and binding. DSM Shareholders should contact their financial intermediary to obtain information about the deadline by which such DSM Shareholder must send instructions to the financial intermediary to withdraw their acceptance of the Exchange Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this section.

Withdrawals of tenders of DSM Ordinary Shares cannot be rescinded, and any DSM Ordinary Shares validly withdrawn will be deemed not to have been validly tendered for the purposes of the Exchange Offer. However, validly withdrawn DSM Ordinary Shares may be retendered by the procedure for tendering DSM Ordinary Shares described in section 14.9 "*Procedures for acceptances and action required by DSM Shareholders*".

During the Post-Closing Acceptance Period (if any), no withdrawal rights will apply to the DSM Ordinary Shares tendered during such Post-Closing Acceptance Period or to DSM Ordinary Shares tendered under the Exchange Offer on or prior to the Acceptance Closing Date and accepted by the Company.

14.18 Delivery of and payment for DSM Ordinary Shares

Where the Exchange Offer becomes unconditional and is settled, the DSM Shareholders that provided their acceptances under the Exchange Offer will be entitled to receive the Offer Consideration.

The Admission of the DSM-Firmenich Ordinary Shares on Euronext Amsterdam will become effective on the Unconditional Date, which is currently expected to occur on 1 February 2023, subject to any extension of the Acceptance Period.

The Settlement of the Exchange Offer will be administered and effected by the Company or by the Listing and Paying Agent and / or the Settlement Agent, on behalf of the Company.

The Company's obligation to deliver the DSM-Firmenich Ordinary Shares to the DSM Shareholders that have validly provided their acceptances under the Exchange Offer will be fully and finally discharged upon the Company issuing the DSM-Firmenich Ordinary Shares to them on the Settlement Date.

The DSM Shareholders that do not wish to participate in the Exchange Offer do not need to take any action in relation to the Exchange Offer and will continue to hold their existing DSM Ordinary Shares where the Exchange Offer is implemented, with due consideration of the provisions of sections 14.19 "*Statutory buy-out*" and 14.20 "*Post-Offer Merger and Liquidation*".

14.19 Statutory buy-out

If the Company and its group companies within the meaning of the DCC hold in the aggregate at least 95% of DSM's aggregate issued and outstanding DSM Ordinary Shares (calculated in accordance with the DCC) following Settlement, then the Company shall, and DSM shall cause the Company to, commence the statutory buy-out procedure in accordance with Article 2:359c of the DCC or a buy-out procedure in accordance with Article 2:92a of the DCC to acquire the DSM Ordinary Shares that have not been tendered under the Exchange Offer (the **Buy-Out**). Any remaining DSM Shareholders other than the Company will receive a cash consideration as a result of the Buy-Out.

Dutch case law on exchange offers provides that the cash consideration payable in a statutory buy-out must equal the value of the consideration shares on the day on which 90% of the shares in the target that were subject of the exchange offer, were tendered for acceptance. Case law also states that any dividends or other distributions paid on the shares in the target after the settlement of the offer are to be deducted from the purchase price to be paid in the buy-out.

14.20 Post-Offer Merger and Liquidation

The Parties see merits and benefits in the Company acquiring 100% of the DSM Ordinary Shares (and indirectly DSM's assets and operations) by means of the Buy-Out or the Post-Offer Merger and Liquidation and pursuing a delisting of the DSM Ordinary Shares. These merits and benefits include:

(a) the ability to achieve the strategic benefit of the Transactions and enhance the continued and sustainable success of the Company and its businesses;

(b) the ability to achieve an efficient capital structure; and

(c) avoiding having a listed Subsidiary of the Company, which would result in costs, expenses and regulatory restrictions.

In light of the considerations set out above, and the rationale of the Transactions being predicated on the acquisition of 100% of the DSM Ordinary Shares or DSM's assets and operations, DSM supports, and confirms the support by the DSM Boards, for the Post-Offer Merger and Liquidation subject to the terms of the Business Combination Agreement and the Transaction Conditions being satisfied or waived.

After the settlement of the Tendered Shares tendered during the Acceptance Period or, if applicable, the Post-Closing Acceptance Period and subject to (i) the Transaction Resolutions having been adopted and being in full force and effect and (ii) the aggregate number of Tendered Shares having been tendered during the Acceptance Period and the Post-Closing Acceptance Period under the Offer, together with (x) any DSM Ordinary Shares directly or indirectly held by the Company or any of its Affiliates, (y) any DSM Ordinary Shares committed to the Company or any of its Affiliates in writing and (z) any DSM Ordinary Shares to which the Company or any of its Affiliates is entitled, representing at least the Acceptance Threshold, but less than 95%, of DSM's aggregate issued and outstanding ordinary share capital following the settlement of the DSM Ordinary Shares tendered during the Post-Closing Acceptance Period, DSM may be notified by the Company or Firmenich to implement the Post-Offer Merger and Liquidation, in which case:

(a) prior to the Triangular Merger becoming effective, DSM shall, in its capacity as sole shareholder of DSM Holdco, resolve to, in each case subject to and as per the transferring by DSM Holdco of all issued and outstanding shares in the capital of DSM Sub to the Company by means of the execution of a notarial deed of transfer (the **Share Sale Closing**), (i) dissolve DSM Holdco in accordance with Article 2:19 of the DCC (the **Dissolution**), (ii) appoint, in consultation with the Company, a liquidator (*vereffenaar*) of DSM Holdco (the **Liquidator**) and approve the reimbursement of the Liquidator's reasonable salary and costs and (iii) appoint DSM Sub as the custodian of the books and records of DSM Holdco in accordance with Article 2:24 of the DCC;

(b) prior to the Triangular Merger becoming effective, the Company shall and DSM shall procure that DSM Holdco shall enter into a share purchase agreement between the Company and DSM Holdco (the **Post-Offer Share Purchase Agreement**) pursuant to which DSM Holdco will sell and the Company will purchase all issued and outstanding shares in the capital of DSM Sub (the **Share Sale**) and the Company will assume all liabilities of DSM Holdco (the **Assumption of Liabilities**). The consideration payable by the Company to DSM Holdco under the Post-Offer Share Purchase Agreement shall be the issuance of a right that entitles the holder thereof to require the Company to deliver to it, on first demand, such number of DSM-Firmenich Ordinary Shares that is equal to the number of DSM Ordinary Shares held by the Company *plus* the DSM Ordinary Shares held by the non-tendering DSM Shareholders, or the cash equivalent thereof, calculated by applying a value fairly representing the prevailing value of a DSM-Firmenich Ordinary Share (the **Share Sale Consideration**, and such right, the **Settlement Instrument**);

(c) prior to the Triangular Merger becoming effective, the Company shall issue the Third Capital Increase Shares (as described in section 12.3 "*Pending developments in the outstanding share capital, issue dates*") to DSM Holdco against payment of the nominal value in cash;

(d) DSM shall effect, and shall procure that DSM Holdco and DSM Sub shall effect, the Triangular Merger as soon as practicable in accordance with the provisions set out in:

    (i) a merger proposal (the **Merger Proposal**) for a legal triangular merger (*juridische driehoeksfusie*) of DSM (as disappearing company) with and into DSM Sub (as acquiring company), with DSM Holdco allotting shares to the Company and the DSM Shareholders on a share for share basis in accordance with Articles 2:309 et seq. and 2:333a of the DCC (the **Triangular Merger**); and

    (ii) the explanatory notes to the Merger Proposal,

    pursuant to the execution of a notarial deed of merger (the **Merger Deed**);

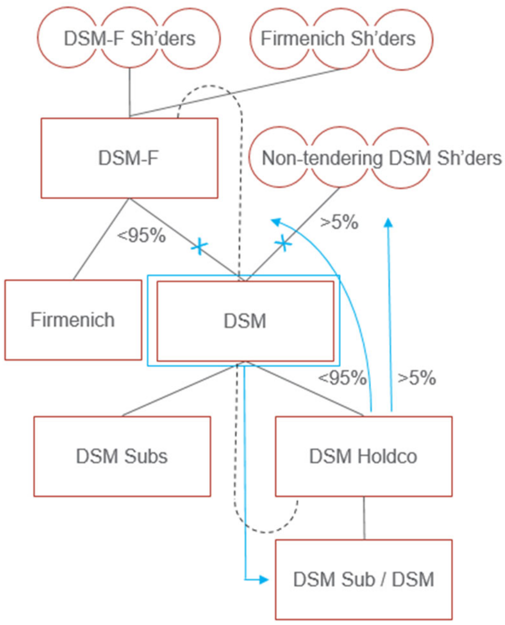


Figure 1: Triangular Merger

(e) on the first Business Day after the execution of the Merger Deed, the Company shall, and shall procure that DSM Holdco shall, implement the transactions contemplated by the Post-Offer Share Purchase Agreement, including the Share Sale Closing and the Assumption of Liabilities;

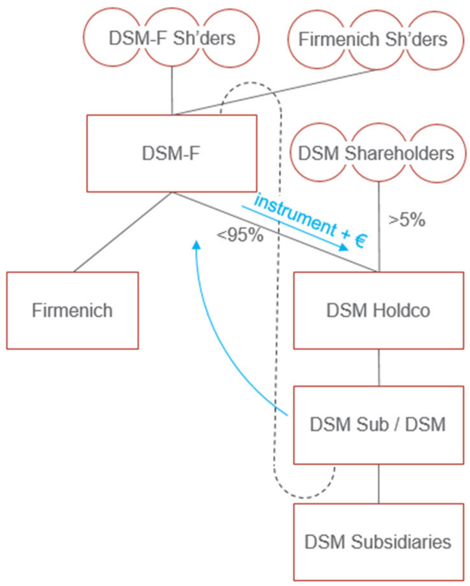


Figure 2: Share Sale Closing

(f) directly following the Share Sale Closing, DSM Holdco will through the election of the cash settlement of a certain portion of the Settlement Instrument by applying a value fairly representing the prevailing value of a DSM-Firmenich Ordinary Share, receive from the Company (i) an amount in cash equal to the Dutch dividend withholding tax liability due under the Dissolution and liquidation taking into account the recognised capital contributed to the DSM Ordinary Shares for Dutch dividend withholding tax purposes (*fiscaal erkende kapitaal*) (as transferred to DSM Holdco as a result of the Triangular Merger) *plus* an amount equal to the value of the fractional DSM-Firmenich Ordinary Shares (the **Cash Portion**) and (ii) the entitlement to an amount in cash equal to an amount that fairly represents the prevailing value of the Third Capital Increase Shares minus €0.01 for each Third Capital Increase Share, which right it will subsequently contribute in the equity of the Company under a separate conditional contribution agreement; and

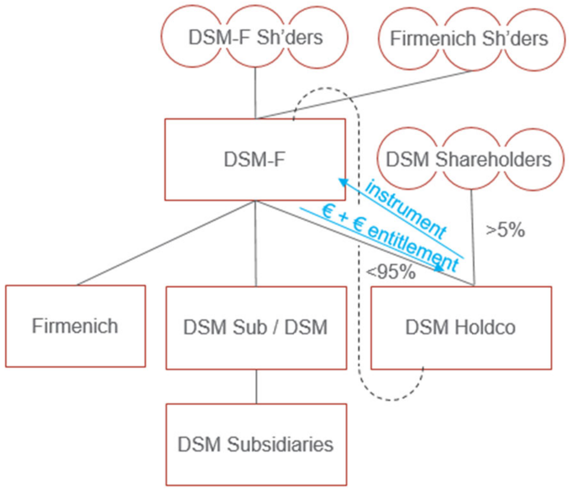


Figure 3: Partial cash settlement of the Settlement Instrument

(g) the Company shall ensure that the Liquidator, as soon as practicable after the Share Sale Closing and the Assumption of Liabilities, effectuates the Dissolution and liquidation of DSM Holdco and arranges for an advance liquidation distribution that is intended to take place on or about the date of the Share Sale Closing and shall result in (i) the distribution to the Company of (a) the excess of the Third Capital Increase Shares over the Required DSM-Firmenich Ordinary Shares and (b) the remaining portion of the Settlement Instrument, where, as a consequence of such distribution, the Settlement Instrument will extinguish, (ii) the distribution to the non-tendering DSM Shareholders of (x) such number of DSM-Firmenich Ordinary Shares equal to the number of DSM Ordinary Shares held by the non-tendering DSM Shareholders immediately prior to the Contribution Completion *minus* such number of DSM-Firmenich Ordinary Shares reflecting the Cash Portion (the **Required DSM-Firmenich Ordinary Shares**), *plus* (y) an amount in cash reflecting the amount of Dutch dividend withholding tax due in respect of the distribution and a cash payment in lieu of any fractional DSM-Firmenich Ordinary Shares, provided that Restricted Shareholders shall not receive DSM-Firmenich Ordinary Shares, (iii) the dissemination of DSM-Firmenich Ordinary Shares to a sales agent acting on behalf of Restricted Shareholders who will distribute the cash sale proceeds of such DSM-Firmenich Ordinary Shares to the Restricted Shareholders, should such construct be applicable and (iv) the deduction from the distribution to the non-tendering DSM Shareholders (as meant in sub-paragraphs (ii) and (iii) above) of an amount equal to the Dutch dividend withholding tax liability due under the Dissolution and liquidation and the payment thereof, on behalf of the non-tendering DSM Shareholders, to the Dutch Tax authorities.

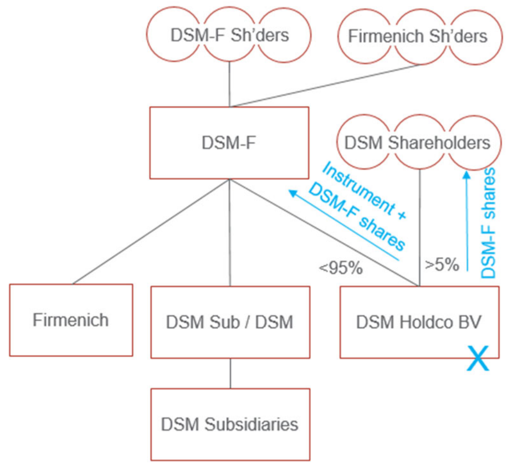


Figure 4: Dissolution and liquidation of DSM Holdco

The Merger Proposal, the explanatory notes to the Merger Proposal and the Post-Offer Share Purchase Agreement are available on the website of DSM-Firmenich (www.creator-innovator.com).

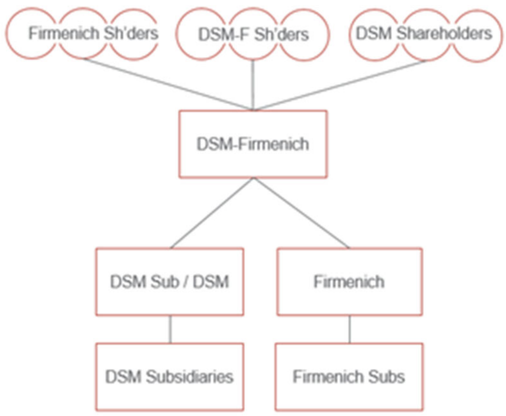


Figure 5: End result

14.21 The Settlement of the Exchange Offer

In the event that the Company declares the Exchange Offer unconditional (*gestanddoening*), the DSM Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Company) and have not validly withdrawn and have transferred (*geleverd*) their DSM Ordinary Shares for acceptance pursuant to the Exchange Offer on or prior to the Acceptance Closing Date will receive no later than on the second Business Day after the Unconditional Date the Offer Consideration in respect of each Tendered Share, as of which moment revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of a DSM Shareholder's acceptance, tender or transfer (*levering*) shall not be permitted. Settlement will only take place if the Exchange Offer is declared unconditional (*gestand is gedaan*). The Company cannot guarantee that the DSM Shareholders will actually receive the Offer Consideration within this period from the Admitted Institution with whom they hold their DSM Ordinary Shares.

14.22 Fractional entitlements

In case of implementation of the Post-Offer Merger and Liquidation, only whole numbers of DSM-Firmenich Ordinary Shares will be issued and, where fractional entitlements to DSM-Firmenich Ordinary Shares arise, such fractions will be rounded down to the nearest whole number and not delivered to the DSM Shareholders.

The cash amount equal to the value of such fractional DSM-Firmenich Ordinary Shares will be paid to the relevant DSM Shareholder in its brokerage account or to a nominee account to be held on behalf and for the benefit of the relevant DSM Shareholder in accordance with the listing requirements.

If a DSM Shareholder holds its DSM Ordinary Shares with a broker, then its broker is responsible for crediting the DSM Shareholder's account with such cash proceeds.

14.23 Post-Closing Acceptance Period

In the event that the Company declares the Exchange Offer unconditional (*gestanddoening*), the Company may, in accordance with Article 17 of the Decree, within three Business Days after declaring the Exchange Offer unconditional, publicly announce a Post-Closing Acceptance Period (*na-aanmeldingsperiode*) of no more than two weeks to enable DSM Shareholders who did not tender their DSM Ordinary Shares during the acceptance period to tender their DSM Ordinary Shares during the Post-Closing Acceptance Period under the same terms and subject to the same restrictions as the Exchange Offer.

In the Post-Closing Acceptance Period, DSM Shareholders who hold their DSM Ordinary Shares through an Admitted Institution are requested to make their acceptance known through their bank or stockbroker no later than 17.40 hours CET on the last Business Day of the Post-Closing Acceptance Period. The custodian, bank or stockbroker may set an earlier deadline for communication by DSM Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent in a timely manner. Accordingly, DSM Shareholders holding DSM Ordinary Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Exchange Offer section.

In the Post-Closing Acceptance Period, DSM Shareholders individually recorded in DSM's shareholders' register wishing to accept the Exchange Offer in respect of such registered DSM Ordinary Shares must deliver a completed and signed acceptance form to the Settlement Agent, in accordance with the terms and conditions of the Exchange Offer, no later than 17.40 hours CET on the last Business Day of the Post-Closing Acceptance Period. The acceptance forms are available upon request from the Settlement Agent. The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the DSM Ordinary Shares referenced therein.

The Company will publicly announce the results of the Post-Closing Acceptance Period and the total amount and total percentage of DSM Ordinary Shares held by it in accordance with Article 17, Paragraph 4 of the Decree ultimately on the third Business Day following the last day of the Post-Closing Acceptance Period. The Company shall accept all validly tendered DSM Ordinary Shares (or defectively tendered, provided that such defect has been waived by the Company) during such Post-Closing Acceptance Period.

During the Post-Closing Acceptance Period, DSM Shareholders have no right to withdraw DSM Ordinary Shares from the Exchange Offer which are validly tendered (or defectively tendered, provided that such defect has been waived by the Company) during the Acceptance Period or during the Post-Closing Acceptance Period. DSM Shareholders who have validly tendered, or defectively tendered provided that such defect has been waived by the Company, and transferred (*geleverd*) their DSM Ordinary Shares for acceptance under the Exchange Offer during the Post-Closing Acceptance Period, will receive the Offer Consideration from the Company in respect of each Tendered Share no later than five Business Days after expiration of the Post-Closing Acceptance Period.

As of the relevant settlement date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the acceptance, tendering, sale or transfer (*levering*) of any DSM Ordinary Share tendered during the Post-Closing Acceptance Period is not possible.

14.24 Confirmation of sufficient securities to settle the Exchange Offer

The number of DSM-Firmenich Ordinary Shares to be issued to the DSM Shareholders that participate in the Exchange Offer is subject to the number of DSM Ordinary Shares tendered pursuant to acceptances under the Exchange Offer.

Pursuant to the Decree, the Company confirms that it will hold an extraordinary General Meeting of shareholders (the **DSM-Firmenich EGM**) no later than seven Business Days prior to the end of the Acceptance Period under the Exchange Offer in order to issue the DSM-Firmenich Ordinary Shares required for the settlement of the Exchange Offer. DSM, being the sole shareholder of the Company up to the Firmenich Contribution Date, has undertaken to vote in favour of the issuance of such DSM-Firmenich Ordinary Shares at the DSM-Firmenich EGM.

DSM Shareholders are referred to section 12 "*Description of Share Capital*" for further details regarding the Company's share capital.

14.25 Net proceeds, costs and expenses

The Exchange Offer will be effected on a one-by-one basis to DSM Shareholders in terms of which, among other things, the DSM Shareholders will be entitled, subject to certain terms and conditions, to the Offer Consideration. Therefore, no direct new proceeds will result from the Exchange Offer.

DSM and Firmenich shall share, on a 50:50 ratio, (i) the regulatory fees incurred in relation to obtaining the relevant approvals for the Exchange Offer and the Admission, (ii) the filing fees incurred in relation to obtaining the Competition Clearances and (iii) the filing fees, costs and other liabilities incurred in relation to the FDI Approvals. These costs amount to approximately €3.9 million. No costs will be borne by the Company.

The costs incurred and expected to be incurred by DSM directly in connection with the Transactions are expected to amount to approximately EUR 56 million and comprise fees for legal advisers, financial advisers, accountants and communications advisers. The costs incurred and expected to be incurred by Firmenich directly in connection with the Transactions are expected to amount to approximately EUR 48 million and comprise fees for legal advisers, financial advisers, accountants and communications advisers.

No costs will be charged to DSM Shareholders by the Company or by DSM for the transfer (*levering*) of each Tendered Share and payment of the Offer Consideration if an Admitted Institution is involved. However, DSM Shareholders may be charged certain fees by Admitted Institutions or their custodians, banks or stockbrokers. Costs may also be charged to DSM Shareholders by or on behalf of a foreign institution involved in the transfer (*levering*) and payment of the Tendered Shares. DSM Shareholders should consult their custodians, banks and / or stockbrokers regarding any such fees.

14.26 Withholding

DSM, the Company and DSM Holdco are entitled to deduct and withhold from the Offer Consideration and any other payment and distribution such amounts as DSM, the Company and DSM Holdco are required to deduct and withhold with respect to the payment of the Offer Consideration and any other payment and distribution under any provision of applicable tax or social security law. To the extent that amounts are so deducted and withheld, those amounts shall be treated for all purposes as having been paid to the DSM Shareholders on behalf of which such deduction and withholding was made.

The advance liquidation distribution that will be paid in case the Post-Offer Merger and Liquidation is implemented, will generally be subject to 15% Dutch dividend withholding tax to the extent it exceeds DSM Holdco's average paid-in capital recognised for Dutch dividend withholding tax purposes. As a result, to the extent Dutch dividend withholding tax is not fully creditable against the (income) tax liability of a DSM Shareholder, the consideration per share to be received by non-tendering DSM Shareholders in the Post-Offer Merger and

Liquidation (if implemented) after deduction and withholding of the applicable Dutch dividend withholding tax is expected to be significantly lower than the return would have been, had the DSM Ordinary Shares held by such DSM Shareholder been tendered under the Exchange Offer.

14.27 Former bearer shares

On 27 April 2006, all bearer shares (*aandelen aan toonder*) in DSM's issued share capital were converted into registered shares (*aandelen op naam*) pursuant to an amendment of the articles of association made at the time. In order to exercise the rights vested in the shares, holders of former bearer shares were required to hand in their bearer share certificates (*aandeelbewijzen*) to DSM. Pursuant to an amendment of Article 2:82 DCC in 2019, DSM Shareholders who still have not handed in their bearer share certificates will lose any entitlement to exchange their bearer share certificates for a replacement share as of 2 January 2026.

In accordance with Article 2:82 DCC, until the earlier of completion of the Buy-Out or completion of the Triangular Merger:

(a) a former holder of DSM bearer shares may not exercise the rights vested in a DSM Ordinary Share until after he / she has handed in his/her bearer share certificates to DSM;

(b) a bearer share certificate which was not handed in to DSM on or before 31 December 2020 has become void and the DSM Ordinary Share represented by the bearer share certificate has been acquired by DSM for no consideration, irrespective of whether DSM's articles of association allow the acquisition of its own DSM Ordinary Shares. Article 2:98a (3) DCC does not apply to this acquisition. DSM has been registered as the shareholder thereof in DSM's shareholders register. DSM holds the shares until the earlier of completion of the Buy-Out, completion of the Triangular Merger, or the end of the period mentioned in paragraph (c) below; and

(c) a former holder of DSM bearer shares who hands in a bearer share certificate to DSM no later than five years after the acquisition mentioned in paragraph (b) above, therefore no later than 1 January 2026, is entitled to receive from DSM a replacement registered share provided that this share is registered in DSM's shareholders register in the name of a central securities depository, and DSM will instruct the shareholder's bank to credit the DSM Ordinary Share in a securities account in the name of holder of the bearer share certificate.

DSM will not tender the DSM Ordinary Shares acquired by it under Article 2:98a (3) DCC. If the Buy-Out is initiated, these shares will be subject to the Buy-Out, and ultimately be acquired by the Company by operation of law. Former holders of DSM bearer shares will be entitled to claim a cash consideration equal to the monetary value of a DSM Ordinary Share under the Exchange Ratio from the Dutch Consignment Fund by operation of the Buy-Out.

In case the Triangular Merger is implemented, the former holders of DSM bearer shares will be considered to be holders of a special right vis-à-vis DSM. By operation of Dutch law (section 2:320 jo 2:333a par 3 DCC), as a result of the Triangular Merger, the special right vis-à-vis DSM will become a special right vis-à-vis DSM Holdco. A former holder of DSM bearer shares who hands in a bearer share certificate to the DSM Holdco before the end of the liquidation of the DSM Holdco and no later than 1 January 2026 will receive an ordinary share in the capital the DSM Holdco. After 1 January 2026 all rights to a replacement share will lapse.

14.28 Further information pursuant to the Decree

Cross-shareholdings

On the date of this Offering Circular, DSM holds all shares in the share capital of the Company. Neither the Company nor Firmenich holds a direct or indirect interest in the share capital of DSM, the Company or Firmenich respectively. DSM does not directly or indirectly hold shares in Firmenich. DSM holds 1,730,450 shares in its own capital.

Securities held by the members of the boards and their family members

Other than as stated in this subsection and in section 11.15 "*Equity holdings*", at the date on which this Offering Circular was sent for approval by the AFM, no securities issued by DSM were held by:

(a) the Company, Firmenich or any of their Affiliates;

(b) any member of the Board of Directors, the Firmenich Board or the DSM Boards;

(c) any of the respective spouses (*echtgenoten*), registered partners (*geregistreerde partners*), or children who are minors (*minderjarige kinderen*) of the persons referred to under paragraph (b) above; or

(d) any entities over which the persons referred to under paragraph (b) above and paragraph (c) above have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, sub-paragraph 5 and 6 of the Decree.

The table below includes the number of DSM Ordinary Shares, the number of vested stock options related to DSM Ordinary Shares as well as the number of outstanding RSUs and PSUs related to DSM Ordinary Shares held by the members of the current board of directors of the Company as of the date of this Offering Circular. All transactions are related to the grant and vesting procedures under the applicable DSM Incentive Plans. The overall balance of such transactions – grant *plus* vesting *minus* sell or sell-to-cover – was 1,055.

Number of share units/stock options	**DSM Ordinary Shares**	**Outstanding unvested share units DSM**[(1)]	**Stock options DSM**
- Silvia Sonneveld	0	3,534	0
- Benedikt Suter	2,371	1,487	7,500
- Eric Nicolas	0	0	0
Total	**2,371**	**5,021**	**7,500**

(1) Depending on the realisation of vesting conditions, the number of outstanding share units to vest may vary between zero and 150%

At the date of the Offering Circular André Pometta indirectly holds 7,200 DSM Ordinary Shares.

Section 11.15 "*Equity holdings*" provides a description of the number of DSM-Firmenich Ordinary Shares, DSM Ordinary Shares and Firmenich Ordinary Shares held by the Board of Directors and the Executive Committee.

Recent transaction by the members of the board of directors, the supervisory directors and their family members

At the date of this Offering Circular, except as disclosed in this subsection below, no transactions or agreements in respect of securities issued by DSM have been effected or have been concluded in the year prior to the date of this Offering Circular, and no similar transactions have been effected in respect of securities issued by DSM in the year prior to the date of this Offering Circular by:

(a) the Company, Firmenich, DSM, or any of their Affiliates;

(b) any member of the Board of Directors, the Firmenich Board or the DSM Boards;

(c) any of the respective spouses (*echtgenoten*), registered partners (*geregistreerde partners*), or children who are minors (*minderjarige kinderen*) of the persons referred to under paragraph (b) above; or

(d) any entities over which the persons referred to under paragraph (b) above and paragraph (c) above have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, sub-paragraph 5 and 6 of the Decree.

Mr. Leysen and Mr. Ramsay purchased 5,000 and 720 DSM Ordinary Shares, respectively, in 2022.

The table below provides an overview of the transactions by the members of the DSM Managing Board in DSM securities in the year prior to the date of this Offering Circular. All transactions are related to the grant and vesting procedures under the applicable DSM Incentive Plans.

	2022 Grant	2022 Vesting of 2019 Grant	2022 Share Purchase re. 2021 STI	Sell-to-cover re. 2022 Vesting
DSM Managing Board - Long-Term incentive plan				
- Geraldine Matchett	8,500	10,313	n.a.	4.437
- Dimitri de Vreeze	8,500	10,313	n.a.	4,861
DSM Managing Board – STI Deferral & Matching Scheme				
- Geraldine Matchett	2,506	2,552	2,506	1,098
- Dimitri de Vreeze	2,506	2,474	2,506	1,166
Total	**22,012**	**25,652**	**5,012**	**11,562**

Compensation for directors who resign upon completion

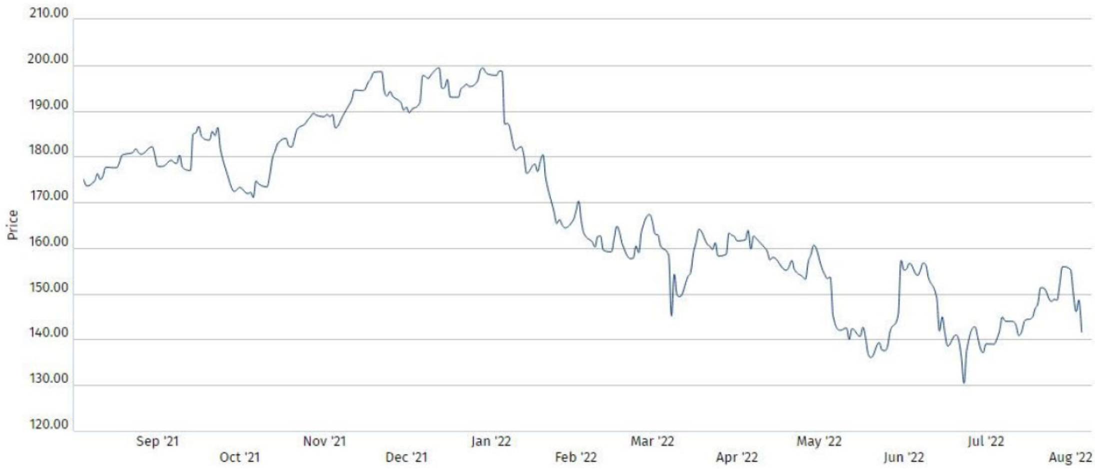
Upon Settlement, the engagement of one member of the DSM Supervisory Board will be terminated. This will not involve any specific compensation. As disclosed in section 13.6 "*Impact on employees and directors*" of this Offering Circular, the engagement of five members of the Firmenich Board will be terminated. This will not involve any specific compensation.

Compensation for directors in connection with completion

Except as disclosed in this Offering Circular in sections 11.14 "*Remuneration – Additional payments DSM and Firmenich*" and 11.16 "*Long-term incentive plans - DSM incentive plans – Grants under the DSM Incentive Plans until the Settlement Date*", no remuneration has been or will be paid to the members of the Board of Directors, the Firmenich Board or the DSM Boards in connection with the Exchange Offer being declared unconditional (*gestanddoening*).

Share price development

The graph below sets out the DSM Ordinary Share price development from 5 August 2021 to 5 August 2022.



14.29 Further terms of the Exchange Offer

The DSM-Firmenich Ordinary Shares will rank *pari passu* with each other. Holders of DSM-Firmenich Ordinary Shares will be entitled to dividends and other distributions declared and paid on them. Each DSM-Firmenich Ordinary Share carries distribution rights and entitles its holder to attend and to cast one vote at the General Meeting. The DSM-Firmenich Ordinary Shares are subject to the restrictions on voting rights as per the Articles of Association. Please refer to section 12 "*Description of Share Capital*" with respect to voting rights of the DSM-Firmenich Shareholders.

Under the Company's capital band, the Board of Directors is authorised to conduct one or more increases of the share capital at any time until 1 February 2028 within an upper limit of up to 10% of the DSM-Firmenich Completion Issued Share Capital, corresponding to such amount of DSM-Firmenich Ordinary Shares corresponding to up to 10% of the DSM-Firmenich Completion Issued Share Capital. The maximum amount of DSM-Firmenich Ordinary Shares that can be issued under the Company's capital band is not available to the extent that the Board of Directors has used or reserved conditional share capital for share related rights or for Equity-Linked Financing Instruments based on the Company's conditional capital. Upon the issue of DSM-Firmenich Ordinary Shares based on the Company's capital band, each holder of DSM-Firmenich Ordinary Shares shall have a pre-emptive subscription right in respect of the DSM-Firmenich Ordinary Shares to be issued, in proportion to the number of DSM-Firmenich Ordinary Shares already held by it; however, the Board of Directors is authorised to restrict or to prohibit trading in the subscription rights to such new DSM-Firmenich Ordinary Shares.

The Board of Directors is, however, authorised to withdraw or limit the pre-emptive subscription rights of DSM-Firmenich Shareholders and to allocate subscription rights to individual DSM-Firmenich Shareholders or third parties in case of: (i) the new DSM-Firmenich Ordinary Shares being used to acquire companies, parts thereof or participations, or for the financing or refinancing of such transactions, for the conversion of loans or securities into DSM-Firmenich Ordinary Shares, for the financing of new investment projects undertaken, the acquisition or financing of products, intellectual property or licences, or the financing of strategic initiatives undertaken by DSM-Firmenich, (ii) the new DSM-Firmenich Ordinary Shares being used for investment by strategic partners and (iii) the DSM-Firmenich Ordinary Shares being placed nationally or internationally (including by way of private placement) at market conditions.

With regard to a possible issue of DSM-Firmenich Ordinary Shares through the exercise of share related rights granted to employees or directors of DSM-Firmenich, its consolidated subsidiaries or other entities in which the Company has a direct or indirect stake of at least 50% pursuant to an employee/director share scheme or an employee/director benefit plan, the share capital of the Company may also be increased based on conditional capital by up to 5% of the DSM-Firmenich Completion Issued Share Capital through the issuance of such amount of DSM-Firmenich Ordinary Shares that correspond to up to 5% of the DSM-Firmenich Completion Issued Share Capital, through the exercising of rights or entitlements in respect of shares granted to employees or directors of the Company, its consolidated subsidiaries or other entities in which the Company has a direct or indirect stake of at least 50% in accordance with regulations, terms and conditions to be specified by the Board of Directors. For such new DSM-Firmenich Ordinary Shares, existing DSM-Firmenich Shareholders' subscription rights are excluded pursuant to the Articles of Association. The maximum amount of the conditional capital available for share related rights will be reduced by the amount for which the Board of Directors has issued or reserved registered DSM-Firmenich Ordinary Shares based on the Company's capital band or its conditional capital in connection with the exercise of Equity-Linked Financing Instruments. Existing DSM-Firmenich Shareholders' pre-emptive subscription rights are excluded.

Lastly, the Company may further increase its share capital by up to 5% of the DSM-Firmenich Completion Issued Share Capital through the issuance of such amount of DSM-Firmenich ordinary Shares corresponding to up to 5% of the DSM-Firmenich Completion Issued Share Capital, based on its conditional capital through the voluntary or mandatory exercise of conversion and / or option rights granted in connection with bonds or similar instruments including loans or other financial instruments incl. warrants of the Company or its consolidated subsidiaries (the **Equity-Linked Financing Instruments**). The maximum amount of the conditional capital available for Equity-Linked Financing Instruments will be reduced by the amount for which the Board of Directors has issued or reserved DSM-Firmenich Ordinary Shares based on the Company's capital band or its conditional capital in connection with share related rights. Existing DSM-Firmenich Shareholders' pre-emptive subscription rights are excluded. When issuing Equity-Linked Financing Instruments, the Board of Directors is authorised to restrict or cancel DSM-Firmenich Shareholders' advance subscription rights in connection with (i) the financing (including refinancing) of the acquisition of companies, parts of companies, participations or new investment projects of DSM-Firmenich and (ii) an issue on national or international capital markets or to one or more strategical or financial investors.

In general, the Board of Directors may also withdraw or limit the pre-emptive subscription rights of DSM-Firmenich Shareholders and allocate subscription rights to individual DSM-Firmenich Shareholders or third parties upon a resolution passed at a General Meeting by two-thirds of the voting rights and the absolute majority of the par value of the shares represented. Pre-emptive rights attached to the DSM-Firmenich Ordinary Shares may be transferred on the same basis as the transfer of the DSM-Firmenich Ordinary Shares themselves. DSM-Firmenich Shareholders may also individually waive their pre-emptive rights.

If pre-emptive subscription rights are granted, but not exercised, the Board of Directors may allocate the unexercised pre-emptive subscription rights at its discretion.

Settlement of the Exchange Offer, through the issue and delivery of the DSM-Firmenich Ordinary Shares to the participating DSM Shareholders and the surrender and transfer of the relevant DSM Ordinary Shares on the Settlement Date, shall occur in full, in accordance with the terms and conditions of the Exchange Offer without regard to any lien, right of set-off, counterclaim or another similar right to which the Company may otherwise be, or claim to be, entitled against the participating DSM Shareholders.

Settlement of the Exchange Offer will be subject to the fulfilment or waiver of the Transaction Conditions as set out in this Offering Circular.

The effect of the Exchange Offer will be that, with effect from the Settlement Date, the Company will acquire and own all of the Tendered Shares. The DSM-Firmenich Ordinary Shares will be allotted to the tendering DSM Shareholders in accordance with the terms of the Offer Consideration.

14.30 Purchases outside of the Exchange Offer

DSM, Firmenich and the Company reserve the right to purchase or arrange to purchase DSM Ordinary Shares outside of the Exchange Offer, to the extent permissible under applicable laws and regulations, including Rule 14e-5 under the U.S. Exchange Act of 1934, as amended (the **U.S. Exchange Act**). Any such purchases or arrangements to purchase made outside of the Exchange Offer will be made outside of the United States and disclosed to the market pursuant to applicable law and regulations, and as required by Rule 14e-5 under the U.S. Exchange Act.

Accordingly, DSM, Firmenich, the Company or any entity acting in concert with any of them and any of their brokers (acting as agents for, or on behalf of, DSM, Firmenich, the Company or the entity acting in concert with any of them, as applicable) may, from time to time, purchase or make arrangements to purchase DSM Ordinary Shares or securities that are convertible into, exchangeable for or exercisable for DSM Ordinary Shares outside of the Exchange Offer after the date of this Offering Circular (including during the pendency of the Exchange Offer), including purchases in the open market at prevailing prices or in private transactions at negotiated prices, in each case, outside of the United States and to the extent permissible under law (including Rule 14e-5 under the U.S. Exchange Act). Any such purchases will not be made at prices higher than the Offer Consideration, unless the Offer Consideration is increased accordingly. Information about such purchases of DSM Ordinary Shares will be publicly disclosed, including in the United States, by means of a press release that will be made available on the website of DSM-Firmenich (www.creator-innovator.com). In addition, the financial advisers to DSM, Firmenich, the Company or any entity acting in concert with any of them may also engage in ordinary course trading activities in DSM Ordinary Shares, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about any such purchases or arrangements to purchase will be made public in the Netherlands in the manner required by Dutch law.

14.31 Termination of the Exchange Offer

The Exchange Offer will terminate with immediate effect if any or all of the Transaction Conditions have not been fulfilled or waived, as applicable, on or before the relevant fulfilment times and dates for fulfilment (including any extended fulfilment time and date).

The Board of Directors reserves the right, in its discretion, to decide not to proceed with the Transactions, including the Firmenich Contribution and the Exchange Offer and, as such, the Exchange Offer may or may not proceed.

14.32 Representations and warranties by accepting DSM Shareholders

Once an acceptance is received by the Settlement Agent from a DSM Shareholder, each such DSM Shareholder, by whom, or on whose behalf, an acceptance is executed and lodged with the Settlement Agent, irrevocably undertakes, represents, warrants and agrees to and with the Company and the Listing and Paying Agent (so as to bind them or their representatives or successors) that:

1. they have good title to, and are irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the DSM Ordinary Shares comprised or deemed to be comprised in such acceptance and that such DSM Ordinary Shares are sold fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third-party rights and interests of any nature whatsoever and together with all rights attaching to them on or after the date of this Offering Circular, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, on or after that date;

2. they have informed themselves as to whether they require any governmental or other consent or requirements or formalities (**Applicable Foreign Law Requirements**) to receive or access this Offering Circular, including having the DSM-Firmenich Ordinary Shares issued, transferred or delivered to them or for their benefit pursuant to the Exchange Offer, and have complied with and observed any Applicable Foreign Law Requirements;

3. they are not Foreign DSM Shareholders who are located in a jurisdiction in which participation in the Exchange Offer, including having the DSM-Firmenich Ordinary Shares issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer in their relevant jurisdiction, would be restricted, illegal or otherwise impermissible in terms of the relevant laws and regulations of that jurisdiction; in particular, they are not U.S. Persons (unless they are QIBs and have executed and delivered to the Company a U.S. Investor Letter);

4. in relation to the tendered DSM Ordinary Shares, the execution and lodgement of an acceptance constitutes, subject to the Exchange Offer becoming unconditional in all respects, the irrevocable and separate appointment of each of the Company and any director of, or any person authorised by, the Company, and each of its directors, as its attorney and / or agent (the **Agent**), and an irrevocable instruction and authorisation to such Agent to:

    (i) complete and execute all or any form(s) of transfer, renunciation and / or other documents at the discretion of such Agent in relation to the DSM Ordinary Shares comprised in the acceptance in favour of the Company or such other person(s) as the Company or its agents may direct;

(ii) deliver any form(s) of transfer, renunciation and / or other document(s) at the discretion of such Agent together with any share certificate or other document(s) of title for registration relating to such DSM Ordinary Shares for registration; and

(iii) execute all such other documents and take any other action as may in the opinion of such Agent be necessary or expedient for the purposes of, or in connection with, the acceptance of the Exchange Offer and to vest in the Company or such other person(s) as the Company or its agents may direct the full legal and beneficial ownership of DSM Ordinary Shares comprised in the acceptance;

5. they shall do all such acts and things as shall, in the opinion of the Company, be necessary or expedient to vest in the Company or its nominee(s) (or such other person as the Company may decide) the DSM Ordinary Shares comprised in the acceptance;

6. they shall be bound by the terms and conditions of the Exchange Offer, in all respects, as set out in this Exchange Offer section or any documentation published by the Company in connection with the Exchange Offer from time to time;

7. the execution and lodgement of an acceptance will not create any client relationship between the Company or the Listing and Paying Agent or any adviser of the Company; and

8. the contents of this Offering Circular, including this Exchange Offer section, does not purport to constitute personal legal or tax advice or to comprehensively deal with the legal, regulatory or tax implications of the Exchange Offer or any other matter for each DSM Shareholder. DSM Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory or tax positions regarding the Exchange Offer or any other matter and in particular the receipt of the DSM-Firmenich Ordinary Shares in exchange for their DSM Ordinary Shares.

14.33 Benefits of the Exchange Offer

Please refer to section 13.4 "*Benefits of the Transactions*" for a description of the benefits of the Exchange Offer.

14.34 Listing, paying and settlement

ABN AMRO is the listing and paying agent with respect to the Admission to Euronext Amsterdam (the **Listing and Paying Agent**) and is located at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

ABN AMRO is the settlement agent for the transfer of DSM-Firmenich Ordinary Shares to the DSM Shareholders (the **Settlement Agent**) and is located at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

14.35 Notice to DSM Shareholders in certain jurisdictions

The Exchange Offer is being made with due observance of the statements, conditions and restrictions included in this Exchange Offer section. The Company reserves the right to accept any tender under the Exchange Offer that is made by or on behalf of a DSM Shareholder, even if it has not been effected in the manner as set out in section 14.9 "*Procedures for acceptances and action required by DSM Shareholders*".

DSM Shareholders with a registered address in, or who are resident or otherwise located in, or who are organised under the laws of, any jurisdiction other than a member state of the European Union (each a **Foreign DSM Shareholder**) should observe the restrictions and information as described in sections 16 "*Restrictions*" and 17 "*Important Information*".

The availability of the Exchange Offer to DSM Shareholders outside of the Netherlands may be affected by the laws of other jurisdictions. Such DSM Shareholders should inform themselves about and should observe all applicable legal requirements. It is the responsibility of all DSM Shareholders to satisfy themselves as to the full compliance of the laws of the jurisdiction in which they are situated in connection therewith, including the obtaining of any governmental, exchange control and other consents which may be required, or the compliance with other necessary formalities which are required to be observed in the payment of any issue, transfer or other taxes due in such jurisdiction. DSM Shareholders who are in doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. In any case if in respect of a DSM Shareholder who is, or is acting on behalf of a U.S. Person or any other person who is resident or located or has a registered address in, or who is organised under the laws of, a jurisdiction outside the Netherlands or a person whom the Company reasonably believes to be a citizen, resident or national of, or located in, a jurisdiction outside the Netherlands, and DSM is advised that the law of that jurisdiction precludes the allotment, issue and / or delivery to that DSM Shareholder of DSM-Firmenich Ordinary Shares, then the Company may (and in respect of any DSM Shareholder that the Company determines in its sole discretion is a U.S. Person that is not eligible to receive DSM-Firmenich Ordinary Shares, will) determine that such DSM Shareholders shall be considered to be restricted from receiving DSM-Firmenich Ordinary Shares (each, a **Restricted Shareholder**) and the DSM-Firmenich Ordinary Shares that would otherwise be issuable to such Restricted Shareholders shall not be allotted, issued or delivered to such Restricted Shareholders but shall instead be allotted, issued and delivered to a sales agent appointed by the Company to hold such shares for such Restricted Shareholders on the basis that such sales agent shall, as soon as reasonably practicable, sell the relevant DSM-Firmenich Ordinary Shares so issued on behalf of such Restricted Shareholders through the Market Sale Process. The Company shall procure that, as soon as practicable after conclusion of the Market Sale Process, an amount calculated by multiplying the Market Price by the number of DSM-Firmenich Ordinary Shares to be issued to such Restricted Shareholder is remitted to or for the benefit of such Restricted Shareholder by sending a check or by electronic transfer in accordance with the terms of the Exchange Offer.

Any remittance of the cash proceeds shall be at the risk of the relevant Restricted Shareholder. Neither the Company nor any person appointed as sales agent by the Company in connection with the foregoing will have any obligations whatsoever (subject to applicable law, regulations and rules) in relation to the timing of such sales or the price obtained and such sales may be made individually or together with other DSM-Firmenich Ordinary Shares to which the foregoing restrictions apply. Restricted Shareholders should be aware that the sale of such DSM-Firmenich Ordinary Shares has not been underwritten and the cash proceeds to be received as a result thereof (net of any taxes) is uncertain. None of the Company, any person appointed as sales agent by the Company, DSM, Firmenich or any of their respective directors, affiliates, associates or agents shall have any liability to Restricted Shareholders to achieve a particular price per DSM-Firmenich Ordinary Share.

14.36 Restrictions applicable to Foreign DSM Shareholders in respect of the Exchange Offer

The following summary describes the restrictions applicable to Foreign DSM Shareholders in terms of the Exchange Offer or persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this Offering Circular to a jurisdiction outside the EU, or that hold DSM Ordinary Shares for the account or benefit of any such Foreign DSM Shareholder and will therefore hold DSM Ordinary Shares or DSM-Firmenich Ordinary Shares in a similar manner.

Participation in the Exchange Offer may be affected by the laws of such Foreign DSM Shareholders' relevant jurisdiction. Foreign DSM Shareholders should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other laws, requirements or formalities to receive or access this Offering Circular, complete and / or participate in the Exchange Offer, including having the DSM-Firmenich Ordinary Shares issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer.

It is the responsibility of any Foreign DSM Shareholder (including, without limitation, nominees, agents and trustees for such persons) wishing to receive this Offering Circular, and / or participate in the Exchange Offer, to satisfy themselves as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requirements or formalities and paying any issue, transfer or other taxes due in such territories. DSM Shareholders that wish to participate in the Exchange Offer are also referred to in section 14.32 "*Representations and warranties by accepting DSM Shareholders*".

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving this Offering Circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene applicable law or regulation including local securities laws or regulations. In particular, subject to certain exceptions, this Offering Circular is not for general circulation in the United States. Any person who does distribute this Offering Circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph. Notices for Foreign DSM Shareholders located in, or resident of, certain jurisdictions are set out under section 14.35 "*Notice to DSM Shareholders in certain jurisdictions*" above.

The Company reserves the right, but shall not be obliged, to treat as invalid any person's participation in the Exchange Offer which appears to the Company or its agents, if effected, will involve a breach of the securities laws or regulations of any jurisdiction, or if the Company believes (in its discretion) or its agents believe that the same may violate applicable legal or regulatory requirements, or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to issue, distribute or transfer the DSM-Firmenich Ordinary Shares to, or for the benefit of, such Foreign DSM Shareholder in terms of the Exchange Offer.

14.37 Taxation

The Transactions and the potential Buy-Out or Post-Offer Merger and Liquidation may have tax implications for the DSM Shareholders in their jurisdiction of residence and in the jurisdiction of incorporation of DSM and the Company. Reference is made to section 15 "*Material Tax Considerations*" for a general summary of material Dutch, Swiss and U.S. tax considerations in connection with the disposal of DSM Ordinary Shares under the Exchange Offer and under the potential Buy-Out or Post-Offer Merger and Liquidation based on existing and effective legislation and practice as at the date of this Offering Circular. DSM, the Company and DSM Holdco give no assurances and have no responsibility with respect to the tax treatment of DSM Shareholders and the tax consequences of the Exchange Offer and the potential Buy-Out or Post-Offer Merger and Liquidation for the DSM Shareholders.

14.38 Announcements

Any announcement contemplated by this section will be issued by means of a press release. Any joint press release issued by the Company, DSM and Firmenich will be made available on the website of DSM-Firmenich (www.creator-innovator.com).

Subject to any applicable requirements of the applicable laws and without limiting the manner in which DSM, Firmenich and the Company may choose to make any public announcement, DSM, Firmenich and the Company will have no obligation to communicate any public announcement other than as described in this Offering Circular.

15. MATERIAL TAX CONSIDERATIONS

15.1 General

The following is a general summary of certain material Dutch, Swiss and U.S. Federal tax considerations (i) in connection with the disposal of DSM Ordinary Shares under the Exchange Offer or the potential Buy-Out or Post-Offer Merger and Liquidation, and (ii) with respect to the acquisition, holding, redemption and disposal of DSM-Firmenich Ordinary Shares. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant for a particular holder of DSM Ordinary Shares or DSM-Firmenich Ordinary Shares in those respects, some of which may be subject to special rules. In addition, this summary does not intend to be applicable with regard to all categories of holders of DSM Ordinary Shares or DSM-Firmenich Ordinary Shares.

This summary is based on Dutch, Swiss and U.S. Federal tax legislation, published case law, treaties, regulations or published policy and practice, in each case as in force as of the date of this Offering Circular, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect. In this context, please note that it is currently expected that the Settlement Date will be in the beginning of 2023. It cannot be ruled out that the Dutch, Swiss and U.S. Federal tax legislation, published case law, treaties, regulations or published policy and practice on which the below summary is based have (in part) been changed at that time.

DSM Shareholders should consult their professional tax adviser with respect to the tax consequences in their particular situation of the disposal of their DSM Ordinary Shares under the Exchange Offer or in connection with the possible implementation of the Buy-Out or the Post-Offer Merger and Liquidation and with respect to the tax consequences in their particular situation of the acquisition, holding, redemption and disposal of the DSM-Firmenich Ordinary Shares.

15.2 Taxation in the Netherlands

For the purposes of Dutch tax law, a holder of DSM-Firmenich Ordinary Shares or DSM Ordinary Shares may include an individual or entity who or which does not have legal title to these DSM-Firmenich Ordinary Shares or DSM Ordinary Shares, but to whom or which nevertheless the DSM-Firmenich Ordinary Shares or the DSM Ordinary Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the DSM-Firmenich Ordinary Shares or the DSM Ordinary Shares or the income thereof.

This summary does not address the Dutch tax consequences for:

(a) investment institutions (*fiscale beleggingsinstellingen*);

(b) pensions funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax- resident entities that are not subject to or exempt from Dutch corporate income tax;

(c) corporate holders of DSM-Firmenich Ordinary Shares or DSM Ordinary Shares which qualify for the participation exemption (*deelnemingsvrijstelling*) or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital (and provided certain conditions are met). A corporate holder that does not hold at least 5% of the nominal paid-up share capital of the Company or DSM may further qualify for the participation exemption or participation credit if certain conditions are met and a related entity (a statutorily defined term) does hold a qualifying participation in the Company or DSM, or if the Company or DSM is a related entity of the relevant holder;

(d) (i) holders of DSM-Firmenich Ordinary Shares holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of DSM-Firmenich Ordinary Shares of whom a certain related person holds a substantial interest in the Company, and (ii) holders of DSM Ordinary Shares holding a substantial interest or deemed substantial interest in DSM and holders of DSM Ordinary Shares of whom a certain related person holds a substantial interest in DSM. Generally speaking, a substantial interest in a company arises if a person, alone or, where such person is an individual, together with his or her partner (a statutorily defined term), directly or indirectly, holds or is deemed to hold (A) an interest of 5% or more of the total issued capital in that company or 5% or more of the issued capital of a certain class of shares in that company, (B) rights to acquire, directly or indirectly, such interest or (C) certain profit-sharing rights in that company;

(e) persons to whom the DSM-Firmenich Ordinary Shares and / or DSM Ordinary Shares and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);

(f) entities which are a resident or Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the DSM Ordinary Shares and/or DSM-Firmenich Ordinary Shares are attributable to such permanent establishment or permanent representative;

(g) holders of DSM-Firmenich Ordinary Shares and / or DSM Ordinary Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these shares or of the benefits derived from or realised in respect of these shares; and

(h) individuals to whom the DSM-Firmenich Ordinary Shares and / or DSM Ordinary Shares or the income therefrom are attributable to membership of a management board or a supervisory board or employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to 'the Netherlands' or 'Dutch', such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and to the legislation applicable in that part of the Kingdom. This summary does not address tax consequences arising in any jurisdiction other than the Netherlands.

Dutch tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer

Dutch withholding tax

The Offer Consideration paid by the Company to the DSM Shareholders in respect of the exchange of the DSM Ordinary Shares in connection with the Exchange Offer, will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and individual income tax – residents of the Netherlands

If a holder of DSM Ordinary Shares other than an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the DSM Ordinary Shares are attributable, income derived from the DSM Ordinary Shares and gains realised upon the redemption or disposal of the DSM Ordinary Shares or the exchange of DSM Ordinary Shares for DSM-Firmenich Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25.8% (rate for 2022)).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the DSM Ordinary Shares and gains realised upon the redemption or disposal of the DSM Ordinary Shares or the exchange of DSM Ordinary Shares for DSM-Firmenich Ordinary

Shares are taxable at the progressive rates (at up to a maximum rate of 49.50% (rate for 2022)) under the Dutch Income Tax Act 2001, if:

(a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the DSM Ordinary Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the DSM Ordinary Shares are attributable; or

(b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the DSM Ordinary Shares that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the DSM Ordinary Shares, taxable income with regard to the DSM Ordinary Shares must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually derived from the DSM Ordinary Shares or gains actually realised upon the redemption or disposal of the DSM Ordinary Shares or the exchange of DSM Ordinary Shares for DSM-Firmenich Ordinary Shares. This deemed return on savings and investment is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain liabilities on 1 January. The fair market value of the DSM Ordinary Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31% (rate for 2022). Based on a decision of the Dutch Supreme Court (*Hoge Raad*) of 24 December 2021 (ECLI:NL:HR:2021:1963), the current system of taxation based on a deemed return may in specific circumstances contravene section 1 of the First Protocol to the European Convention on Human Rights in combination with section 14 of the European Convention on Human Rights. In reaction to this case law, the Dutch State Secretary for Tax Affairs and Tax Administration (among other things) published a policy decree (*beleidsbesluit*) on 28 June 2022 (*Besluit rechtsherstel box 3*, nr. 2022-176296) which (among other things) states that if the deemed return based on the actual composition of the yield basis (with separate deemed return percentages for savings, debts and investments) in 2022 is lower than the deemed return based on current legislation as described above, the lower deemed return based on the actual composition of the yield basis will be used to determine taxable income from savings and investments.

Corporate and individual income tax – non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the DSM Ordinary Shares and gains realised upon the redemption or disposal of the DSM Ordinary Shares or the exchange of DSM Ordinary Shares for DSM-Firmenich Ordinary Shares, unless:

(a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the DSM Ordinary Shares are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or has a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the DSM Ordinary Shares are attributable.

    This income is and these gains are subject to Dutch corporate income tax at up to a maximum rate of 25.8% (rate for 2022);

(b) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the DSM Ordinary Shares are attributable, or (2) realises income or gains with respect to the DSM Ordinary Shares that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the DSM Ordinary Shares that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the DSM Ordinary Shares are attributable.

Income and gains derived from the DSM Ordinary Shares as specified under (1) and (2) by an individual are subject to individual income tax at progressive rates up to a maximum rate of 49.50% (rate for 2022). Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under section 15.2 "*Taxation in the Netherlands - Dutch tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer - Corporate and individual income tax – residents of the Netherlands*").

Gift and inheritance tax

No Dutch gift or inheritance tax will be due in connection with the acceptance of the Exchange Offer or the payment of the Offer Consideration.

Value added tax

No Dutch value added tax will arise in connection with the acceptance of the Exchange Offer or payment of the Offer Consideration.

Other taxes and duties

No Dutch registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a DSM Shareholder in respect of or in connection with the acceptance of the Exchange Offer or payment of the Offer Consideration.

Dutch tax aspects for DSM Shareholders who do not tender their DSM Ordinary Shares under the Exchange Offer

As further set out in sections 14.19 "*Statutory buy-out*" and 14.20 "*Post-Offer Merger and Liquidation*", if following the Post-Closing Acceptance Settlement Date the Company does not achieve a 100% shareholding in DSM, the Company may choose to implement (or cause to be implemented) certain restructuring measures in order to achieve a 100% shareholding, including the Buy-Out or the Post-Offer Merger and Liquidation.

The Dutch gift and inheritance tax, value added tax and other taxes and duties aspects of the Buy-Out as well as the Post-Offer Merger and Liquidation for holders of DSM Ordinary Shares that have not tendered their DSM Ordinary Shares under the Exchange Offer are not different from those described in section 15.2 "*Taxation in the Netherlands - Dutch tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer*" above.

Buy-Out – withholding tax

Any payment made by the Company in consideration for the DSM Ordinary Shares in the Buy-Out will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Buy-Out – taxes on income and capital gains

The Dutch corporate tax and Dutch income tax consequences of the Buy-Out for DSM Shareholders that have not tendered their DSM Ordinary Shares under the Exchange Offer are not different from those described in section 15.2 "*Taxation in the Netherlands - Dutch tax aspects for DSM Shareholders who tender their DSM*

Ordinary Shares under the Exchange Offer" regarding the disposal of DSM Ordinary Shares in connection with the Exchange Offer.

The Triangular Merger implemented as part of the Post-Offer Merger and Liquidation

Withholding tax

The implementation of the Triangular Merger and the: (i) (deemed) disposal of DSM Ordinary Shares in relation therewith and (ii) receipt of shares in DSM, Holdco will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on income and capital gains

The Dutch corporate income tax and income tax aspects of the implementation of the Triangular Merger are not different from those described in section 15.2 "*Taxation in the Netherlands – Dutch tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer*" regarding the disposal of DSM Ordinary Shares in connection with the Exchange Offer.

Liquidation of DSM Holdco as part of the Post-Offer Merger and Liquidation

Withholding tax

Any liquidation distribution made by DSM Holdco to its shareholders will generally be subject to 15% Dutch dividend withholding tax to the extent that such distribution is in excess of DSM Holdco's average paid-in capital of the relevant class of shares recognised for Dutch dividend withholding tax purposes. Any Dutch dividend withholding tax will be for the account of the holder of DSM Holdco shares and DSM Holdco shall not be obliged to pay any additional amounts to a holder of DSM Holdco shares for any Dutch dividend withholding tax deducted and withheld on the advance liquidation distribution.

The advance liquidation distribution per share is expected to significantly exceed DSM Holdco's paid-in capital recognised for Dutch dividend withholding tax purposes. The aggregate paid-in capital of DSM Holdco recognised for Dutch dividend withholding tax purposes is expected to amount to approximately EUR 380 million; assuming 173 million of DSM Holdco shares outstanding at the time of the advance liquidation distribution, the recognised average paid-in capital of DSM Holdco per share would then amount to EUR 2.20. If, for example, the value of the advance liquidation distribution per DSM Holdco share to be received by a non-tendering DSM Shareholder under the Post-Offer Merger and Liquidation would amount to EUR 150.00 gross per share, EUR 147.80 (the difference between EUR 150.00 and EUR 2.20) will be subject to 15% Dutch dividend withholding tax. As a result, the consideration per share to be received by non-tendering DSM Shareholders in the Post-Offer Merger and Liquidation (if implemented) after deduction and withholding of the applicable Dutch dividend withholding tax is expected to be considerably less than the gross amount of the Offer Consideration.

For a holder of DSM Holdco shares that is or is deemed to be resident in the Netherlands for Dutch corporate tax or Dutch income tax purposes, the Dutch dividend withholding tax will generally be creditable for Dutch corporate tax or Dutch income tax purposes (provided certain conditions are met). As of the fiscal year 2022, for Dutch corporate taxpayers the aggregate credit for Dutch dividend withholding tax in any given year is limited to the amount of corporate income tax payable in respect of the relevant year with an indefinite carry forward of any excess amount.

In addition, depending on the specific circumstances of the relevant holder of DSM Holdco shares, such holder may be entitled to an exemption from, reduction of, or full or partial refund of, Dutch dividend withholding tax under Dutch law, EU law or treaties for the avoidance of double taxation.

Under the terms of Dutch domestic anti-dividend stripping rules, a recipient of liquidation distributions will not be entitled to an exemption from or reduction or refund of Dutch dividend withholding tax if the recipient is not the beneficial owner of the liquidation distribution, as meant in those rules.

Taxes on income and capital gains

The Dutch corporate tax and Dutch income tax consequences of the advance liquidation distribution for (then former) shareholders of DSM Holdco are not different from those described in section 15.2 "*Taxation in the Netherlands – Dutch tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer*" regarding the disposal of DSM Ordinary Shares in connection with the Exchange Offer.

Dutch tax aspects of the acquisition, holding, redemption and disposal of the DSM-Firmenich Ordinary Shares

Dutch withholding tax

All payments made by the Company under the DSM-Firmenich Ordinary Shares may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and individual income tax – residents of the Netherlands

If a holder of DSM-Firmenich Ordinary Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the DSM-Firmenich Ordinary Shares are attributable, income derived from the DSM-Firmenich Ordinary Shares and gains realised upon the redemption or disposal of the DSM-Firmenich Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25.8% in 2022).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the DSM-Firmenich Ordinary Shares and gains realised upon the redemption or disposal of the DSM-Firmenich Ordinary Shares are taxable at the progressive rates (at up to a maximum rate of 49.50% in 2022) under the Dutch Income Tax Act 2001, if;

(a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the DSM-Firmenich Ordinary Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the DSM-Firmenich Ordinary Shares are attributable; or

(b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the DSM-Firmenich Ordinary Shares that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the DSM-Firmenich Ordinary Shares, taxable income with regard to the DSM-Firmenich Ordinary Shares must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investment is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain liabilities on 1 January. The fair market value of the DSM-Firmenich Ordinary Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31% in 2022. Based on a decision of the Dutch Supreme Court (*Hoge Raad*) of 24 December 2021 (ECLI:NL:HR:2021:1963), the current system of taxation based on a deemed return may under specific circumstances contravene section 1 of the First Protocol to the European Convention on Human Rights in combination with section 14 of the European Convention on Human Rights. In reaction to this case law, the Dutch State Secretary for Tax Affairs and Tax Administration (among other things) published a policy decree (*beleidsbesluit*) on 28 June 2022 (*Besluit rechtsherstel box 3*, nr. 2022-176296) which (among other things) states that if the deemed return based on the actual composition of the yield basis (with separate deemed return percentages for savings, debts and investments) in 2022 is lower than the deemed return based on current legislation as described above, the lower deemed return based on the actual composition of the yield basis will be used to determine taxable income from savings and investments.

If a holder of DSM-Firmenich Ordinary Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands, Swiss withholding tax on the income derived from the DSM-Firmenich Ordinary Shares and gains realised upon the redemption of the DSM-Firmenich Ordinary Shares (reference is made to section 15.3 "*Taxation in Switzerland – Swiss tax aspects of the acquisition, holding, redemption and disposal of the DSM-Firmenich Ordinary Share – Swiss withholding tax on future distributions and capital redemptions*") can in certain situations be credited against (among others) Dutch corporate income tax or Dutch individual income tax. This credit is subject to two limitations:

(a) the first limit is the gross foreign withholding tax actually paid and levied in the relevant tax year (**First Limit**); and

(b) the second limit equals the Dutch (corporate) income tax which would be due on the foreign income reduced by all related costs (i.e. foreign income -/- related costs * the highest Dutch (corporate) income tax rate) (**Second Limit**).

To the extent the foreign withholding tax cannot be credited against the Dutch tax liability because it exceeds the Second Limit, the excess may be carried forward to subsequent years. This is effected by treating the excess Swiss withholding tax as Swiss withholding tax levied in the subsequent year. In practice, this excess amount is added to the foreign withholding tax levied in the subsequent year and so it increases the amount of the First Limit in that year. If and to the extent the Second Limit in a subsequent year would exceed the amount of foreign withholding tax actually levied in that year, the carried forward tax credit of previous years can be used.

Corporate and individual income tax – non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the DSM-Firmenich Ordinary Shares and gains realised upon the redemption or disposal of the DSM-Firmenich Ordinary Shares, unless:

(a) The person is not an individual and such person: (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the DSM-Firmenich Ordinary Shares are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the DSM-Firmenich Ordinary Shares are attributable.

This income is and these gains are subject to Dutch corporate income tax at up to a maximum rate of 25.8% (2022 rate).

(b) The person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the DSM-Firmenich Ordinary Shares are attributable, or (2) realises income or gains with respect to the DSM-Firmenich Ordinary Shares that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the DSM-Firmenich Ordinary Shares that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the DSM-Firmenich Ordinary Shares are attributable.

Income and gains derived from the DSM-Firmenich Ordinary Shares as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50% (2022 rate). Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under section 15.2 "*Taxation in the Netherlands – Dutch tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer – Corporate and individual income tax – residents of the Netherlands*").

Gift and inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the DSM-Firmenich Ordinary Shares by way of gift by, or on the death of, a holder of DSM-Firmenich Ordinary Shares, unless:

(a) the holder of the DSM-Firmenich Ordinary Shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

(b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the provisions.

Value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the DSM-Firmenich Ordinary Shares or in respect of a cash payment made under the DSM-Firmenich Ordinary Shares, or in respect of a transfer of the DSM-Firmenich Ordinary Shares.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the DSM-Firmenich Ordinary Shares.

15.3 Taxation in Switzerland

Swiss tax aspects for DSM Shareholders who tender their DSM Ordinary Shares under the Exchange Offer

Individual and corporate income tax

The exchange of the DSM Ordinary Shares for DSM-Firmenich Ordinary Shares qualifies for Swiss tax purposes as a tax-neutral merger-like transaction (*Quasifusion*). For Swiss tax resident individual shareholders holding their DSM Ordinary Shares as private assets (*Privatvermögen*), the exchange of the DSM Ordinary Shares into DSM-Firmenich Ordinary Shares is tax-neutral for federal, cantonal and communal income tax-purposes.

For Swiss tax resident individuals holding their DSM Ordinary Shares as business assets (*Geschäftsvermögen*), including professional securities dealers, and for foreign individual shareholders holding their DSM Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland, the share-for-share exchange may trigger income tax consequences on the federal, cantonal and communal level in case of a change in the tax relevant book value of the participations held by the contributing shareholder.

For Swiss tax resident corporate shareholders and for foreign corporate shareholders holding their DSM Ordinary Shares in a Swiss permanent establishment, the share-for-share exchange would trigger corporate income tax for Swiss resident corporate shareholders on the difference between the market value and the (tax) book value of the DSM Ordinary Shares.

Swiss withholding tax

The share-for-share exchange within a merger-like transaction is not subject to Swiss withholding tax.

One-time capital duty

Any increase of the nominal share capital (including capital surplus) of a Swiss tax resident company or any other equity contributions received by such company is subject to the one-time capital duty (*Emissionsabgabe*). Certain costs incurred in connection with the issuance of shares (if any) may be deductible. As for Swiss tax purposes the exchange of the DSM Ordinary Shares for new DSM-Firmenich Ordinary Shares qualifies as a tax-neutral merger-like transaction, the contribution of the DSM Ordinary Shares against the issuance of DSM-Firmenich Ordinary Shares does not trigger one-time capital duty consequences.

Swiss securities transfer tax

The exchange of DSM Ordinary Shares for new DSM-Firmenich Ordinary Shares is exempt from Swiss securities transfer tax.

Swiss tax aspects of the acquisition, holding, redemption and disposal of the DSM-Firmenich Ordinary Share

Swiss withholding tax on future distributions and capital redemptions

Dividends and similar cash or in-kind distributions (including liquidation proceeds and stock dividends) made by the Company to the DSM-Firmenich Shareholders are subject to Swiss withholding tax (*Verrechnungssteuer*) at a rate of 35% on the gross amount of the dividend. The Company is required to withhold the Swiss withholding tax from the dividend and remit it to the Swiss Federal Tax Administration within 30 calendar days of the due date of such distribution. Distributions based upon a capital reduction (*Nennwertrückzahlungen*) and reserves paid out of qualified capital contributions (*Kapitaleinlagereserven*) are not subject to Swiss withholding tax.

The Swiss withholding tax will also apply to payments (exceeding the respective share capital and available qualifying capital contribution reserves) upon a repurchase of DSM-Firmenich Ordinary Shares by the Company: (a) if the Company's share capital is reduced upon such repurchase (redemption of shares), (b) if the total of repurchased shares exceeds 10% of the Company's share capital, or (c) if the repurchased DSM-Firmenich Ordinary Shares are not resold within six-years after the repurchase. This six-year deadline to resell the repurchased DSM-Firmenich Ordinary Shares is suspended for so long as the DSM-Firmenich Ordinary Shares are reserved to cover obligations under convertible bonds, option bonds or employee stock option plans (in the case of employee stock option plans, the maximum suspension is six years). In the event of a taxable share repurchase, Swiss withholding tax is imposed on the difference between the repurchase price and the sum of: (i) the nominal share capital of the repurchased DSM-Firmenich Ordinary Shares and (ii) qualifying capital contribution reserves paid back upon the repurchase.

The Swiss withholding tax is refundable or creditable in full to a Swiss tax resident individual or corporate shareholder as well as to a non-Swiss tax resident individual or corporate shareholder who holds the DSM-Firmenich Ordinary Shares as part of a trade or business carried on in Switzerland through a permanent establishment or fixed place of business situated for tax purposes in Switzerland, if such person is the beneficial owner of the distribution and, in the case of a Swiss tax resident individual who holds the DSM-Firmenich Ordinary Shares as part of his/her private assets (*Privatvermögen*), duly reports the gross distribution received in his/her individual income tax return or, in the case of a person who holds the DSM-Firmenich Ordinary Shares as part of a trade or business carried on in Switzerland through a permanent establishment or fixed place of business situated for tax purposes in Switzerland, recognises the gross dividend distribution for tax purposes as earnings in the income statement and reports the annual profit in the Swiss income tax return.

If a shareholder who is not a Swiss resident for tax purposes and does not hold the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland receives a distribution from the Company, the shareholder may be entitled to a full or partial refund or credit of Swiss withholding tax incurred on a taxable distribution if the country in which such shareholder is resident for tax purposes has entered into a treaty for the avoidance of double taxation with Switzerland and the further prerequisites of the treaty for a refund or credit have been met. DSM-Firmenich Shareholders not resident in Switzerland should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund or credit) may differ from country to country. To date, Switzerland has concluded more than 100 double tax treaties and it is seeking to further extend its treaty network.

Besides bilateral tax treaties, Switzerland has entered into an agreement with the EU on the automatic exchange of information in tax matters (**AEOI**) which provides for, inter alia, full withholding tax exemption of cross-border dividends, interest and royalties between related entities from EU Member States to Switzerland and vice versa if the respective requirements of Article 9 AEOI are met.

Individual and corporate income tax on dividends

Swiss tax resident individuals holding the DSM-Firmenich Ordinary Shares as part of their private assets who receive dividends and similar distributions (including stock dividends and liquidation proceeds) which are not repayments of the nominal share capital (*Nennwertrückzahlungen*) of the Company or reserves paid out of qualifying capital contributions (*Kapitaleinlagereserven*) are required to report such payments in their individual income tax returns and are liable to Swiss federal, cantonal and communal income taxes on any net taxable income for the relevant tax period. Furthermore, for the purpose of the direct federal tax, dividends, shares in profits, liquidation proceeds and pecuniary benefits from shares (including bonus shares) are included in the tax base for only 70% of their value (*Teilbesteuerung*), if the investment amounts to at least 10% of the nominal share capital of the Company. All Swiss cantons have introduced similar partial taxation measures at cantonal and communal levels with a minimum inclusion in the tax base of 50%.

Swiss tax resident individuals as well as foreign tax resident individuals holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland are required to recognise dividends, distributions based upon a capital reduction (*Nennwertrückzahlungen*) and reserves paid out of qualifying capital contributions (*Kapitaleinlageresereven*) in their income statements for the relevant tax period and are liable to Swiss federal, cantonal and communal individual or corporate income taxes, as the case may be, on any net taxable earnings accumulated (including the payment of dividends) for such period. Furthermore, for the purpose of the direct federal tax, dividends, shares in profits, liquidation proceeds and pecuniary benefits from shares (including bonus shares) are included in the tax base for only 70% (*Teilbesteuerung*), if the investment is held in connection with the conduct of a trade or business or qualifies as an opted business asset (*gewillkürtes Geschäftsvermögen*) according to Swiss tax law and amounts to at least 10% of the nominal share capital of the Company. All cantons have introduced similar partial taxation measures at cantonal and communal levels with a minimum inclusion in the tax base of 50%.

Swiss tax resident corporate taxpayers as well as foreign tax resident corporate taxpayers holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland are required to recognise dividends, distributions based upon a capital reduction (*Nennwertrückzahlungen*) and reserves paid out of qualifying capital contributions (*Kapitaleinlagereserven*) in their income statements for the relevant tax period and are liable to Swiss federal, cantonal and communal corporate income taxes on any net taxable earnings accumulated for such period. Swiss resident corporate taxpayers as well as non-Swiss resident corporate taxpayers holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland may be eligible for participation relief (*Beteiligungsabzug*) in respect of dividends and distributions based upon a capital reduction (*Nennwertrückzahlungen*) and reserves paid out of qualifying capital contributions (*Kapitaleinlagereserven*) if the DSM-Firmenich Ordinary Shares held by them as part of a Swiss business have an aggregate market value of at least CHF 1 million or represent at least 10% of the nominal share capital of the Company or give entitlement to at least 10% of the profits and reserves of the Company, respectively.

Recipients of dividends and similar distributions on the DSM-Firmenich Ordinary Shares (including stock dividends and liquidation proceeds) who neither are tax residents of Switzerland nor during the current taxation year have engaged in a trade or business in Switzerland and who are not subject to taxation in Switzerland for any other reason are not subject to Swiss federal, cantonal or communal individual or corporate income taxes in respect of dividend payments and similar distributions because of the mere holding of the DSM-Firmenich Ordinary Shares.

Wealth and annual capital tax on holding of DSM-Firmenich Ordinary Shares

Swiss resident individuals holding the DSM-Firmenich Ordinary Shares as private assets are required to report their DSM-Firmenich Ordinary Shares as part of their wealth and will be subject to cantonal and communal wealth tax to the extent the aggregate taxable net wealth is allocable to Switzerland.

Foreign resident individual or corporate taxpayers holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland will be subject to cantonal and communal wealth tax or annual capital tax, as the case may be, on the taxable wealth or capital to the extent the aggregate taxable wealth or capital is allocable to Switzerland.

Individuals and corporate taxpayers not tax resident in Switzerland for tax purposes and not holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland are not subject to wealth or annual capital tax in Switzerland because of the mere holding of the DSM-Firmenich Ordinary Shares.

Capital gains on disposal of DSM-Firmenich Ordinary Shares

Swiss tax resident individuals who sell or otherwise dispose of the DSM-Firmenich Ordinary Shares realise a tax-free capital gain, or a non-deductible capital loss, as the case may be, provided that they hold the DSM-Firmenich Ordinary Shares as part of their private assets. Under certain circumstances, the sale proceeds may be requalified into taxable investment income (e.g. if the taxpayer is deemed to be a professional securities dealer).

Capital gains realised on the sale of the DSM-Firmenich Ordinary Shares held by Swiss tax resident individuals who do not hold the DSM-Firmenich Ordinary Shares as part of their private assets and Swiss tax resident corporate taxpayers, as well as foreign tax resident individuals and corporate taxpayers holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland will be subject to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be. This also applies to Swiss tax resident individuals who, for individual income tax purposes, are deemed to be professional securities dealers for reasons of, inter alia, frequent dealing and debt-financed purchases. Capital gains realised by resident individuals who hold the DSM-Firmenich Ordinary Shares as business assets might be entitled to reductions or partial taxations similar to those mentioned above for dividends (*Teilbesteuerung*) if certain conditions are met (e.g. holding period of at least one year and participation of at least 10% of the nominal share capital of the Company).

Swiss tax resident corporate taxpayers as well as foreign tax resident corporate taxpayers holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland are required to recognise such capital gain in their income statements for the relevant tax period. Corporate taxpayers may qualify for participation relief on capital gains (*Beteiligungsabzug*), if the DSM-Firmenich Ordinary Shares sold during the tax period represent at least 10% of the Company's share capital or if the DSM-Firmenich Ordinary Shares sold give entitlement to at least 10% of the Company's profit and reserve and were held for at least one year. The tax relief applies to the difference between the sale proceeds and the acquisition costs of the participation (*Gestehungskosten*).

Individuals and corporations not tax resident in Switzerland for tax purposes and not holding the DSM-Firmenich Ordinary Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment or fixed place of business situated, for tax purposes, in Switzerland are not subject to Swiss federal, cantonal and communal individual income or corporate income tax, as the case may be, on capital gains realised on the sale of the DSM-Firmenich Ordinary Shares.

Gift and inheritance tax

Transfers of the DSM-Firmenich Ordinary Shares may be subject to cantonal and / or communal inheritance or gift taxes if the deceased or the donor were resident in a canton levying such taxes and, in international circumstances where residency requirements are satisfied, if the applicable tax treaty were to allocate the right to tax to Switzerland.

Swiss securities transfer tax

The purchase or sale (or other financial transfer) of the DSM-Firmenich Ordinary Shares, whether by Swiss tax residents or foreign tax residents, may be subject to Swiss securities transfer tax of up to 0.15%, calculated on the purchase price or the proceeds if the purchase or sale occurs through or with a Swiss bank or other Swiss securities dealer as defined in the Swiss Federal Stamp Duty Act as an intermediary or party to the transaction unless an exemption applies.

International automatic exchange of information in tax matters

Switzerland has concluded a multilateral agreement with the EU on the international automatic exchange of information (AEOI) in tax matters, which applies to all EU Member States and some other jurisdictions. In addition, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information (**MCAA**), and bilateral AEOI agreements with a number of other countries, most of them on the basis of the MCAA. Based on the AEOI agreement, the bilateral AEOI agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits (including shares held in any such account or deposit) with a paying agent in Switzerland for the benefit of residents in an EU Member State or another treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are either in effect, or have been entered into and are not yet effective, can be found on the website of the State Secretariat for International Financial Matters SIF.

Swiss facilitation of the implementation of the Foreign Account Tax Compliance Act (FATCA)

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. Under the agreement, financial institutions acting out of Switzerland generally are directed to become participating foreign financial institutions (**FFIs**). The agreement ensures that accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland (**U.S.-CH Treaty**). The U.S.-CH Treaty, as amended in 2019, includes a mechanism for the exchange of information in tax matters upon request between Switzerland and the United States, which is in line with international standards, and allows the United States to make group requests under FATCA concerning non-consenting U.S. accounts and non-consenting non-FFIs for periods from 30 June 2014. Furthermore, on 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the United States regarding a change from the current direct notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. It is not yet known when negotiations will continue and, if they do, if and when any new regime would come into force.

FATCA is particularly complex. Investors should consult their tax advisors on how these rules may apply to payments they may receive in connection with the DSM-Firmenich Ordinary Shares.

15.4 Federal taxation in the United States

The following section is a summary of certain material United States federal income tax consequences of the Exchange Offer to U.S. holders and non-U.S. holders of DSM Ordinary Shares, but does not purport to be a complete analysis of all potential tax effects. In addition, this discussion does not address the tax consequences of transactions effectuated prior to or after the Exchange Offer, including any future share repurchase or exchange or tender offer (whether or not such transactions occur in connection with the Exchange Offer, including the consequences of the Buy-Out or the Post-Offer Merger and Liquidation). The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws, are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the **Code**), Treasury regulations promulgated thereunder (the **Treasury Regulations**), judicial decisions, published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the **IRS**) and the income tax treaty in place between the United States and Switzerland (the **Treaty**), in each case as in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a holder of DSM Ordinary Shares. Neither DSM nor Firmenich has sought and will not seek any rulings from the IRS or any opinion regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to those discussed below regarding the tax consequences of the Exchange Offer and the ownership and disposition of DSM-Firmenich Ordinary Shares.

This discussion addresses only those holders of DSM Ordinary Shares that hold their stock and will hold their DSM-Firmenich Ordinary Shares as capital assets within the meaning of section 1221 of the Code (generally, property held for investment) and does not address all the United States federal income tax consequences that may be relevant to particular holders in light of their individual circumstances (such as a stockholder owning directly, indirectly or constructively five percent or more of DSM Ordinary Shares or DSM-Firmenich Ordinary Shares or the impact of the alternative minimum tax or the Medicare contribution tax on net investment income) or any state, local or non-U.S. tax laws. This discussion also does not address holders that are subject to special treatment under U.S. federal income tax laws, including, without limitation:

(a) U.S. expatriates and former citizens or long-term residents of the United States;

(b) persons holding DSM Ordinary Shares or that will hold DSM-Firmenich Ordinary Shares as part of a straddle, other risk reduction strategy or as part of a conversion transaction or other integrated investment;

(c) banks, insurance companies, and other financial institutions;

(d) real estate investment trusts or regulated investment companies;

(e) brokers, dealers, or traders in securities or currencies;

(f) partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);

(g) tax-exempt organisations or governmental organisations;

(h) persons deemed to sell DSM Ordinary Shares or DSM Firmenich Ordinary Share under the constructive sale provisions of the Code;

(i) persons subject to special tax accounting rules as a result of any item of gross income with respect to DSM Ordinary Shares being taken into account in an applicable financial statement;

(j) persons who acquired DSM Ordinary Shares or DSM Firmenich Ordinary Share or related rights under the DSM Incentive Plans;

(k) persons that own, or are deemed to own, more than five percent of the DSM Ordinary Shares or DSM-Firmenich Ordinary Shares;

(l) persons holding DSM Ordinary Shares or DSM-Firmenich Ordinary Shares in connection with a trade or business outside the United States;

(m) U.S. holders whose functional currency is not the U.S. dollar; or

(n) tax-qualified retirement plans.

For purposes of this section, a **U.S. holder** is a beneficial owner of DSM Ordinary Shares who is any of the following for U.S. federal income tax purposes:

(a) an individual who is a citizen or resident of the U.S.;

(b) a corporation created or organised in or under the laws of the U.S., any state thereof or the District of Columbia;

(c) an estate if its income is subject to U.S. federal income taxation regardless of its source; or

(d) a trust if (a) a U.S. court can exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (b) it has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person.

A **non-U.S. holder** is a beneficial owner of DSM Ordinary Shares who is neither a U.S. holder nor a partnership.

If an entity treated as a partnership for U.S. federal income tax purposes holds DSM Ordinary Shares the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding DSM Ordinary Shares and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THE U.S. FEDERAL INCOME TAX TREATMENT OF THE EXCHANGE OFFER AND THE U.S. FEDERAL INCOME TAX TREATMENT OF HOLDERS OF DSM ORDINARY SHARES DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES TO YOU, IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX CIRCUMSTANCES, OF ACQUIRING, HOLDING, AND DISPOSING OF DSM ORDINARY SHARES AND DSM-FIRMENICH ORDINARY SHARES.

Treatment of the Exchange Offer

Assuming the Exchange Offer is undertaken consistent with the description contained in this Offering Circular and the parties hereto neither jointly agree to modify the terms of the transaction or waive any condition described herein, as well as certain covenants and undertakings of certain parties to the Transactions (including DSM, Firmenich and the Company) are satisfied, it is likely that the exchange by U.S. holders of DSM Ordinary Shares for DSM-Firmenich Ordinary Shares pursuant to the Exchange Offer, together with the contribution by the Firmenich Shareholders of 100% of the equity in Firmenich to DSM in exchange for DSM-Firmenich Ordinary Shares pursuant to the Firmenich Contribution, constitutes a transaction described in section 351(a) of the Code. If all holders of DSM exchange their DSM Ordinary Shares pursuant to the Exchange Offer, it is also possible that the Exchange Offer may be treated as a reorganisation described section 368(a)(1)(B) of the Code, though such treatment would generally be disqualified if there are non-exchanging holders of the DSM Ordinary Shares that receive cash in exchange for their DSM Ordinary Shares pursuant to the Buy-Out or the Post-Offer Merger and Liquidation.

The closing of the Transactions is not conditioned upon the receipt of an opinion of counsel that the Exchange Offer will qualify as a transaction described in section 351(a) of the Code or as reorganisation (or any other tax-deferral provision of the Code), and neither DSM or Firmenich intends to request a ruling from the IRS regarding the U.S. federal income tax treatment of the Exchange Offer. Accordingly, no assurance can be given that the IRS will not challenge the treatment of the Exchange Offer as a non-taxable transfer of DSM Ordinary Shares or that a court will not sustain such a challenge by the IRS. If it did not qualify for such treatment, adverse consequences could apply to exchanging U.S. holders as described in more detail below.

Treatment of the Exchange Offer to U.S. Holders

General

Subject to the discussion below under section 15.4 "*Federal taxation in the United States – Treatment of the Exchange Offer to U.S. Holders – Passive Foreign Investment Company considerations relating to DSM*", provided that the Exchange Offer qualifies for treatment under section 351(a) or under section 368(a)(1)(B) of the Code, no gain or loss generally will be recognised by a U.S. holder of DSM Ordinary Shares that exchanges DSM Ordinary Shares solely for DSM-Firmenich Ordinary Shares in the Exchange Offer except to the extent of any cash received in respect of fractional shares. Accordingly, the aggregate tax basis of the DSM-Firmenich Ordinary Shares received by a U.S. holder in the Exchange Offer generally will be the same as the aggregate adjusted tax basis of the DSM Ordinary Shares exchanged therefor. In addition, the holding period of the DSM-Firmenich Ordinary Shares received in the Exchange Offer by a U.S. holder will include the period during which the U.S. holder held its DSM Ordinary Shares through the date of the Exchange Offer. Complex considerations would apply to U.S. holders in the event that the Exchange Offer does not qualify as a non-taxable transfer of the DSM Ordinary Shares. In such circumstance, such shareholders generally will recognise gain in connection with the Exchange Offer, and their holding period and tax basis in their DSM-Firmenich Ordinary Shares will differ from that in their DSM Ordinary Shares. U.S. holders are urged to consult their tax advisors regarding the treatment of the Exchange Offer under sections 351(a) and/or section 368(a)(1)(B) of the Code, including any reporting requirements that may apply as a result of the Exchange Offer.

In addition to the general discussion above, U.S. holders that own, or are deemed to own, more than 5% of the DSM Ordinary Shares may be required to enter into a "gain recognition agreement" in order to treat the Exchange Offer as a non-taxable transfer of the DSM Ordinary Shares. Under the terms of a gain recognition agreement, U.S. holders may be required to recognise gain upon the occurrence of certain triggering events in the five taxable years following the close of the taxable year of the U.S. holder that includes the Exchange Offer. This summary does not address all of the considerations that may be relevant to U.S. holders that own, or are deemed to own, more than 5% of the DSM Ordinary Shares and such U.S. holders are urged to consult their tax advisors regarding the treatment of the Exchange Offer, including regarding gain recognition agreements and any reporting that applies to significant shareholders of DSM or the Company.

Passive Foreign Investment Company considerations relating to DSM

Generally, a corporation organised or incorporated outside the United States is a passive foreign investment company **(PFIC**) in any taxable year in which either: (a) at least 75% of its gross income is classified as "passive income"; or (b) at least 50% of the average quarterly value of its assets is attributable to assets that produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. For purposes of this analysis, the non-U.S. corporation is considered as holding directly its proportionate share of the assets of any corporation in which it owns at least 25%, by value, of the stock directly or indirectly (the 'look-through rule'). PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If a non-U.S. corporation is a PFIC in any taxable year that a shareholder owns shares in such corporation, it generally will continue to be treated as a PFIC for that shareholder in all succeeding taxable years, regardless of whether it continues to meet the definition of a PFIC in subsequent years.

DSM does not believe that it was a PFIC for the 2021 taxable year and does not expect to be a PFIC for its current taxable year. However, we have not analysed our PFIC status for every prior taxable year and no assurances can be given that DSM was not a PFIC for any taxable year in which a U.S. holder may have held an interest in DSM Ordinary Shares. In addition, DSM's PFIC status for its current taxable year can only be determined after the end thereof, and therefore there is no assurance that DSM will not be a PFIC for the current taxable year. If DSM was a PFIC in any taxable year in a U.S. holder's holding period of DSM Ordinary Shares, under certain proposed Treasury Regulations (which have a retroactive effective date), a gain (but no loss) generally should be recognised in connection with the Exchange Offer notwithstanding the non-recognition rules under section 351(a) and/or section 368(a)(1)(B) described above to the extent that the fair market value of the DSM Ordinary Shares exceeds the U.S. holder's tax basis in the DSM Ordinary Shares. The gain will be taxed under the PFIC rules described below. U.S. holders are urged to consult their tax advisors regarding the PFIC rules and their application to the Exchange Offer.

Consequences of owning and disposing of the DSM-Firmenich Ordinary Shares

Passive Foreign Investment Company considerations relating to the Company

Based on the present nature of the Company's assets and income, the Company does not expect to be a PFIC for the current year or the foreseeable future. However, PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually and no assurances can be given that the Company would not become a PFIC in the future. If the Company is a PFIC in any taxable year that a U.S. holder of DSM-Firmenich Ordinary Shares is a shareholder, the Company generally will continue to be treated as a PFIC for that U.S. holder in all succeeding taxable years, regardless of whether the Company continues to meet the income or asset test described above.

If the Company were treated as a PFIC for any taxable year during which a U.S. holder held DSM-Firmenich Ordinary Shares, such U.S. holder would be subject to special tax rules with respect to any "excess distribution" received and any gain realised from a sale or other disposition (including a pledge) of DSM-Firmenich Ordinary Shares. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. holder's holding period for DSM-Firmenich Ordinary Shares will be treated as excess distributions. Under these special tax rules: (i) the excess distribution or gain will be allocated rateably over the U.S. holder's holding period for the DSM-Firmenich Ordinary Shares; (ii) the amount allocated to the current taxable year and any year before the Company became a PFIC will be treated as ordinary income; and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) will be imposed on the resulting tax attributable to each such year. A U.S. holder of DSM-Firmenich Ordinary Shares will generally be subject to similar rules with respect to distributions to the Company by, and dispositions by the Company of the stock of, any direct or indirect subsidiaries that are also PFICs, even though the U.S. holder will not receive the proceeds of those distributions or dispositions.

Certain elections may be available that would result in alternative treatments of the DSM-Firmenich Ordinary Shares in the event that the Company is a PFIC (such as a mark-to-market treatment). U.S. holders should consult their tax advisors with respect to the PFIC rules and whether any election would be available and, if so, what the consequences of the alternative treatment would be in their particular circumstances.

The remainder of this discussion assumes that the Company is not, and will not become, a PFIC.

Treatment of distributions

The gross amount of distributions (including for these purposes distributions based upon a capital reduction or reserves paid out of qualified capital contributions for Swiss withholding tax purposes) on the DSM-Firmenich Ordinary Shares (including any amounts withheld to reflect Swiss withholding taxes) will be taxable as dividends to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such income (including any withheld taxes) generally will be includable in gross income as ordinary income on the day actually or constructively received. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code. Subject to applicable limitations and requirements, dividends paid to certain non-corporate U.S. holders may be subject to a reduced rate of taxation as "qualified dividend income" if (i) the dividends are paid on DSM-Firmenich Ordinary Shares that have been held by the U.S. holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date, (ii) the Company qualifies for such reduced rate pursuant to the Treaty, which the Company expects to be the case provided that the DSM-Firmenich Ordinary Shares are treated as regularly traded on Euronext Amsterdam for purposes of the Treaty and (iii) the Company is not a PFIC for the taxable year of distribution or the preceding taxable year. Non-corporate U.S. holders should consult their own tax advisers regarding the availability of a reduced rate under their particular circumstances.

The Company does not expect to determine earnings and profits in accordance with U.S. federal income tax principles. Therefore, U.S. holders of DSM-Firmenich Ordinary Shares should expect that a distribution will generally be treated as a dividend.

The amount of any dividend paid in a non-U.S. currency will equal the U.S. dollar value of the amount received, calculated by reference to the exchange rate in effect on the date the dividend is received, regardless of whether the non-U.S. currency is converted into U.S. dollars. If the amount received as a dividend in non-U.S. currency is converted into U.S. dollars on the date it is received, a U.S. holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the amount received as a dividend in non-U.S. currency is not converted into U.S. dollars on the date of receipt, a U.S. holder of DSM-Firmenich Ordinary Shares will have a basis in the non-U.S. currency equal to their U.S. dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the non-U.S. currency generally will be treated as U.S. source ordinary income or loss.

Subject to certain conditions and limitations, Swiss withholding taxes on dividends may be treated as foreign taxes eligible for credit against, or deduction in computing, U.S. federal income tax liability under an applicable Treaty rate. For purposes of calculating the foreign tax credit, dividends paid on the DSM-Firmenich Ordinary Shares will be treated as income from sources outside the United States and will generally constitute passive category income. Recently issued Treasury Regulations impose additional requirements for investors not qualifying for Treaty benefits to permit any Swiss withholding taxes to be eligible for the foreign tax credit and no analysis has been undertaken regarding whether those requirements are satisfied. The rules governing the foreign tax credit are complex. Investors are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Treatment of sale or exchange

U.S. holders of DSM-Firmenich Ordinary Shares generally will recognise taxable gain or loss on any sale or exchange of the DSM-Firmenich Ordinary Shares in an amount equal to the difference between the amount realised for the DSM-Firmenich Ordinary Shares and their tax basis in the DSM-Firmenich Ordinary Shares. As discussed above, assuming that the Exchange Offer qualifies for treatment under section 351(a) or section 368(a)(1)(B) of the Code, a U.S. holder who receives DSM-Firmenich Ordinary Shares in the Exchange Offer generally should have the same tax basis as in the DSM Ordinary Shares that were exchanged unless DSM was a PFIC at any point during such U.S. holder's holding period, in which case under certain proposed Treasury Regulations (which have a retroactive effective date) such U.S. holder's tax basis would be adjusted to reflect any gain recognised in connection with the Exchange Offer. Such gain or loss will generally be capital gain or loss. Capital gains of certain non-corporate U.S. holders (including individuals) derived with respect to capital assets held for more than one year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by U.S. holders will generally be treated as U.S. source gain or loss. In addition, any foreign tax imposed on the sale or exchange of the DSM-Firmenich Ordinary Shares generally will not be eligible for any foreign tax credit, though any such foreign taxes may be deductible (subject to certain limitations) or be properly treated as reducing the amount realised on the sale or exchange. However, U.S. holders should consult their own tax advisers regarding the U.S. federal income tax consequences of any Swiss taxes withheld upon a repurchase or share buyback by the Company (which, for U.S. federal income tax purposes, may be treated either as a sale or a dividend, depending on the facts).

A U.S. holder of DSM-Firmenich Ordinary Shares that receives non-U.S. currency from a sale or disposition of DSM-Firmenich Ordinary Shares generally will realise an amount equal to the U.S. dollar value of the non-U.S. currency on the date of sale or disposition or, if such U.S. holder is a cash basis taxpayer, or an electing accrual basis taxpayer and the DSM-Firmenich Ordinary Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. For a U.S. holder that is an accrual basis taxpayer that does not so elect, such U.S. holder generally will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date.

If the non-U.S. currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. holder of DSM-Firmenich Ordinary Shares will not recognise foreign currency gain or loss on the conversion. If the non-U.S. currency received is not converted into U.S. dollars on the settlement date, the U.S. holder will have a basis in the non-U.S. currency equal to the U.S. dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-U.S. currency generally will be treated as ordinary income or loss to such U.S. holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Investors should consult their own tax advisers concerning any potential foreign currency gain or loss in connection with the sale or exchange of the DSM-Firmenich Ordinary Shares for a cash amount paid in Euro or other non-U.S. currency.

Consequences to Non-U.S. Holders

Subject to the backup withholding rules described below, a non-U.S. holder generally should not be subject to U.S. federal income or withholding tax on (i) the exchange of DSM Ordinary Shares for DSM-Firmenich Ordinary Shares (and cash in lieu of any fractional shares) pursuant to the Exchange Offer, (ii) any payments on the DSM-Firmenich Ordinary Shares or (iii) any gain from the sale, redemption or other disposition of the DSM-Firmenich Ordinary Shares, in each case unless: (1) the applicable income is effectively connected with the conduct by that non-U.S. holder of a trade or business in the U.S., and if required by an applicable income tax treaty, that income is attributable to a permanent establishment or fixed base that such non-U.S. holder maintains in the U.S.; or (2) in the case of any gain realised on any sale or exchange by an individual non-U.S. holder, that non-U.S. holder is present in the United States for 183 days or more in the taxable year of the sale or exchange and certain other conditions are met.

Backup withholding and information reporting

Information reporting may apply to amounts received pursuant to the Exchange Offer and to dividends in respect of the DSM-Firmenich Ordinary Shares and the proceeds from the sale, exchange or redemption of the DSM-Firmenich Ordinary Shares that are paid to holders within the United States (and in certain cases, outside the United States), unless a holder is an exempt recipient. Backup withholding may apply to such payments if a holder fails to provide a taxpayer identification number or certification of other exempt status or fails to otherwise comply with the backup withholding requirements. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's U.S. federal income tax liability provided the required information is timeously furnished to the IRS.

Certain U.S. holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The DSM-Firmenich Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the DSM-Firmenich Ordinary Shares are held in an account at certain financial institutions. U.S. holders are urged to consult their tax advisers regarding the application of these disclosure requirements and any other applicable reporting requirements to their ownership of the DSM-Firmenich Ordinary Shares.

16. RESTRICTIONS

The Exchange Offer is being made in and from the Netherlands with due observance of such statements, conditions and restrictions as are included in this Offering Circular. The Company reserves the right to accept any tender under the Exchange Offer, which is made by or on behalf of a DSM Shareholder, even if it has not been made in the manner set out in this Offering Circular.

The distribution of this Offering Circular and/or the making of the Exchange Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. In particular, subject to certain exceptions, this Offering Circular is not for general circulation in the United States. The Exchange Offer is not being made, and the DSM Ordinary Shares will not be accepted for purchase from or on behalf of any DSM Shareholder, in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offering Circular. Persons obtaining this Offering Circular are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of the Netherlands, no actions have been taken (nor will actions be taken) to make the Exchange Offer possible in any jurisdiction where such actions would be required. In addition, this Offering Circular has not been filed with nor recognised by the authorities of any jurisdiction other than the Netherlands. Neither the Company, nor DSM, nor Firmenich, nor any of their advisers accept any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offering Circular or any related document to any jurisdiction outside the Netherlands should carefully read this section and section 17 "*Important Information*" of this Offering Circular before taking any action. The release, publication or distribution of this Offering Circular and any documentation regarding the Exchange Offer, the making of the Exchange Offer or the issuance and offering of the DSM-Firmenich Ordinary Shares in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this Offering Circular comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

16.1 United States of America

Unless otherwise determined by the Company, the Exchange Offer is not being, and will not be, made, directly or indirectly, in or into or by the use of mails of, or by any other means (including without limitation of electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, and will not be capable of acceptance by any such use, means or facility or from within the United States, in each case, if doing so would violate the laws of that jurisdiction. Accordingly, unless otherwise determined by the Company, copies of this document and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from the United States and persons receiving such documents (including custodians, nominees and trustees) should observe these restrictions and must not mail, or otherwise forward, send or distribute any such documents in or into the United States, as doing so may invalidate any purported acceptance of the Exchange Offer. Notwithstanding the foregoing, the Company will retain the right to permit the Exchange Offer to be accepted and any sales of securities pursuant to the Exchange Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

The Exchange Offer is being made for securities of a Dutch company and is subject to Dutch disclosure requirements, which are different from those of the United States. The Exchange Offer is being made in compliance with the applicable U.S. tender offer rules set out in the U.S. Securities and Exchange Act of 1934, as amended (the **U.S. Exchange Act**) and the rules and regulations thereunder, including Regulation 14E, taking into account the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act for "Tier II" tender offers. Accordingly, the Exchange Offer is subject to disclosure requirements, including as to format and style, and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments which are different from those applicable under U.S. domestic tender offer law, procedures and practice, and certain rules applicable to tender offers made into the United States, including rules promulgated under Section 14(d) of the U.S. Exchange Act, do not apply. The financial information included in this document has been prepared in accordance with accounting standards applicable in the Netherlands or Switzerland, and accordingly may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

DSM, Firmenich, the Company or any entity acting in concert with any of them and any of their brokers (acting as agents for, or on behalf of, DSM, Firmenich, the Company or the entity acting in concert with any of them, as applicable) may, from time to time, purchase or make arrangements to purchase DSM Ordinary Shares or securities that are convertible into, exchangeable for or exercisable for DSM Ordinary Shares outside of the Exchange Offer after the date of this Offering Circular (including during the pendency of the Exchange Offer), including purchases in the open market at prevailing prices or in private transactions at negotiated prices, in each case, outside of the United States and to the extent permissible under law (including Rule 14e-5 under the U.S. Exchange Act). Any such purchases will not be made at prices higher than the Offer Consideration, unless the Offer Consideration is increased accordingly. Information about such purchases of DSM Ordinary Shares will be publicly disclosed, including in the United States, by means of a press release that will be made available on the website of the Company (www.creator-innovator.com). In addition, the financial advisers to DSM, Firmenich, DSM-Firmenich or any entity acting in concert with any of them may also engage in ordinary course trading activities in DSM Ordinary Shares, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about any such purchases or arrangements to purchase will be made public in the Netherlands in the manner required by Dutch law.

This Offering Circular does not constitute or form part of a public offer of securities in the United States or an offer to the public in the United States to acquire or exchange securities. Except where an applicable exemption is available, this Offering Circular does not constitute or form part of an offer of the DSM-Firmenich Ordinary Shares to any person with a registered address in, or who is resident or located in, or who is organised under the laws of, the United States (any such person, a **U.S. Person**).

The DSM-Firmenich Ordinary Shares to be issued pursuant to the Exchange Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or registered or qualified under any laws or with any securities regulatory authority of any state, district or other jurisdiction of the United States, and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state and other securities laws. There will be no public offer of any securities in the United States. Neither the U.S. Securities and Exchange Commission (the **SEC**), nor any U.S. state securities commission, has approved or disapproved of the DSM-Firmenich Ordinary Shares to be issued in connection with the Exchange Offer, or determined if this Offering Circular is accurate or complete. Any representation to the contrary is a criminal offense in the United States.

The receipt of DSM-Firmenich Ordinary Shares pursuant to the Exchange Offer by an Eligible U.S. holder of DSM Ordinary Shares is expected to be treated as a tax-free contribution as described in section 15.4 "*Federal taxation in the United States*" for U.S. federal income tax purposes. No opinion of counsel or ruling from the U.S. Internal Revenue Service (**IRS**) will be requested, however, and no assurance can be given that the IRS will not challenge such treatment. Each holder of DSM Ordinary Shares is urged to consult its independent professional advisor immediately regarding the tax consequences of accepting the Exchange Offer.

Unless otherwise determined by the Company, the Exchange Offer is not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of, interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States except to DSM Shareholders who (i) are "qualified institutional buyers" as such term is defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**, and each such person, a **QIB**) and (ii), to the Company's satisfaction (in its sole discretion), have duly completed and returned to the Company a letter confirming that it is a QIB and agreeing to certain transfer restrictions applicable to DSM-Firmenich Ordinary Shares (a **U.S. Investor Letter**) available from the Company (each an **Eligible U.S. Holder**). Accordingly, to be eligible to receive DSM-Firmenich Ordinary Shares under the Exchange Offer, each DSM Shareholder that is a U.S. Person and that is a QIB must make their acceptance known through their custodian, bank or stockbroker by executing and delivering a U.S. Investor Letter to such custodian or intermediary no later than 17:40 hours, CET, on the Acceptance Closing Date. The custodian, bank or stockbroker may set an earlier deadline for communication by DSM Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent (ABN AMRO) in a timely manner. Accordingly, Eligible U.S. Holders holding DSM Ordinary Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Offering Circular.

The form of U.S. Investor Letter will be distributed to custodians, nominees and other financial intermediaries to distribute to those they hold for in due course and is also available to QIBs from the Company. Any U.S. Person who is not a QIB, or in respect of whom no U.S. Investor Letter is received before 17:40 hours, CET, on the Acceptance Closing Date, will be a Restricted Shareholder and will be treated as set out under section 14.35 "*Notice to DSM Shareholders in certain jurisdictions*".

Any custodian, nominee or other financial intermediary holding DSM Ordinary Shares or American depositary receipts on behalf of any U.S. Person must either: (1) if such U.S. Person is a QIB and delivers an executed U.S. Investor Letter to it, with a copy to the Company, no later than 17:40 hours, CET, on the Acceptance Closing Date, accept DSM-Firmenich Ordinary Shares on behalf of such U.S. Person in the same manner as for any other DSM Shareholder that is not a Restricted Shareholder, or (2) if such U.S. Person is not a QIB or has not delivered an executed U.S. Investor Letter as contemplated above no later than 17:40 hours, CET, on the Acceptance Closing Date, transfer the DSM-Firmenich Ordinary Shares otherwise deliverable to such U.S. Person to the sales agent in accordance with the terms set out under section 14.35 "*Notice to DSM Shareholders in certain jurisdictions*" in the Offering Circular and not to such U.S. Person. With the exception of Eligible U.S. Holders, the Exchange Offer may not be accepted in or from the United States, by the use of the mails of the United States, or by any means or instrumentality (including, without limitation, telephonically or electronically) of, interstate or foreign commerce of, or of any facilities of a national securities exchange of the United States.

Unless the Company is satisfied (in its sole discretion) that DSM-Firmenich Ordinary Shares can be offered, sold and delivered to any relevant U.S. Person, pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, any relevant DSM Shareholder who validly accepts the Exchange Offer will not receive DSM-Firmenich Ordinary Shares and the DSM-Firmenich Ordinary Shares that would otherwise be issuable to such DSM Shareholder will instead be allotted, issued and delivered to a sales agent appointed by the Company to hold such DSM-Firmenich Ordinary Shares for such U.S. Person on the basis that such sales agent shall, as soon as reasonably practicable, sell the DSM-Firmenich Ordinary Shares so issued on behalf of such U.S. Person in open market or other transactions outside the United States pursuant to a centralised sales process and shall remit the cash proceeds thereof to such U.S. Person (net of any taxes) in accordance with the terms of the Exchange Offer. The sale of DSM-Firmenich Ordinary Shares by the sales agent may be subject to applicable fees and expenses which will be for the account of the Company.

Neither this document nor any related documents are being mailed or otherwise distributed or sent in or into the United States, except to QIBs. Persons receiving such documents other than QIBs (including, without limitation, custodians, depositaries, nominees and trustees) should disregard such documents and must not distribute or send them in, into or from the United States or to any U.S. Person, or use such mails or any such means, instrumentality or facilities for any purpose directly or indirectly in connection with the Exchange Offer, and so doing will render invalid any related purported acceptance. All persons other than Eligible U.S. Holders who wish to accept the Exchange Offer must provide addresses outside the United States for receipt of the consideration to which they are entitled under the Exchange Offer.

Each DSM Shareholder, other than any Eligible U.S. Holder, who tenders DSM Ordinary Shares under the Exchange Offer will be deemed to have represented, agreed and acknowledged that it has received a copy of this Offering Circular and that such tendering DSM Shareholder is outside the United States and that the Company and the Listing and Paying Agent and their respective affiliates may rely on the foregoing representations, agreements and acknowledgements.

The DSM-Firmenich Ordinary Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and accordingly, the DSM-Firmenich Ordinary Shares may not be reoffered, resold or transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The DSM-Firmenich Ordinary Shares are being offered outside the United States to non-U.S. persons in reliance on the exemption from registration provided by Regulation S of the U.S. Securities Act. The DSM-Firmenich Ordinary Shares may not be offered or sold within the United States except to QIBs.

The DSM-Firmenich Ordinary Shares to be issued pursuant to the Exchange Offer have not been and are not presently expected to be listed on any U.S. securities exchange or quoted on any inter-dealer quotation system in the United States. None of DSM, Firmenich or the Company presently intends to take any action to facilitate a market in such securities in the United States.

The Company is a company limited by shares (*Aktiengesellschaft*) incorporated and operating under the laws of Switzerland. Many of the proposed members of the Board of Directors are citizens of the Netherlands or Switzerland or other non-U.S. jurisdictions and are residents of countries other than the United States. In addition, many of the Company's material assets are located outside the U.S. As a result, it may be difficult for investors to effect service of process within the United States upon the Company directors or to otherwise compel the Company, DSM, Firmenich and their respective directors, officers and affiliates to subject themselves to the jurisdiction and judgment of a United States court. It may not be possible to sue the Company or DSM or Firmenich, or any of their respective directors, officers or affiliates, in a non-U.S. court for violations of U.S. securities laws. There is doubt as to the enforceability in the Netherlands and Switzerland, in original actions or in actions for enforcement of judgments of the U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

17. IMPORTANT INFORMATION

17.1 General

This Offering Circular contains and incorporates important information that should be read carefully before any DSM Shareholder makes a decision to tender DSM Ordinary Shares under the Exchange Offer. DSM Shareholders should ensure that they read the whole of this Offering Circular and not just rely on key information or information summarised within it. DSM Shareholders are advised to seek independent professional advice where necessary.

In addition, section 15 "*Material Tax Considerations*" of this Offering Circular only contains a summary of material Dutch, Swiss and U.S. Federal tax considerations (i) in connection with the disposal of DSM Ordinary Shares under the Exchange Offer or the potential Buy-Out or Post-Offer Merger and Liquidation, and (ii) with respect to the acquisition, holding, redemption and disposal of DSM-Firmenich Ordinary Shares. Section 15 "*Material Tax Considerations*" of this Offering Circular does not purport to be a comprehensive description of all the tax considerations that may be relevant for a particular holder of DSM Ordinary Shares or DSM-Firmenich Ordinary Shares in those respects, some of which may be subject to special rules. In addition, it does not intend to be applicable with regard to all categories of holders of DSM Ordinary Shares or DSM-Firmenich Ordinary Shares. Shareholders should consult their professional tax advisor with respect to the tax consequences in their particular situation of the disposal of their DSM Ordinary Shares under the Exchange Offer or in connection with the possible implementation of the Buy-Out or the Post-Offer Merger and Liquidation and with respect to the tax consequences in their particular situation of the acquisition, holding, redemption and disposal of the DSM-Firmenich Ordinary Shares.

In particular, the DSM-Firmenich Ordinary Shares to be issued in connection with the Merger have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act.

The Company does not undertake to update this Offering Circular unless required pursuant to applicable law and regulation. Please refer to section 17.19 "*Supplements*". Therefore the DSM Shareholders and other prospective investors may not assume that the information in this Offering Circular is accurate as at any date other than the date of this Offering Circular. The Company, however, reserves the right to provide updates in relation to the information included in this Offering Circular by means of a press release to be published on the website of DSM-Firmenich (www.creator-innovator.com), to the extent that no supplement is required under applicable law and regulation.

No person is or has been authorised to give any information or to make any representation in connection with the Exchange Offer and Merger, other than as contained in this Offering Circular. If any information or representation not contained in this Offering Circular is given or made, the information or representation must not be relied upon as having been authorised by the Company or its Directors or any of their respective affiliates or representatives.

Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the Netherlands should seek appropriate advice before taking any action. The distribution of this Offering Circular and any accompanying documents into jurisdictions other than the Netherlands may be restricted by law. Any person not in the Netherlands into whose possession this Offering Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Company does not accept any responsibility for any violation by any persons of any of such restrictions.

This Offering Circular is governed by Dutch law and must be read and interpreted in accordance therewith. Any dispute arising in connection with this Offering Circular will be subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

On 22 November 2022, this Offering Circular has been approved as a prospectus for the purposes of the Prospectus Regulation and as an offer memorandum under Article 5:76 of the Wft by, and filed with, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as competent authority under the Prospectus Regulation and the Wft. The AFM's address is Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands. Its telephone number is +31 (0)20 797 2000 and its website is www.afm.nl. As to the prospectus approval, the AFM only approves this Offering Circular as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Offering Circular, nor of DSM, Firmenich or the Company. Investors should make their own assessment as to the suitability of investing in the DSM-Firmenich Ordinary Shares.

17.2 Information for Eligible U.S. Holders

The Exchange Offer relates to the shares of a Dutch company. Accordingly, the Exchange Offer is subject to the disclosure and procedural requirements and practices applicable in the Netherlands, which differ from those of the United States.

The Exchange Offer is being made in compliance with section 14(e) of the U.S. Exchange Act of 1934, as amended (the **U.S. Exchange Act**) and the rules and regulations promulgated thereunder, including Regulation 14E, taking into account the exemption provided by Rule 14d-1(d) under the U.S. Exchange Act, known as the "Tier II" exemption, and otherwise in accordance with the requirements of Dutch law. Accordingly, the Exchange Offer is subject to disclosure requirements, including as to format and style, and other procedural requirements (including with respect to the Exchange Offer timetable, withdrawal rights, waiver of conditions, settlement procedures and timing of payments) of the Netherlands which are different from those applicable under U.S. domestic tender offer law, procedures, and practice, and certain rules applicable to tender offers made into the United States, including rules promulgated under section 14(d) of the U.S. Exchange Act, do not apply.

The Company is a company limited by shares (*Aktiengesellschaft*) incorporated and operating under the laws of Switzerland. Many of the proposed members of the Board of Directors are citizens of the Netherlands or Switzerland or other non-U.S. jurisdictions and are residents of countries other than the United States. In addition, many of the Company's material assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company directors or to otherwise compel the Company, DSM, Firmenich and their respective directors, officers and affiliates to subject themselves to the jurisdiction and judgment of a United States court. It may not be possible to sue the Company or DSM or Firmenich, or any of their respective directors, officers or affiliates, in a non-U.S. court for violations of U.S. securities laws. There is doubt as to the enforceability in the Netherlands and Switzerland, in original actions or in actions for enforcement of judgments of the U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

DSM, Firmenich, the Company or any entity acting in concert with any of them and any of their brokers (acting as agents for, or on behalf of, DSM, Firmenich, the Company or the entity acting in concert with any of them, as applicable) may, from time to time, purchase or make arrangements to purchase DSM Ordinary Shares or securities that are convertible into, exchangeable for or exercisable for DSM Ordinary Shares outside of the Exchange Offer after the date of this Offering Circular (including during the pendency of the Exchange Offer), including purchases in the open market at prevailing prices or in private transactions at negotiated prices, in each case, outside of the United States and to the extent permissible under law (including Rule 14e-5 under the U.S. Exchange Act). Any such purchases will not be made at prices higher than the Offer Consideration, unless the Offer Consideration is increased accordingly. Information about such purchases of DSM Ordinary Shares will be publicly disclosed, including in the United States, by means of a press release that will be made available on the website of DSM-Firmenich (www.creator-innovator.com). In addition, the financial advisers to DSM, Firmenich, the Company or any entity acting in concert with any of them may also engage in ordinary course trading activities in DSM Ordinary Shares, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about any such purchases or arrangements to purchase will be made public in the Netherlands in the manner required by Dutch law.

The financial information included in this document has been prepared in accordance with accounting standards applicable in the Netherlands or Switzerland, and accordingly may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. None of the financial information in this Offering Circular has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

Neither the SEC nor any U.S. state securities commission or other regulatory authority of any jurisdiction in the United States has approved or disapproved the Exchange Offer, passed upon the fairness or merits of the Exchange Offer or passed upon the accuracy or completeness of this Offering Circular or any other documents regarding the Exchange Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

17.3 Information for DSM Shareholders in Australia, Japan and Canada

Australia

This Offering Circular and the Exchange Offer is only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (Cth) (**Corporations Act**), including to beneficial owners of DSM Ordinary Shares under ASIC Corporations (Foreign Scrip Bids) Instrument 2015/357. This Offering Circular is not a prospectus, product disclosure statement or any other form of "disclosure document" for the purposes of the Corporations Act and is not required to, and does not contain all the information which would be required in a disclosure document under the Corporations Act.

The persons referred to in this document do not hold Australian financial services licences and are not licensed to provide financial product advice in relation to the DSM-Firmenich Ordinary Shares. No "cooling-off" regime will apply to an acquisition of the DSM-Firmenich Ordinary Shares. This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of the DSM-Firmenich Ordinary Shares is appropriate in light of your own financial circumstances or seek professional advice.

Japan

Solicitation for subscription (as defined under Paragraph 2, Article 4 of the Financial Instruments and Exchange Act (the **FIEA**)) to the DSM-Firmenich Ordinary Shares by means of the Exchange Offer constitutes a solicitation to small number offerees (as defined under Paragraph 4, Article 23-13 of the FIEA) and therefore no securities registration statements pursuant to Paragraph 1, Article 4 of the FIEA has been filed in relation to the solicitation for subscription to the DSM-Firmenich Ordinary Shares.

Canada

This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of securities in Canada. No Canadian securities regulatory authority has expressed an opinion about the DSM-Firmenich Ordinary Shares and it is an offence to claim otherwise.

The distribution of the DSM-Firmenich Ordinary Shares in Canada pursuant to the Exchange Offer is being made on a private placement basis exempt from the requirement that the Company prepares and files a prospectus with the applicable Canadian securities regulatory authorities. The Company is not a reporting issuer in any province or territory in Canada, the DSM-Firmenich Ordinary Shares are not listed on any stock exchange in Canada and there is currently no public market for the DSM-Firmenich Ordinary Shares in Canada. The Company currently has no intention of becoming a reporting issuer in Canada, filing a prospectus with any securities regulatory authority in Canada to qualify the resale of the DSM-Firmenich Ordinary Shares to the public in Canada, or listing the DSM-Firmenich Ordinary Shares on any stock exchange in Canada. Accordingly, to be made in accordance with Canadian securities laws, any resale of the DSM-Firmenich Ordinary Shares issued hereunder in Canada must be made under available statutory exemptions from registration and prospectus requirements or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Canadian holders are advised to seek legal advice prior to any resale in Canada of the DSM-Firmenich Ordinary Shares received pursuant to the Exchange Offer.

17.4 Presentation of financial information, independent auditors and other information

The information included in this Offering Circular reflects the situation as at the date of this Offering Circular, unless specified otherwise. Neither the issue nor the distribution of this Offering Circular shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Offering Circular or that there has been no change in the information set out in this Offering Circular or in the affairs of the Company, DSM or Firmenich since the date of this Offering Circular. The foregoing does not affect the obligation of the Company, DSM and Firmenich, each insofar as it concerns them, to make a public announcement pursuant to, respectively, Article 4, paragraphs 1 and 3 of the Decree and Article 17 of the Market Abuse Regulation, if applicable.

The Company was incorporated on 16 May 2022 to be the holding company of DSM and Firmenich following the Firmenich Contribution and currently does not have any operational activities. The Company's only activity since its incorporation was (i) the receipt of CHF 100,000 as cash on the balance sheet as a payment on the 100,000 fully paid-up registered shares with a par value of CHF 1.00 each and (ii) the approval of and entering into the documentation in relation to the Transactions. Consequently, at the date of this Offering Circular, there is no historical (consolidated) financial information with respect to the Company. DSM, which will be a direct subsidiary of the Company as of the Settlement Date, has been the holding company of the DSM Business from the start of its operations. Firmenich, which will be a direct subsidiary of the Company as of the Firmenich Contribution Date, has been the holding company of the Firmenich Business from the start of its operations. Consequently, the Company has included selected (historical) financial information of DSM and Firmenich in this Offering Circular, which the Company believes provides more meaningful comparisons.

The DSM Shareholders and other prospective investors are reminded that Firmenich's consolidated financial statements cover the periods from 1 July to 30 June of the relevant financial periods. The financial information of Firmenich as included in this Offering Circular therefore relates to a different financial period than the financial information of DSM as included in this Offering Circular, which financial information relates to the period from 1 January to 31 December of the relevant financial periods.

The selected consolidated financial information of DSM (as included in section 7 "*Selected Consolidated Financial Information of DSM*") is derived from the DSM Annual Financial Statements and the DSM HY 2022 Financial Statements and should be read in conjunction with the DSM Annual Financial Statements and the DSM HY 2022 Financial Statements. The DSM Financial Statements are prepared in accordance with EU-IFRS and Part 9 of Book 2 of the DCC. The consolidated financial statements as of 31 December 2021 and the consolidated financial statements as of 31 December 2020, as incorporated herein, have been audited by KPMG NL, an independent auditor located at Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands, as stated in the reports incorporated by reference herein. With respect to the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022, KPMG NL have reported that they applied limited procedures in accordance with professional standards for a review of such information. Their report states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. The auditor signing the auditor's reports on behalf of KPMG NL is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The DSM Financial Statements, including the auditor's and review reports thereon, as the case may be, can be found on its website (www.dsm.com).

On 1 November 2022, DSM published a press release containing the DSM Q3 2022 Release. The DSM Q3 2022 Release is not audited or reviewed by an independent accountant. The DSM Q3 2022 Release is incorporated by reference in, and forms part of, the Offering Circular. The DSM Q3 2022 Release may be obtained in electronic form free of charge from DSM's website at https://www.dsm.com/corporate/news/news-archive/2022/q3-2022-

trading-update.html. There have been no significant changes in the financial position of DSM since the DSM Q3 2022 Release.

On 22 November 2022, Firmenich published the Firmenich Trading Update. The Firmenich Trading Update is not audited or reviewed by an independent accountant. The Firmenich Trading Update is incorporated by reference in, and forms part of, the Offering Circular. The Firmenich Trading Update may be obtained in electronic form free of charge from Firmenich’s website.

The selected consolidated financial information of Firmenich (as included in section 9 "*Selected Consolidated Financial Information of Firmenich*") is that of Firmenich and its consolidated subsidiaries. The selected consolidated financial information should be read in conjunction with the consolidated financial statements of Firmenich for the financial years ended 30 June 2022, 2021 and 2020. The selected consolidated financial information of Firmenich is derived from Firmenich's consolidated financial statements (that were included in the annual reports of Firmenich), which have been audited by KPMG SA, Firmenich's independent auditor for the financial years ended 30 June 2022, 2021 and 2020. Firmenich's annual reports can be found on its website (www.firmenich.com). The consolidated financial statements from which the selected consolidated financial information of Firmenich has been derived were prepared in accordance with IFRS-IASB and Swiss law.

No person other than the Company, DSM and Firmenich, and without prejudice to the independent auditor's reports issued by KPMG NL and KPMG SA included in this Offering Circular and the Fairness Opinions rendered by Centerview and J.P. Morgan, is authorised to provide any information or to make any statements on behalf of the Company, DSM or Firmenich in connection with the Exchange Offer or the information contained in this Offering Circular. If any such information or statement is provided or made by parties other than the Company, DSM or Firmenich such information or statements must not be relied upon as having been provided by or made by or on behalf of the Company, DSM or Firmenich. Any information or representation not contained in this Offering Circular or in press releases by the Company, DSM or Firmenich must not be relied upon as having been provided or made by or on behalf of the Company, DSM or Firmenich.

ABN AMRO has been engaged by the Company as Settlement Agent for the Exchange Offer, upon the terms and subject to the conditions set out in an engagement letter between the Settlement Agent and the Company. Neither the Settlement Agent nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offering Circular or for any other statements made or purported to be made either by itself or on its behalf in connection with the Exchange Offer set forth in this Offering Circular. Accordingly, the Settlement Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Offering Circular and or any such other statements.

17.5 Unaudited Pro Forma Combined Financial Information

The Unaudited Pro Forma Combined Financial Information included in section 5 "*Unaudited Pro Forma Combined Financial Information*" has been prepared using the audited historical consolidated financial information of DSM for the year ended 31 December 2021, the audited historical consolidated financial information of Firmenich for the financial year ended 30 June 2021, and the unaudited interim consolidated financial statements of Firmenich for the six months ended 31 December 2021. The Unaudited Pro Forma Combined Financial Information included in section 5 "*Unaudited Pro Forma Combined Financial Information*" has been prepared using the unaudited condensed consolidated interim financial statements of DSM for the six months ended 30 June 2022 and the audited historical consolidated financial information of Firmenich as of and for the year ended 30 June 2022.

The Unaudited Pro Forma Combined Financial Information is for illustrative purposes only. Because of its nature, the Unaudited Pro Forma Combined Financial Information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of the Company. Future results of operations may differ materially from those presented in the Unaudited Pro Forma Combined Financial Information due to various factors.

17.6 Non-IFRS financial measures

DSM, Firmenich and the Company each present certain financial measures and ratios which are not recognised measures of financial performance or liquidity under EU-IFRS or IFRS-IASB, as the case may be. For DSM, these are explained in section 8.8 "*Non-IFRS financial measures*". For Firmenich, these are explained in section 10.4 "*Non-IFRS financial measures*". For the Company, these are explained in section 3.5 "*Medium-term objectives of DSM-Firmenich*" and these are referred to as combined figures and calculated by adding the non-IFRS measures of DSM and Firmenich for the relevant period, excluding any pro-forma adjustment for synergies and other pro-forma adjustments. As Firmenich's regular financial year ends on 30 June, the combined non-IFRS measures have been calculated by using the Firmenich financials for the six months ended 30 June for the relevant period and the Firmenich unaudited interim consolidated financial statements for the six months ended 31 December of the relevant period, which have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Firmenich's consolidated financial statements for the year ended 30 June of the relevant period. Firmenich's results have been converted from CHF to EUR using a single Foreign Exchange rate (calendar year 2021 average EUR to CHF of 1.081) for purposes of translation only.

For the Company, Adjusted EBITDA is considered to be a useful metric for evaluating the future performance of the Company as it facilitates comparison of the Company's core operating results from period to period by removing the impact of, among other things, its capital structure, asset base, tax consequences and other specified adjustments not directly resulting from DSM's core operations. The Adjusted EBITDA of DSM-Firmenich is defined as Operating Profit before depreciation, amortisation and impairments, adjusted for material items of profit/loss following acquisitions/divestments, restructurings and other circumstances not linked to the ordinary course of business that the management of DSM-Firmenich deemed necessary to adjust in order to provide clear reporting on the development of the business of DSM-Firmenich.

For the Company, Net debt is considered to be a useful metric because it reflects the Company's financial risk. The Net debt of DSM-Firmenich is defined as the total of current and non-current borrowings less cash and cash equivalents, current investments and the net position of derivatives.

For the Company, the Net debt/Adjusted EBITDA ratio is considered to be a useful metric because it reflects the Company's ability to repay its net debt from its operating results.

For the Company, the Adjusted EBITDA Margin is considered to be a useful metric for evaluating the future performance of the Company. It facilitates comparison of the Company's core operating results from period to period by removing the impact of, among other things, its capital structure, asset base, tax consequences and other specified adjustments not directly resulting from the Company's core operations, relative to its net sales on a consistent basis, which is relevant as an internal key performance indicator and for investors. The Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by net sales.

DSM-Firmenich expects to use the same APMs as currently used by DSM, which will annually be presented in DSM-Firmenich's annual report. If the Company decides to change the APMs at any point in time after Completion, this will be disclosed as appropriate in the Company's regular reporting in accordance with legal requirements and market practice.

The presentation of the non-IFRS measures herein should not be construed as an implication that the Company's future results will be unaffected by exceptional or non-recurring items. In making an investment decision, investors must rely upon their own examination of the terms of the Transactions and the financial information contained herein. Investors should consult their own professional advisors for an understanding of the differences between, on the one hand, EU-IFRS or IFRS-IASB, as the case may be, and on the other hand, U.S. GAAP, and how those differences could affect the financial information contained herein.

17.7 No profit forecasts or estimates

No statement in this Offering Circular is intended to be or is to be construed as a profit forecast or estimate for any period other than explicitly stated otherwise and no other statement in the Offering Circular should be interpreted to mean that earnings or earnings per share for the Company for the current or future financial years, or those of DSM and/or Firmenich would necessarily match or exceed the historical published earnings or earnings per share for the Company.

17.8 Information regarding forward-looking statements

Certain statements in this Offering Circular other than statements of historical facts are forward-looking statements. In particular, this Offering Circular contains forward-looking statements under the following headings: section 13 "*The Merger*" regarding DSM-Firmenich's strategy, targets, expectations, objectives, future plans and other future events or prospects and section 5 "*Unaudited Pro Forma Combined Financial Information*". These forward-looking statements are based on the Company's current beliefs and projections and on information currently available to the Company. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond DSM-Firmenich's control and all of which are based on its current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believe", "expect", "may", "will", "seek", "would", "could", "should", "intend", "estimate", "plan", "assume", "predict", "anticipate", "annualised", "goal", "target", "potential", "continue", "hope", "objective", "position", "project", "risk" or "aim" or the highlights or negatives thereof or other variations thereof or comparable terminology, or by discussions of DSM-Firmenich's strategy, short-term and mid-term objectives and future plans that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Except as required by applicable law, the Company does not undertake and it expressly disclaims any duty to update or revise publicly any forward-looking statement in this Offering Circular, whether as a result of new information, future events or otherwise. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the Directors in office at the time of this Offering Circular and the Company's management, public statements made by it, present and future business strategies and the environment in which DSM-Firmenich will operate in the future. By their nature, they are subject to known and unknown risks and uncertainties, which could cause DSM-Firmenich's actual results and future events to differ materially from those implied or expressed by forward-looking statements. Risks that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Offering Circular include those described under section 2 "*Risk Factors*".

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of the Directors in office at the time of this Offering Circular and its management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors. The DSM Shareholders and other prospective investors are advised to read section 2 "*Risk Factors*" for a more complete discussion of the factors that could affect the DSM-Firmenich's future performance and the industry in which DSM-Firmenich operates. Should one or more of these risks or uncertainties materialise, or should any of the assumptions underlying the above or other factors prove to be incorrect, DSM-Firmenich's actual results of operations or future financial condition could differ materially from those described herein as currently anticipated, believed, estimated or expected. In light of the risks, uncertainties and assumptions underlying the above factors, the forward-looking events described in this Offering Circular may not occur or be realised. Additional risks not known to the Company or that the Company does not currently consider material could also cause the forward-looking events discussed in this Offering Circular not to occur.

17.9 Working capital statement

In the Company's opinion, the working capital of each of DSM-Firmenich, the DSM Group and the Firmenich Group, before as well as after Completion, is sufficient for its present requirements (that is for at least 12 months after the date of this Offering Circular).

17.10 Rounding and negative amounts

Certain figures in this Offering Circular, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. In tables, negative amounts are shown between parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

In preparing the financial information included in this Offering Circular, most numerical figures are presented in millions of Euros or Swiss Francs, as the case may be. For the convenience of the reader of this Offering Circular, certain numerical figures in this Offering Circular are rounded to one decimal point. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (for example as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Offering Circular are derived directly from the financial information included elsewhere in this Offering Circular. Such percentages may be computed on the numerical figures expressed in millions of Euros or Swiss Francs, as the case may be, rounded to the nearest hundred thousand. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Offering Circular.

17.11 Currency

In this Offering Circular, unless otherwise indicated: all references to the "EU" are to the European Union; all references to "Euro" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time; all references to the "United States" or the "U.S." are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; all references to "USD" or "U.S. dollars" are to the lawful currency of the United States. All references to "CHF" are to the lawful currency of Switzerland.

17.12 Market and industry data

All references to market share, market data, industry statistics and industry forecasts in this Offering Circular consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of the Company's and its Director's own assessment of DSM-Firmenich's sales and markets.

This Offering Circular contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to DSM-Firmenich's business and markets. The information in this Offering Circular that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Offering Circular, the source of such information has been identified.

In this Offering Circular, certain statements are made regarding DSM-Firmenich's future competitive and market position. The Company and the Directors in office at the time of this Offering Circular believe these statements to be true, based on market data and industry statistics, but has not independently verified the information. The Company and the Directors in office at the time of this Offering Circular cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, DSM-Firmenich's competitors may define their markets and their own relative positions in these markets differently than the Company does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with its figures.

17.13 Responsibility for information

This Offering Circular is made available by the Company and the Company accepts full responsibility for the information provided in this Offering Circular. The Company declares that to the best of its knowledge, the information contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect its import.

17.14 Language

This Offering Circular is published in the English language. A Dutch language summary is attached to this Offering Circular which, in accordance with the Decree, relates to the information on the Exchange Offer as required by the Decree. In the event of any differences, whether or not in interpretation, between the English text of this Offering Circular and the Dutch language summary of this Offering Circular, the English text of this Offering Circular shall prevail.

17.15 Governing law

This Offering Circular and the Exchange Offer are, and any acceptance, tender, contribution, purchase or transfer (levering) of Tendered Shares will be, governed by and construed in accordance with the laws of the Netherlands.

The District Court of Amsterdam (*rechtbank Amsterdam*), the Netherlands, and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offering Circular, the Exchange Offer and/or any acceptance, tender, contribution, purchase or transfer (levering) of shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offering Circular, the Exchange Offer and/or any acceptance, tender, contribution, purchase or transfer (levering) of shares must be brought exclusively in such courts.

17.16 Available information

Subject to any applicable securities laws, copies of the following documents will be available and can be obtained free of charge from DSM-Firmenich's website (www.creator-innovator.com):

(a) this Offering Circular;

(b) the DSM Circular;

(c) the Articles of Association (in German and an unofficial English translation); and

(d) the Organisational Regulations.

17.17 Incorporation by reference

The following information is incorporated by reference and, as such, forms part of this Offering Circular:

(a) the Articles of Association (in German and an unofficial English translation);

(b) the audited historical consolidated financial statements of DSM for the years ended 31 December 2021, 31 December 2020 and 31 december 2019 including the auditor's reports thereon;

(c) the DSM HY 2022 Financial Statements and the review report thereon;

(d) Firmenich's consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020, including the auditor's reports thereon;

(e) Firmenich's interim consolidated financial statements for the six months ended 31 December 2021 and 2020;

(f) the DSM Q3 2022 Release;

(g) the Firmenich Trading Update; and

(h) Report of the independent auditor pursuant to the Dutch public offer rules, in particular paragraph 2.2 of Annex B to the Dutch Public Offers Decree. The procedures performed in respect of the report have not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

The above mentioned documents may be obtained in electronic form free of charge from the respective websites which can be accessed through the links listed above.

17.18 No incorporation of website or other hyperlinks

The information available on DSM-Firmenich's, DSM's and Firmenich's website is not incorporated by reference in this Offering Circular and has not been scrutinised or approved by the AFM. The same applies to information available through other hyperlinks mentioned in this Offering Circular, except for those hyperlinks relating to information incorporated by reference.

17.19 Supplements

If a significant new factor, material mistake or inaccuracy relating to the information included in this Offering Circular that could influence the assessment of the Exchange Offer, arises or is noted between the date of this Offering Circular and the final Settlement Date, a supplement to this Offering Circular will be published in accordance with relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by the AFM in accordance with Article 23 of the Prospectus Regulation and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference in such supplement) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document that is incorporated by reference. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Offering Circular.

17.20 Enforceability of civil liabilities

The ability of certain persons in jurisdictions other than the Netherlands to bring an action against the Company may be limited under applicable laws and regulations. The Company is organised under the laws of Switzerland and its jurisdiction of incorporation is Switzerland. As a result, a judgment obtained in courts outside of Switzerland against the Company can only be recognised and enforced in courts of Switzerland in accordance with, and subject to the requirements of, either applicable international treaties or the Swiss Private International Law Act (the **PILA**).

With respect to the Netherlands, or other EU member states, judgements in civil and commercial matters may generally be recognised or enforced in Switzerland based on the Convention on Jurisdiction and Enforcement of

Judgments in Civil and Commercial Matters dated 30 October 2007 (the **Lugano Convention**), provided that the conditions for recognition and enforceability, respectively, under the Lugano Convention are met.

With certain other countries, Switzerland does not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. The recognition and enforcement of a judgment of the courts of such jurisdictions in Switzerland are governed by the principles set forth in the PILA. The PILA provides in principle that a judgment rendered by a non-Swiss court may be enforced in Switzerland only if:

- the non-Swiss court had jurisdiction pursuant to the PILA;
- the judgment of such non-Swiss court has become final and non-appealable;
- the judgment does not contravene Swiss public policy;
- the court procedures and the service of documents leading to the judgment were in accordance with the due process of law; and
- no proceeding involving the same position and the same subject matter was first brought in Switzerland, or adjudicated in Switzerland, or was earlier adjudicated in a third state and this decision is recognisable in Switzerland.

Consequently, it may not be possible for investors to effect service of process within non-Swiss jurisdictions upon the Company or its corporate bodies or to enforce against them judgments obtained in non-Swiss courts, including judgments in actions predicated upon the civil liability provisions of non-Swiss securities laws. The Company has been advised by its Swiss counsel that there is doubt as to the enforceability in Switzerland of original actions, or in actions for enforcement of judgments of non-Swiss courts, of civil liabilities to the extent predicated upon non-Swiss securities laws.

17.21 Financial advisers

Centerview is a securities firm engaged directly and through affiliates and related persons in a number of investment banking, financial advisory and merchant banking activities. Centerview has in the past two and a half years been engaged to provide financial advisory services to DSM, including in connection with certain strategic matters.

J.P. Morgan is a securities firm and during the last two and a half years, J.P. Morgan and its affiliates have had commercial or investment banking relationships with DSM. In addition J.P. Morgan's commercial banking affiliate is a lender under outstanding credit facilities of DSM and J.P. Morgan and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of DSM. In the ordinary course of J.P. Morgan's businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of DSM and Firmenich for its own account or for the accounts of customers, and, accordingly, may at any time hold long or short positions in such securities.

Centerview and J.P. Morgan are each acting as financial adviser to DSM in connection with the Transactions and the Exchange Offer and to no one else. Centerview and J.P. Morgan will not regard any other person (whether or not a recipient of this Offering Circular) as a client in relation to the Transactions or the Exchange Offer or any other matter referred to in this Offering Circular and will not be responsible to anyone other than DSM for providing the protections afforded to the clients of Centerview and J.P. Morgan or any of their affiliates, nor for providing advice in relation to the Transactions and the Exchange Offer or any other matter referred to in this Offering Circular. Centerview and J.P. Morgan have given and have not withdrawn their written consent to the references to their name in the form and context in which it appears in this Offering Circular.

Goldman Sachs is acting as financial adviser to Firmenich in connection with the Transactions and the Exchange Offer and to no one else. Goldman Sachs will not regard any other person (whether or not a recipient of this

Offering Circular) as a client in relation to the Transactions or the Exchange Offer or any other matter referred to in this Offering Circular and will not be responsible to anyone other than Firmenich for providing the protections afforded to the clients of Goldman Sachs or any of their affiliates, nor for providing advice in relation to the Transactions and the Exchange Offer or any other matter referred to in this Offering Circular. Goldman Sachs has given and has not withdrawn its written consent to the references to their name in the form and context in which it appears in this Offering Circular.

17.22 Definitions

Certain terms used in this Offering Circular are defined in section 19 "*Defined Terms*".

18. DUTCH LANGUAGE SUMMARY

Dit hoofdstuk is de Nederlandstalige samenvatting van de informatie uit dit Offering Circular waarvan openbaarmaking onder het Besluit openbare biedingen Wft (**Bob**) vereist is en welke relevant is in het kader van het in dit Offering Circular vervatte biedingsbericht, ter zake van het Ruilbod dat door Danube AG, welke vennootschap zal worden hernoemd tot DSM-Firmenich AG (de **Vennootschap**) is uitgebracht op alle 174,786,029 gewone aandelen in het geplaatste en uitstaande kapitaal van DSM (de **DSM Gewone Aandelen**) met inachtneming van de voorwaarden zoals beschreven in dit hoofdstuk.

De gedefinieerde termen in dit hoofdstuk hebben de betekenis die daaraan is gegeven in hoofdstuk 18.2 "*Nederlandse definities*". Deze Nederlandstalige samenvatting maakt deel uit van hoofdstuk 14 "*The Exchange Offer*" van dit Offering Circular, maar vervangt dit Offering Circular en het voornoemde hoofdstuk niet. Deze Nederlandstalige samenvatting is niet volledig en bevat niet alle informatie die voor de DSM Aandeelhouders van belang kan zijn om een afgewogen oordeel te kunnen vormen over het Ruilbod.

Deze Nederlandstalige samenvatting is slechts een samenvatting en het lezen van deze Nederlandstalige samenvatting mag niet worden beschouwd als alternatief voor het bestuderen van dit volledige Offering Circular, in het bijzonder hoofdstuk 14 "*The Exchange Offer*". DSM Aandeelhouders worden geadviseerd dit volledige Offering Circular (inclusief alle documenten die daarin door middel van verwijzingen (*incorporation by reference*) zijn opgenomen) zorgvuldig door te lezen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen en goed geïnformeerd oordeel te kunnen vormen omtrent het Ruilbod. Daarnaast worden DSM Aandeelhouders geadviseerd een onafhankelijke professionele adviseur te raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van DSM Gewone Aandelen onder het Ruilbod.

Waar deze Nederlandstalige samenvatting afwijkt van de Engelse tekst in hoofdstuk 14 "*The Exchange Offer*" in dit Offering Circular, prevaleert de Engelse tekst.

18.1 Restricties en belangrijke informatie

Het uitbrengen van het Ruilbod, de algemeenverkrijgbaarstelling van deze Offering Circular, inclusief deze Nederlandstalige samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Ruilbod, kan in bepaalde jurisdicties aan restricties onderhevig zijn. Zie de hoofdstukken 16 "*Restrictions*" en 17 "*Important Information*".

Het Ruilbod wordt gedaan in en vanuit Nederland met inachtneming van de verklaringen, voorwaarden en beperkingen opgenomen in dit Offering Circular. De Vennootschap behoudt zich het recht voor om in het kader van het Ruilbod de door of namens een DSM Aandeelhouder gedane aanmelding van DSM Gewone Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in dit Offering Circular.

De verspreiding van dit Offering Circular en/of het uitbrengen van het Ruilbod in andere jurisdicties dan Nederland kan bij wet beperkt en/of verboden zijn. Het Ruilbod wordt niet uitgebracht in, en mag niet worden aanvaard door of namens DSM Aandeelhouders vanuit een jurisdictie waarin het uitbrengen van het Ruilbod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving, of waneer de regelgeving van een dergelijke jurisdictie enige registratie, goedkeuring of indiening bij een toezichthoudende instantie zou vereisen welke niet uitdrukkelijk wordt overwogen in dit Offering Circular. Personen die dit Offering Circular verkrijgen, zijn gehouden kennis te nemen van zulke beperkingen en alle noodzakelijke autorisaties, goedkeuringen of toestemmingen te verkrijgen (voor zover van toepassing). Buiten Nederland zijn er geen acties ondernomen (en zullen er ook geen acties worden ondernomen) om het Ruilbod mogelijk te maken in enige jurisdictie waar dergelijke acties vereist zouden zijn. Daarnaast is dit Offering Circular niet ingediend bij of erkend door de autoriteiten van een andere jurisdictie dan Nederland. De Vennootschap, DSM, Firmenich en hun respectievelijke adviseurs aanvaarden geen enkele aansprakelijkheid ter zake van overtredingen van voornoemde beperkingen. Enig persoon die dit Offering Circular of enig gerelateerd document doorstuurt naar een andere jurisdictie dan Nederland, of daartoe voornemens is, wordt aangeraden de hoofdstukken 16 "*Restrictions*" en 17 "*Important Information*" zorgvuldig te bestuderen. Hetzelfde advies geldt voor eenieder die buiten de jurisdictie van Nederland in het bezit komt van dit Offering Circular. De publicatie, verspreiding of het doorsturen van dit Offering Circular, of enig gerelateerd document, alsmede het doen van het Ruilbod of het uitgeven en aanbieden van DSM-Firmenich Gewone Aandelen in andere jurisdicties dan Nederland kan bij wet zijn beperkt. Het niet in acht nemen van deze beperkingen kan een overtreding van de effectenwet- en regelgeving van de betreffende jurisdictie opleveren. Mocht u twijfelen of u kunt deelnemen aan het Ruilbod, neemt u dan onmiddellijk contact op met uw adviseur.

Het Ruilbod zal in de Verenigde Staten alleen worden gedaan aan gekwalificeerde institutionele kopers (*qualified institutional buyers*) (zoals gedefinieerd in Rule 144A onder de U.S. Securities Act) (ieder een **QIB**) die bepaalde formaliteiten hebben voltooid (ieder een **Amerikaanse Persoon**), met toepassing van een vrijstelling van de registratievereisten van de U.S. Securities Act. Om deel te kunnen nemen aan het Ruilbod zal ieder Amerikaans Persoon die een DSM Aandeelhouder is derhalve tot tevredenheid van de Vennootschap (naar eigen goeddunken) moeten hebben aangetoond dat diegene in aanmerking komt voor het ontvangen van DSM-Firmenich Gewone Aandelen door een brief, verkrijgbaar bij de Vennootschap, in te vullen en terug te sturen naar de Vennootschap niet later dan 17:40 CET op de dag waarop de DSM Aandeelhouders hun DSM Gewone Aandelen kunnen aanmelden bij de Vennootschap (de **Aanmeldingsperiode**) waarin die persoon bevestigt een QIB te zijn en akkoord te gaan met bepaalde overdrachtsbeperkingen betreffende de DSM-Firmenich Gewone Aandelen (een **Amerikaanse Investeerdersbrief**).

De Vennootschap zal een model voor de Amerikaanse Investeerdersbrief verkrijgbaar stellen. DSM Aandeelhouders in de Verenigde Staten die hun DSM Gewone Aandelen houden via een bewaarder, bank of effectenmakelaar worden verzocht hun aanvaarding van het Ruilbod kenbaar te maken via hun bewaarder, bank of effectenmakelaar door niet later dan 17:40 CET op de dag van de Aanmeldingsperiode een U.S. Investor Letter aan de bank, bewaarder of effectenmakelaar te zenden. De bank, bewaarder of effectenmakelaar kan een eerdere deadline stellen voor de ontvangst van de Amerikaanse Investeerdersbrief voor de tijdige doorzending van de Amerikaanse Investeerdersbrieven aan ABN AMRO (de **Settlement Agent**). Amerikaanse Personen dienen derhalve de data in acht te nemen die door de bank, bewaarder of effectenmakelaar worden gecommuniceerd, aangezien deze data kunnen verschillen van de data en tijdstippen vermeld in dit Offering Circular.

Alleen indien de Venootschap (naar eigen goeddunken) ervan overtuigd is dat op grond van een toepasselijke vrijstelling van, of in een transactie die niet is onderworpen aan, de registratievereisten van de U.S. Securities Act, DSM-Firmenich Gewone Aandelen kunnen worden aangeboden, verkocht en geleverd aan een Amerikaans Persoon zijnde een DSM Aandeelhouder, zal de betreffende Amerikaanse Persoon, mits hij het Ruilbod geldig aanvaardt, DSM-Firmenich Gewone Aandelen ontvangen.

Indien de Venootschap (naar eigen goeddunken) echter ervan overtuigd is dat DSM-Firmenich Gewone Aandelen niet kunnen worden aangeboden, verkocht en geleverd aan een Amerikaans Persoon zijnde een DSM Aandeelhouder op grond van een toepasselijke vrijstelling van, of in een transactie die niet is onderworpen aan, de registratievereisten van de U.S. Securities Act, zal de betreffende Amerikaanse Persoon, ook bij geldige aanvaarding van het Ruilbod, geen DSM-Firmenich Gewone Aandelen ontvangen. In dat geval zullen de DSM-Firmenich Gewone Aandelen die anders waren uitgegeven aan een dergelijk Amerikaans Persoon worden toegewezen, uitgegeven en geleverd aan een verkoopagent aangewezen door de Vennootschap om de DSM-Firmenich Gewone Aandelen voor die Amerikaanse Persoon te houden, op voorwaarde dat de verkoopagent in kwestie, zo snel als redelijkerwijs en praktisch mogelijk is, de aldus uitgegeven DSM-Firmenich Gewone Aandelen namens die Amerikaanse Persoon op een open markt, of middels andere transacties buiten de Verenigde Staten overeenkomstig een gecentraliseerd verkoopproces, verkoopt en de netto-opbrengst aan de Amerikaanse Persoon overmaakt in overeenstemming met de voorwaarden van het Ruilbod. De verkoop van DSM-Firmenich Gewone Aandelen door een dergelijke verkoopagent kan onderhevig zijn aan toepasselijke vergoedingen en kosten.

DSM Aandeelhouders die zich op het moment van de Transacties in de Verenigde Staten bevinden, moeten bepaalde verklaringen, garanties en toezeggingen doen met betrekking tot hun status als QIB (de **QIB Bevestigingen**). Indien een begunstigde van DSM Gewone Aandelen die zich in de Verenigde Staten bevindt, niet in staat is namens zichzelf of de persoon namens wie dergelijke DSM Gewone Aandelen worden gehouden de QIB Bevestigingen te doen, zullen alle DSM-Firmenich Gewone Aandelen die aan die persoon zijn toegewezen, in plaats daarvan worden overgedragen aan een nominee, en dergelijke DSM-Firmenich Gewone Aandelen zullen namens hem of haar worden verkocht, waarbij de opbrengst binnen 5 dagen aan die persoon wordt overgemaakt na de Overdrachtsdatum, voor DSM-Firmenich Gewone Aandelen die zijn toegewezen in ruil voor DSM Gewone Aandelen die tijdens de Aanmeldingsperiode zijn aangemeld, of binnen vijf dagen na de Na-aanmeldingsperiode Overdrachtsdatum, voor DSM-Firmenich Gewone Aandelen die zijn toegewezen in ruil voor DSM Gewone Aandelen die zijn aangemeld tijdens de Na-aanmeldingsperiode.

De Vennootschap aanvaardt de verantwoordelijkheid voor de informatie in dit Offering Circular. De Vennootschap bevestigt dat de informatie in dit Offering Circular, voor zover haar redelijkerwijs bekend kan zijn, in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding de strekking van dit Offering Circular zou wijzigen.

De geselecteerde geconsolideerde financiële informatie van DSM (zoals opgenomen in hoofdstuk 7 "*Selected Consolidated Financial Information of DSM*") is ontleend aan de DSM Jaarrekeningen en de DSM HJ 2022 Jaarrekening. De DSM Jaarrekeningen zijn gecontroleerd door KPMG NL. De DSM HJ 2022 Jaarrekening is door KPMG NL beoordeeld, waarbij een ongekwalificeerd rapport is uitgebracht op 2 augustus 2022.

Op 1 november 2022 heeft DSM een persbericht gepubliceerd met daarin de DSM Q3 2022 Resultaten. De DSM Q3 2022 Resultaten zijn niet gecontroleerd of beoordeeld door een onafhankelijke accountant. De DSM Q3 2022 Resultaten zijn door middel van verwijzing opgenomen in, en maken deel uit van, dit Offering Circular (*incorporated by reference*).

Op 22 november 2022 heeft Firmenich een persbericht gepubliceerd met daarin de Firmenich Q1 2023 Resultaten. De Firmenich Q1 2023 Resultaten zijn niet gecontroleerd of beoordeeld door een onafhankelijke accountant. De Firmenich Q1 2023 Resultaten zijn door middel van verwijzing opgenomen in, en maakt onderdeel uit van, dit Offering Circular (*incorporated by reference*).

De geselecteerde geconsolideerde financiële informatie van Firmenich (zoals opgenomen in hoofdstuk 9 "*Selected Consolidated Financial Information of Firmenich*") is ontleend aan de geconsolideerde jaarrekeningen van Firmenich (die zijn opgenomen in de jaarverslagen van Firmenich), welke door KPMG SA zijn gecontroleerd, de onafhankelijk accountant van Firmenich, voor de boekjaren eindigend op 30 juni 2022, 2021 en 2020.

De informatie in dit Offering Circular geeft de situatie weer op de datum van dit Offering Circular, tenzij specifiek anders is aangegeven. Onder geen beding houdt de publicatie en verspreiding van dit Offering Circular in dat de hierin opgenomen informatie ook na de datum van dit Offering Circular juist en volledig blijft. Het voorgaande laat echter de verplichting van de Vennootschap, DSM en Firmenich om een openbare mededeling te doen ingevolge de Europese Verordening Marktmisbruik of artikel 4 lid 1 en 3 Bob, voor zover van toepassing, onverlet.

Getallen in dit Offering Circular kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd. Zulk een afronding kan bovendien meebrengen dat de totalen zoals weergegeven in dit Offering Circular enigszins afwijken van de werkelijke rekenkundige totalen.

Uitsluitend de Vennootschap, DSM en Firmenich zijn bevoegd mededelingen te doen over het Ruilbod of de in dit Offering Circular opgenomen informatie namens respectievelijk de Vennootschap, DSM en Firmenich, zonder afbreuk te doen aan de onafhankelijke accountantsverklaringen afgegeven door KPMG NL en KPMG SA, die zijn opgenomen in dit Offering Circular, en de Fairness Opinions die zijn verstrekt door Centerview en J.P. Morgan in verband met het Ruilbod.

18.2 Nederlandse definities

In dit Offering Circular zal het woord 'inclusief' worden gebruikt om aan te geven dat de gegeven opsomming niet uitputtend is. De gedefinieerde termen in dit hoofdstuk hebben de volgende betekenis:

Aanbeveling	De unanieme aanbeveling van de DSM Raden dat de DSM Aandeelhouders het Ruilbod aanvaarden en hun DSM Gewone Aandelen aanbieden onder het Ruilbod
Aandelen Inbrengvergoeding	Een dergelijk aantal DSM-Firmenich Gewone Aandelen dat 34,5% van het DSM-Firmenich Aandelenkapitaal voor Voltooiing vertegenwoordigt, nieuw uitgegeven door de Vennootschap aan de verkoopagent, handelend in eigen naam en voor rekening van de Firmenich Aandeelhouders
Aandelenverkoop	De verkoop door DSM Holdco aan de Vennootschap van alle geplaatste en uitstaande aandelen in het kapitaal van DSM Sub onder de Post-Ruilbod Koopovereenkomst
Aandelenverkoopvergoeding	De vergoeding die de Vennootschap aan DSM Holdco moet betalen in het kader van de Post-Ruilbod Koopovereenkomst
Aangemeld Aandeel	Elk DSM Gewoon Aandeel dat ofwel (i) geldig is aangemeld onder het Ruilbod, ofwel (ii) gebrekkig is aangemeld, mits de Vennootschap afstand heeft gedaan van een dergelijk gebrek, in beide gevallen zolang zulk een aanmelding niet is herroepen onder het Ruilbod in overeenstemming met dit Offering Circular
Aangesloten Instelling	Een instelling die is aangesloten bij Euronext Amsterdam
Aanmeldingsdrempel	95% van het geplaatste en uitstaande gewone aandelenkapitaal van DSM zoals op de Laatste Dag van Aanmelding, welk percentage automatisch verlaagd zal worden naar 80% van DSM's geplaatste en uitstaande gewone aandelenkapitaal zoals op de Laatste Dag van Aanmelding als de Transactiebesluiten zijn aangenomen en van kracht zijn op de Laatste Dag van Aanmelding
Aanmeldingsperiode	De periode waarin de DSM Aandeelhouders hun DSM Gewone Aandelen kunnen aanmelden bij de Vennootschap, welke periode begint om 9.00 uur CET op woensdag 23 november 2022 en eindigt om 17.40 uur CET op de Laatste Dag van Aanmelding
ABN AMRO	ABN AMRO Bank N.V.
AFM	De Stichting Autoriteit Financiële Markten
Afwikkelingsinstrument	een recht dat de houder daarvan in staat stelt om, op eerste verzoek, de Vennootschap te verplichten een zodanig aantal DSM-Firmenich Gewone Aandelen te leveren dat gelijk is aan het aantal DSM Gewone Aandelen dat wordt gehouden door de Vennootschap plus de DSM Gewone Aandelen die worden gehouden door de niet-aanbiedende DSM Aandeelhouders onder het Ruilbod, of het

	equivalent daarvan in contanten, berekend bij gebruik van een waarde die overeenkomst met de geldende waarde van een DSM-Firmenich Gewoon Aandeel
Afwikkelingskantoor	Het afwikkelingskantoor voor de overdracht van DSM-Firmenich Gewone Aandelen aan de DSM Aandeelhouders, zijnde ABN AMRO
Akte van Fusie	De notariële akte van fusie ter effectuering van de Driehoeksfusie
Amerikaans Persoon	Elk persoon met een geregistreerd adres in, woonachtig in, gevestigd in of georganiseerd volgens de wetten van de Verenigde Staten van Amerika
Amerikaanse Investeerdersbrief	De brief, verkrijgbaar bij de Vennootschap, die een Amerikaans Persoon moet invullen en terugsturen naar de Vennootschap vóór 17:40 uur op de Laatste Dag van Aanmelding, waarin die persoon bevestigt een QIB te zijn en akkoord te gaan met bepaalde overdrachtsbeperkingen betreffende de DSM-Firmenich Gewone Aandelen, om zo in aanmerking te komen voor het ontvangen van DSM-Firmenich Gewone Aandelen
Bedrijfscombinatieovereenkomst	De overeenkomst tussen Partijen in verband met de bedrijfscombinatie van DSM en Firmenich, zoals gewijzigd van tijd tot tijd
Beperkte Aandeelhouder	Ieder Amerikaans Persoon die geen QIB is of ten aanzien van wie de Vennootschap geen Amerikaanse Investeerdersbrief heeft ontvangen vóór 17:40 uur op de Laatste Dag van Aanmelding
Bob	Het Besluit openbare biedingen Wft
BW	Het Burgerlijk Wetboek
Centerview	Centerview Partners UK LLP
CET	Central European Time
Contante Gedeelte	een bedrag in contanten dat gelijk is aan de verschuldigde Nederlandse dividendbelasting onder de Ontbinding en vereffening, rekening houdend met het erkende kapitaal dat is gestort op de DSM Gewone Aandelen voor Nederlandse dividendbelasting doeleinden (zoals overgedragen aan DSM Holdco als gevolg van de Driehoeksfusie) vermeerderd met een bedrag gelijk aan de waarde van de fractionele DSM-Firmenich Gewone Aandelen
Contante Inbrengvergoeding	Een bedrag in contanten van €3,5 miljard minus een bedrag gelijk aan de som van eventuele Firmenich Betalingen Tijdens De Interim Periode en het werkelijke compensatiebedrag aan DSM (zoals berekend in overeenstemming met de toepasselijke clausules in de Bedrijfscombinatieovereenkomst) plus een bedrag gelijk aan eventuele DSM Betalingen Tijdens De Interim Periode

Dag van Gestanddoening	De dag waarop de Vennootschap het Ruilbod gestand zal doen, welke dag binnen een periode van drie Werkdagen zal plaatsvinden te rekenen vanaf de Laatste Dag van Aanmelding, behoudens de vervulling of het afstand doen van de Transactievoorwaarden
Derde Aandelenuitgifte	een derde aandelenuitgifte van de Vennootschap om te komen tot een geplaatst aandelenkapitaal bestaande uit een aantal DSM-Firmenich Gewone Aandelen gelijk aan het aantal geplaatste en uitstaande DSM Gewone Aandelen (exclusief eigen aandelen) plus de Netto Verwaterende Instrumenten
Dochtervennootschap	Met betrekking tot een persoon, een vennootschap, partnerschap, joint venture, vennootschap met beperkte aansprakelijkheid of andere entiteit (a) waarvan een dergelijk persoon of een Dochtervennootschap van een dergelijk persoon een algemene partner is of (b) waarvan een meerderheid van de stemrechtverlenende effecten of andere stembelangen, of een meerderheid van de effecten of andere belangen, die volgens hun voorwaarden gewoon stemrecht hebben om een meerderheid van de raad van bestuur of personen die soortgelijke functies uitoefenen met betrekking tot een dergelijke entiteit te benoemen, direct of indirect in het bezit te zijn van een dergelijk persoon en/of een of meer Dochtervennootschappen daarvan
Driehoeksfusie	De juridische driehoeksfusie van DSM (als verdwijnende vennootschap) met en in DSM Sub (als overnemende vennootschap), waarbij DSM Holdco aandelen uitgeeft aan de Vennootschap en de DSM Aandeelhouders aandeel-voor-aandeel in overeenstemming met artikelen 2:309 e.v. en artikel 2:333a van het BW
DSM	Koninklijke DSM N.V.
DSM Aandeelhouder	Een houder van één of meer DSM Gewone Aandelen
DSM BAVA	De buitengewone algemene vergadering van DSM Aandeelhouders
DSM Betalingen Tijdens De Interim Periode	Alle dividenden (in contanten, aandelen of anderszins) die daadwerkelijk door DSM zijn betaald of vastgesteld tijdens de Interim Periode voor zover boven het bedrag van respectievelijk EUR 292 miljoen en EUR 163 miljoen bruto, en het werkelijke compensatiebedrag aan Firmenich (zoals berekend in overeenstemming met de toepasselijke clausules in de Bedrijfscombinatieovereenkomst)
DSM Executive Committee	De DSM Raad van Bestuur tezamen met vijf senior executives verantwoordelijk voor DSM Nutritional Products, DSM Food Specialties en Corporate Mergers & Acquisitions, DSM Materials, de DSM Innovation Center and DSM Group People & Organization
DSM Garanties	De garanties die DSM heeft gegeven aan Firmenich in de Bedrijfscombinatieovereenkomst

DSM Gewone Aandelen	De gewone aandelen in het geplaatste en uitstaande aandelenkapitaal van de Vennootschap, met een nominale waarde van EUR 1,50
DSM Groep	DSM en haar directe en indirecte dochterondernemingen
DSM HJ 2022 Jaarrekening	De ongecontroleerde gecomprimeerde geconsolideerde tussentijdse jaarrekening van DSM voor de zes maanden eindigend op 30 juni 2022
DSM Holdco	De Nederlandse besloten vennootschap met beperkte aansprakelijkheid die volledig en rechtstreeks eigenaar is van DSM Sub, welke door DSM is opgericht in de Interim Periode ter voorbereiding van de mogelijke Post-Ruilbod Fusie en Liquidatie
DSM Incentive Plans	De per de datum van de Bedrijfscombinatieovereenkomst uitstaande aandelenbeloningsplannen binnen DSM voor de leden van de DSM Raad van Bestuur, het DSM Executive Committee en bepaalde groepen medewerkers, zoals verder uiteengezet in hoofdstuk 11 "*Governance, Management and Employees*"
DSM Jaarrekeningen	De gecontroleerde historische geconsolideerde jaarrekeningen van DSM voor de boekjaren eindigend op 31 december 2021 en 31 december 2020
DSM Preferente Aandelen A Toezeggingsovereenkomsten	De overeenkomsten aangegaan door DSM met elke houder van DSM preferente aandelen A voorafgaand aan de datum van de Bedrijfscombinatieovereenkomst
DSM Q3 2022 Resultaten	Het persbericht met daarin de resultaten van de DSM Groep over het derde kwartaal van het boekjaar 2022
DSM Raad van Bestuur	De raad van bestuur van DSM
DSM Raad van Commissarissen	De raad van commissarrisen van DSM
DSM Raden	De DSM Raad van Bestuur en DSM Raad van Commissarissen tezamen
DSM Sub	De Nederlandse besloten vennootschap met beperkte aansprakelijkheid die volledig en rechtstreeks eigendom is van DSM Holdco en door DSM is opgericht in de Interim Periode ter voorbereiding van de mogelijke Post-Ruilbod Fusie en Liquidatie
DSM Voorwaarden	De voorwaarden die, onder voorbehoud van voldoening of schriftelijke afstanddoening (geheel of gedeeltelijk, op voorwaarde dat enig deel waarvan geen afstand is gedaan anderszins is voldaan), voor zover toegestaan door de toepasselijke wetgeving, door DSM op of voorafgaand aan de Laatste Dag van Aanmelding, van toepassing zijn op de verplichting van DSM, Firmenich en de Vennootschap om de Transacties uit te voeren, en voor DSM en Firmenich de verplichting om ervoor te zorgen dat de Vennootschap de Transacties uitvoert, inclusief de verplichting voor de Vennootschap om het Ruilbod gestand te doen

DSM-Firmenich Aandelenkapitaal voor Voltooiing	Het totale geplaatste aandelenkapitaal van de Vennootschap onmiddellijk na de Inbreng Voltooiing, bestaande uit een aantal gewone aandelen in de Vennootschap gelijk aan de uitkomst van de volgende formule: (alle geplaatste en uitstaande DSM Gewone Aandelen (exclusief eigen aandelen) op de Firmenich Inbrengdatum plus de Netto Verwaterende Instrumenten) gedeeld door 65,5 keer 100
DSM-Firmenich Gewone Aandelen	De gewone aandelen in het geplaatste en uitstaande aandelenkapitaal van de Vennootschap
Euroclear Nederland	Het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., een vennootschap naar Nederlands recht met handelsregisternummer 33149445, handelend onder de naam Euroclear Nederland
Euronext Amsterdam	De gereguleerde markt uitgevoerd door Euronext Amsterdam N.V.
Euronext Notering en Betalingsagent	De notering en betalingsagent met betrekking tot de Notering aan Euronext Amsterdam, zijnde ABN AMRO
Executive Committee	Het *executive committee* dat de leden van de Raad van Bestuur ondersteunt bij de dagelijkse leiding van de activiteiten van de Vennootschap
Fairness Opinions	De *fairness opinions* uitgegeven door ieder van Centerview en J.P. Morgan
FDI Goedkeuringen	Alle toestemmingen, goedkeuringen en/of ontheffingen onder enige buitenlandse investeringswet
Firmenich	Firmenich International SA
Firmenich Aandeelhouder	Een houder van aandelen in het geplaatste en uitstaande aandelenkapitaal van Firmenich
Firmenich Betalingen Tijdens De Interim Periode	Elke directe of indirecte overdracht van waarde van Firmenich of een van haar dochterondernemingen aan de Firmenich Aandeelhouders of aan diens verbonden personen, die plaatsvindt vanaf de Firmenich Inbrengdatum tot en met de datum van de Inbreng Voltooiing en geen Toegestane Firmenich Betalingen Tijdens De Interim Periode zijn
Firmenich Garanties	De garanties die Firmenich heeft gegeven aan DSM in de Bedrijfscombinatieovereenkomst
Firmenich Gewone Aandelen	Alle gewone aandelen in het geplaatste en uitstaande aandelenkapitaal van Firmenich
Firmenich Groep	Firmenich en haar directe en indirecte dochterondernemingen

Firmenich Inbreng	De inbreng van alle Firmenich Gewone Aandelen in de Vennootschap tegen uitgifte van de Aandelen Inbrengvergoeding en betaling van de Contante Inbrengvergoeding aan de Verkoopagent
Firmenich Inbrengdatum	De datum van voltooiing van de inbreng van de Firmenich Aandelen in de Vennootschap, die niet later zal plaatsvinden dan op de vijfde Werkdag na de Na-aanmeldingsperiode Overdrachtsdatum
Firmenich Raad van Bestuur	De raad van bestuur van Firmenich
Firmenich Voorwaarden	De voorwaarden die, onder voorbehoud van voldoening of schriftelijke afstanddoening (geheel of gedeeltelijk, op voorwaarde dat enig deel waarvan geen afstand is gedaan anderszins is voldaan), voor zover toegestaan door de toepasselijke wetgeving, door Firmenich op of voorafgaand aan de Laatste Dag van Aanmelding, van toepassing zijn op de verplichting van Firmenich en de Firmenich Aandeelhouders om de Transacties uit te voeren, en voor DSM en Firmenich om ervoor te zorgen dat de Vennootschap de Transacties uitvoert, inclusief de verplichting voor de Vennootschap om het Ruilbod gestand te doen, ook
Fusievoorstel	Een fusievoorstel voor de Driehoekfusie
Gelieerde Ondernemingen	Met betrekking tot een persoon of entiteit, een directe of indirecte Dochtervennootschap of directe of indirecte houdstermaatschappij van die persoon of entiteit en elke andere Dochtervennootschap van een dergelijke houdstermaatschappij
Gezamenlijke Voorwaarden	De voorwaarden die, onder voorbehoud van voldoening of schriftelijke afstanddoening (geheel of gedeeltelijk, op voorwaarde dat enig deel waarvan geen afstand is gedaan anderszins is voldaan), voor zover toegestaan door de toepasselijke wetgeving, door de Vennootschap, met voorafgaande schriftelijke toestemming van zowel DSM als Firmenich gezamenlijk, op of voorafgaand aan de Laatste Dag van Aanmelding, van toepassing zijn op de respectieve verplichting van Partijen om de Transacties uit te voeren en voor DSM om ervoor te zorgen dat de Vennootschap de Transacties uitvoert, inclusief de verplichting voor de Vennootschap om het Ruilbod gestand te doen
In Aanmerking Komende Amerikaanse Houder	QIBs die bepaalde formaliteiten hebben voltooid
Inbreng Voltooiing	Het voltooiien van: (i) de inbreng van alle Firmenich Gewone Aandelen (vrij van enige bezwaring) in de Vennootschap, (ii) het door de Vennootschap uitgeven van de Aandelen Inbrengvergoeding en (iii) de betaling door de Vennootschap van de Contantevergoeding aan de Verkoopagent, handelend in zijn eigen naam en namens de Firmenich Aandeelhouders
Interim Periode	De periode tot de Firmenich Inbrengdatum
J.P. Morgan	J.P. Morgan Securities plc

KPMG NL	KPMG Accountants N.V.
Laatste Dag van Aanmelding	Het tijdstip en de datum waarop het Ruilbod afloopt, zijnde om 17.40 uur CET op dinsdag 31 januari 2023, tenzij verlengd in overeenstemming met artikel 15 lid 2 Bob en de bepalingen van dit Offering Circular
Laatste Dag van Initiële Aanmelding	Dinsdag 31 Januari 2023
Laatste Datum	1 juni 2023
Laatste Tijdstip van Aanmelding	17:40 CET op de Laatste Dag van Aanmelding
Materieel Nadelig Effect	Elke verandering, gebeurtenis of ontwikkeling die, afzonderlijk of samen met andere veranderingen, gebeurtenissen of ontwikkelingen, een wezenlijk nadelig effect heeft of redelijkerwijs zou kunnen hebben op de activiteiten, activa, kasstroom, verplichtingen, financiële toestand, resultaten van activiteiten of kapitalisatie van de Firmenich Groep of de DSM Groep, al naargelang van toepassing, behoudens bepaalde uitzonderingen
Mededingingsautoriteiten	De Europese Commissie en elke andere relevante mededingingsautoriteit op grond van de relevante mededingingswetten. In het geval van een verwijzing op grond van artikel 4 lid 4 of artikel 9 lid 3 van de EU-concentratieverordening, wordt ook de nationale mededingingsautoriteit waarnaar de Europese Commissie haar bevoegdheid (geheel of gedeeltelijk) verwijst, opgenomen in de definitie van Mededingingsautoriteit. In het geval van een dergelijke verwijzing, en indien de Europese Commissie niet bevoegd blijft voor bepaalde aspecten van het onderzoek, valt de Europese Commissie niet langer onder de definitie van Mededingingsautoriteit
Mededingingsgoedkeuringen	De goedkeuringen van de Mededingingsautoriteiten vereist voor de Transacties of bevestiging dat geen goedkeuring vereist is of het aflopen, verstrijken of eindigen van een wachttermijn of andere termijn (inclusief verlenging daarvan) onder toepasselijke mededingingswetgeving
Na-aanmeldingsperiode	De na-aanmeldingsperiode die de Vennootschap op of ná de Dag van Gestanddoening mag aankondigen met een maximale periode van twee weken
Na-aanmeldingsperiode Overdrachtsdatum	De datum waarop de DSM Aandeelhouders die hun DSM Gewone Aandelen geldig hebben aangemeld of gebrekkig hebben aangemeld, mits de Vennootschap afstand heeft gedaan van een dergelijk gebrek, hun DSM Gewone Aandelen hebben overgedragen onder het Ruilbod tijdens de Na-aanmeldingsperiode
Netto Verwaterende Instrumenten	Het aantal uit te geven DSM Gewone Aandelen in het kader van de DSM Incentive Plans berekend met behulp van de ingekochte eigen aandelenmethode op basis van de slotkoers van een DSM Gewoon

	Aandeel op de derde handelsdag voor de Laatste dag van Aanmelding
Notering	De toelating tot notering van de DSM-Firmenich Gewone Aandelen tot de gereglementeerde markt van Euronext Amsterdam
Notering en Betalingsagent	ABN AMRO Bank N.V. De notering en betalingsagent met betrekking tot de Notering aan Euronext Amsterdam
Offering Circular	Dit document
Ontbinding	De ontbinding, bij besluit van DSM als enig aandeelhouder van DSM Holdco, van DSM Holdco in overeenstemming met artikel 2:19 BW, voordat de Driehoeksfusie van kracht wordt en onderhevig aan en per Sluiting van de Aandelenverkoop
Overdracht	Overdracht van de DSM Gewone Aandelen aangemeld onder het Ruilbod in ruil voor betaling van de Ruilbod Vergoeding
Overdrachtsdatum	Niet later dan de tweede Werkdag ná de Dag van Gestanddoening
Overname van Verplichtingen	De overname door de Vennootschap van alle verplichtingen van DSM Holdco onder de Post-Ruilbod Koopovereenkomst
Partijen	Firmenich, de Firmenich Aandeelhouders, DSM en de Vennootschap
Post-Ruilbod Fusie en Liquidatie	De "pre-wired back-end" structuur (zoals beschreven in hoofdstuk 18.18 "*Post-Ruilbod Fusie en Liquidatie*") die de Vennootschap kan besluiten te implementeren indien de Vennootschap minder dan 95%, maar ten minste 80% van de DSM Gewone Aandelen houdt na het einde van de Na-aanmeldingsperiode
Post-Ruilbod Koopovereenkomst	De koopovereenkomst tussen DSM Holdco en de Vennootschap op grond waarvan DSM Holdco alle geplaatste en uitstaande aandelen in het kapitaal van DSM Sub zal verkopen en de Vennootschap deze zal kopen
QIB	"*Qualified institutional buyers*" (zoals gedefinieerd in Rule 144A van de U.S. Securities Act)
QIB Bevestigingen	De verklaringen, garanties en toezeggingen die DSM aandeelhouders die zich op het moment van de Transacties in de Verenigde Staten bevinden moeten doen met betrekking tot hun status als QIB om de DSM-Firmenich Gewone Aandelen te ontvangen na voltooiing van het Ruilbod
Raad van Bestuur	De raad van bestuur van de Vennootschap vanaf de Overdrachtsdatum
Ruilbod	Het bod van de Vennootschap om via een vrijwillig ruilbod de DSM Gewone Aandelen van de DSM Aandeelhouders te verwerven tegen de Ruilbod Vergoeding, zoals uiteengezet in hoofdstuk 14 "*The Exchange Offer*"

Ruilbod Vergoeding	Eén nieuw uitgegeven DSM-Firmenich Gewoon Aandeel in ruil voor ieder DSM Gewoon Aandeel, met inbegrip van aandelen vertegenwoordigd door Amerikaanse certificaten
Ruilverhouding	Eén DSM-Firmenich Gewoon Aandeel in ruil voor één DSM Gewoon Aandeel
Sentarom	Sentarom SA, een vennootschap met een in aandelen verdeeld kapitaal opgericht naar het recht van Zwitserland met maatschappelijke zetel in Satigny, Zwitserland, en kantooradres aan de Rue de la Bergère 7, 1242 Satigny, Zwitserland
Sluiting van de Aandelenverkoop	De overdracht van alle geplaatste en uitstaande aandelen in het kapitaal van DSM Sub door DSM Holdco aan de Vennootschap door middel van het verlijden van een notariële akte van levering
Standpuntbepaling	Een afzonderlijke standpuntverklaring met de informatie vereist door artikel 18 paragraaf 2 van het Bob, inclusief alle bijlagen bij de standpuntverklaring van de DSM Boards, welke verklaring geen deel uitmaakt van dit Offering Circular
Stichting	Stichting Preferente Aandelen DSM
Stichting Beëindigingsovereenkomst	De overeenkomst tussen DSM en de Stichting, inhoudende de beëiding van de call optie betreffende de DSM cumulatief preferente aandelen B met ingang van de Overdrachtsdatum, en de intrekking van alle uitstaande DSM preferente aandelen B met ingang van de Overdrachtsdatum, in vorm en inhoud naar redelijke tevredenheid van Firmenich, zoals schriftelijk bevestigd door Firmenich
Stichting Call Optie Overeenkomst	De calloptieovereenkomst tussen DSM en de Stichting daterend van 30 maart 1999, zoals gewijzigd op 24 september 2008, betreffende de call optie van de Stichting met betrekking tot DSM preferente aandelen B
Toegestane Firmenich Betalingen Tijdens De Interim Periode	Enige dividenden die door Firmenich moeten worden betaald zoals toegestaan onder de Bedrijfscombinatieovereenkomst, vergoedingen of ontslagvergoedingen aan werknemers, functionarissen of directeuren binnen de Firmenich Groep welke ofwel een Firmenich Aandeelhouder is of een daaraan verbonden persoon, in overeenstemming met diens bestaande management-, arbeids- of dienstenovereenkomst, inclusief betalingen voor het beëindigen van een dergelijke overeenkomst in overeenstemming met de relevante overeenkomst, toepasselijke sociale plannen en/of toepasselijke regelgeving, betalingen aan een Firmenich Aandeelhouder of een daaraan verbonden persoon in overeenstemming met een bestaande overeenkomst tussen een lid van de Firmenich Groep en een dergelijk persoon op zakelijke voorwaarden met een totaal maximumbedrag per persoon van EUR 200.000, tenzij uitdrukkelijk schriftelijk overeengekomen door DSM, eventuele betalingen aan de Firmenich stichting (*Fondation*

	Philanthropique Famille Firmenich) met een maximum van EUR 1.000.000 per jaar, en eventuele belastingen die moeten worden betaald door Firmenich of een van haar Dochterondernemingen (hetzij door inhouding of anderszins) in verband met de hierboven genoemde items
Transactiebesluiten	De goedkeuring van de Transacties
Transacties	Gezamenlijk, de Notering, het Ruilbod en de Firmenich Inbreng
Transactievoorwaarden	De Firmenich Voorwaarden, DSM Voorwaarden en Gezamenlijke Voorwaarden samen
Uiterste Datum	1 juni 2023
U.S. Securities Act	De U.S. Securities Exchange Act van 1934, zoals gewijzigd
Vennootschap	Danube AG, welke vennootschap zal worden hernoemd tot DSM-Firmenich AG, een naamloze vennootschap (Aktiengesellschaft) opgericht naar Zwitsers recht, met statutaire zetel in Kaiseraugst, Zwitserland
Vereffenaar	De vereffenaar van DSM Holdco, aangesteld door DSM, in overleg met de Vennootschap, voordat de Driehoeksfusie van kracht wordt en onderhevig aan en per Sluiting van de Aandelenverkoop
Vereiste DSM-Firmenich Gewone Aandelen	Een zodanig aantal DSM-Firmenich Gewone Aandelen dat gelijkstaat aan het aantal DSM Gewone Aandelen gehouden door de niet-aanbiedende DSM Aandeelhouders direct voorafgaand aan de Inbreng Voltooiing, verminderd met een zodaning aantal DSM-Firmenich Gewone Aandelen dat de waarde van de Contante Inbrengvergoeding reflecteert
Verkoopagent	De fiduciary agent aan te wijzen door Firmenich in overeenstemming met hoofdstuk 13.1 "*The Transactions – The Firmenich Contribution*"
Voltooiing	Voltooiing van de Transacties
Werkdag	Een dag (anders dan een zaterdag of zondag) waarop banken in Nederland en Euronext Amsterdam in het algemeen open zijn voor normale bedrijfsvoering
Werknemersvertegenwoordigings-orgaan	Het doorlopen van informatie- en/of consultatieprocedures met de medezeggenschapsorganen van DSM, bestaande uit de Centrale Ondernemingsraad (COR) en de Europese ondernemingsraad van DSM
Wft	De Wet op het financieel toezicht

18.3 Uitnodiging aan de DSM Aandeelhouders

De Vennootschap doet hierbij een aanbevolen vrijwillig openbaar ruilbod aan de DSM Aandeelhouders, waarbij de DSM Aandeelhouders het recht hebben om hun DSM Gewone Aandelen om te ruilen voor DSM-Firmenich

Gewone Aandelen tegen de Ruilbod Vergoeding, in overeenstemming met de voorwaarden uiteengezet in hoofdstuk 14 "*The Exchange Offer*" (het **Ruilbod**). DSM Aandeelhouders worden aangeraden dit Offering Circular, en in het bijzonder de hoofdstukken 16 "*Restrictions*" en 17 "*Important Information*", volledig en zorgvuldig te lezen en waar nodig onafhankelijk advies in te winnen om tot een evenwichtig oordeel te komen met betrekking tot het Ruilbod en de Offering Circular.

De DSM Aandeelhouders die niet wensen deel te nemen aan het Ruilbod zullen hun belang in DSM volledig behouden, met inachtneming van het bepaalde in hoofdstukken 14.19 "*Statutory buy-out*" en 14.20 "*Post-Offer Merger and Liquidation*".

18.4 Het Ruilbod

De Vennootschap brengt het Ruilbod uit om alle DSM Gewone Aandelen te verwerven onder de voorwaarden en conform de bepalingen en beperkingen zoals opgenomen in hoofdstuk 14 "*The Exchange Offer*".

Onder de voorwaarde dat de Vennootschap het Ruilbod gestand doet, heeft iedere DSM Aandeelhouder voor ieder Aangemeld Aandeel dat niet geldig is herroepen en is geleverd aan de Vennootschap, recht op een DSM-Firmenich Gewoon Aandeel (tegen een ruilverhouding van 1:1) (de **Ruilverhouding**).

Als onderdeel van de Transacties, zijn DSM en Firmenich het volgende overeengekomen met betrekking tot de uit te keren dividenden in de periode tot de Voltooiing:

- voor het boekjaar 2021 (eindigend op 31 december 2021) heeft DSM in juni 2022 EUR 292 miljoen bruto slotdividend uitgekeerd;
- voor het boekjaar 2022 (eindigend op 31 december 2022) heeft DSM in augustus 2022 EUR 163 miljoen bruto interim-dividend uitgekeerd; en
- voor het boekjaar 2022 (eindigend op 30 juni 2022), zal Firmenich tussen september 2022 en Voltooiing CHF 250 miljoen bruto dividend uitkeren.

DSM en Firmenich zijn overeengekomen dat de Vennootschap binnen drie maanden na de datum van de Firmenich Inbreng aan de algemene vergadering van de Vennootschap zal voorstellen om te besluiten tot de uitkering van een bruto dividend van EUR 423 miljoen, volledig te betalen uit de in Zwitserland erkende kapitaalbijdragereserves, dat zo snel mogelijk na de nodige besluitvorming door de algemene vergadering van de Vennootschap zal worden uitbetaald.

18.5 De bieders: de Vennootschap, DSM en Firmenich

In overeenstemming met artikel 1:1 Wft kwalificeren elk van de Vennootschap, DSM en Firmenich als bieder met betrekking tot het Ruilbod. Meer informatie over de Vennootschap, DSM en Firmenich is uiteengezet in het hoofdstuk 14.5 "*The offerors: the Company, DSM and Firmenich*".

Het is momenteel niet voorzien dat de Transacties invloed zullen hebben op de dienstverbanden van de leden van de DSM Raad van Bestuur. Initieel zal de DSM Raad van Commissarissen ongewijzigd blijven na Voltooiing.

De aanstelling van de volgende leden van de Firmenich Raad van Bestuur zal worden beëindigd in het licht van de Transacties: Barbara Kux, Pierre Bouchut, Dame Karen Jones DBE, Diana Oltramare and Ajai Puri. De beëindiging zal geen specifieke vergoeding met zich brengen. De leden van de Firmenich Raad van Bestuur zullen aftreden en worden vervangen door de leden van de executive committee van de Vennootschap (het **Executive Committee**).

Verder is het momenteel niet voorzien dat de Transacties materiële ontslagen onder de werknemers van DSM, Firmenich of de Vennootschap met zich zullen brengen. Eventuele ontslagen na Voltooiing maken deel uit van het integratieproces en zijn waar vereist onderworpen aan overleg met de betreffende werknemers.

Op het moment van de publicatie van dit Offering Circular is er geen belongsbeleid voor de Vennootschap aangenomen. Het beloningsbeleid zal binnen afzienbare tijd worden opgesteld en geïmplementeerd.

18.6 Informatie over de Vennootschap

De Vennootschap is een vennootschap (*Aktiengesellschaft*) naar Zwitsers recht en heeft haar maatschappelijke zetel in Kaiseraugst, Zwitserland, en haar kantooradres aan de Wurmisweg 576, 4303 Kaiseraugst, Zwitserland. Met ingang van de Firmenich Inbrengdatum, zal de Vennootschap een dubbele hoofdkantoorstructuur hebben, met een hoofdkantoor, statutaire zetel en exclusieve fiscale vestigingsplaats in Kaiseraugst, Zwitserland, en een hoofdkantoor in Heerlen, Nederland, en later Maastricht, Nederland. Op de datum van dit Offering Circular wordt 100% van het aandelenkapitaal van de Vennootschap door DSM gehouden.

De raad van bestuur van de Vennootschap bestaat momenteel uit Eric Nicolas, Benedikt Suter en Silvia Sonneveld.

Managementstructuur

Na de Overdrachtsdatum zal de Vennootschap een tweeledige (*two-tier*) managementstructuur hebben, bestaande uit de Raad van Bestuur en het Executive Committee. De Raad van Bestuur is het hoogste uitvoerende toezichtsorgaan van de Vennootschap en heeft de eindverantwoordelijkheid voor alle zaken die niet uitdrukkelijk zijn voorbehouden aan andere bedrijfsorganen van de Vennootschap. De Raad van Bestuur delegeert de operationele leiding van de activiteiten van de Vennootschap aan het Executive Committee.

Leden van de Raad van Bestuur

Vanaf de Overdrachtsdatum zal de Raad van Bestuur bestaan uit de onderstaande leden. Naar verwachting zal op de buitengewone aandeelhoudersvergadering (**BAVA**) van DSM-Firmenich, die naar verwachting op 1 februari 2023 (onder voorbehoud van een eventuele verlenging van de Aanmeldingsperiode) zal plaatsvinden, samen met de onderstaande leden één extra lid van de Raad van Bestuur worden gekozen en benoemd. Dit extra lid van de Raad van Bestuur wordt een onafhankelijk lid. Aangezien de BAVA van DSM-Firmenich waarin de algemene vergadering van DSM-Firmenich deze Raad van Bestuur zal benoemen voorlopig is gepland op een datum waarop DSM nog de enige aandeelhouder is van de Vennootschap, zal de termijn van alle leden van de Raad van Bestuur eindigen met de jaarlijkse algemene aandeelhoudersvergadering van DSM-Firmenich in 2024.

(a) Thomas Leysen, voorzitter (onafhankelijk);

(b) Patrick Firmenich, vice-voorzitter (voorgedragen door Firmenich);

(c) Erica Mann (onafhankelijk);

(d) Corien Wortmann-Kool (onafhankelijk);

(e) André Pometta (voorgedragen door Firmenich);

(f) Antoine Firmenich (voorgedragen door Firmenich);

(g) Richard Ridinger (onafhankelijk);

(h) Pradeep Pant (onafhankelijk);

(i) Frits van Paasschen (onafhankelijk);

(j) John Ramsay (onafhankelijk); en

(k) Carla Mahieu (onafhankelijk)

Leden van het Executive Committee

Vanaf de Overdrachtsdatum zal het Executive Committee uit de volgende leden bestaan:

(a) Dimitri de Vreeze (co-CEO);

(b) Geraldine Matchett (co-CEO);

(c) Emmanuel Butstraen (verantwoordelijk voor Integration);

(d) Sarah Reisinger (verantwoordelijk voor Science & Research);

(e) Ilaria Resta (verantwoordelijk voor Perfumery & Beauty);

(f) Patrick Niels (verantwoordelijk voor Taste & Beyond / Food & Beverage);

(g) Philip Eykerman (verantwoordelijk voor Health, Nutrition & Care);

(h) Ivo Lansbergen (verantwoordelijk voor Animal Nutrition & Health);

(i) Jane Sinclair (verantwoordelijk voor Legal); en

(j) Mieke Van de Capelle (verantwoordelijk voor People, Culture and Organization)

18.7 Achtergrond van en beweegredenen voor het Ruilbod

De Vennootschap, DSM en Firmenich hebben besloten de Transacties voort te zetten om de redenen die zijn uiteengezet in hoofdstuk 13.3 "*Background to and rationale for the Transactions*".

Er zijn gesprekken geweest tussen DSM en Firmenich over het Ruilbod, die hebben geresulteerd in de Bedrijfscombinatieovereenkomst. Zie hoofdstuk 13.7 "*Principal terms of the Business Combination Agreement*" voor een beschrijving van de belangrijkste voorwaarden van de Bedrijfscombinatieovereenkomst, inclusief de beëindigingsgronden en beëindigingskosten en de redenen voor het overeenkomen van dergelijke voorwaarden.

Besprekingen over het Ruilbod, onder meer over, maar niet beperkt tot, de Ruilbod Vergoeding, de financiering van het Ruilbod, de Transactievoorwaarden en de *corporate governance* en toekomstige strategie van DSM-Firmenich, vonden plaats tussen DSM en haar adviseurs enerzijds en Firmenich en haar adviseurs anderzijds. Namens de DSM Raden werden deze besprekingen bijgewoond door Geraldine Matchett, Dimitri de Vreeze, Philip Eykerman en Thomas Leysen als vertegenwoordigers van het Executive Committee en de DSM Raad van Commissarissen.

Op verzoek van de Firmenich Raad van Bestuur, heeft Goldman Sachs op 30 mei 2022 een Fairness Opinion aan de Firmenich Raad van Bestuur uitgebracht inhoudende dat, op die datum en op basis van en met inachtneming van de in de Fairness Opinion vermelde factoren, kwalificaties en veronderstellingen, de totale vergoeding (gedefinieerd als de Contante Inbrengvergoeding samen met de Aandelen Inbrengvergoeding) die uit hoofde van de Bedrijfscombinatieovereenkomst door de Vennootschap aan de aandeelhouders van Firmenich is aangeboden vanuit financieel oogpunt billijk is. De adviesdiensten en het advies van Goldman Sachs werden uitsluitend verstrekt ter informatie en ondersteuning van de Firmenich Raad van Bestuur in verband met de beoordeling van de Transacties. Dit advies vormt geen aanbeveling met betrekking tot de wijze waarop de Firmenich Aandeelhouders, DSM of DSM Holdco zouden moeten stemmen of zouden moeten handelen met betrekking tot de Transacties, evenmin met betrekking tot de vraag of houders van aandelen in DSM deze aandelen zouden moeten aanbieden onder het Ruilbod. De houders van aandelen in Firmenich, DSM en/of DSM Holdco mogen zich niet op dit advies baseren.

De huidige bedrijfsactiviteiten van DSM zullen worden voortgezet als onderdeel van DSM-Firmenich na voltooiing van het Ruilbod. De huidige medewerkers van DSM blijven behouden na voltooiing van het Ruilbod en er zullen geen significante wijzigingen in de arbeidsvoorwaarden plaatsvinden. Zie hoofdstuk 11 "*Governance, Management and Employees*" voor informatie over de samenstelling van de Raad van Bestuur nadat het Ruilbod gestand is gedaan. Zie hoofdstuk 3 "*DSM-Firmenich's Business*" voor een overzicht van de Vennootschap en haar onderneming en strategie vanaf de Firmenich Inbreng.

18.8 De Ruilbod Vergoeding

DSM Aandeelhouders die hun DSM Gewone Aandelen hebben aangemeld onder het Ruilbod ontvangen de Ruilverhouding als tegenprestatie voor ieder Aangemeld Aandeel dat is geleverd aan de Vennootschap en niet geldig is herroepen, onder de voorwaarden en beperkingen zoals uiteengezet in dit Offering Circular en onder de voorwaarde dat de Vennootschap het Ruilbod gestand doet.

Na de Overdrachtsdatum zal de Vennootschap de resultaten van het Ruilbod bekendmaken door middel van een persbericht, inclusief het totale aantal uitgegeven DSM-Firmenich Gewone Aandelen en het daaruit voortvloeiende eigendom van de Vennootschap in DSM. Dit totale aantal DSM-Firmenich Gewone Aandelen dat op dat moment in omloop is, zal 174.786.029 bedragen (het aantal DSM Gewone Aandelen dat momenteel in omloop is), verminderd met het aantal DSM Gewone Aandelen dat niet was aangemeld op de initiële Aanmeldingsperiode, verminderd met het aantal ingekochte eigen DSM Gewone Aandelen dat moet worden ingetrokken (1.730.450 minus de netto verwaterende instrumenten).

18.9 Besluitvorming en aanbeveling door de DSM Raden

De DSM Raden hebben Centerview en J.P. Morgan om separate adviezen gevraagd over (i) de *fairness* jegens elke houder van DSM Gewone Aandelen, vanuit financieel oogpunt, van de Ruilbod Vergoeding en (ii) de *fairness*, vanuit financieel oogpunt jegens DSM Holdco van de aan DSM Holdco te betalen Aandelenverkoopvergoeding voor de voorgestelde Aandelenverkoop in verband met de Post-Ruilbod Fusie en Liquidatie.

Op 30 mei 2022 hebben Centerview en J.P. Morgan hun Fairness Opinions met de DSM Raden gedeeld. De strekking van de Fairness Opinions is dat op die datum en met inachtneming van de gemaakte veronderstellingen, gevolgde procedures, in overweging genomen aangelegenheden, kwalificaties en beperkingen, zoals opgenomen in iedere Fairness Opinion, (i) de Ruilbod Vergoeding ingevolge de Bedrijfscombinatieovereenkomst vanuit een financieel oogpunt *fair* is voor de houders van DSM Gewone Aandelen, afgezien van de uitgesloten aandelen (zoals gedefinieerd in de Fairness Opinions), en (ii) de Aandelenverkoopvergoeding die aan DSM Holdco moet worden betaald ingevolge de voorgestelde Aandelenverkoop in verband met de Post-Ruilbod Fusie en Liquidatie zoals is voorzien in de Bedrijfscombinatieovereenkomst vanuit een financieel oogpunt *fair* is voor DSM Holdco. Onder verwijzing naar het bovenstaande hebben de DSM Raden, na de voorwaarden van het Ruilbod te hebben beoordeeld met de steun van hun juridische en financiële adviseurs en rekening houdend met de belangen van alle *stakeholders* van DSM, op basis van de voorwaarden van het Ruilbod zoals uiteengezet in dit Offering Circular, unaniem besloten dat het Ruilbod in het belang van de DSM Groep is en dat het Ruilbod het duurzame succes van haar activiteiten bevordert, nogmaals rekening houdend met de belangen van alle *stakeholders*. Dienovereenkomstig hebben de DSM Raden unaniem besloten (i) het Ruilbod te ondersteunen en (ii) de DSM Aandeelhouders aan te bevelen het Ruilbod te aanvaarden en hun DSM Gewone Aandelen aan te bieden onder het Ruilbod (de **Aanbeveling**). Op de datum van dit Offering Circular zal DSM een Standpuntbepaling publiceren, overeenkomstig artikel 18 lid 2 Bob, waarin de Aanbeveling is uiteengezet. De Standpuntbepaling maakt geen deel uit van dit Offering Circular.

De volledige teksten van de Fairness Opinions, waarin de gemaakte veronderstellingen, gevolgde procedures, in overweging genomen aangelegenheden, kwalificaties en beperkingen van het onderzoek in verband met de

Fairness Opinions worden uiteengezet, zijn opgenomen als bijlage bij de Standpuntbepaling. De financiële adviesdiensten van Centerview en J.P. Morgan en de Fairness Opinions zijn uitsluitend verstrekt ter informatie en ondersteuning van de DSM Raden bij hun beoordeling van de Transacties. De Fairness Opinions zijn geen aanbeveling over hoe enig houder van aandelen in DSM, DSM Holdco of Firmenich, of enig ander persoon, zou moeten stemmen of handelen met betrekking tot de Transacties of enige andere aangelegenheid, waaronder of een houder van aandelen in DSM deze aandelen zou moeten aanbieden onder het Ruilbod. De houders van aandelen in DSM, DSM Holdco en Firmenich kunnen geen rechten ontlenen aan de Fairness Opinions.

18.10 Procedures voor aanmelding en noodzakelijke acties van DSM Aandeelhouders

Elke DSM Aandeelhouder die het Ruilbod wenst te aanvaarden dient de inhoud van dit Offering Circular zorgvuldig te lezen om volledig inzicht te krijgen in het Ruilbod, de Vennootschap (en haar activiteiten) en de DSM-Firmenich Gewone Aandelen.

De DSM Aandeelhouders die niet wensen deel te nemen aan het Ruilbod hoeven geen actie te ondernemen en zullen hun bestaande DSM Gewone Aandelen blijven houden wanneer het Ruilbod wordt voltooid, met inachtneming van hoofdstukken 18.17 "*Uitkoopprocedure*" en 18.18 "*Post-Ruilbod Fusie en Liquidatie*".

De aanmelding van een DSM Gewoon Aandeel door een DSM Aandeelhouder vormt een aanvaarding van het Ruilbod door de DSM Aandeelhouder in kwestie. Alvorens actie te ondernemen, dienen aandeelhouders van DSM zorgvuldig na te gaan hoe zij hun DSM Gewone Aandelen houden: via een Aangesloten Instelling of rechtstreeks (bijvoorbeeld individueel geregistreerd in het aandeelhoudersregister van DSM). Bij twijfel dienen aandeelhouders van DSM contact op te nemen met het Afwikkelingskantoor via de contactgegevens in hoofdstuk 14.2 "*Contact details in case of required assistance*".

Aanvaarding door DSM Aandeelhouders via Aangesloten Instellingen

DSM Aandeelhouders die hun DSM Gewone Aandelen houden via een instelling die is toegelaten tot Euronext Amsterdam en/of Euroclear Nederland (**Aangesloten Instelling**) worden verzocht hun aanvaarding uiterlijk op het Laatste Tijdstip van Aanmelding kenbaar te maken via hun bank of effectenmakelaar. De bewaarder, bank of effectenmakelaar kan een eerdere termijn voor communicatie door de DSM Aandeelhouder vaststellen om de bewaarder, bank of effectenmakelaar in staat te stellen aanvaardingen tijdig aan het Afwikkelingskantoor mee te delen. Dienovereenkomstig moeten de DSM Aandeelhouders die DSM Gewone Aandelen houden via een financiële tussenpersoon voldoen aan de data die door een dergelijke financiële tussenpersoon zijn gecommuniceerd, aangezien dergelijke data kunnen afwijken van en eerder kunnen zijn dan de data en tijden die in hoofdstuk 18.10 "*Procedures voor aanmelding en noodzakelijke acties van DSM Aandeelhouders*" worden vermeld.

Aangesloten Instellingen kunnen DSM Gewone Aandelen alleen schriftelijk ter acceptatie aanbieden en alleen aan het Afwikkelingskantoor. De Aangesloten Instellingen worden verzocht de DSM Gewone Aandelen aan te melden via Euroclear Nederland (via Swift bericht MT565). Bij het indienen van de aanvaarding zijn Aangesloten Instellingen verplicht te verklaren dat (i) zij de Aangemelde Aandelen in hun administratie hebben, (ii) elke DSM Aandeelhouder die het Ruilbod aanvaardt onherroepelijk verklaart en garandeert dat (A) de Aangemelde Aandelen worden aangemeld in overeenstemming met de beperkingen uiteengezet in hoofdstukken 14.35 "*Notice to DSM Shareholders in certain jurisdictions*" *en 16* "*Restrictions*" en (B) dat die persoon niet het onderwerp of doelwit is, direct of indirect, van economische of financiële sancties afkomstig van of gehandhaafd door een agentschap van de Amerikaanse regering, de Europese Unie, een lidstaat van de Europese Unie of de Verenigde Naties, anders dan enkel op grond van opname in of eigendom van een persoon opgenomen in de Amerikaanse "Sectoral Sanctions Identifications (SSI) List" of Bijlage III, IV, V of VI van Verordening (EU) nr. 833/2014 van 31 juli 2014, zoals gewijzigd, en (iii) zij zich ertoe verbinden de levering van de Aangemelde Aandelen aan de Vennootschap vóór of uiterlijk op de Overdrachtsdatum te verrichten, mits het Ruilbod gestand wordt gedaan.

Hoewel onder normale omstandigheden de betreffende Aangesloten Instellingen ervoor zullen zorgdragen dat de Aangemelde Aandelen namens de DSM Aandeelhouders aan de Vennootschap worden geleverd, worden DSM

Aandeelhouders erop gewezen dat elke DSM Aandeelhouder zelf verantwoordelijk is voor de levering van zijn Aangemelde Aandelen aan de Vennootschap.

Behoudens artikel 5b lid 5, artikel 15 leden 3 en 8 en artikel 15a lid 3 Bob, vormt de inschrijving van DSM Gewone Aandelen door een DSM Aandeelhouder ter aanvaarding van het Ruilbod een onherroepelijke instructie (i) om elke poging tot levering van dergelijke Aangemelde Aandelen te blokkeren, zodat op of vóór de Overdrachtsdatum geen levering van dergelijke Aangemelde Aandelen kan plaatsvinden (anders dan aan het Afwikkelingskantoor op of voorafgaand aan de Overdrachtsdatum indien het Ruilbod gestand wordt gedaan en de Aangemelde Aandelen voor koop zijn aanvaard) en (ii) om de effectenrekening waarop dergelijke Aangemelde Aandelen op de Overdrachtsdatum worden aangehouden te debiteren met betrekking tot alle Aangemelde Aandelen, tegen betaling door het Afwikkelingskantoor van de Ruilbod Vergoeding per Aangemeld Aandeel en (iii) om de levering van die Aangemelde Aandelen aan de Vennootschap te bewerkstelligen.

Aanvaarding door DSM Aandeelhouders individueel ingeschreven in het aandeelhoudersregister van DSM

DSM Aandeelhouders die individueel in het aandeelhoudersregister van DSM zijn ingeschreven en het Ruilbod met betrekking tot dergelijke geregistreerde DSM Gewone Aandelen willen accepteren, moeten uiterlijk tijdens het Laatste Tijdstip van Aanmelding een ingevuld en ondertekend aanmeldingsformulier aan het Afwikkelingskantoor verstrekken, in overeenstemming met de voorwaarden van het Ruilbod. Aanmeldingsformulieren zijn op verzoek verkrijgbaar bij het Afwikkelingskantoor. Het aanmeldingsformulier zal tevens dienen als akte van levering met betrekking tot de daarin genoemde DSM Gewone Aandelen.

18.11 De Aanmeldingsperiode

De Aanmeldingsperiode onder het Ruilbod begint om 09.00 uur CET op woensdag 23 november 2022 en eindigt om 17.40 uur CET op dinsdag 31 januari 2023 (de **Laatste Dag van Initiële Aanmelding)**, tenzij verlengd overeenkomstig artikel 15 Bob en hoofdstukken 18 "*Dutch Language Summary*"en 18.12 "*Verlenging*". Indien aan alle Transactievoorwaarden is voldaan of, indien en voor zover toegestaan, daarvan afstand is gedaan, zal de Vennootschap alle Aangemelde Aandelen accepteren die niet eerder geldig zijn herroepen binnen de termijn van het Ruilbod, in overeenstemming met de procedures uiteengezet in hoofdstukken 18.10 "*Procedures voor aanmelding en noodzakelijke acties van DSM Aandeelhouders*" en 18.15 "*Herroepingsrecht*".

Dienovereenkomstig blijft het Ruilbod, met inachtneming van de voorwaarden en beperkingen ervan, openstaan voor aanvaarding door die DSM Aandeelhouders die op elk moment tot en met de Laatste Dag van Initiële Aanmelding in het effectenregister van DSM zijn opgenomen, op voorwaarde dat, indien een DSM Aandeelhouder aan de Vennootschap een aanvaarding verstrekt, hij niet in staat zal zijn om de DSM Gewone Aandelen die zijn aangemeld op grond van zulk een aanvaarding te verhandelen vóór 17.40 uur CET op dinsdag 31 januari 2023 op de Laatste Dag van Aanmelding. Dergelijke DSM Aandeelhouders mogen hun DSM Gewone Aandelen alleen blijven verhandelen als het Ruilbod niet wordt uitgevoerd en hun DSM Gewone Aandelen aan hen worden geretourneerd in overeenstemming met de voorwaarden en beperkingen van dit Offering Circular.

Elke aanvaarding van het Ruilbod en elke inschrijving van DSM Gewone Aandelen na het einde van de Aanmeldingsperiode, maar vóór het einde van de Na-aanmeldingsperiode, zal worden beschouwd als een aanvaarding van het Ruilbod en een aanbieding van DSM Gewone Aandelen tijdens de Na-aanmeldingsperiode. Er wordt verwezen naar hoofdstuk 18.20 "*Na-aanmeldingsperiode*".

18.12 Verlenging

Als een of meer van de Transactievoorwaarden zoals uiteengezet in hoofdstuk 18.13 "*De Transactievoorwaarden*" niet vervuld is op de Laatste Dag van Initiële Aanmelding zonder dat daarvan afstand is gedaan in overeenstemming met hoofdstuk 18.13 "*De Transactievoorwaarden*", terwijl aan elke Transactievoorwaarde op dat moment kan worden voldaan, dan zal de Vennootschap en zal DSM de Vennootschap ertoe brengen, tenzij DSM en Firmenich gezamenlijk anders beslissen, de Aanmeldingsperiode (te) verlengen met ten minste twee weken en ten hoogste tien weken, gerekend vanaf de Laatste Dag van Initiële Aanmelding. Enige verdere verlenging zal afhankelijk zijn van een door de AFM verleende vrijstelling en zal zo lang duren als de Vennootschap redelijkerwijs noodzakelijk acht om aan de Transactievoorwaarden te voldoen. De Vennootschap zal, en DSM zal de Vennootschap ertoe brengen, het Ruilbod gestand (te) doen binnen drie Werkdagen na de Laatste Dag van Aanmelding.

Indien (i) de initiële Aanmeldingsperiode wordt verlengd, (ii) de AFM geen ontheffing verleent om de zodanig reeds verlengde Aanmeldingsperiode nogmaals te verlengen en (iii) de Aanmeldingsperiode is verstreken zonder dat het Ruilbod gestand is gedaan, kan de Vennootschap naar eigen goeddunken de AFM onverwijld verzoeken een ontheffing te verlenen waardoor de Vennootschap onmiddellijk een nieuw openbaar bod kan uitbrengen onder dezelfde voorwaarden als het Ruilbod met een Aanmeldingsperiode die niet afloopt na de Uiterste Datum. Indien een derde vóór het verstrijken van de Aanmeldingsperiode een bod doet of aankondigt op DSM Gewone Aandelen, kan de Vennootschap besluiten de Aanmeldingsperiode te verlengen overeenkomstig artikel 15 lid 5 Bob.

In het geval van een verlenging zullen alle verwijzingen in dit Offering Circular naar 17.40 uur CET op dinsdag 31 januari 2023 worden gewijzigd naar de datum en het tijdstip waarop de verlenging van de initiële Aanmeldingsperiode zal eindigen, tenzij de context anders vereist.

Indien de Aanmeldingsperiode is verlengd, zodat de verplichting op grond van artikel 16 Bob om bekend te maken of het Ruilbod gestand wordt gedaan wordt uitgesteld, zal daarover uiterlijk op de derde Werkdag na de Laatste Dag van Initiële Aanmelding een openbare aankondiging worden gedaan, in overeenstemming met het bepaalde in artikel 15 lid 1 en 2 Bob. Indien de Vennootschap de Aanmeldingsperiode verlengt, vervalt het Ruilbod op het tijdstip en de datum waarop de verlengde Aanmeldingsperiode eindigt.

De DSM Aandeelhouders zullen op de hoogte worden gesteld van een dergelijke verlenging via de website van DSM-Firmenich (www.creator-innovator.com).

Tijdens een verlenging van de Aanmeldingsperiode blijven alle DSM Gewone Aandelen die eerder zijn aangemeld en niet geldig zijn herroepen, aangemeld onder het Ruilbod, onder voorbehoud van het recht van elke DSM Aandeelhouder om de DSM Gewone Aandelen die hij of zij al heeft aangemeld in te trekken in overeenstemming met hoofdstuk 18.15 "*Herroepingsrecht*". DSM Gewone Aandelen die tijdens de verlenging van de Aanmeldingsperiode zijn aangemeld kunnen niet worden herroepen, behoudens de herroepingsrechten zoals uiteengezet in hoofdstuk 18.15 "*Herroepingsrecht*".

18.13 De Transactievoorwaarden

De respectieve verplichting van Partijen om de Transacties uit te voeren en voor DSM om ervoor te zorgen dat de Vennootschap de Transacties uitvoert, inclusief de verplichting voor de Vennootschap om het Ruilbod gestand te doen, is afhankelijk van voldoening van of de schriftelijke afstanddoening (geheel of gedeeltelijk, op voorwaarde dat enig deel waarvan geen afstand is gedaan anderszins is voldaan), voor zover toegestaan door de toepasselijke wetgeving, door de Vennootschap, met voorafgaande schriftelijke toestemming van zowel DSM als Firmenich gezamenlijk, op of voorafgaand aan de Laatste Dag van Aanmelding van de volgende voorwaarden (de **Gezamenlijke Voorwaarden**):

(a) het aantal Aangemelde Aandelen dat niet geldig is herroepen vertegenwoordigt op de Laatste Dag van Aanmelding ten minste de Aanmeldingsdrempel;

(b) de Mededingingsgoedkeuringen zijn verkregen;

(c) de Nederlandsche Bank heeft een verklaring van geen bezwaar afgegeven aan de Vennootschap en elke andere partij die naar aanleiding van de Transacties een gekwalificeerde deelneming in DSM Pension Services B.V. zal verkrijgen;

(d) de Zwitserse Autoriteit voor de Financiële Markten (**FINMA**) heeft geen bezwaar gemaakt tegen de verwerving van een gekwalificeerd belang, in de zin van artikel 21 lid 2 van de Zwitserse wet op verzekeringen van 17 december 2004, in DSM RE Switzerland AG door een partij die dit zal doen als gevolg van de Transacties;

(e) de AFM heeft de betrouwbaarheid van de nieuwe medebeleidsbepalers van DSM Pension Services B.V. en DSM Insurances B.V. als positief beoordeeld naar aanleiding van meldingen door elk van DSM Pension Services B.V. en DSM Insurances B.V. van de wijziging in hun medebeleidsbepalers als gevolg van de Transacties, in overeenstemming met de artikelen 4:10 en 4:26 van de Wft;

(f) de FDI Goedkeuringen zijn verkregen;

(g) de DSM BAVA of enige daaropvolgende buitengewone algemene vergadering van DSM Aandeelhouders (indien van toepassing) heeft de Transactieresoluties goedgekeurd;

(h) de procedures van het Werknemersvertegenwoordigingsorgaan zijn voltooid;

(i) de Stichting heeft de uitstaande call-optie op grond van de Stichting Call Optie Overeenkomst niet (geheel of gedeeltelijk) uitgeoefend, en de Stichting is de Stichting Beëindigingsovereenkomst aangegaan en deze overeenkomst is volledig van kracht en niet gewijzigd of aangepast;

(j) Euronext Amsterdam heeft haar goedkeuring van het verzoek tot Notering per de Overdrachtsdatum verleend en niet ingetrokken;

(k) de AFM heeft dit Offering Circular goedgekeurd als prospectus en biedingsbericht zoals vereist voor de publicatie van dit Offering Circular, en deze goedkeuring is en blijft volledig van kracht;

(l) Euroclear Nederland heeft bevestigd dat de DSM-Firmenich Gewone Aandelen zijn aanvaard voor het giraal effectenverkeer (*book-entry transfer*); en

(m) geen bevel, schorsing, vonnis of decreet door een rechtbank, scheidsgerecht, regering, overheidsinstantie of andere regelgevende of administratieve autoriteit is uitgevaardigd of zal volledig van kracht blijven, en geen statuut, regel, voorschrift, overheidsbevel of rechterlijke beslissing is uitgevaardigd of zal volledig van kracht blijven, welke het uitvoeren en/of voltooien van de Transacties in overeenstemming met de Bedrijfscombinatieovereenkomst in enig materieel opzicht verbiedt.

Met betrekking tot de Gezamenlijke Voorwaarde onder (b), op de datum van dit Offering Circular, hebben DSM en Firmenich vastgesteld dat Mededingingsgoedkeuringen dienen te worden verkregen van de Europese Commissie en de mededingingsautoriteiten in Brazilië, China, Colombia, India, Mexico, Zuid-Afrika, Zuid-Korea, Turkije en de Verenigde Staten. Op de datum van dit Offering Circular, hebben DSM and Firmenich de aanvraag voor Mededingingsgoedkeuringen ingediend in Brazilië, China, Colombia, Mexico, Zuid-Afrika, Turkije en de Verenigde Staten en zij zullen de aanvragen indienen bij de Europese Commissie, India en Zuid-Korea met het doel om al deze goedkeuringen te verkrijgen voorafgaand aan Voltooiing. Daarnaast zullen DSM and Firmenich de competente autoriteiten in Argentina and Indonesia informeren na Voltooiing (hetgeen geen onderdeel is van de Gezamenlijke Voorwaarde). Op de datum van dit Offering Circular verwachten DSM en Firmenich geen andere meldingen te moeten doen bij mededingingsautoriteiten.

Met betrekking tot de Gezamenlijke Voorwaarde onder (d) heeft de Vennootschap op 2 November 2022 een brief van FINMA ontvangen waarin namens FINMA is bevestigd dat zij niet de intentie heeft om de verwerving van een gekwalificeerd belang in DSM RE Switzerland AG door een van de Partijen te verbieden of hieraan voorwaarden te verbinden. Deze Gezamenlijke Voorwaarde is daarmee vervuld.

Met betrekking tot de Gezamenlijke Voorwaarde onder (e) heeft de AFM bevestigd dat geen betrouwbaarheidsanalyse vereist is voor de nieuwe medebeleidsbepalers van DSM Pension Services B.V. en DSM Insurances B.V. Dit proces is daarom afgerond.

Met betrekking tot de Gezamenlijke Voorwaarde onder (f), op de datum van dit Offering Circular, hebben DSM and Firmenich vastgesteld dat FDI Goedkeuringen dienen te worden verkregen van de competente authoriteiten in het Verenigd Koninkrijk en Canada.

Met betrekking tot de Gezamenlijke Voorwaarde onder (h) heeft de Vennootschap op 3 oktober 2022 een brief ontvangen van de centrale ondernemingsraad van DSM waarin wordt bevestigd dat de positief wordt geadviseerd over de uitvoering van de Transacties en het creëren van een duaal hoofdkantoor. De procedure met de centrale ondernemingsraad van DSM is hiermee voltooid.

Met betrekking tot de Gezamenlijke Voorwaarde onder (h) heeft de Vennootschap op 3 oktober 2022 een brief ontvangen van de centrale ondernemingsraad van DSM waarin is bevestigd dat het advies, over de uitvoering van de Transacties en het creëren van een duaal hoofdkantoor, positief is. De procedure met de centrale ondernemingsraad van DSM is hiermee voltooid.

Bovendien is de verplichting van DSM, Firmenich en de Vennootschap om de Transacties uit te voeren, en voor DSM en Firmenich de verplichting om ervoor te zorgen dat de Vennootschap de Transacties uitvoert, inclusief de verplichting voor de Vennootschap om het Ruilbod gestand te doen, ook onderworpen aan de voldoening van of de schriftelijke afstanddoening (geheel of gedeeltelijk, op voorwaarde dat enig deel waarvan geen afstand is gedaan anderszins is voldaan), voor zover toegestaan door de toepasselijke wetgeving, door DSM op of voorafgaand aan de Laatste Dag van Aanmelding van de volgende aanvullende voorwaarden (de **DSM Voorwaarden**):

(a) de Firmenich Garanties zijn naar waarheid en nauwkeurig op de Laatste Dag van Aanmelding, behalve wanneer het niet naar waarheid en nauwkeurig zijn van dergelijke Firmenich Garanties, individueel of gezamenlijk, (i) geen Materieel Nadelig Effect heeft voor de Firmenich Groep en zulk een Materiaal Nadelig Effect redelijkerwijs niet wordt verwacht of (ii) geen Materieel Nadelig Effect heeft op het vermogen van Firmenich, de Firmenich Aandeelhouders of de Fiduciary Agent om de Transacties te voltooien en zulk een materiaal nadelig effect redelijkerwijs niet wordt verwacht, en DSM een certificaat ontvangt dat namens Firmenich is ondertekend door een gemachtigde vertegenwoordiger van Firmenich, gedateerd op de Laatste Dag van Aanmelding, waaruit blijkt dat aan deze voorwaarde is voldaan;

(b) er heeft geen Materieel Nadelig Effect op de Firmenich Groep plaatsgevonden, noch is een Matierel Nadelig Effect op de Firmenich Groep bekend geworden, sinds de datum van de Bedrijfscombinatieovereenkomst; en

(c) de Firmenich Aandeelhouders en Firmenich in alle materiële opzichten alle convenanten, overeenkomsten en verplichtingen hebben uitgevoerd die door haar moeten worden uitgevoerd op grond van de Bedrijfscombinatieovereenkomst op of vóór de Laatste Dag van Aanmelding (inclusief het overdragen van alle klasse A Firmenich aandelen en al hun aandelen in Sentarom aan de Verkoopagent) en de Bedrijfscombinatieovereenkomst is volledig van kracht.

Bovendien is de verplichting van Firmenich en de Firmenich Aandeelhouders om de Transacties uit te voeren, en voor DSM en Firmenich om ervoor te zorgen dat de Vennootschap de Transacties uitvoert, inclusief de verplichting voor de Vennootschap om het Ruilbod gestand te doen, ook onderworpen aan de voldoening van of de schriftelijke afstanddoening (geheel of gedeeltelijk, op voorwaarde dat enig deel waarvan geen afstand is gedaan anderszins is voldaan), voor zover toegestaan door de toepasselijke wetgeving, door Firmenich op of voorafgaand aan de Laatste Dag van Aanmelding van de volgende aanvullende voorwaarden (de **Firmenich Voorwaarden**, en samen met de Gezamenlijke Voorwaarden en de DSM Voorwaarden, de **Transactievoorwaarden):**

(a) de DSM Garanties zijn naar waarheid en nauwkeurig op de Laatste Dag van Aanmelding, behalve wanneer het niet naar waarheid en nauwkeurig zijn van dergelijke DSM Garanties, afzonderlijk of in het geheel, (i) geen Materieel Nadelig Effect heeft voor de DSM Groep en zulk een Materiaal Nadelig Effect redelijkerwijs niet wordt verwacht of (ii) geen Materieel Nadelig Effect heeft op het vermogen van DSM, of de Vennootschap om de Transacties te voltooien en zulk een Materiaal Nadelig Effect redelijkerwijs niet wordt verwacht, en Firmenich en de Firmenich Aandeelhouders een namens DSM en de Vennootschap ondertekend certificaat ontvangen dat is ondertekend door een gemachtigde vertegenwoordiger van elk van DSM en de Vennootschap, gedateerd op de Laatste Dag van Aanmelding, waaruit blijkt dat aan deze voorwaarde is voldaan;

(b) er heeft geen Materieel Nadelig Effect op de DSM Groep plaatsgevonden, noch is een Materiaal Nadelig Effect op de DSM Groep bekend geworden, sinds de datum van de Bedrijfscombinatieovereenkomst;

(c) alle DSM Preferente Aandelen A Toezeggingsovereenkomsten zijn volledig van kracht en zijn niet geamendeerd of gewijzigd; en

(d) DSM en de Vennootschap hebben in alle materiële opzichten alle convenanten, overeenkomsten en verplichtingen uitgevoerd die door haar op grond van de Bedrijfscombinatieovereenkomst op of voorafgaand aan de Laatste Dag van Aanmelding moeten worden uitgevoerd, en de Bedrijfscombinatieovereenkomst is volledig van kracht.

Naar de kennis van Firmenich, DSM en de Vennootschap, heeft zich geen Materieel Nadelig Effect voorgedaan, noch is enig Materieel Nadelig Effect bekend geworden, op of voor de datum van dit Offering Circular.

Firmenich, DSM en de Vennootschap hebben alle acties ondernomen of laten ondernemen en alle dingen gedaan of laten doen die van hun respectievelijke kant nodig zijn of waren om aan de Transactievoorwaarden te voldoen en om de Transacties zo snel als redelijkerwijs mogelijk te voltooien en uit te voeren. DSM heeft in dat kader waar toepasselijk de Vennootschap aangestuurd.

De Firmenich Aandeelhouders hebben zich ertoe verbonden hun uiterste best te doen om zulke acties te ondernemen en zulke dingen te doen of te laten doen die van hun kant nodig zijn om aan de Transactievoorwaarden te voldoen en de Transacties zo snel als redelijkerwijs mogelijk te voltooien en uit te voeren, op voorwaarde dat geen enkele Firmenich Aandeelhouder verplicht is om een actie te ondernemen welke voor hem onredelijk belastend is. In zo'n geval zal een dergelijke Firmenich Aandeelhouder Firmenich en DSM hiervan op de hoogte stellen, en zullen Firmenich, DSM en de Firmenich Aandeelhouder in kwestie bespreken en overeenkomen of een dergelijke actie redelijkerwijs als onredelijk belastend voor die Firmenich Aandeelhouder moet worden beschouwd.

De Firmenich Aandeelhouders hebben zich ertoe verbonden om, voor zover dit vereist is door een regelgevende instantie onder toepasselijke wetgeving, alle informatie te verstrekken die nodig is in verband met het voldoen aan de Transactievoorwaarden of het voltooien en uitvoeren van de Transacties, op voorwaarde dat de voortdurende vertrouwelijkheid van dergelijke informatie wordt gewaarborgd.

Zodra aan de Transactievoorwaarden is voldaan of daarvan afstand is gedaan, zal de Vennootschap een aankondiging op de website van DSM-Firmenich (www.creator-innovator.com) publiceren waarin de DSM Aandeelhouders dienovereenkomstig worden geïnformeerd. Het Ruilbod is gestand gedaan wanneer aan alle Transactievoorwaarden is voldaan of daarvan afstand is gedaan.

18.14 Gestanddoening

De verplichting van de Vennootschap om het Ruilbod gestand te doen is onderworpen aan de voldoening aan of het afzien van de Transactievoorwaarden. Van de Transactievoorwaarden kan worden afgezien, voor zover toegestaan door de wet of onder de Bedrijfscombinatieovereenkomst, zoals uiteengezet in hoofdstuk 18.13 "*De Transactievoorwaarden*". Als afstand wordt gedaan van een Transactievoorwaarde in overeenstemming met hoofdstuk 18.13 "*De Transactievoorwaarden*", dan zal de Vennootschap de DSM Aandeelhouders informeren zoals vereist door de toepasselijke wetgeving.

Uiterlijk op de Dag van Gestanddoening zal de Vennootschap bepalen of aan de Transactievoorwaarden is voldaan of dat daarvan afstand is gedaan door de Partij die gerechtigd is zulks te doen in overeenstemming met de voorwaarden van dit Offering Circular zoals verder uiteengezet in hoofdstuk 18.13 "*De Transactievoorwaarden*" en voor zover toegestaan door de toepasselijke wetgeving. Daarnaast zal de Vennootschap op de Dag van Gestanddoening bekendmaken of (i) het Ruilbod gestand wordt gedaan, (ii) de Aanmeldingsperiode wordt verlengd overeenkomstig artikel 15 Bob (zie hoofdstuk 18.11 "*De Aanmeldingsperiode*") of (iii) het Ruilbod wordt beëindigd als gevolg van het niet voldaan zijn aan de Transactievoorwaarden, zoals uiteengezet in hoofdstuk 18.13 "*De Transactievoorwaarden*" zonder dat daarvan afstand is gedaan, alles in overeenstemming met artikel 16 Bob.

Indien de Vennootschap het Ruilbod gestand doet, vermeldt zij de totale waarde, het aantal en het overeenkomstige percentage van (i) de Aangemelde Aandelen en (ii) het totaal van de Aangemelde Aandelen die direct of indirect in het bezit zijn van de Vennootschap. In het geval dat het Ruilbod niet gestand wordt gedaan, zal de Vennootschap een dergelijke beslissing toelichten.

In het geval dat de Vennootschap het Ruilbod gestand doet, zal de Vennootschap alle Aangemelde Aandelen accepteren en mogelijk een Na-aanmeldingsperiode aankondigen, zoals uiteengezet in hoofdstuk 18.11 "*De Aanmeldingsperiode*", van niet meer dan twee weken om DSM Aandeelhouders die hun DSM Gewone Aandelen niet hebben aangemeld tijdens de Aanmeldingsperiode in staat te stellen hun DSM Gewone Aandelen aan te melden tijdens de Na-aanmeldingsperiode onder dezelfde voorwaarden als onder het Ruilbod.

18.15 Herroepingsrecht

Aanvaardingen door de DSM Aandeelhouders onder het Ruilbod zijn onherroepelijk. DSM Gewone Aandelen die op of vóór de Laatste Dag van Aanmelding zijn aangemeld kunnen niet worden herroepen, behoudens het herroepingsrecht van elke aanmelding op grond van het bepaalde in artikel 5b lid 5, artikel 15 leden 3 en 8 en artikel 15a lid 3 Bob. De aanmelding van Aandelen wordt herroepen door een daartoe strekkende schriftelijke kennisgeving aan de Aangesloten Instelling die de DSM Aandeelhouder oorspronkelijk heeft geïnstrueerd voor de aanmelding van de DSM Gewone Aandelen of, als de DSM Gewone Aandelen individueel geregistreerd zijn in het aandeelhoudersregister van DSM, aan het Afwikkelingskantoor, zoals nader beschreven in hoofdstuk 14.17 "*Withdrawal rights*".

Herroepingen van een aanmelding van DSM Gewone Aandelen kunnen niet worden teruggetrokken en alle DSM Gewone Aandelen die geldig zijn herroepen worden geacht niet geldig te zijn aangemeld ten behoeve van het Ruilbod. Geldig herroepen DSM Gewone Aandelen kunnen echter wel opnieuw worden aangemeld volgens de procedure voor de aanmelding van DSM Gewone Aandelen zoals beschreven in hoofdstuk 18.10 "*Procedures voor aanmelding en noodzakelijke acties van DSM Aandeelhouders*".

Tijdens de Na-aanmeldingsperiode (indien van toepassing) zijn geen herroepingsrechten van toepassing op de DSM Gewone Aandelen die tijdens de Na-aanmeldingsperiode worden aangemeld noch op DSM Gewone Aandelen die op of voorafgaand aan de Laatste Dag van Aanmelding onder het Ruilbod zijn aangemeld en door de Vennootschap zijn geaccepteerd.

Voor meer informatie aangaande herroepingsrechten en de procedure daarvoor wordt verwezen naar hoofdstuk 14.17 "*Withdrawal rights*".

18.16 De Dag van Gestanddoening

Wanneer het Ruilbod gestand wordt gedaan en wordt afgewikkeld, zullen de DSM Aandeelhouders die hun aanmeldingen onder het Ruilbod hebben verstrekt recht hebben op ontvangst van de Ruilbod Vergoeding.

De toelating van de DSM-Firmenich Gewone Aandelen op Euronext Amsterdam gaat van kracht op de Dag van Gestanddoening, welke momenteel naar verwachting zal plaatsvinden op 1 februari 2023, onder voorbehoud van een eventuele verlenging van de Aanmeldingsperiode.

De Overdracht onder het Ruilbod zal worden beheerd en uitgevoerd door de Vennootschap, door de Euronext Notering en Betalingsagent en/of het Afwikkelingskantoor namens de Vennootschap.

Voor de verplichting van de Vennootschap om de DSM-Firmenich Gewone Aandelen te leveren aan de DSM Aandeelhouders die hun aanmeldingen onder het Ruilbod geldig hebben verstrekt zal volledige en finale kwijting worden verleend wanneer de Vennootschap de DSM-Firmenich Gewone Aandelen aan hen uitgeeft op de Overdrachtsdatum, die momenteel verwacht wordt plaats te vinden op 3 februari 2023 of zo snel mogelijk daarna

De DSM Aandeelhouders die niet wensen deel te nemen aan het Ruilbod hoeven geen actie te ondernemen met betrekking tot het Ruilbod en zullen hun bestaande DSM Gewone Aandelen blijven houden wanneer het Ruilbod wordt uitgevoerd, met inachtneming van de bepalingen in hoofdstukken 18.17 "*Uitkoopprocedure*" en 18.18 "*Post-Ruilbod Fusie en Liquidatie*".

18.17 Uitkoopprocedure

Indien de Vennootschap en zijn groepsondernemingen in de zin van het BW na de Overdracht in totaal ten minste 95% van het totaal geplaatste en uitstaande aandelenkapitaal van DSM Gewone Aandelen houden (berekend in overeenstemming met het BW), zal de Vennootschap de wettelijke uitkoopprocedure conform artikel 2:359c BW of artikel 2:92a BW in gang zetten om de niet-aangemelde DSM Gewone Aandelen onder het Ruilbod te verkrijgen (de **Uitkoopprocedure**). Met uitzondering van de Vennootschap, zullen de DSM Aandeelhouders die door middel van de Uitkoopprocedure worden uitgekocht een vergoeding in contanten ontvangen.

De contante vergoeding die moet worden betaald bij een succesvolle uitkoopvordering wordt volgens de Nederlandse jurisprudentie gelijkgesteld aan de waarde van de aandelen in de doelvennootschap op de dag waarop 90% van die aandelen zijn aangeboden voor aanvaarding. Eventuele dividenden of andere uitkeringen die zijn betaald na de afwikkeling van het bod dienen in mindering te worden gebracht op de te betalen uitkoopprijs.

18.18 Post-Ruilbod Fusie en Liquidatie

De Partijen zien er verdiensten en voordelen in dat de Vennootschap 100% van de DSM Gewone Aandelen (en indirect alle activa en activiteiten van DSM) verwerft door middel van de Uitkoopprocedure of de Post-Ruilbod Fusie en Liquidatie. Zij zien eveneens verdiensten en voordelen in het beëindigen van de notering van de DSM Gewone Aandelen aan Euronext Amsterdam.

Na de overdracht van de Aangemelde Aandelen die zijn aangemeld tijdens de Aanmeldingsperiode, of, indien van toepassing, de Na-aanmeldingsperiode en op voorwaarde dat (i) de Transactiebesluiten zijn aangenomen en volledig van kracht zijn en (ii) het totale aantal Aangeboden Aandelen aangemeld tijdens de Aanmeldingsperiode en de Na-aanmeldingsperiode onder het Ruilbod, samen met (x) alle DSM Gewone Aandelen die direct of indirect worden gehouden door de Vennootschap of door haar Gelieerde Ondernemingen, (y) alle DSM Gewone Aandelen die schriftelijk zijn toegezegd aan de Vennootschap of aan haar Gelieerde Onderneming en (z) alle DSM Gewone Aandelen waarop de Vennootschap of haar Gelieerde Ondernemingen recht hebben, gezamenlijk ten minste de Aanmeldingsdrempel vertegenwoordigen, maar minder dan 95% van het totale geplaatste en uitstaande gewone aandelenkapitaal van DSM volgend op de Overdracht van de DSM Gewone Aandelen die tijdens de Na-aanmeldingsperiode zijn aangemeld, kan DSM door de Vennootschap of Firmenich worden geïnformeerd om de **Post-Ruilbod Fusie en Liquidatie** uit te voeren, in welk geval:

(a) voordat de Driehoeksfusie van kracht wordt, DSM, in zijn hoedanigheid als enig aandeelhouder van DSM Holdco, zal besluiten om, in elk geval onder voorbehoud van en op het moment van het van kracht worden van de Aandelenverkoop, (i) DSM Holdco te ontbinden in overeenstemming met artikel 2:19 BW (de **Ontbinding**), (ii) in overleg met DSM-Firmenich een vereffenaar aan te stellen van DSM Holdco (de **Vereffenaar**) en de terugbetaling van het redelijke salaris en de kosten van de Vereffenaar goed te keuren en (iii) DSM Sub aan te wijzen als bewaarder van de boeken en bescheiden van DSM Holdco in overeenstemming met artikel 2:24 BW;

(b) voordat de Driehoeksfusie van kracht wordt, de Vennootschap en DSM ervoor zullen zorgen dat DSM Holdco een koopovereenkomst sluit met de Vennootschap (de **Post-Ruilbod Koopovereenkomst**) op grond waarvan DSM Holdco alle geplaatste en uitstaande aandelen in het kapitaal van DSM Sub zal verkopen en de Vennootschap deze zal kopen (de **Aandelenverkoop**) en de Vennootschap alle verplichtingen van DSM Holdco zal overnemen (de **Overname van Verplichtingen**). De vergoeding die de Vennootschap aan DSM Holdco verschuldigd is in het kader van de Post-Ruilbod Koopovereenkomst bestaat uit een recht dat de houder daarvan in staat stelt om, op eerste verzoek, de Vennootschap te verplichten een zodanig aantal DSM-Firmenich Gewone Aandelen te leveren dat gelijk is aan het aantal DSM Gewone Aandelen dat wordt gehouden door de Vennootschap plus de DSM Gewone Aandelen die worden gehouden door de niet-aanbiedende DSM Aandeelhouders onder het Ruilbod, of het equivalent daarvan in contanten, berekend bij gebruik van een waarde die overeenkomt met de geldende waarde van een DSM-Firmenich Gewoon Aandeel (de **Aandelenverkoopvergoeding**, en een dergelijk recht, het **Afwikkelingsinstrument**) te ontvangen.

(c) voordat de Driehoeksfusie van kracht wordt, de Vennootschap een derde aandelenuitgifte zal bewerkstelligen (de **Derde Aandelenuitgifte**) (zoals beschreven in hoofdstuk 12.3 "*Pending developments in the outstanding share capital, issue dates*"), waarbij DSM-Firmenich Gewone Aandelen worden uitgegeven aan DSM Holdco tegen betaling van de nominale waarde in contanten;

(d) DSM de Driehoeksfusie zo snel mogelijk tot stand zal brengen en ervoor zal zorgen dat DSM Holdco en DSM Sub de Driehoeksfusie tot stand brengen in overeenstemming met de bepalingen uiteengezet in:

(i) een fusievoorstel (het **Fusievoorstel**) voor een juridische driehoeksfusie van DSM (als verdwijnende vennootschap) met en in DSM Sub (als overnemende vennootschap), waarbij DSM Holdco aandelen uitgeeft aan de Vennootschap en de DSM Aandeelhouders op een aandeel-voor-aandeel-basis in overeenstemming met artikelen 2:309 e.v. en artikel 2:333a van het BW (de **Driehoeksfusie**); en

(ii) de toelichting op het Fusievoorstel;

krachtens het verlijden van een notariële akte van fusie (de **Akte van Fusie**);

(e) op de eerste Werkdag na het verlijden van de Akte van Fusie, de Vennootschap de transacties zal implementeren die zijn beoogd in de Post-Ruilbod Koopovereenkomst, en zal bewerkstelligen dat DSM Holdco die transacties zal implementeren, inclusief de overdracht van alle geplaatste en uitstaande aandelen in het kapitaal van DSM Sub aan de Vennootschap door middel van het verlijden van een notariële akte van levering (de **Sluiting van de Aandelenverkoop**) en de Overname van Verplichtingen;

(f) direct na de Sluiting van de Aandelenverkoop DSM Holdco door te kiezen voor afwikkeling in contanten van een deel van het Afwikkelingsinstrument bij gebruik van een waarde die overeenkomt met de geldende waarde van een DSM-Firmenich Gewoon Aandeel, van de Vennootschap zal ontvangen:

(i) een bedrag in contanten dat gelijk is aan de verschuldigde Nederlandse dividendbelasting onder de Ontbinding en vereffening, rekening houdend met het erkende kapitaal dat is gestort op de DSM Gewone Aandelen voor Nederlandse dividendbelasting doeleinden (zoals overgedragen aan DSM Holdco als gevolg van de Driehoeksfusie) vermeerderd met een bedrag gelijk aan de waarde van de fractionele DSM-Firmenich Gewone Aandelen (het **Contante Gedeelte**); en

(ii) het recht op een bedrag in contanten gelijk aan een bedrag dat overeenkomt met de geldende waarde van de DSM-Firmenich Gewone Aandelen uitgegeven in het kader van de Derde Aandelenuitgifte, verminderd met een bedrag van €0.01 voor elk zodanig DSM-Firmenich Gewoon Aandeel. Dit recht wordt vervolgens door DSM Holdco in het vermogen van de Vennootschap ingebracht onder een afzonderlijke voorwaardelijke inbrengovereenkomst;

(g) de Vennootschap ervoor zal zorgen dat de Vereffenaar, zo spoedig mogelijk na de Sluiting van de Aandelenverkoop en de Overname van Verplichtingen, de Ontbinding en liquidatie van DSM Holdco bewerkstelligt en zorgt voor een voorlopige liquidatie-uitkering, welke gepland staat op of rond de datum van de Sluiting van de Aandelenverkoop en zal resulteren in (i) de uitkering aan de Vennootschap van (a) het resterende deel van de DSM-Firmenich Gewone Aandelen uitgegeven onder de Derde Aandelenuitgifte boven de Vereiste DSM-Firmenich Gewone Aandelen (zoals hieronder gedefinieerd) en (b) het resterende deel van het Afwikkelingsinstrument, waarbij dit recht teniet zal gaan als gevolg van de uitkering, (ii) de uitkering aan DSM Aandeelhouders die hun DSM Gewone Aandelen niet onder het Ruilbod aanmelden van (x) een zodanig aantal DSM-Firmenich Gewone Aandelen dat gelijkstaat aan het aantal DSM Gewone Aandelen gehouden door die betreffende DSM Aandeelhouders direct voorafgaand aan de Inbreng Voltooiing, verminderd met een zodaning aantal DSM-Firmenich Gewone Aandelen dat de waarde van het Contante Gedeelte reflecteert (de **Vereiste DSM-Firmenich Gewone Aandelen**), (y) plus een bedrag in contanten gelijk aan het bedrag aan Nederlandse dividendbelasting dat verschuldigd is met betrekking tot de uitkering en een contante betaling ter vervanging van enige fractionele DSM-Firmenich Gewone Aandelen, op voorwaarde dat Beperkte Aandeelhouders geen DSM-Firmenich Gewone Aandelen zullen ontvangen, (iii) de levering van DSM-Firmenich Gewone Aandelen aan een verkoopagent die optreedt namens de Beperkte Aandeelhouders en de opbrengsten aan de Beperkte Aandeelhouders zal uitkeren, indien een dergelijke constructie van toepassing is en (iv) de inhouding op de uitkering aan de niet-aanbiedende DSM Aandeelhouders (zoals bedoeld in subparagrafen (ii) en (iii) hierboven) van een bedrag gelijk aan de Nederlandse dividendbelasting verschuldigd uit hoofde van de Ontbinding en vereffening en de betaling daarvan, namens de niet-aanbiedende DSM Aandeelhouders, aan de Nederlandse Belastingdienst.

Voor een verdere uitleg over de Post-Ruilbod Fusie en Liquidatie wordt verwezen naar hoofdstuk 14.20 "*Post-Offer Merger and Liquidation*".

18.19 Overdracht onder het Ruilbod

In het geval dat de Vennootschap het Ruilbod gestand doet, zullen de DSM Aandeelhouders die geldig hebben aangeboden (of gebrekkig hebben aangeboden, mits de Vennootschap afstand heeft gedaan van een dergelijk gebrek) en hun DSM Gewone Aandelen niet hebben herroepen en op of voor de Laatste Dag van Aanmelding hun DSM Gewone Aandelen hebben overgedragen voor aanvaarding onder het Ruilbod, uiterlijk op de tweede Werkdag na de Dag van Gestanddoening de Ruilbod Vergoeding voor elk Aangemeld Aandeel ontvangen, vanaf welk moment de herroeping, ontbinding of vernietiging van de aanvaarding, aanbieding of levering van een DSM Aandeel niet is toegestaan. Overdracht vindt alleen plaats indien het Ruilbod gestand wordt gedaan. De Vennootschap kan niet garanderen dat de DSM Aandeelhouders de Ruilbod Vergoeding daadwerkelijk binnen deze periode zullen ontvangen van de Aangesloten Instelling waarbij zij hun DSM Gewone Aandelen houden.

18.20 Na-aanmeldingsperiode

In het geval dat de Vennootschap het Ruilbod gestand doet, kan de Vennootschap, in overeenstemming met artikel 17 Bob, binnen drie Werkdagen na gestanddoening van het Ruilbod publiekelijk een Na-aanmeldingsperiode van niet meer dan twee weken aankondigen om DSM Aandeelhouders die hun DSM Gewone Aandelen tijdens de Aanmeldingsperiode niet hebben aangemeld in staat te stellen hun DSM Gewone Aandelen tijdens de Na-aanmeldingsperiode aan te melden onder dezelfde voorwaarden en onderworpen aan dezelfde beperkingen als het Ruilbod.

In de Na-aanmeldingsperiode worden DSM Aandeelhouders die hun DSM Gewone Aandelen via een Aangesloten Instelling houden verzocht uiterlijk om 17.40 uur CET op de laatste Werkdag van de Na-aanmeldingsperiode hun aanmelding kenbaar te maken via hun bank of effectenmakelaar. De bewaarder, bank of effectenmakelaar kan een eerdere termijn vaststellen voor communicatie door DSM Aandeelhouders om de bewaarder, bank of effectenmakelaar in staat te stellen zijn aanvaardingen tijdig aan het Afwikkelingskantoor mee te delen. Dienovereenkomstig moeten DSM Aandeelhouders die DSM Gewone Aandelen via een financiële tussenpersoon houden voldoen aan de data die door een dergelijke financiële tussenpersoon zijn gecommuniceerd, welke data kunnen afwijken van de data en tijden die in hoofdstuk 14 "*The Exchange Offer*" worden vermeld.

In de Na-aanmeldingsperiode moeten DSM Aandeelhouders die individueel zijn ingeschreven in het aandeelhoudersregister van DSM en die het Ruilbod met betrekking tot dergelijke geregistreerde DSM Gewone Aandelen willen accepteren uiterlijk om 17.40 uur CET op de laatste Werkdag van de Na-aanmeldingsperiode een ingevuld en ondertekend aanmeldingsformulier aan het Afwikkelingskantoor verstrekken, in overeenstemming met de voorwaarden van het Ruilbod. Aanmeldingsformulieren zijn op verzoek verkrijgbaar bij het Afwikkelingskantoor. Het aanmeldingsformulier zal tevens dienen als akte van levering met betrekking tot de daarin genoemde DSM Gewone Aandelen.

De Vennootschap zal de resultaten van de Na-aanmeldingsperiode en het totale bedrag en het totale percentage van de door de Vennootschap gehouden DSM Gewone Aandelen in overeenstemming met artikel 17 lid 4 Bob uiterlijk op de derde Werkdag na de laatste dag van de Na-aanmeldingsperiode openbaar maken. De Vennootschap aanvaardt alle geldig aangemelde DSM Gewone Aandelen (of gebrekkig aangemelde DSM Gewone Aandelen, mits de Vennootschap afstand heeft gedaan van een dergelijk gebrek) tijdens een dergelijke Na-aanmeldingsperiode.

Tijdens de Na-aanmeldingsperiode hebben DSM Aandeelhouders niet het recht om DSM Gewone Aandelen die tijdens de Aanmeldingsperiode of tijdens de Na-aanmeldingsperiode geldig zijn aangemeld (of gebrekkig zijn aangemeld, mits de Vennootschap afstand heeft gedaan van een dergelijk gebrek) te herroepen uit het Ruilbod. DSM Aandeelhouders die hun DSM Gewone Aandelen geldig hebben aangemeld of gebrekkig hebben aangemeld, mits de Vennootschap afstand heeft gedaan van een dergelijk gebrek, en hun DSM Gewone Aandelen hebben geleverd voor aanvaarding onder het Ruilbod tijdens de Na-aanmeldingsperiode, ontvangen de Ruilbod Vergoeding van de Vennootschap met betrekking tot elk Aangemeld Aandeel uiterlijk vijf Werkdagen na het verstrijken van de Na-aanmeldingsperiode.

Vanaf de relevante Overdrachtsdatum is herroeping, ontbinding of vernietiging van de aanvaarding, inschrijving, verkoop of overdracht van enig DSM Gewoon Aandeel dat tijdens de Na-aanmeldingsperiode is aangemeld niet mogelijk.

18.21 Financiering

De contante betaling van EUR 3,5 miljard die de Vennootschap in verband met de Contante Inbrengvergoeding moet doen, zal door DSM worden gefinancierd uit beschikbare liquide middelen in de vorm van een lening aan de Vennootschap. Om DSM daarbij te helpen is de Vennootschap op 30 mei 2022 een overbruggingsfinancieringsfaciliteit aangegaan van EUR 3 miljard als leningnemer met J.P. Morgan als *underwriter*, waarvan EUR 1 miljard op 29 juni 2022 is opgezegd.

Verder zijn DSM en Firmenich overeengekomen dat alle contante betalingen die door de Vennootschap moeten worden gedaan in verband met de Post-Ruilbod Fusie en Liquidatie of de Uitkoopprocedure, naargelang het geval, zullen worden gefinancierd door de verkoop van door de Vennootschap ingekochte eigen aandelen vóór het einde van 2023. Deze aandelen zullen vóór de Inbreng Voltooiing worden gecreëerd.

18.22 Beëindiging van het Ruilbod

Het Ruilbod wordt met onmiddellijke ingang beëindigd indien niet aan alle Transactievoorwaarden is voldaan of daarvan afstand is gedaan, op of vóór de relevante uitvoeringstermijnen en -data voor uitvoering (met inbegrip van eventuele verlengde uitvoeringstermijnen en -data).

De Raad van Bestuur behoudt zich het recht voor om, naar eigen goeddunken, te beslissen om niet door te gaan met de Transacties, met inbegrip van de Firmenich Inbreng en het Ruilbod en als zodanig kan het Ruilbod al dan niet doorgaan.

18.23 Aankondigingen

Alle aankondigingen voorgenomen in hoofdstuk 14 "*The Exchange Offer*" zullen worden gedaan door middel van een persbericht. Ieder gezamenlijk persbericht van de Vennootschap, DSM en Firmenich zal beschikbaar worden gesteld op de website van DSM-Firmenich (www.creator-innovator.com).

Met inachtneming van alle toepasselijke vereisten van de toepasselijke wetgeving en zonder enige beperking te stellen aan de wijze waarop DSM, Firmenich en de Vennootschap ervoor kunnen kiezen om een openbare aankondiging te doen, zijn DSM, Firmenich en de Vennootschap niet verplicht om enige openbare aankondiging te doen anders dan als beschreven in dit Offering Circular.

19. DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the key defined terms used in this Offering Circular.

ABN AMRO	ABN AMRO Bank N.V.
Acceptance Closing Date	the time and date on which the Exchange Offer expires, being at 17.40 hours CET, on Tuesday 31 January 2023, unless extended in accordance with Article 15, Paragraph 2 of the Decree and the provisions of this Offering Circular
Acceptance Period	the period during which the DSM Shareholders can tender their DSM Ordinary Shares to the Company, which begins at 9.00 hours CET on Wednesday 23 November 2022 and ends at 17.40 hours CET on the Acceptance Closing Date
Acceptance Threshold	95% of DSM's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) as at the Acceptance Closing Date, which percentage will be automatically adjusted to 80% of DSM's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) as at the Acceptance Closing Date if the Transaction Resolutions have been adopted and are in full force and effect on the Acceptance Closing Date
Adjusted EBITDA	Operating Profit before depreciation, amortisation and impairments, adjusted for material items of profit/loss following acquisitions/divestments, restructurings and other circumstances deemed necessary
Admission	the admission to listing and trading of the DSM-Firmenich Ordinary Shares on Euronext Amsterdam
Admitted Institution	an institution admitted to Euronext Amsterdam (*aangesloten instelling*)
AEOI	the agreement between Switzerland and the EU on the automatic exchange of information in tax matters
Affiliates	in relation to any person or entity, any direct or indirect Subsidiary or direct or indirect holding company of that person or entity and any other Subsidiary of such holding company
AFM	the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiele Markten*)
Agent	the attorney and/or agent irrevocably and separately appointed of each of the Company and any director of, or any person authorised by, the Company, and each of its directors, as its attorney and/or agent
Alternative Proposal	a public offer for DSM Ordinary Shares, a sale or initial public offer of Firmenich Ordinary Shares, a sale of all or a substantial part of the assets or business of DSM or the DSM Group (other than the disposal of the DSM's Engineering Materials business and DSM's Protective Materials business) or Firmenich or the Firmenich Group or any other transaction that could result in a change of control of DSM or Firmenich or otherwise prevent the Transactions from being consummated

Announcement	the jointly issued press release by DSM and Firmenich on 31 May 2022
AOC	AOC LLC
Applicable Foreign Law Requirements	any governmental or other consent or requirements or formalities required for DSM Shareholders to receive or access this Offering Circular
Applicable Rules	any and all applicable rules (whether civil, criminal or administrative/public) including common law, statutes, subordinate legislation, treaties, regulations, rules, directives, decisions, collective bargaining agreements, by-laws, circulars, codes (including applicable corporate governance codes), orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of a parliamentary government, quasigovernment, federal, state or local government, statutory, administrative or regulatory body, securities exchange, court or agency in any part of the world that are in force or enacted and are, in each case, legally binding as at the relevant time, and the term Applicable Rules will be construed accordingly
Articles of Association	the articles of association of the Company
Assumption of Liabilities	the assumption by the Company of all liabilities of DSM Holdco under the Post-Offer Share Purchase Agreement
Beneficial Owners	the ultimate beneficial owners of the DSM-Firmenich Ordinary Shares
Benelux	Belgium, the Netherlands and Luxembourg
Board of Directors	the board of directors of the Company as of Settlement
Bridge Facility	the €2 billion bridge facility between the Company and, among others, J.P. Morgan as facility agent and mandated lead arranger
Bridge Facility Agreement	the agreement dated 30 May 2022, entered into by DSM with, amongst others, J.P. Morgan SE as agent and mandated lead arranger, in relation to the Bridge Facility for an amount of €3 billion
Business Combination Agreement	the agreement between the Parties in connection with the business combination, as amended from time to time
Business Day	a day (other than a Saturday or Sunday) on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business
Buy-Out	a statutory takeover buy-out procedure in accordance with section 2:359c of the DCC or a buy-out procedure in accordance with section 2:92a of the DCC, for the Company to acquire the DSM Ordinary Shares that have not been tendered under the Exchange Offer, if after the Post-Closing Acceptance Period, the Company holds at least 95% of the DSM Ordinary Shares
CAGR	compound annual growth rate
Cash Portion	an amount in cash equal to the Dutch dividend withholding tax liability due under the Dissolution and liquidation taking into account the recognised capital contributed to the DSM Ordinary Shares for Dutch dividend withholding tax

	purposes (*fiscaal erkende kapitaal*) (as transferred to DSM Holdco as a result of the Triangular Merger) *plus* an amount equal to the value of the fractional DSM-Firmenich Ordinary Shares
Centerview	Centerview Partners UK LLP
CEO or co-CEO	chief executive officer or co-chief executive officer
CET	Central European Time
CHF	Swiss Franc
Chinese Renminbi (CNY)	Chinese Renminbi, the lawful currency of China
CIO	chief information officer
Closing Time	17.40 hours CET on the Acceptance Closing Date
CO	the Swiss Code of Obligations as in force starting from 1 January 2023
Commercial Register	the Commercial Register Office of the canton of Aargau, Switzerland
Company	Danube AG, to be renamed DSM-Firmenich AG, a company limited by shares *(Aktiengesellschaft)* incorporated under the laws of Switzerland, with its statutory seat in Kaiseraugst, Switzerland
Compensation Committee	the compensation committee of the Company
Competition Authorities	the European Commission and any other relevant competition authority under the Competition Laws. In the event of a referral under Article 4(4) or Article 9(3) of the EU Merger Regulation, the National Competition Authority to which the European Commission refers its jurisdiction (in whole or in part) is also included in the definition of Competition Authority. In the event of such a referral, and if the European Commission does not retain jurisdiction for certain aspects of the investigation, the European Commission ceases to be part of the definition of Competition Authority
Competition Clearances	each of the Competition Authorities: 1.1 taking a decision that the Transactions do not give rise to a concentration falling within the scope of the relevant Competition Laws; 1.2 approving the Transactions and any applicable waiting periods having expired or being terminated; or 1.3 not taking a decision within the time limits as set by the relevant Competition Laws, if such failure constitutes an automatic approval of the Transactions under the relevant Competition Laws
Competition Laws	public laws, regulations, decrees and precedents, applicable in a jurisdiction where the Parties have business operations at the date of the Business Combination Agreement, designed to prohibit, restrict or regulate actions for

	the purpose or effect of monopolisation or restraint of trade or the significant impediment of effective competition
Completion	consummation of the Merger
Contribution Cash Consideration	an amount in cash of €3.5 billion minus an amount equal to the sum of any Firmenich Leakage and the actual compensation amount (as calculated in accordance with the applicable clauses in the Business Combination Agreement) to DSM and plus an amount equal to any DSM Leakage
Contribution Completion	The contribution by the Fiduciary Agent of all Firmenich Shares (free of any encumbrances) to the Company, the issuance by the Company of the Contribution Share Consideration, and the payment by the Company of the Contribution Cash Consideration to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders
Contribution Completion Date	the date on which the Contribution Completion takes place
Contribution Effective Date	1 January 2022
Contribution Share Consideration	issuance of such number of DSM-Firmenich Ordinary Shares representing 34.5% of the DSM-Firmenich Completion Issued Share Capital, newly issued by the Company to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders
Cumpref A Holder	Rabobank, Nationale Nederlanden, ASR Levensverzekering or ASR Schadeverzekering
Data Room	in relation to DSM, the virtual data room prepared by DSM and operated by Datasite and in relation to Firmenich, the virtual data room prepared by Firmenich and operated by Datasite
Datasite	Datasite LLC
DCC	the Dutch Civil Code (*Burgerlijk Wetboek*)
Decree	the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*)
Directors	the directors of the Company
Dissolution	the dissolution, by resolution of DSM, in its capacity as sole shareholder of DSM Holdco, of DSM Holdco in accordance with Article 2:19 of the DCC, prior to the Triangular Merger becoming effective and subject to and as per the Share Sale Closing
Divestments	all three transactions related to the (announced) sales of the different DSM materials businesses
DRT	Les Dérivés Résiniques et Terpéniques SAS
DSM	Koninklijke DSM N.V.

DSM 2021 Financial Statements	DSM's audited consolidated financial statements for the year ended 31 December 2021
DSM Adjusted EBITDA	Operating Profit before depreciation, amortisation and impairments, adjusted for material items of profit/loss following acquisitions/divestments, restructurings and other circumstances that the management of DSM deemed necessary to adjust in order to provide clear reporting on the development of the business of DSM
DSM Annual Financial Statements	the audited consolidated financial statements of DSM for each of the years ended 31 December 2021 and 31 December 2020
DSM Boards	the DSM Managing Board and DSM Supervisory Board
DSM Business	the business of the DSM Group
DSM Cash Settlement	the cancellation against payment in cash in full and final satisfaction of the Employee Share Matching Rights on the Settlement Date, insofar as they relate to 100% of the grants made in respect of the performance years 2019, 2020 or 2021
DSM Circular	the shareholders circular to the DSM Shareholders on the date of the Offering Circular
DSM Conditions	the conditions subject to the satisfaction or waiver (either in whole or in part, provided that any part that is not waived is otherwise satisfied) in writing by DSM at or prior to the Acceptance Closing Date, as applicable to the obligation of DSM, Firmenich and the Company to effect the Transactions, and for DSM and Firmenich to ensure that the Company effects the Transactions, including for the Company to declare the Exchange Offer unconditional (*gestanddoening*)
DSM EGM	the extraordinary general meeting of the DSM Shareholders
DSM Executive Committee	the DSM Managing Board and five senior executives responsible for DSM Nutritional Products, DSM Food Specialties and Corporate Mergers & Acquisitions, DSM Materials, the DSM Innovation Center and DSM Group People & Organization
DSM Executives	such employees, directors and officers of the DSM Group that have been labelled as an 'Executive' in DSM's administration for, among others, the purpose of the DSM Incentive Plans
DSM Financial Statements	the DSM Annual Financial Statements and the DSM HY 2022 Financial Statements
DSM Group	DSM and its direct and indirect subsidiaries
DSM Holdco	the Dutch private limited liability company that fully and directly owns DSM Sub, which has been incorporated by DSM in the Interim Period in order to prepare for a possible Post-Offer Merger and Liquidation

DSM HY 2022 Financial Statements	the unaudited condensed consolidated interim financial statements of DSM as at and for the period of six months ended 30 June 2022
DSM Incentive Plans	the incentive plans of DSM under which the Eligible Persons have rights outstanding, at the date of the Business Combination Agreement
DSM Leakage	any dividends (in cash, shares or otherwise) actually paid or declared by DSM during the Interim Period in excess of €292 million and €163 million gross, respectively, and the actual compensation amount (as calculated in accordance with the applicable clauses in the Business Combination Agreement) to Firmenich
DSM Managing Board	the managing board of DSM
DSM Ordinary Shares	the ordinary shares in the issued share capital of DSM
DSM Periods Under Review	DSM's financial years ended 31 December 2021, 31 December 2020 and 31 December 2019
DSM Preference Shares A	the cumulative preference shares A in the share capital of DSM with a nominal value of €1.50
DSM Preference Shares A Commitment Agreements	the agreements entered into by DSM with each holder of DSM Preference Shares A prior to the date of the Business Combination Agreement
DSM Preference Shares B	the cumulative preference shares B in the share capital of DSM with a nominal value of €1.50
DSM Q3 2022 Release	the press release containing the results of the DSM Group for the third quarter of financial year 2022
DSM Roll-Over	the exchange of the Employee Share Rights, as per the Settlement Date, for equivalent rights to DSM-Firmenich Ordinary Shares under the same DSM Incentive Plans, upon which any entitlement to DSM Ordinary Shares in relation to the Employee Share Rights shall lapse and shall be replaced by an entitlement to the same number of DSM-Firmenich Ordinary Shares
DSM Share Matching Plans	the Royal DSM STI Deferral & Share Matching Plans applicable to the DSM Managing Board, the DSM Executive Committee and the DSM leadership team
DSM Share Unit Plans	the Royal DSM Restricted- and Performance Share Unit Plans applicable to the DSM Managing Board, the DSM Executive Committee and the DSM Executives and managers
DSM Shareholders	the holders of DSM Ordinary Shares
DSM Staff Option Plan	the Staff Option Plan – DSM Nederland as included in the (DSM NL Service B.V.) Regulation book
DSM Stock Incentive Plan	the legacy Royal DSM Stock Incentive Plan

DSM Sub	the Dutch private limited liability company that is fully and directly owned by DSM Holdco, which has been incorporated by DSM in the Interim Period in order to prepare for a possible Post-Offer Merger and Liquidation
DSM Supervisory Board	the supervisory board of DSM
DSM Warranties	the representations and warranties given by DSM to Firmenich in the Business Combination Agreement
DSM-Firmenich	Danube AG, to be renamed DSM-Firmenich AG, a public limited company *(Aktiengesellschaft)* incorporated under the laws of Switzerland, with its statutory seat in Kaiseraugst, Switzerland
DSM-Firmenich Business	the business of DSM-Firmenich
DSM-Firmenich Completion Issued Share Capital	the total issued share capital of the Company immediately after the Contribution Completion consisting of a number of DSM-Firmenich Ordinary Shares equal to the outcome of the following formula: (all issued and outstanding DSM Ordinary Shares (excluding treasury shares) at the Firmenich Contribution Date plus the Net Dilutive Instruments) divided by 65.5 times 100
DSM-Firmenich EGM	the extraordinary general meeting of the shareholders of the Company that will be held in accordance with the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*)
DSM-Firmenich Ordinary Shares	the issued and outstanding ordinary shares of the Company
DSM-Firmenich Shareholders	the prospective shareholders of the Company
Dutch Consignment Fund	the consignment fund (*consignatiekas*) maintained by the Dutch ministry of finance (*ministerie van financiën*)
EGM	extraordinary General Meeting
Eligible Persons	the members of the DSM Managing Board and the DSM Executive Committee, the DSM Executives and certain groups of employees of the DSM Group who, at the date of the Business Combination Agreement, have rights outstanding under the DSM Incentive Plans
Eligible U.S. Holder	A "Qualified institutional buyer" (as such term is defined in Rule 144A under the U.S. Securities Act) that has completed certain formalities, including the execution and delivery to the Company of a U.S. Investor Letter
Employee Representative Body Procedures	the completion of information and/or consultation procedures with the employee representative bodies of DSM, consisting of the central works council (*centrale ondernemingsraad* or *COR*) and the European works council of DSM
Employee Share Matching Rights	all rights of Eligible Persons recorded as outstanding immediately prior to the Settlement Date relating to DSM Ordinary Shares under performance share units granted under the respective DSM Share Matching Plans

Employee Share Rights	all rights of Eligible Persons recorded as outstanding immediately prior to the Settlement Date relating to DSM Ordinary Shares, such as entitlements to DSM Ordinary Shares under PSUs, RSUs or stock options, where applicable, granted under the respective DSM Incentive Plans
Enterprise Chamber	the Dutch enterprise chamber of the Amsterdam court of appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*)
Equity-Linked Financing Instruments	bonds or similar instruments including loans or other financial instruments incl. warrants of the Company or consolidated subsidiaries
ESG	environmental, social and governance
ESMA	the European Securities and Markets Authority
EU	the European Union
EU Member State	a member state of the EU
EU-IFRS	IFRS as adopted by the EU
EURIBOR	the Euro Interbank Offered Rate
Euro, EUR or €	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time
Eurobonds	the Series A Eurobonds and Series B Eurobonds
Euroclear Nederland	the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*), a company incorporated under the laws of the Netherlands with trade register number: 33149445, trading as Euroclear Nederland
Euronext Amsterdam	the regulated market operated by Euronext Amsterdam N.V.
Euronext Paris	the regulated market operated by Euronext Paris S.A.
Exchange Offer	the voluntary exchange offer by the Company to the DSM Shareholders under the terms of which the DSM Shareholders will be entitled, subject to certain terms and conditions, to exchange each DSM Ordinary Share for one DSM-Firmenich Ordinary Share
Exchange Ratio	one DSM-Firmenich Ordinary Share in exchange for one DSM Ordinary Share
Executive Committee	the executive committee that supports the members of the Board of Directors in the management of DSM-Firmenich's business
Exit Tax Proposal	the legislative proposal submitted to the Dutch parliament in July 2020 that introduces a new Dutch dividend withholding tax liability in relation to certain cross-border migrations and reorganisations, which proposal was last amended on 8 December 2021

Fairness Opinions	the respective fairness opinions issued by each of Centerview Partners UK LLP and JP Morgan Securities plc on 30 May 2022
FATCA	Foreign Account Tax Compliance Act
FDI Approvals	all consents, approvals, clearances, permissions and/or waivers under any foreign investment law
FFI	participating foreign financial institutions
Fiduciary Agent	the fiduciary agent appointed by the Firmenich Shareholders
FIEA	the Financial Instruments and Exchange Act
Finance, Audit and Risk Committee	the finance, audit and risk committee of the Company
Firmenich	Firmenich International SA
Firmenich Adjusted EBITDA	EBITDA adjusted to eliminate the impact of identified items of a non-recurring nature and/or not directly attributable to the operating performance that may materially distort period to period comparisons or the evaluation of Firmenich's ongoing business performance. The defined list of adjustments comprises restructuring and transformation costs, acquisition and disposal related costs, gain and loss on disposals of intangible assets and property, plant and equipment, and other items of a one-time and/or non-operating nature, which may include elements such as legal claims and settlements, or curtailments of defined benefits pension plans
Firmenich Board	the board of directors of Firmenich
Firmenich Business	the business of the Firmenich Group
Firmenich Contribution	the contribution of all Firmenich Ordinary Shares to the Company against issuance of the Contribution Share Consideration and payment of the Contribution Cash Consideration to the Fiduciary Agent
Firmenich Contribution Date	the date of completion of contribution of the Firmenich Shares to the Company, which will occur no later than on the fifth Business Day after the Post-Closing Acceptance Settlement Date
Firmenich Executive Committee	the executive committee of Firmenich
Firmenich Group	Firmenich and its direct and indirect subsidiaries
Firmenich Leakage	any direct or indirect transfer of value from Firmenich or any of its Subsidiaries to the Firmenich Shareholders or any of their Related Persons, which occurs as of the Contribution Effective Date and is not Permitted Firmenich Leakage, and on or before the Contribution Completion

Firmenich Nominated Director	a member of the Board of Directors nominated by a Firmenich Shareholder, alone or together with other Firmenich Shareholders, as per the nomination right contained in the Articles of Association
Firmenich Ordinary Shares	the issued and outstanding ordinary shares in the capital of Firmenich
Firmenich Periods Under Review	Firmenich's results of operations and financial condition as at and for the financial years ended 30 June 2022, 30 June 2021 and 30 June 2020
Firmenich Revolving Credit Facility	the revolving credit facility with a total commitment of CHF 750 million made available to Firmenich pursuant to the Firmenich Revolving Credit Facility Agreement
Firmenich Revolving Credit Facility Agreement	the English law governed multicurrency revolving credit facility agreement dated 4 March 2020, entered into by Firmenich, between, among others, Citigroup Global Markets Limited and UBS AG, London Branch, as arrangers and UBS Switzerland AG, as agent (as amended on 17 April 2020 and further amended and restated on 5 October 2021)
Firmenich Shareholders	holders of shares in the issued share capital of Firmenich
Firmenich Shareholders Conditions	the conditions subject to the satisfaction or waiver (either in whole or in part, provided that any part that is not waived is otherwise satisfied) in writing by Firmenich at or prior to the Acceptance Closing Date, as applicable to the obligation of Firmenich and the Firmenich Shareholders to effect the Transactions, and for DSM and Firmenich to ensure that the Company effects the Transactions, including for the Company to declare the Exchange Offer unconditional (*gestanddoening*)
Firmenich Shareholders Representative	The representative(s) of the Firmenich Shareholders for all purposed under or in connection with the Business Combination Agreement, including receiving and giving notices directed to or to be given by any Firmenich Shareholders, exercising consent rights by any Firmenich Shareholders and settling disputes involving any Firmenich Shareholders
Firmenich Shares	shares in the capital of Firmenich
Firmenich Trading Update	the trading update published by Firmenich on its website on 22 November 2022
Firmenich Warranties	the representations and warranties given by Firmenich to DSM in the Business Combination Agreement
First Limit	the gross foreign withholding tax actually paid and levied in the relevant tax year
First Trading Date	09.00 hours (CET) on the same date as the Unconditional Date
FMIA	the Financial Market Infrastructure Act, as amended

Foreign DSM Shareholder	a DSM Shareholder with a registered address in, or who is resident or otherwise located in, or who is organised under the laws of, any jurisdiction other than a member state of the European Union
Foundation	Stichting Preferente Aandelen DSM
Foundation Call Option Agreement	the call option agreement entered into between DSM and the Foundation on 30 March 1999, as amended on 24 September 2008, regarding the Foundation's call option on DSM Preference Shares B
Foundation Termination Agreement	the agreement between DSM and the Foundation regarding the termination of the Foundation Call Option Agreement, to cancel the outstanding call option for DSM cumulative preference shares B, effective as of the Settlement date, and to cancel any outstanding DSM Preference Shares B, effective as of the Settlement Date, in form and substance to the reasonable satisfaction of Firmenich as confirmed by Firmenich in writing
FTE	full-time equivalent
GAAP	generally accepted accounting principles
General Meeting	the general meeting of the shareholders of the Company
GHG	greenhouse gas
Goldman Sachs	Goldman Sachs International
Governance and Sustainability Committee	the governance and sustainability committee of the Company
Hedione Firmenich Shareholder	a member of the Hedione Firmenich Shareholder Group
Hedione Firmenich Shareholder Group	a group of former Firmenich Shareholders
Hedione Relationship Agreement	the relationship agreement between the Company and the Hedione Firmenich Shareholders
Hedione Representatives	members of the Board of Directors nominated by the Hedione Firmenich Shareholder Group as per the nomination right contained in the Articles of Association as representatives
Hybrid Bonds	the EUR 750 million deeply subordinated fixed rate resettable perpetual loan notes issued by Firmenich on 3 June 2020
IASB	the International Accounting Standards Board
IFRS	International Financial Reporting Standards
IFRS-IASB	IFRS as adopted by the IASB
Individual Relationship Agreements	the relationship agreement between the Company and individual former Firmenich Shareholders

Initial Acceptance Closing Date	17.40 hours CET on Tuesday 31 January 2023
Interim Period	the period until the Firmenich Contribution Date, starting from signing of the Business Combination Agreement
IP	intellectual property
IRS	U.S. Internal Revenue Service
ISIN	International Security Identification Number
ISO	the International Organization for Standardization
J.P. Morgan	J.P. Morgan Securities plc
Joint Conditions	the conditions subject to the satisfaction or, to the extent permitted by Applicable Rules, the written waiver (either in whole or in part, provided that any part that is not waived is otherwise satisfied) by the Company with the prior written consent of DSM and Firmenich jointly, at or prior to the Acceptance Closing Date, as applicable to the obligation of the Parties to effect the Transactions, and for DSM to ensure that the Company effects the Transactions, including for the Company to declare the Exchange Offer unconditional (*gestanddoening*)
KPMG NL	KPMG Accountants N.V.
LEI	Legal Entity Identifier
LIBOR	the London Inter-Bank Offered Rate
Liquidator	the liquidator (*vereffenaar*) of DSM Holdco, appointed by DSM, in consultation with the Company, prior to the Triangular Merger becoming effective and subject to and as per the Share Sale Closing
Listing and Paying Agent	ABN AMRO Bank N.V.
Long Stop Date	1 June 2023
Lugano Convention	the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters dated 30 October 2007
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which entered into force on 3 July 2016, as amended
Market Price	in respect of Restricted Shareholders' entitlement to DSM-Firmenich Ordinary Shares to be issued pursuant to the Exchange Offer, the average realised sale price per DSM-Firmenich Ordinary Share (net of all applicable costs, expenses and taxes) that is realised by the sales agent appointed by the Company for and on behalf of the Restricted Shareholders as soon as is reasonably practicable after the implementation of the Exchange Offer

Market Sale Process	the process pursuant to which the sales agent appointed by the Company will conduct the sale of Restricted Shareholders' DSM-Firmenich Ordinary Shares, which may occur on or off a securities exchange, and in one or more tranches (whether pursuant to a book build or otherwise) but will in any event occur outside of the U.S.
Material Adverse Effect	any change, event or development that, individually or taken together with all such other changes, events or developments, has or would reasonably be expected to have a material adverse effect on the business, assets, cash flow, liabilities, financial condition, results of operations or capitalisation of the Firmenich Group or the DSM Group, as applicable, barring certain carve-outs
Materials Divestments	the divestments by DSM of its Engineering Materials business and Protective Materials business
MCAA	the multilateral competent authority agreement on the automatic exchange of financial account information
Merger	the co-creation of a merger of equals by combining the businesses of DSM and Firmenich by contributing effectively the DSM Ordinary Shares and the shares in the capital of Firmenich to the Company
Merger Deed	a notarial deed of merger effectuating the Triangular Merger
Merger Proposal	a merger proposal for the Triangular Merger
Moody's	Moody's Investors Service
Nationale Nederlanden	Nationale Nederlanden Levensverzekering Maatschappij N.V.
Net debt/Adjusted EBITDA ratio	the total of current and non-current borrowings less cash and cash equivalents, current investments and the net position of derivatives / Adjusted EBITDA
Net Dilutive Instruments	the number of DSM Ordinary Shares to be issued in relation to the DSM Incentive Plans calculated using the treasury stock method based on the closing share price of a DSM Ordinary Share on the third trading day before the Acceptance Closing Date
Nomination Committee	the nomination committee of the Company
Nominees	persons not expressly declaring in their application for registration in the share register that they hold DSM-Firmenich Ordinary Shares for their own account
Offer Consideration	one newly issued DSM-Firmenich Ordinary Share per DSM Ordinary Share
Offering Circular	this document dated 22 November 2022
Operating Profit	net sales less the cost of sales and Operating Expenses
Organisational Regulations	the rules governing, among others, the Board of Directors' decision-making and delegation processes, as adopted by the Board of Directors

Parties	Firmenich, the Firmenich Shareholders, DSM and the Company
PDMR	persons discharging managerial responsibilities
Permitted Firmenich Leakage	the dividends to be paid by Firmenich as allowed under the Business Combination Agreement, the remuneration or severance payments to an employee, officer or director of any member of the Firmenich Group, which is either a Firmenich Shareholder or any of its Related Persons, in accordance with his/her existing management, employment or services agreement, including payments for terminating any such agreement in accordance with the relevant agreement, applicable social plans and/or the Applicable Rules, payments to a Firmenich Shareholder or any of its Related Persons in accordance with an existing agreement between a member of the Firmenich Group and such person that is on arm's length terms with an aggregate maximum amount per person of EUR 200,000, unless explicitly agreed in writing by DSM, any payments to the Firmenich foundation (*Fondation Philanthropique Famille Firmenich*) with a maximum of EUR 1,000,000 per annum, and any taxation becoming payable by Firmenich or any of its Subsidiaries (either by withholding, deduction or otherwise) in connection with the items mentioned above
PILA	the Swiss Private International Law Act, as amended
Position Statement	a separate position statement including the information required by Article 18, paragraph 2 of the Decree in connection with the Exchange Offer, including all appendices to the position statement, of the DSM Boards, which statement does not form part of the Offering Circular
Post-Closing Acceptance Period	a post-closing acceptance period of no more than two weeks that the Company may announce at or following the Unconditional Date
Post-Closing Acceptance Settlement Date	the date on which DSM Shareholders who have validly tendered, or defectively tendered provided that such defect has been waived by the Company, and transferred (*geleverd*) their DSM Ordinary Shares for acceptance under the Exchange Offer during the Post-Closing Acceptance Period, will receive the Offer Consideration from the Company in respect of each tendered DSM Ordinary Share, which is to be no later than two Business Days after expiration of the Post-Closing Acceptance Period
Post-Offer Merger and Liquidation	a customary pre-wired back-end structure, which the Company may decide to implement if the Company holds less than 95%, but at least 80% of the DSM Ordinary Shares after Post-Closing Acceptance Period if the Transaction Resolutions have been adopted and are in full force and effect
Post-Offer Share Purchase Agreement	the share purchase agreement to be entered into by the Company and DSM Holdco, pursuant to which DSM Holdco will sell and the Company will purchase all issued and outstanding shares in the capital of DSM Sub
PP&E	property, plant and equipment
Pro Forma Financial Information	the unaudited pro forma combined financial information included in this Offering Circular

Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, including any relevant implementing and delegated acts
PSU	performance share units
QIBs	"qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act)
QIB Confirmations	the representations, warranties and undertakings any DSM Shareholder located in the United States at the time of the Transactions will be required to make in respect of their status as QIB in order to receive the DSM-Firmenich Ordinary Shares on the Post-Closing Acceptance Settlement Date
Rabobank	Rabo Participaties B.V.
REACH	the U.S. Environmental Protection Agency Registration, Regulation (EC) 1907/2006 for Evaluation, Authorisation and Restriction of Chemicals
Recommendation	the DSM Boards' unanimous recommendation that the DSM Shareholders accept the Exchange Offer and tender their DSM Ordinary Shares in the Exchange Offer
Regulation 14E	Regulation 14E is an SEC regulation applicable to tender offers open to U.S. holders. It requires, among other things, that the offer be open for at least 20 business days, that the target of the tender offer must advise shareholders whether or not it recommends the offer, that the bidder not make market purchases of the securities that are the subject of the offer while the offer is open (subject to certain exceptions) and that the bidder must pay the tender offer consideration promptly after the end of the offer period. If the target of the offer is not a U.S. corporation and U.S. ownership is below specified levels, there are exceptions to certain of these rules that permit compliance with local practice instead of the Regulation 14E requirement
Related Person	in relation to any party that is not an individual: (i) its Affiliates, (ii) in relation to any party that is a fund, any adviser, nominee, manager, administrator, trustee, general partner or limited partner to or of that fund or any investor in any of them, (iii) any entity or fund that is advised by or the assets of which are managed by that party or that party's general partner, trustee, nominee, manager or adviser, (iv) any co-investment scheme of a party or any person holding participation interest under such scheme or entitled to the benefit of participation interest under such scheme and (v) any employee, officer, director or partner of that party or any of the persons referred to in paragraphs (i) to (v) above; in relation to a party who is an individual, any immediate family member of that party, whereas 'immediate family member' means parents, children, stepparents, stepchildren, spouses, civil partners, siblings and in-laws and the children of any such people, any family trust or trustees of any family trust or any undertaking directly or indirectly controlled by any of them; or in relation to a party acting in the capacity of a trustee or trustees of a trust (which shall for these purposes include any foundation), any person or body corporate that is the beneficiary of such trust and any Related Persons of such beneficiary

Required DSM-Firmenich Ordinary Shares	such number of DSM-Firmenich Ordinary Shares equal to the number of DSM Ordinary Shares held by the non-tendering DSM Shareholders immediately prior to the Contribution Completion *minus* such number of DSM-Firmenich Ordinary Shares reflecting the Cash Portion
Restricted Shareholder	a DSM Shareholder considered by DSM to be restricted from receiving DSM-Firmenich Ordinary Shares
RSU	restricted share units
S&P	Standard & Poor's Rating Service
SEC	U.S. Securities and Exchange Commission
Second Limit	the Dutch (corporate) income tax which would be due on the foreign income reduced by all related costs (i.e. foreign income -/- related costs * the highest Dutch (corporate) income tax rate)
Sentarom	Sentarom SA, a company limited by shares incorporated under the laws of Switzerland with its corporate seat in Satigny, Switzerland, and its office address at Rue de la Bergère 7, 1242 Satigny, Switzerland
Series A Eurobonds	the EUR 750 million series A Eurobonds issued by Firmenich Productions Participations SAS on 30 April 2020
Series B Eurobonds	the EUR 750 million series B Eurobonds issued by Firmenich Productions Participations SAS on 30 April 2020
Settlement	transfer of the DSM Ordinary Shares tendered under the Exchange Offer against payment of the Offer Consideration
Settlement Agent	ABN AMRO Bank N.V.
Settlement Date	the date on which Settlement occurs, which will be two Business Days after the Unconditional Date
Settlement Instrument	a right that entitles the holder thereof either to require the Company to deliver to it, on first demand, such number of DSM-Firmenich Ordinary Shares that is equal to the number of DSM Ordinary Shares held by the Company plus the DSM Ordinary Shares held by the non-tendering DSM Shareholders, or the cash equivalent thereof, calculated by applying a value fairly representing the prevailing value of a DSM-Firmenich Ordinary Share
Share Related Rights	rights or entitlements in respect of DSM-Firmenich Ordinary Shares granted to employees or directors of the Company, its consolidated subsidiaries or other entities in which the Company has a direct or indirect stake of at least 50% in accordance with regulations and terms and conditions to be specified by the Board of Directors
Share Sale	the sale by DSM Holdco and purchase by the Company of all issued and outstanding shares in the capital of DSM Sub under the Post-Offer Share Purchase Agreement

Share Sale Closing	DSM Holdco transferring all issued and outstanding shares in the capital of DSM Sub to the Company by means of the execution of a notarial deed of transfer
Share Sale Consideration	the consideration payable by the Company to DSM Holdco under the Post-Offer Share Purchase Agreement
SIX SIS	SIX SIS AG, a company incorporated under the laws of Switzerland, registered with the *Schweizer Handelsregister* under number CHE-106.842.854
SIX Swiss Exchange	SIX Swiss Exchange Ltd
Subsequent DSM EGM	a new extraordinary meeting of shareholders of DSM in the event that any of the Transaction Resolutions has not been adopted at the DSM EGM because of a lack of quorum or any other reason due to which no valid and binding vote could be taken on the Transaction Resolutions
Subsidiary	with respect to any person, any corporation, partnership, joint venture, limited liability company or other entity (a) of which such person or a Subsidiary of such person is a general partner or (b) of which a majority of the voting securities or other voting interests, or a majority of the securities or other interests of which, having by their terms ordinary voting power to elect a majority of the board of directors or persons performing similar functions with respect to such entity, is directly or indirectly owned by such person and/or one or more Subsidiaries thereof
Superior Proposal	an unsolicited third party bona fide written Alternative Proposal which, if consummated, would result in a third party (or in the case of a direct merger between such third party and Firmenich, the shareholders of such third party) acquiring, directly or indirectly, all of the Firmenich Shares, or voting power of Firmenich or all or substantially all of the assets of Firmenich and its Subsidiaries, including in each case through the acquisition of one or more Subsidiaries owning such assets, and is deemed superior to the Transactions by the Firmenich Board, provided that such Alternative Proposal shall only be considered to be a Superior Proposal if it provides for a cash consideration that is at least CHF 28 billion and for which such third party has obtained fully committed certainty of funds
Swiss Code of Best Practice	the Swiss Code of Best Practice for Corporate Governance
Swiss Franc	Swiss Franc, the lawful currency of Switzerland
Swiss Franc Bonds	the CHF 475 million Swiss franc bonds issued by Firmenich on 19 May 2020
Swiss Merger Act	Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets of 3 October 2003, as amended
Tendered Share	each DSM Ordinary Share validly tendered by a DSM Shareholder, or defectively tendered, provided that such defect has been waived by the Company and the DSM Shareholder in question has not previously validly withdrawn such DSM Ordinary Share in accordance with this Offering Circular

Trade Unions	the Dutch trade unions within the meaning of the SER Merger Code
Third Capital Increase Shares	the DSM-Firmenich Ordinary Shares to be issued as part of the third capital increase in order to arrive at an issued capital that consists of a number of DSM-Firmenich Ordinary Shares that is equal to the number of issued and outstanding DSM Ordinary Shares (excluding treasury shares) plus the Net Dilutive Instruments
Transaction Conditions	the Firmenich Shareholders Conditions, Joint Conditions and DSM Conditions together
Transaction Resolutions	approval of: (i) the Transactions in accordance with section 2:107a of the DCC; (ii) the repurchase and cancellation of the DSM Preference Shares A in accordance with section 2:98 of the DCC, subject to Settlement occuring; and (iii) the Triangular Merger in accordance with section 2:309 et seq. of the DCC, subject to Settlement, and to the conditions precedent of (x) the Exchange Offer having been declared unconditional, (y) the settlement of the DSM Ordinary Shares tendered during the Post-Closing Acceptance Period under the Exchange Offer having occurred, (z) the aggregate number of DSM Ordinary Shares having been tendered during the Acceptance Period and the Post-Closing Acceptance Period under the Exchange Offer, together with (I) any DSM Ordinary Shares directly or indirectly held by DSM-Firmenich or any of its Affiliates, (II) any DSM Ordinary Shares committed to DSM-Firmenich or any of its Affiliates in writing and (III) any DSM Ordinary Shares to which DSM-Firmenich or any of its Affiliates is entitled, representing at least the Acceptance Threshold, but less than 95% of the DSM Ordinary Shares tendered during the Post-Closing Acceptance Period
Transactions	the Admission, the Exchange Offer and the Firmenich Contribution together
Triangular Merger	the legal triangular merger (*juridische driehoeksfusie*) of DSM (as disappearing company) with and into DSM Sub (as acquiring company), with DSM Holdco allotting shares to the Company and the DSM Shareholders on a share for share basis in accordance with Articles 2:309 et seq. and 2:333a of the DCC
U.S. Exchange Act	U.S. Securities Exchange Act of 1934, as amended
U.S. Investor Letter	The letter that U.S. Persons need to deliver as described in section 16.1 "*United States of America*" in order to be eligible to receive DSM-Firmenich Ordinary Shares
U.S. Person	any person with a registered address in, or who is resident or located in, or who is organised under the laws of, the United States
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S.-CH Treaty	the double taxation agreement between the U.S. and Switzerland
Unaudited Pro Forma Combined Financial Information	the unaudited pro forma combined balance sheet at 31 December 2021 and 30 June 2022 of DSM-Firmenich and the unaudited pro forma combined income statements for the financial year ended 31 December 2021 and for the six months period ended 30 June 2022 of DSM-Firmenich with the related explanatory notes

Unconditional Date	the date on which the Company shall declare the Exchange Offer unconditional, which shall be within three Business Days from the Acceptance Closing Date, subject to satisfaction or waiver of the Transaction Conditions (as applicable)
United States, USA or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
USD, U.S. dollars	U.S. dollars, the lawful currency of the United States
VAT	value-added tax
Wft	the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*)

The Company
Danube AG
Wurmisweg 576
4303 Kaiseraugst
Switzerland

DSM
Koninklijke DSM N.V.
Het Overloon 1
6411 TE Heerlen
The Netherlands

FIRMENICH
Firmenich International SA
Rue de la Bergère 7
CH-1242 Satigny
Switzerland

FINANCIAL ADVISORS TO DSM

Centerview Partners UK LLP
100 Pall Mall
SW1Y 5NQ London
United Kingdom

J.P. Morgan Securities plc
25 Bank Street Canary Wharf
E14 5JP London
United Kingdom

FINANCIAL ADVISORS TO FIRMENICH

Goldman Sachs International
Plumtree Court, 25 Shoe Lane
EC4A 4AU London
United Kingdom

BDT & Company Europe GmbH
Opernplatz 14
60313 Frankfurt am Main
Germany

LEGAL ADVISERS TO DSM

As to Dutch law
Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

As to Swiss law
WalderWyss Ltd.
Seefeldstrasse 123
8034 Zurich
Switzerland

As to U.S. law
Allen & Overy LLP
1221 Avenue of the Americas
New York, New York 10020
United States of America

LEGAL ADVISERS TO FIRMENICH

As to Dutch law
Stibbe N.V.
Beethovenplein 10
1077 WM Amsterdam
The Netherlands

As to Swiss law
Bär & Karrer Ltd.
Brandschenkestrasse 90
CH-8002 Zurich
Switzerland

As to U.S. law
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
United States of America

As to Swiss tax law
Oberson Abels SA
Rue De-Candolle 20
CP 225
CH-1211 Geneva
Switzerland

SETTLEMENT AGENT AND LISTING AND PAYING AGENT

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

INDEPENDENT AUDITORS TO DSM

KPMG Accountants N.V.
Laan van Langerhuize 1
1811 DS Amstelveen
The Netherlands

INDEPENDENT AUDITORS TO FIRMENICH

KPMG SA
Esplanade de Pont-Rouge 6
CH-1211 Geneva 26
Switzerland

INDEPENDENT AUDITORS TO THE COMPANY

KPMG AG
Grosspeteranlage 5
4052 Basel
Switzerland