

**POSITION STATEMENT  
OF  
KONINKLIJKE DSM N.V.**



**22 November 2022**

**Relating to the offer by DSM-Firmenich AG to exchange each issued and outstanding ordinary share in the capital of Koninklijke DSM N.V. for one ordinary share in the capital of DSM-Firmenich AG**

**This position statement is published in accordance with Article 18, paragraph 2 and Annex G of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*)**

**The Extraordinary General Meeting of Koninklijke DSM N.V. will be held at 14.00 hours CET, on 23 January 2023 at Het Overloon 1, Heerlen, the Netherlands**

## IMPORTANT INFORMATION

This position statement (the **Position Statement**) 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, Koninklijke DSM N.V. (**DSM**) or Danube AG, to be renamed DSM-Firmenich AG (**DSM-Firmenich**), or any representative of DSM or DSM-Firmenich to purchase any securities, or an offer to sell or issue, or the solicitation to buy, securities by any person in any jurisdiction. In particular, and subject to certain exceptions, this Position Statement is not for circulation in the United States; see section 16 "*Restrictions*" of the offering circular relating to DSM, Firmenich International SA (**Firmenich**) and DSM-Firmenich (the **Offering Circular**).

This Position Statement is published by DSM for the sole purpose of providing information to all holders of issued and outstanding ordinary shares with a nominal value of €1.50 each in the share capital of DSM (each such share, a **DSM Ordinary Share** and the holders of such DSM Ordinary Shares, the **DSM Shareholders**) in connection with the proposed 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** and the holders of such Firmenich Shares, a **Firmenich Shareholder**) to DSM-Firmenich (the **Merger**). The Merger will be effected through (i) a voluntary exchange offer 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 newly issued ordinary share in the capital of DSM-Firmenich 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 contribution of all Firmenich Shares to DSM-Firmenich against (a) issuance of such number of DSM-Firmenich Ordinary Shares representing 34.5% of the total issued share capital of DSM-Firmenich 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 DSM-Firmenich to the Fiduciary Agent (the **Firmenich Contribution**). All of the DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V. (the **Admission**). The Admission, the Exchange Offer and the Firmenich Contribution are together referred to as the **Transactions**. At the date of this Position Statement, 174,786,029 DSM Ordinary Shares are issued and outstanding by DSM and subject to the Exchange Offer.

Subject to any applicable securities laws, copies of this Position Statement are available on, and can be obtained free of charge from, DSM-Firmenich's website ([www.creator-innovator.com](http://www.creator-innovator.com)).

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 Position Statement 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 Position Statement 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. DSM does not accept any responsibility for any violation by any persons of any of such restrictions.

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 or referred to 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 Position Statement 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).

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 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 Position Statement or any other documents regarding the Exchange Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

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*" of the Offering Circular 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.

DSM-Firmenich is a company limited by shares (*Aktiengesellschaft*) incorporated and operating under the laws of Switzerland. Many of the proposed members of DSM-Firmenich's board of directors (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 DSM-Firmenich'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 DSM-Firmenich directors or to otherwise compel DSM-Firmenich, 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 DSM-Firmenich 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, DSM-Firmenich 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, DSM-Firmenich 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 Position Statement (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 ([www.creator-innovator.com](http://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 Position Statement may include forward-looking statements. These forward-looking statements are based on DSM's current beliefs and projections and on information currently available to DSM. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond DSM's or 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's or 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, DSM does not undertake and it expressly disclaims any duty to update or revise publicly any forward-looking statement in this Position Statement, 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 members of the managing board of DSM (**DSM Managing Board**) and the supervisory board of DSM (**DSM Supervisory Board** and together with the DSM Managing Board, the **DSM Boards**) in office at the time of this Position Statement and DSM'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 Position Statement include those described under section 2 "*Risk Factors*" of the Offering Circular.

Although DSM believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of the members of the DSM Boards in office at the time of this Position Statement 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*" of the Offering Circular for a more complete discussion of the factors that could affect 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 Position Statement may not occur or be realised. Additional risks not known to DSM or that DSM does not currently consider material could also cause the forward-looking events discussed in this Position Statement not to occur.

This Position Statement is governed by and construed in accordance with the laws of the Netherlands, including this choice of law and without regard to its conflicts-of-laws rules. Any dispute arising in connection with this Position Statement will be subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

## TABLE OF CONTENTS

Section	Page
1. Introduction .....	6
2. Definitions .....	7
3. The Merger .....	15
4. DSM Boards' Strategic Assessment of the Transactions .....	17
5. DSM Boards' Financial Assessment of the Transactions .....	19
6. DSM Boards' Non-Financial Assessment of the Transactions .....	22
7. Deal Certainty and other Deal Terms .....	37
8. Financials .....	42
9. Equity holdings and Transactions .....	42
10. Recommendation .....	46
 <b>Schedule</b>	
1. Fairness Opinion Centerview .....	47
2. Fairness Opinion J.P. Morgan .....	48

## 1. INTRODUCTION

Dear Shareholder,

Today, DSM publishes this Position Statement simultaneously with DSM-Firmenich's Offering Circular.<sup>1</sup> This Position Statement explains why, in DSM's opinion, the Transactions are in the best interest of DSM and its (direct and indirect) subsidiaries (the **DSM Group**) and promotes the sustainable success of its business, taking into account the interest of all its stakeholders.

On 31 May 2022, DSM and Firmenich jointly announced that they reached a conditional agreement in the form of a business combination agreement dated 30 May 2022 (such agreement, as amended from time to time, the **Business Combination Agreement**) in connection with the Transactions. Before reaching a conditional agreement, the DSM Boards, with the support of their legal and financial advisers, made a thorough assessment of the Transactions, and the DSM Boards believe it is important to share their considerations, views and recommendations regarding the Transactions with you in this Position Statement.

As part of the Business Combination Agreement, DSM has agreed to a customary pre-wired back-end structure to ensure that DSM-Firmenich is able to acquire full control over the DSM Group, which DSM-Firmenich may decide to implement if certain conditions are met. This structure is not discussed in this Position Statement. For information on the applicable pre-wired back-end structure, please refer to section 14.20 "*Post-Offer Merger and Liquidation*" of the Offering Circular or the explanatory notes to the agenda for the extraordinary general meeting of DSM Shareholders (the **DSMEGM**).

For the reasons set out in this Position Statement, the DSM Boards have, taking into account the advice of their financial and legal advisers and the respective fairness opinions issued by each of Centerview Partners UK LLP (**Centerview**) and J.P. Morgan Securities plc (**J.P. Morgan**) on 30 May 2022, attached as Schedule 1 and 2 (the **Fairness Opinions**), and on the basis of the terms of the Exchange Offer as set out in the Offering Circular, unanimously determined to (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 (**Transaction Resolutions**) at the DSM EGM to be held on 23 January 2023, starting at 14.00 hours CET at Het Overloon 1, Heerlen, the Netherlands.

The DSM Boards look forward to welcoming you at the DSM EGM.

Yours sincerely,

Geraldine Matchett

Co-CEO DSM Managing Board

Dimitri de Vreeze

Co-CEO DSM Managing Board

Thomas Leysen

Chair DSM Supervisory Board

---

<sup>1</sup> The Offering Circular is a combination of two documents in relation to the proposed Transactions, being: (i) a prospectus for the purposes of the Admission and the Exchange Offer and (ii) an offer memorandum for the purpose of the Exchange Offer.

## 2. DEFINITIONS

Capitalised terms in this Position Statement other than in the Fairness Opinions (attached as Schedule 1 and Schedule 2) have the same meaning as set out in the Offering Circular, unless otherwise defined in this Position Statement. The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of key defined terms used in this Position Statement.

<b>Acceptance Closing Date</b>	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 the Offering Circular
<b>Acceptance Period</b>	the period during which the DSM Shareholders can tender their DSM Ordinary Shares to DSM-Firmenich, which begins at 9.00 hours CET on Wednesday 23 November 2022 and ends at 17.40 hours CET on the Acceptance Closing Date
<b>Acceptance Threshold</b>	95% of DSM's aggregate issued and outstanding ordinary share capital ( <i>geplaatst en uitstaand gewoon aandelenkapitaal</i> ) as at the Acceptance Closing Date, which percentage will be automatically adjusted to 80% of DSM's aggregate issued and outstanding ordinary share capital ( <i>geplaatst en uitstaand gewoon aandelenkapitaal</i> ) 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
<b>Admission</b>	the admission to listing and trading of the DSM-Firmenich Ordinary Shares on Euronext Amsterdam
<b>Affiliates</b>	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
<b>AFM</b>	de Stichting Autoriteit Financiële Markten
<b>Alternative Proposal</b>	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
<b>Applicable Rules</b>	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
<b>Articles of Association</b>	the articles of association of DSM-Firmenich
<b>Board of Directors</b>	the board of directors of DSM-Firmenich as of Settlement
<b>Business Combination Agreement</b>	the agreement between the Parties in connection with the business combination
<b>Business Day</b>	a day (other than a Saturday or Sunday) on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business

<b>Buy-Out</b>	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 DSM-Firmenich to acquire the DSM Ordinary Shares that have not been tendered under the Exchange Offer, if after the Post-Closing Acceptance Period, DSM-Firmenich holds at least 95% of the DSM Ordinary Shares
<b>Centerview</b>	Centerview Partners UK LLP
<b>CEO or co-CEO</b>	chief executive officer or co-chief executive officer
<b>Compensation Committee</b>	the compensation committee of DSM-Firmenich
<b>Contribution Cash Consideration</b>	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 plus an amount equal to any DSM Leakage
<b>Contribution Completion</b>	the contribution by the Fiduciary Agent of all Firmenich Shares (free of any encumbrances) to DSM-Firmenich, the issuance by DSM-Firmenich of the Contribution Share Consideration, and the payment by DSM-Firmenich of the Contribution Cash Consideration to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders
<b>Contribution Effective Date</b>	1 January 2022
<b>Contribution Share Consideration</b>	issuance of such number of DSM-Firmenich Ordinary Shares representing 34.5% of the DSM-Firmenich Completion Issued Share Capital, newly issued by DSM-Firmenich to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich Shareholders
<b>Decree</b>	the Dutch Decree on public offers Wft ( <i>Besluit openbare biedingen Wft</i> )
<b>DSM</b>	Koninklijke DSM N.V.
<b>DSM 2021 Financial Statements</b>	DSM's audited consolidated financial statements for the year ended 31 December 2021
<b>DSM Conditions</b>	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 DSM-Firmenich to effect the Transactions, and for DSM and Firmenich to ensure that DSM-Firmenich effects the Transactions, including for DSM-Firmenich to declare the Offer unconditional ( <i>gestanddoening</i> )
<b>DSM EGM</b>	the extraordinary general meeting of the DSM Shareholders
<b>DSM Group</b>	DSM and its direct and indirect subsidiaries
<b>DSM HY 2022 Financial Statements</b>	the unaudited condensed consolidated interim financial statements of DSM as at and for the period of six months ended 30 June 2022
<b>DSM Incentive Plans</b>	the incentive plans of DSM under which the Eligible Persons have rights outstanding, at the date of the Business Combination Agreement
<b>DSM Leakage</b>	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
<b>DSM Managing Board</b>	the managing board of DSM
<b>DSM Ordinary Share</b>	the ordinary shares in the issued share capital of DSM
<b>DSM Preference Shares A</b>	the cumulative preference shares A in the share capital of DSM with a nominal value of €1.50
<b>DSM Preference Shares A Commitment Agreements</b>	the agreements entered into by DSM with each holder of DSM Preference Shares A prior to the date of the Business Combination Agreement
<b>DSM Q3 2022 Release</b>	the press release containing the results of the DSM Group for the third quarter of financial year 2022
<b>DSM Share Matching Plans</b>	the Royal DSM STI Deferral & Share Matching Plans applicable to the DSM Managing Board, the DSM Executive Committee and the DSM leadership team
<b>DSM Share Unit Plans</b>	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
<b>DSM Shareholders</b>	the holders of DSM Ordinary Shares
<b>DSM Staff Option Plan</b>	the Staff Option Plan – DSM Nederland as included in the (DSM NL Service B.V.) Regulation book
<b>DSM Stock Incentive Plan</b>	the legacy Royal DSM Stock Incentive Plan
<b>DSM Supervisory Board</b>	the supervisory board of DSM
<b>DSM Warranties</b>	the representations and warranties given by DSM to Firmenich in the Business Combination Agreement
<b>DSM-Firmenich</b>	Danube AG, to be renamed DSM-Firmenich AG, a public limited company ( <i>Aktiengesellschaft</i> ) incorporated under the laws of Switzerland, with its statutory seat in Kaiseraugst, Switzerland
<b>DSM-Firmenich Business</b>	the business of DSM-Firmenich
<b>DSM-Firmenich Completion Issued Share Capital</b>	the total issued share capital of DSM-Firmenich 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
<b>DSM-Firmenich Ordinary Share</b>	the issued and outstanding ordinary shares of DSM-Firmenich
<b>Eligible Persons</b>	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
<b>Employee Representative Body Procedures</b>	the completion of information and/or consultation procedures with the employee representative bodies of DSM, consisting of the central works council ( <i>centrale ondernemingsraad</i> or <i>COR</i> ) and the European works council of DSM
<b>EU-IFRS</b>	IFRS as adopted by the EU

<b>Euroclear Nederland</b>	<i>het Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., een vennootschap naar Nederlands recht met handelsregisternummer 33149445, handelend onder de naam Euroclear Nederland</i>
<b>Euronext Amsterdam</b>	the regulated market operated by Euronext Amsterdam N.V.
<b>Exchange Offer</b>	the voluntary exchange offer by DSM-Firmenich 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
<b>Exchange Ratio</b>	one DSM-Firmenich Ordinary Share in exchange for one DSM Ordinary Share
<b>Executive Committee</b>	the executive committee that supports the members of the Board of Directors in the management of DSM-Firmenich's business
<b>Fairness Opinions</b>	the respective fairness opinions issued by each of Centerview Partners UK LLP and JP Morgan Securities plc on 30 May 2022
<b>FDI Approvals</b>	all consents, approvals, clearances, permissions and/or waivers under any foreign investment law
<b>Fiduciary Agent</b>	the fiduciary agent appointed by the Firmenich Shareholders
<b>Finance, Audit and Risk Committee</b>	the finance, audit and risk committee of DSM-Firmenich
<b>Firmenich</b>	Firmenich International SA
<b>Firmenich Contribution</b>	the contribution of all Firmenich Ordinary Shares to DSM-Firmenich against issuance of the Contribution Share Consideration and payment of the Contribution Cash Consideration to the Fiduciary Agent
<b>Firmenich Contribution Date</b>	the date of completion of contribution of the Firmenich Shares to DSM-Firmenich, which will occur no later than on the fifth Business Day after the Post-Closing Acceptance Settlement Date
<b>Firmenich Executive Committee</b>	the executive committee of Firmenich
<b>Firmenich Group</b>	Firmenich and its direct and indirect subsidiaries
<b>Firmenich Leakage</b>	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
<b>Firmenich Nominated Director</b>	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
<b>Firmenich Shareholder</b>	holders of shares in the issued share capital of Firmenich
<b>Firmenich Shareholders Conditions</b>	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 DSM-Firmenich effects the Transactions, including for DSM-Firmenich to declare the Offer unconditional ( <i>gestanddoening</i> )

<b>Firmenich Shares</b>	shares in the capital of Firmenich
<b>Firmenich Warranties</b>	the representations and warranties given by Firmenich to DSM in the Business Combination Agreement
<b>Foundation</b>	<i>Stichting Preferente Aandelen DSM</i>
<b>Foundation Call Option Agreement</b>	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
<b>Foundation Termination Agreement</b>	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
<b>General Meeting</b>	the general meeting of the shareholders of DSM-Firmenich
<b>Governance and Sustainability Committee</b>	the governance and sustainability committee of DSM-Firmenich
<b>Group</b>	collectively, the DSM Group and the Firmenich Group
<b>IFRS</b>	International Financial Reporting Standards
<b>Initial Acceptance Closing Date</b>	17.40 hours CET on Tuesday, 31 January 2023
<b>Integration Committee</b>	an integration committee as of the Contribution Completion Date consisting of four members, two of which will be current senior executives of DSM (and if any such senior executive resigns, he or she will be replaced by another current senior executive of DSM) and the other two, which shall include the Chief Integration Officer, will be representatives of Firmenich (and if any representative resigns, he or she will be replaced by another representative of Firmenich)
<b>Interim Period</b>	the period until the Firmenich Contribution Date, starting from signing of the Business Combination Agreement
<b>IRS</b>	the U.S. Internal Revenue Service
<b>J.P. Morgan</b>	J.P. Morgan Securities plc
<b>Joint Conditions</b>	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 DSM-Firmenich 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 DSM-Firmenich effects the Transactions, including for DSM-Firmenich to declare the Exchange Offer unconditional ( <i>gestanddoening</i> )
<b>KPMG NL</b>	KPMG Accountants N.V.
<b>Material Adverse Effect</b>	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
<b>Merger</b>	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 DSM-Firmenich
<b>Net Dilutive Instruments</b>	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
<b>Nomination Committee</b>	the nomination committee of DSM-Firmenich
<b>Offer Consideration</b>	one newly issued DSM-Firmenich Ordinary Share per DSM Ordinary Share
<b>Offering Circular</b>	the Offering Circular dated 22 November 2022
<b>Organisational Regulations</b>	the rules governing, among others, the Board of Directors' decision-making and delegation processes, as adopted by the Board of Directors
<b>Parties</b>	Firmenich, the Firmenich Shareholders, DSM and DSM-Firmenich
<b>Permitted Firmenich Leakage</b>	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
<b>Position Statement</b>	this 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
<b>Post-Closing Acceptance Period</b>	a post-closing acceptance period of no more than two weeks that DSM-Firmenich may announce at or following the Unconditional Date
<b>Post-Closing Acceptance Settlement Date</b>	the date on which DSM Shareholders who have validly tendered, or defectively tendered provided that such defect has been waived by DSM-Firmenich, and transferred ( <i>geleverd</i> ) their DSM Ordinary Shares for acceptance under the Exchange Offer during the Post-Closing Acceptance Period, will receive the Offer Consideration from DSM-Firmenich 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
<b>Post-Offer Merger and Liquidation</b>	a customary pre-wired back-end structure, which DSM-Firmenich may decide to implement if the DSM-Firmenich holds less than 95%, but at least 80% of the DSM Ordinary Shares after the Post-Closing Acceptance Period if the Transaction Resolutions have been adopted and are in full force and effect

<b>PSU</b>	performance share units
<b>Regulation 14E</b>	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
<b>Related Persons</b>	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
<b>RSU</b>	restricted share units
<b>SEC</b>	U.S. Securities and Exchange Commission.
<b>Sentarom</b>	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
<b>Settlement</b>	transfer of the DSM Ordinary Shares tendered under the Exchange Offer against payment of the Offer Consideration
<b>Settlement Date</b>	the date on which Settlement occurs, which will be two Business Days after the Unconditional Date
<b>Share Sale</b>	the sale by DSM Holdco and purchase by DSM-Firmenich of all issued and outstanding shares in the capital of DSM Sub under the Post-Offer Share Purchase Agreement
<b>Share Sale Consideration</b>	the consideration payable by DSM-Firmenich to DSM Holdco under the Post-Offer Share Purchase Agreement
<b>Subsequent DSM EGM</b>	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
<b>Subsidiaries</b>	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

**Tendered Share**

each DSM Ordinary Share validly tendered by a DSM Shareholder, or defectively tendered, provided that such defect has been waived by DSM-Firmenich and the DSM Shareholder in question has not previously validly withdrawn such DSM Ordinary Share in accordance with the Offering Circular

**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 occurring; 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 DSM-Firmenich 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

**Unconditional Date**

the date on which DSM-Firmenich 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)

**Wft**

de Wet op het financieel toezicht

### 3. THE MERGER

#### 3.1 The Transactions

The Merger will be effected through (i) the Exchange Offer and (ii) the Firmenich Contribution. On the Unconditional Date, the DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam, under the symbol DSFIR. The Admission, the Exchange Offer and the Firmenich Contribution are together referred to as the Transactions and are further described in the paragraphs below.

#### 3.2 The Exchange Offer

DSM-Firmenich is offering to acquire the DSM Ordinary Shares from the DSM Shareholders via the Exchange Offer on a one-by-one basis, against the Offer Consideration, as set out below. 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*" of the Offering Circular. 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 (as defined in section 7.3 "*The Transaction Conditions*") 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, DSM-Firmenich shall, and DSM shall cause DSM-Firmenich to, extend the Acceptance Period by no less than two weeks and no more than ten weeks. DSM-Firmenich shall, and DSM shall cause DSM-Firmenich 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.

Delivery of the DSM-Firmenich Ordinary Shares will take place on the Settlement Date. At or following the Unconditional Date, DSM-Firmenich 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*" of the Offering Circular.

If, after the Post-Closing Acceptance Period, DSM-Firmenich holds less than 95% but at least 80% of the DSM Ordinary Shares, DSM-Firmenich 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 DSM-Firmenich holds at least 95% of the DSM Ordinary Shares, DSM-Firmenich will commence a takeover buy-out procedure in accordance with Article 2:359c of the Dutch Civil Code or a buy-out procedure in accordance with Article 2:92a of the Dutch Civil Code (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*" of the Offering Circular.

#### 3.3 The Firmenich Contribution

Subject to the Transaction Conditions being satisfied or waived, the Firmenich Shareholders shall agree upon, and appoint the Fiduciary Agent, to contribute all Firmenich Shares (free of any encumbrances) to DSM-Firmenich, and DSM-Firmenich 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**).

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 plus an amount equal to any DSM Leakage (the **Contribution Cash Consideration**) payable by DSM-Firmenich 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 DSM-Firmenich 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*" of the Offering Circular.

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 DSM-Firmenich of any Firmenich Leakage prior to the Contribution Completion. DSM-Firmenich must notify the representative of the Firmenich Shareholders 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 DSM-Firmenich.

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 DSM-Firmenich in connection with the Contribution Cash Consideration will be financed by DSM from available cash resources in the form of a loan to DSM-Firmenich. To assist DSM therein, it has entered into the Bridge Facility.

Furthermore, DSM and Firmenich have agreed that DSM-Firmenich will aim to recover any cash payments to be made by DSM-Firmenich 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 to a bank or third party custodian of a bank, for the purpose of an orderly sale in the market.

### **3.4 The Admission**

All of 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 are denominated in and will trade in Euro on Euronext Amsterdam. The Admission is a condition to each of DSM's, Firmenich's and DSM-Firmenich's obligation to effect the Transactions and for DSM-Firmenich to declare the Exchange Offer unconditional. Other than the DSM-Firmenich Ordinary Shares, no securities issued by DSM-Firmenich have been admitted to listing and trading on any other stock exchange on the Settlement Date.



## 4. DSM BOARDS' STRATEGIC ASSESSMENT OF THE TRANSACTIONS

DSM has decided to pursue the Transactions, for the reasons set out below. 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*" of the Offering Circular for a description of the principal terms of the Business Combination Agreement, including the termination grounds and termination fees.

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 DSM-Firmenich's executive committee (the **Executive Committee**) and the DSM Supervisory Board.

### 4.1 Background to and strategic 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, with 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 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.

### 4.2 Benefits of the Transactions

DSM has 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*" of the Offering Circular for a description of DSM-Firmenich's medium-term financial objectives.

## 5. DSM BOARDS' FINANCIAL ASSESSMENT OF THE TRANSACTIONS

The DSM Boards have considered a number of key financial aspects associated with the Transactions, as described below.

### 5.1 The Offer Consideration

DSM Shareholders who have tendered their DSM Ordinary Shares under the Exchange Offer will receive the Offer Consideration on the terms and subject to the conditions and restrictions set out in the Offering Circular, in consideration for each validly Tendered Share, or defectively tendered provided that such defect has been waived by DSM-Firmenich, and transferred (*geleverd*) to DSM-Firmenich.

#### *DSM Boards' assessment of financial aspects*

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 with the assistance of their financial advisers, 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<sup>2</sup> and implied enterprise value adjusted for the Materials business of €21.6 billion.<sup>3</sup>

#### *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<sup>4</sup> 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,<sup>5</sup> and (f) a capital structure reflecting financial debt including lease liabilities, cash and cash equivalents, preference shares,<sup>6</sup> pension liabilities, non-controlling interest and investments in associates at market value prior to the transaction announcement, per DSM's latest disclosed financial reports.

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 was comprised of (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 trading multiples analysis.

<sup>2</sup> Figures based on share price of €145.65 for 174 million DSM fully diluted share count.

<sup>3</sup> As per broker SOTP value of Materials of €4.7 billion and based on €1.0 billion Net Debt.

<sup>4</sup> Completion of the transaction took place on 1 September 2022.

<sup>5</sup> 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.

<sup>6</sup> DSM Preference shares A valuation based on DSM Preference Shares A Commitment Agreement as discussed in section 14.14 "DSM Preference Shares A" of the Offering Circular.

## *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 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 (incl. impact from acquisition spend post 1 January 2022), pension liabilities, non-controlling interest, investments in associates and equity investments based on market valuation prior to transaction announcement, 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 was comprised of (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 (e) 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 trading multiples 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 section 3 "*DSM-Firmenich's Business*" and specifically sections 3.5 "*Medium-term objectives of DSM-Firmenich*" and 3.6 "*Synergypotential of DSM-Firmenich*" of the Offering Circular for further details.

## **5.2 Dividend payments by DSM-Firmenich**

Within three months after the Firmenich Contribution Date, DSM-Firmenich 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.

For further information on the taxation of dividends, see section 15 "*Material Tax Considerations*" of the Offering Circular. For further information on DSM-Firmenich dividend policy, including the manner and time of dividend payments and uncollected dividends, see section 4 "*Dividend Policy*" of the Offering Circular.

## **5.3 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.

### **5.4 Fairness Opinions**

The DSM Boards have requested separate opinions from Centerview and 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 Fairness 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 Schedule 1 (Centerview Fairness Opinion) and Schedule 2 (J.P. Morgan Fairness Opinion) to this 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.

## 6. DSMBOARDS' NON-FINANCIAL ASSESSMENT OF THE TRANSACTIONS

In their decision-making process, the DSM Boards also considered a number of material non-financial aspects associated with the Transactions. This section gives an overview of these material non-financial aspects and includes an overview of the legal structure, the business of DSM-Firmenich (the **DSM-Firmenich Business**), governance and the management structure of DSM-Firmenich.

### 6.1 Organisation and legal structure

Danube AG was incorporated on 16 May 2022, a company limited by shares (*Aktiengesellschaft*) under the laws of Switzerland. On or around to Admission, Danube AG will be changed to DSM-Firmenich AG, which will be the legal and commercial name of DSM-Firmenich created by the Merger. All of the DSM-Firmenich Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam (for more information please refer to section 3.4 "The Admission").

#### (a) Dual headquarter of DSM-Firmenich

Effective as from the Contribution Completion Date, DSM-Firmenich will have a dual headquarter structure, with a dual headquarter, statutory seat and exclusive tax residence in Kaiseraugst, Switzerland, and a headquarter located in Heerlen, the Netherlands, and later Maastricht, the Netherlands.

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.

### 6.2 DSM-Firmenich Business

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 <sup>7</sup>	Mission	Segments		Products	
<b>Perfumery &amp; Beauty</b>  <b>€3.3 billion</b>	Creators of perfumes and beauty products that delight customers	<ul style="list-style-type: none"> <li>• Fine fragrance</li> <li>• Consumer fragrance</li> </ul>	<ul style="list-style-type: none"> <li>• Personal care</li> <li>• Ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• Perfumery</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Bio-based and synthetic industrial specialties</li> </ul>

<sup>7</sup> 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.

Business <sup>7</sup>	Mission	Segments		Products	
<b>Food &amp; Beverage/ Taste &amp; Beyond</b>  <b>€2.7 billion</b>	Provide delicious, nutritious and sustainable products that deliver unique and superior consumer products	<ul style="list-style-type: none"> <li>• Dairy</li> <li>• Beverages</li> <li>• Savoury</li> </ul>	<ul style="list-style-type: none"> <li>• Baking, confectionery</li> <li>• Plant-based meat alternatives</li> <li>• Pet food</li> </ul>	<ul style="list-style-type: none"> <li>• Flavour ingredients</li> <li>• Food enzymes</li> <li>• Natural Ingredients</li> <li>• Cultures</li> <li>• Probiotics</li> <li>• Bio-preservatives</li> <li>• Nutrition &amp; Health ingredients (e.g. vitamins, carotenoids, omegas, minerals)</li> </ul>	<ul style="list-style-type: none"> <li>• Texturising ingredients</li> <li>• Hydrocolloids, pectin</li> <li>• Healthy sweeteners</li> <li>• Savoury taste solutions</li> <li>• Plant-based proteins</li> <li>• Pet-food ingredients</li> </ul>
<b>Health, Nutrition &amp; Care</b>  <b>€2.2 billion<sup>8</sup></b>	Keeping the world's growing population healthy through nutrition & care	<ul style="list-style-type: none"> <li>• Dietary supplements</li> <li>• i-Health (e.g. probiotics)</li> <li>• Early-life nutrition</li> <li>• Pharmaceutical ingredients</li> <li>• Medical nutrition</li> </ul>	<ul style="list-style-type: none"> <li>• Nutrition improvement for the malnourished</li> <li>• Personalised nutrition</li> <li>• Medical devices</li> </ul>	<ul style="list-style-type: none"> <li>• Vitamins</li> <li>• Carotenoids</li> <li>• Nutritional lipids – omegas</li> <li>• Human Milk Oligosaccharides (HMOs)</li> <li>• Digestive enzymes</li> <li>• Probiotics, prebiotics</li> <li>• Cannabinoids (CBD)</li> </ul>	<ul style="list-style-type: none"> <li>• Active pharmaceutical ingredients</li> <li>• Nutraceutical ingredients (e.g. lutein, biotin)</li> <li>• Biomedical solutions</li> </ul>
<b>Animal Nutrition &amp; Health</b>  <b>€3.3 billion</b>	Transforming animal farming to become radically more sustainable so that vital protein is accessible for a growing global population	<ul style="list-style-type: none"> <li>• Poultry (broilers and layers)</li> <li>• Aqua/fish</li> </ul>	<ul style="list-style-type: none"> <li>• Swine</li> <li>• Ruminants (dairy and beef)</li> </ul>	<ul style="list-style-type: none"> <li>• Essential ingredients, such as vitamins, carotenoids and minerals, premix</li> <li>• (Environmental) services, including Verax™ and Sustell™</li> <li>• Performance solutions focused on feed</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency, gut health and mycotoxin risk management, such as feed enzymes, eubiotics and omegas</li> <li>• Emission reduction solutions including Bovaer®</li> </ul>

DSM-Firmenich 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. The DSM-Firmenich Business 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" of the Offering Circular 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).<sup>9</sup> 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%).

<sup>8</sup> The combined sales and revenue numbers included in Health, Nutrition & Care, exclude Personal Care & Aroma, which is included in Perfumery & Beauty.

<sup>9</sup> 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 section 10.4 "Non-IFRS financial measures – Reconciliation – EBITDA and Firmenich Adjusted EBITDA" of the Offering Circular.

#### **(a) 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 of the Transactions. 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.

### **6.3 Governance of DSM-Firmenich**

#### **(a) Management Structure**

As of the Settlement Date, DSM-Firmenich 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 DSM-Firmenich and has the ultimate responsibility for all matters not expressly reserved to other corporate bodies of DSM-Firmenich. The Board of Directors delegates the management of DSM-Firmenich's business to the Executive Committee.

#### **(b) Board of Directors**

##### ***Powers, responsibilities and functioning***

The Board of Directors is ultimately responsible for the overall management of DSM-Firmenich and for the supervision of the other corporate bodies of DSM-Firmenich and persons entrusted with its management. The Board of Directors' responsibilities include all matters not expressly reserved to other corporate bodies of DSM-Firmenich, 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 DSM-Firmenich'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 DSM-Firmenich (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 DSM-Firmenich is delegated and who are authorised to represent DSM-Firmenich, (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 DSM-Firmenich 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 DSM-Firmenich's interests in good faith, as well as safeguard and further the interests of the DSM-Firmenich's stakeholders.

The Board of Directors determines the signatory power of its members and the registered authorised signatories. The DSM-Firmenich's co-CEOs and each member of its Executive Committee are authorised to represent DSM-Firmenich acting jointly by two. The Board of Directors is authorised to grant one or more persons, whether or not in DSM-Firmenich's employ, a power of attorney or other form of continuing authority to represent DSM-Firmenich 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 DSM-Firmenich's website ([www.creator-innovator.com](http://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.

DSM-Firmenich 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 DSM-Firmenich'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 DSM-Firmenich'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*" of the Offering Circular).

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 DSM-Firmenich's headquarters;
- a change to DSM-Firmenich'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 DSM-Firmenich'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 DSM-Firmenich'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 DSM-Firmenich's dividend policy.

### **(c) 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 DSM-Firmenich'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 DSM-Firmenich 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 DSM-Firmenich.

### ***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.

## **6.4 Members of the Board of Directors and Executive Committee**

### **(a) 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 on 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 DSM-Firmenich 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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 DSM-Firmenich. 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) .....	<b><i>Other roles – current and past</i></b> 1. <b><u>Current:</u></b> Non-executive Chair of the board of Mediahuis and its majority shareholder Mediahuis Partners	Private
	2. <b><u>Current:</u></b> Non-executive Chair of the supervisory board of Umicore	Listed
	3. <b><u>Past:</u></b> CEO of Umicore	Listed
	4. <b><u>Past:</u></b> Chair of the Belgian Corporate Governance Commission (till end 2022)	Foundation
	5. <b><u>Past:</u></b> Chair of the King Baudouin Foundation	Foundation
Patrick Firmenich (1962) .....	<b><i>Other roles – current and past</i></b> 1. <b><u>Current:</u></b> Non-executive board member of UBS	Listed
	2. <b><u>Current:</u></b> Non-executive board member of Jacobs Holding	Private

Name	Other roles	Private / Listed / Foundation / Other
Erica Mann (1958) .....	3. <b>Current:</b> Non-executive board member of INSEAD	Foundation
	4. <b>Current:</b> Non-executive board member of INSEAD World Foundation	Foundation
	<b>Other roles – current and past</b>	
	1. <b>Current:</b> Non-executive member of the board of Blackmores	Listed
	2. <b>Current:</b> Non-executive member of the board of Kellogg Company	Listed
	3. <b>Current:</b> Non-executive member of the board of Perrigo	Listed
Corien Wortmann-Kool (1959) .....	4. <b>Past:</b> Global president of Bayer's Consumer Health division	Listed
	5. <b>Past:</b> Executive member of the management board of the Bayer Group	Listed
	6. <b>Past:</b> Non-Executive Director role at Soho Flordis International	Private
	<b>Other roles – current and past</b>	
	1. <b>Current:</b> Non-executive Chair of the board of ABP Pension Fund (she will step down as chair per the end of 2022)	Foundation
	2. <b>Current:</b> Non-executive Vice-chair of the supervisory board of Aegon N.V.	Listed
André Pometta (1965) .....	3. <b>Past:</b> Chair of the Board of Save the Children	Foundation
	4. <b>Past:</b> Member Supervisory Board of the Central Bureau of Statistics (Statistics Netherlands)	Governmental institutions
	5. <b>Past:</b> Vice Chairman Supervisory Board Het Kadaster	Governmental institutions
	<b>Other roles – current and past</b>	
	1. <b>Current:</b> Non-executive chairman of the board of Sentarom	Private
	2. <b>Current:</b> Non-executive board member of White Lobster and its affiliates	Private
Antoine Firmenich (1965) .....	3. <b>Current:</b> Non-executive board member of Noyb and its affiliates	Other
	4. <b>Current:</b> Non-executive board member of Smixin	Private
	5. <b>Past:</b> President of Firmenich China	Private
	6. <b>Past:</b> Non-executive board member of Cluster 1	Private
	7. <b>Past:</b> Member of Firmenich's Flavor executive team	Private
	<b>Other roles – current and past</b>	
Antoine Firmenich (1965) .....	1. <b>Current:</b> CEO & managing director of Aquilus Pte Ltd	Private
	2. <b>Current:</b> Non-executive board member of Alatus Capital	Private
	3. <b>Current:</b> Executive board member of Aquilus Management Ltd	Private
	4. <b>Current:</b> Non-executive member of the Stanford Interdisciplinary Life Sciences Council	Foundation
	5. <b>Past:</b> Lead of Firmenich's Flavor division Sweet Goods global business unit, Savory global business unit and all Encapsulated Solutions	Private
	6. <b>Past:</b> Non-executive board member of Conservation International	Private

Name	Other roles	Private / Listed / Foundation / Other
	7. <b>Past:</b> Non-executive board member of Nobel Biocare	Listed
	8. <b>Past:</b> Member of the Advisory Council of Stanford Graduate School of Business	Other
Richard Ridinger (1958)	<i>Other roles – current and past</i>	
.....	1. <b>Current:</b> Non-executive chairman of the board of Recipharm	Private
	2. <b>Current:</b> Non-executive board member of SHL Medical	Private
	3. <b>Current:</b> Member of the supervisory board of Brenntag	Listed
	4. <b>Past:</b> Non-executive board member of Evolva	Listed
	5. <b>Past:</b> Non-executive board member of WCG Clinical	Private
	6. <b>Past:</b> CEO of Lonza	Listed
Pradeep Pant (1953)	<i>Other roles – current and past</i>	
.....	1. <b>Current:</b> Non-executive Chair of the board of Blaine Investments (Holding Company of Clyde Investments)	Private
	2. <b>Current:</b> Non-executive Chair of the board of Clyde Investments Pte Ltd. Asia Sustainable Foods	Private
	3. <b>Current:</b> President of Pant Consulting Pte Ltd.	Private
	4. <b>Current:</b> Non-executive director of Max India Ltd. and its affiliates Antara Senior Living Ltd. and MAX Life Insurance Co Ltd. (India)	Listed
	5. <b>Current:</b> Non-executive director of NIVA BUPA Health Insurance Co. Ltd. (India)	Private
	6. <b>Past:</b> EVP and President APAC and EMEA of Mondelez International	Listed
	7. <b>Past:</b> Non-executive Director Antara Purukul Senior Living Ltd.	Private
Frits van Paasschen (1961)	<i>Other roles – current and past</i>	
.....	1. <b>Current:</b> Non-executive board member of CitizenM Hotels (NL)	Private
	2. <b>Current:</b> Founder of The Disruptor's Feast Advisory	Private
	3. <b>Current:</b> Non-executive board member of J.Crew Group, Inc.	Private
	4. <b>Current:</b> Non-executive board member of Crown PropTech Acquisitions (must liquidate not later than February 2023)	Listed
	5. <b>Current:</b> Non-executive board member of Sonder Inc	Listed
	6. <b>Current:</b> Non-executive board member of Williams Sonoma, Inc. (USA)	Listed
	7. <b>Past:</b> CEO of Starwood Hotels and Resorts	Private
	8. <b>Past:</b> Non-executive Chairman of the Supervisory Board of Apollo Hotels	Private
	9. <b>Past:</b> Non-executive Chair of the Board of Convene	Private
John Ramsay (1957)	<i>Other roles – current and past</i>	
.....	1. <b>Current:</b> Non-executive director of RHI Magnesita N.V.	Listed
	2. <b>Current:</b> Non-executive director of Babcock International PLC	Listed

Name	Other roles	Private / Listed / Foundation / Other
	3. <b>Current:</b> Non-executive director of Croda International PLC	Listed
	4. <b>Past:</b> CFO and interim CEO of Syngenta AG	Listed
	5. <b>Past:</b> Non-executive director of G4S PLC	Listed
Carla Mahieu (1959)	<b>Other roles – current and past</b>	
.....	1. <b>Current:</b> Non-executive member of the board of VodafoneZiggo Group B.V. Netherlands	Private
	2. <b>Current:</b> Non-executive member of the board of Stichting Continuïteit PostNL	Foundation
	3. <b>Current:</b> Non-executive director of Arcadis	Listed
	4. <b>Past:</b> Global head of human resources and member of the management board of Aegon N.V.	Listed
	5. <b>Past:</b> Non-executive member of the board of Koninklijke BAM Groep	Listed

#### (b) 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-chief executive officer (**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 FCLT Global, (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 Novicare 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) ChemicalInvest 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 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, Genentech 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.

## 6.5 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.

Business department	2021		2020		2019	
	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 Center .....	578	498	579	613	683	663
Corporate Activities .....	1,804	1,902	2,039	2,012	2,087	2,042
<b>Total continuing operations .....</b>	<b>21,358</b>	<b>20,838</b>	<b>21,313</b>	<b>20,012</b>	<b>20,320</b>	<b>19,567</b>
Discontinued operations .....	-	430	1,814	1,803	1,854	1,823
<b>Total .....</b>	<b>21,358</b>	<b>21,268</b>	<b>23,127</b>	<b>21,815</b>	<b>22,174</b>	<b>21,390</b>

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.

Location	2021		2020		2019	
	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
<b>Total .....</b>	<b>21,358</b>	<b>21,268</b>	<b>23,127</b>	<b>21,815</b>	<b>22,174</b>	<b>21,390</b>

The current business activities of DSM will be continued as part of DSM-Firmenich upon completion of the Exchange Offer.

## ***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.

<b>Business department</b>	<b>As at June 30</b>					
	<b>2022</b>		<b>2021</b>		<b>2020</b>	
	<b>Employees</b>	<b>FTEs</b>	<b>Employees</b>	<b>FTEs</b>	<b>Employees</b>	<b>FTEs</b>
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
<b>Total .....</b>	<b>10,531</b>	<b>10,467</b>	<b>10,000</b>	<b>9,934</b>	<b>10,096</b>	<b>10,042</b>

The following table details the numbers of Firmenich's headcount by geographical location as at 30 June 2022, 2021 and 2020.

<b>Location</b>	<b>As at 30 June</b>					
	<b>2022</b>		<b>2021</b>		<b>2020</b>	
	<b>Employees</b>	<b>FTEs</b>	<b>Employees</b>	<b>FTEs</b>	<b>Employees</b>	<b>FTEs</b>
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	1,212	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
<b>Total .....</b>	<b>10,531</b>	<b>10,467</b>	<b>10,000</b>	<b>9,934</b>	<b>10,096</b>	<b>10,042</b>

It is currently not envisaged that the Transactions will have an impact on the continued engagement of the members of the DSM Managing Board. It is expected that following Completion, the DSM Executive Committee will be dissolved.

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 members of the Executive Committee.

There are currently no material redundancies planned with respect to the employees of DSM, Firmenich or DSM-Firmenich as a direct consequence of the Exchange Offer. However, the integration process may involve redundancies after Completion, which be subject to employee consultations, where required.

At the time of this Position Statement, no remuneration policy for DSM-Firmenich has been adopted. The remuneration policy will be developed and implemented in due course.

## **6.6 Employee Representative Bodies**

The employee representative bodies of DSM, that are relevant in respect of the Transactions, consisting of the Central Works Council (*centrale ondernemingsraad* or *COR*) and the European Works Council of DSM (*EOR*) were informed and consulted in relation to the Transactions. The Central Works Council rendered a positive advice on 3 October 2022.

## 7. DEAL CERTAINTY AND OTHER DEAL TERMS

This section contains a description of certain key aspects of the Transactions that the DSM Boards considered in relation to deal certainty. For information on the applicable pre-wired back-end structure to acquire a 100% shareholding in DSM, please refer to section 14.20 "*Post-Offer Merger and Liquidation*" of the Offering Circular or the explanatory notes to the agenda for the DSM EGM.

### 7.1 Acceptance threshold

The acceptance threshold, as agreed in the Business Combination Agreement, is set at 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 (the **Acceptance Threshold**).

### 7.2 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 DSM-Firmenich's total outstanding share capital to identified strategic parties. The Business Combination Agreement does not provide for a waiver of these undertakings.

### 7.3 The Transaction Conditions

The respective obligation of the Parties to the Business Combination Agreement to effect the Transactions, and for DSM to ensure that DSM-Firmenich effects the Transactions, including for DSM-Firmenich 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 DSM-Firmenich 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 DSM-Firmenich 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-policy maker(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-policy maker(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 call option agreement (the **Foundation Call Option Agreement**), and the Foundation having entered into the agreement between DSM and the Foundation regarding the termination of the Foundation Call Option Agreement (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 the Offering Circular as an offer memorandum and a prospectus as required for the publication of the 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<sup>10</sup>, China, Colombia, Mexico, South Africa<sup>11</sup>, Turkey and the U.S.<sup>12</sup> 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, DSM-Firmenich 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-policy maker(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

---

<sup>10</sup> Clearance from the Brazilian competition authority has been obtained on 8 November 2022.

<sup>11</sup> Clearance from the South African competition authority has been obtained on 1 November 2022.

<sup>12</sup> Clearance from the U.S. competition authority has been obtained on 25 October 2022.

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 DSM-Firmenich to effect the Transactions, and for DSM and Firmenich to ensure that DSM-Firmenich effects the Transactions, including for DSM-Firmenich to declare the Exchange 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 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 DSM-Firmenich effects the Transactions, including for DSM-Firmenich 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 DSM-Firmenich to consummate the Transactions and Firmenich and the Firmenich Shareholders shall have received a certificate signed on behalf of DSM and DSM-Firmenich by an authorised representative of each of DSM and DSM-Firmenich 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 DSM-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, and the Business Combination Agreement being in full force and effect.

To the knowledge of DSM, DSM-Firmenich and Firmenich, no Material Adverse Effect has occurred or has become known before the date of the Offering Circular or this Position Statement.

Firmenich, DSM and DSM-Firmenich have undertaken, and DSM has undertaken to ensure that DSM-Firmenich 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, DSM-Firmenich will release an announcement on DSM-Firmenich's website ([www.creator-innovator.com](http://www.creator-innovator.com)) informing the DSM Shareholders accordingly. The Exchange Offer will be unconditional when all of the Transactions Conditions have been fulfilled or waived, as applicable.

#### **7.4 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 arrangements relating to the termination of the Business Combination Agreement and (reverse) termination fee are set out in section 13.7 "*Principal terms of the Business Combination Agreement*" of the Offering Circular.

#### **7.5 Superior Proposal**

The Business Combination Agreement includes arrangements with respect to a (potential) Alternative Proposal and a Superior Offer (both as defined below). The arrangements relating to a (potential) Alternative Proposal and a Superior Proposal will be summarised in this section. For the full details thereof, please refer to section 13.7 "*Principal terms of the Business Combination Agreement*" of the Offering Circular.

An **Alternative Proposal** is 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

A **Superior Proposal** is 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



DSM or Firmenich, as the case may be, shall notify each other and DSM-Firmenich 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.

## 8. FINANCIALS

Reference is made to section 7 "*Selected Consolidated Financial Information of DSM*" of the Offering Circular. More specifically, section 7.3 "*Selected financial statements*" of the Offering Circular includes the selected consolidated income statement data of DSM for the years ended 31 December 2021, 2020 and 2019. Section 7.4 "*Selected consolidated balance sheet data*" of the Offering Circular includes DSM's consolidated balance sheet for the years ended 31 December 2021, 2020 and 2019. Section 7.5 "*Selected consolidated statement of cash flow*" of the Offering Circular includes DSM's statement of cash flows for the years ended 31 December 2021, 2020 and 2019.

In addition, the following information is incorporated by reference, and, as such forms part of this Position Statement:

- (a) the [DSM 2021 Financial Statements](#) and the audited historical consolidated financial statements of DSM for the year ended [31 December 2020](#), including the notes and the auditor's reports thereon;
- (b) the [DSM HY 2022 Financial Statements](#) and the review report thereon;
- (c) 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 not audited or reviewed by an independent accountant; and
- (d) report of the independent auditor relating to the information in sections 7.3-7.5 of the Offering Circular, 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.

## 9. EQUITY HOLDINGS AND TRANSACTIONS

### 9.1 Securities held by the members of the DSM Boards and their family members

#### ***DSM Supervisory Board***

As of the date of this Position Statement, the only members of the DSM Supervisory Board that hold any shares in DSM are:

- Thomas Leysen holds 10,035 DSM Ordinary Shares, representing approximately 0.0058% of the DSM Ordinary Shares outstanding; and
- John Ramsay holds 1,788 DSM Ordinary Shares, representing approximately 0.001% of the DSM Ordinary Shares outstanding.

#### ***DSM Managing Board***

As of the date of this Position Statement, the members of the DSM Managing Board that hold any shares in DSM are:

- 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.

Other than as stated above, at the date of this Position Statement, no securities issued by DSM were held by:

- (a) any member of the DSM Boards;

- (b) any of the respective spouses (*echtgenoten*), registered partners (*geregistreerde partners*), or children who are minors (*minderjarige kinderen*) of the persons referred to under paragraph (a) above; or
- (c) any entities over which the persons referred to under paragraph (a) above and paragraph (b) above have control (*zeggenschap hebben in*) within the meaning of Annex G, paragraph 3 of the Decree.

## 9.2 Irrevocable undertaking of the DSM Boards to tender their DSM Ordinary Shares

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.

Please refer to section 14.7 "Principal terms of the Business Combination Agreement – Covenants and undertakings of the Parties" for the relevant information about the covenants and undertakings of the Parties.

## 9.3 Recent transactions by the members of the DSM Boards and their family members

At the date of this Position Statement, except as disclosed in this subsection and in section 9.1 "Securities held by the members of the DSM Boards and their family members", 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 Position Statement, and no similar transactions have been effected in respect of securities issued by DSM in the year prior to the date of this Position Statement by:

- (a) any member of the DSM Boards;
- (b) any of the respective spouses (*echtgenoten*), registered partners (*geregistreerde partners*), or children who are minors (*minderjarige kinderen*) of the persons referred to under paragraph (a) above; or
- (c) any entities over which the persons referred to under paragraph (a) above and paragraph (b) above have control (*zeggenschap hebben in*) within the meaning of Annex G, paragraph 3 of the Decree.

Mr. Leysen purchased 5,000 DSM Ordinary Shares at a value per share of EUR 117.40 on 7 November 2022 and Mr. Ramsay purchased 720 DSM Ordinary Shares at a value per share of EUR 113.83 on 4 November 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 Position Statement. All transactions are related to the grant and vesting procedures under the applicable share incentive plans of DSM (the **DSM Incentive Plans**).

	2022 Grant	2022 Vesting of 2019 Grant	2022 Share Purchase re. 2021 STI	Sell-to-cover re. 2022 Vesting
<b>DSM Managing Board - Long-Term incentive plan</b>				
- Geraldine Matchett.....	8,500	10,313	n.a.	4,437
- Dimitri de Vreeze.....	8,500	10,313	n.a.	4,861
<b>DSM Managing Board – STI Deferral &amp; Matching Scheme</b>				
- Geraldine Matchett.....	2,506	2,552	2,506	1,098

	2022 Grant	2022 Vesting of 2019 Grant	2022 Share Purchase re. 2021 STI	Sell-to-cover re. 2022 Vesting
- Dimitri de Vreeze.....	2,506	2,474	2,506	1,166
<b>Total.....</b>	<b>22,012</b>	<b>25,652</b>	<b>5,012</b>	<b>11,562</b>

The transactions of Geraldine Matchett and Dimitri de Vreeze in the table above occurred on 31 March 2022 and where relevant relate to DSM Ordinary Shares. The value per share of the 2022 Grant and the 2022 Vesting of 2019 Grant is EUR 0. The value per share of the 2022 Share Purchase re. 2021 STI and Sell-to cover re. 2022 Vesting is EUR 163.65 and EUR 163.95, respectively.

## 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 (**Eligible Persons**) have rights outstanding under 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 PSUs, matching the number of DSM Ordinary Shares obtained upon a conversion of part of the short-term incentive over any financial year into shares (one-on-one matching).

The DSM Share Unit Plans allow for the 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.

Reference is made to section 11.16 "*Long-term incentive plans*" of the Offering Circular, which includes the relevant information on DSM's Incentive Plans, including the rights of Eligible Persons to receive PSUs or RSUs and the treatment of the DSM Incentive Plans under the Offering Circular.

### *Overview of outstanding obligations under DSM long-term incentive plans*

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 Position Statement.

<i>Number of share units</i>	Outstanding share units							
	2020		2021		2022		Total	
	RSU	PSU	RSU	PSU	RSU	PSU	RSU	PSU
<b>DSM Managing Board</b>								
- 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
<b>DSM Executive Committee</b>								
- 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
<b>Total.....</b>	<b>62,697</b>	<b>85,719</b>	<b>50,222</b>	<b>75,083</b>	<b>151,453</b>	<b>78,484</b>	<b>264,372</b>	<b>239,286</b>

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 Position Statement.

<i>Number of PSUs</i>	Outstanding PSUs			
	2019	2020	2021	Total
<b>DSM Managing Board</b>				
- Geraldine Matchett.....	1,558	1,850	2,506	5,914
- Dimitri de Vreeze.....	1,632	1,850	2,506	5,988
<b>DSM Executive Committee</b>				
- Executive Committee excl. DSM Managing Board.....	4,426	4,234	8,551	17,211
<b>Total.....</b>	<b>7,616</b>	<b>7,934</b>	<b>13,563</b>	<b>29,113</b>

## 10. RECOMMENDATION

In accordance with their fiduciary duties and 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 the 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.

In addition, the DSM Boards have received the Fairness Opinions described in section 5.4 "*Fairness Opinions*" which state that, as of such date and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations as set forth in each Fairness 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.

Based on the above, the DSM Boards unanimously (i) support the Transactions, (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 the Transaction Resolutions at the DSM EGM.

**SCHEDULE 1**  
**FAIRNESS OPINION CENTERVIEW**

Centerview Partners UK LLP  
100 Pall Mall  
3<sup>rd</sup> Floor  
London SW1Y 5NQ  
United Kingdom

30 May 2022

The Supervisory Board and Managing Board (the “Boards”)  
Koninklijke DSM N.V.  
Het Overloon 1  
6411 TE Heerlen  
The Netherlands

The Boards:

You have requested our opinion as to (i) the fairness, from a financial point of view, to the holders of the outstanding ordinary shares with a par value EUR 1.50 per share (including any such share represented by American depositary receipts) (the “Shares”) (other than in respect of Shares held by the Company (as defined below), Firmenich (as defined below) or any of their respective affiliates, “Excluded Shares”), in the capital of Koninklijke DSM N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law with its seat in Heerlen, the Netherlands and registered with the Dutch Commercial Register under number 14022069 (“DSM” or the “Company”), of the Offer Consideration (as defined below) provided for pursuant to the business combination agreement proposed to be entered into (the “Agreement”) by and between the Company, Firmenich International SA, a company limited by shares incorporated under Swiss law with its seat in Satigny, Switzerland (“Firmenich”), the shareholders of Firmenich and Danube AG, a newly incorporated company limited by shares incorporated under Swiss law with its seat in Kaiseraugst, Switzerland (“Danube”), and, (ii) the fairness, from a financial point of view, to DSM Holdco (as defined in the Agreement) of the Share Sale Consideration (as defined below) to be paid to DSM Holdco in the proposed Share Sale in connection with the Post-Offer Merger and Liquidation (as defined below) provided for pursuant to the Agreement.

The Agreement provides that:

- (i) the Company shall, subject to and in accordance with the terms and conditions of the Agreement, cause Danube to launch an exchange offer to the holders of Shares (the “Offer”), offering one newly issued Danube

100 PALL MALL LONDON SW1Y 5NQ

TEL: +44 (0)20 7409 9700 WWW.CENTerviewPARTNERS.COM

NEW YORK - LONDON - PARIS - SAN FRANCISCO - PALO ALTO - LOS ANGELES

CENTerview PARTNERS UK LLP IS A LIMITED LIABILITY PARTNERSHIP REGISTERED IN ENGLAND AND WALES WITH NUMBER OC345806 WHOSE REGISTERED OFFICE IS AT

10 NORWICH STREET, LONDON EC4A 1BD. A LIST OF MEMBERS IS OPEN FOR INSPECTION AT THE ABOVE ADDRESS.  
CENTerview PARTNERS UK LLP IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.



ordinary share ("Danube Ordinary Share") per Share (the "Offer Consideration");

- (ii) Danube, the Company and Firmenich shall use their reasonable efforts to ensure that the Danube Ordinary Shares will be admitted to listing on the regulated market operated by Euronext Amsterdam as from settlement of the Offer (the "Listing");
- (iii) the Firmenich shareholders shall cause a fiduciary agent, to be jointly appointed by the Firmenich shareholders (the "Fiduciary Agent"), to contribute all Firmenich shares to Danube, and Danube shall, and the Company shall cause Danube to, discharge its obligations under the Agreement in relation to the Contribution Share Consideration and the Contribution Cash Consideration (each as defined below) by (A) issuing such number of Danube Ordinary Shares representing immediately after completion 34.5% of Danube's total issued and outstanding share capital (on a fully diluted basis), to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich shareholders (the "Contribution Share Consideration") and (B) paying an amount in cash of EUR 3,500,000,000 (the "Contribution Cash Consideration") to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich shareholders (the "Contribution");
- (iv) after the settlement of the Shares tendered during the post-closing acceptance period under the Offer and subject to (i) the Transactions Resolutions (as defined in the Agreement) having been adopted and being in full force and effect and (ii) the aggregate number of Shares having been tendered during the acceptance period and the post-closing acceptance period under the Offer, together with (x) any Shares directly or indirectly held by Danube or any of its Affiliates (as defined in the Agreement), (y) any Shares committed to Danube or any of its Affiliates in writing and (z) any Shares to which Danube or any of its Affiliates is entitled, representing at least the Acceptance Threshold (as defined in the Agreement), but less than 95%, of the Company's aggregate issued and outstanding ordinary share capital following the settlement of the Shares tendered during the post-closing acceptance period under the Offer, the Company may be notified by Danube or Firmenich to implement the Post-Offer Merger and Liquidation (as defined in the Agreement) in accordance with the terms and conditions of the Agreement, which provides *inter alia* that:
  - a. prior to the Triangular Merger (as defined in the Agreement) becoming effective, Danube shall and the Company shall procure

that DSM Holdco shall enter into a share purchase agreement between Danube and DSM Holdco (the “Post-Offer Share Purchase Agreement”) pursuant to which DSM Holdco will sell and Danube will purchase all issued and outstanding shares in the capital of DSM Sub (as defined in the Agreement) (the “Share Sale”). The consideration payable by Danube to DSM Holdco under the Post-Offer Share Purchase Agreement shall be a note that gives the holder of the note the right to require Danube to deliver to it, on first demand, such number of Danube Ordinary Shares that is equal to the number of Shares held by Danube plus the Shares held by the non-tendering DSM shareholders (the “Share Sale Consideration”, and such note, the “Note”);

b. directly following closing of the Share Sale, DSM Holdco will:

- i. through conversion of part of the Note by applying a value fairly representing the prevailing value of a Danube Ordinary Share, receive from Danube an amount in cash equal to the Dutch dividend withholding tax liability due under the dissolution and liquidation of DSM Holdco taking into account the recognised capital contributed to the 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 Danube Ordinary Shares (the “Cash Portion”); and
- ii. receive such number of Danube Ordinary Shares equal to the number of Shares held by the non-tendering DSM shareholders immediately prior to execution of the Merger Deed (as defined in the Agreement) minus such number of Danube Ordinary Shares representing the Cash Portion (by applying a value fairly representing the prevailing value of a Danube Ordinary Share) and as a result thereof make a capital contribution in respect of such Danube Ordinary Shares received by DSM Holdco; and

- (v) Danube shall ensure that the Liquidator (as defined in the Agreement), as soon as practicable after closing of the Share Sale, 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 closing of the Share Sale and shall result in:

- a. the distribution of the remaining portion of the Note to Danube, where, as a consequence of such distribution, this right will extinguish;
- b. the distribution of Danube Ordinary Shares plus 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 Danube Ordinary Shares to the non-tendering DSM shareholders that are not Non-Eligible US Persons (as defined in the Agreement),
- c. the dissemination of Danube Ordinary Shares to a sales agent acting on behalf of the Non-Eligible US Persons who will distribute the cash sale proceeds of such Danube Ordinary Shares to the Non-Eligible US Persons, should such construct be applicable; and
- d. the deduction from the distribution to the non-tendering DSM shareholders (as meant in sub-paragraph (b) and (c) above) of an amount equal to the Dutch dividend withholding tax liability due under the dissolution and liquidation of DSM Holdco and the payment thereof, on behalf of the non-tendering DSM shareholders, to the Dutch Tax authorities.

The transactions contemplated by the Agreement, including the Offer, the Listing, the Contribution, the Share Sale and the Post-Offer Merger and Liquidation are together referred to as the “Transaction”.

We also understand that the Contribution Cash Consideration will be subject to adjustment as provided in the Agreement based on the value of the Firmenich Leakage and the DSM Leakage (each as defined in the Agreement) (the “Adjustment”). We express no view or opinion as to the Adjustment.

We have acted as financial advisor to the Company in connection with the Transaction. We will receive a fee for our services in connection with the Transaction, a portion of which is payable upon the rendering of this opinion and a substantial portion of which is contingent upon the consummation of the Transaction. In addition, the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement.

We are a securities firm engaged directly and through affiliates and related persons in a number of investment banking, financial advisory and merchant banking activities. In the past two years, we have been engaged to provide financial advisory services to the

Company, including in connection with certain strategic matters, and we have received and expect to receive compensation from the Company for such services. In the past two years, we have not been engaged to provide financial advisory or other services to Firmenich, and we have not received any compensation from Firmenich during such period. We may provide investment banking and other services to or with respect to the Company, Danube or Firmenich or their respective affiliates in the future, for which we may receive compensation. Certain (i) of our and our affiliates' directors, officers, members and employees, or family members of such persons, (ii) of our affiliates or related investment funds and (iii) investment funds or other persons in which any of the foregoing may have financial interests or with which they may co-invest, may at any time acquire, hold, sell or trade, in debt, equity and other securities or financial instruments (including derivatives, bank loans or other obligations) of, or investments in, the Company, Danube or Firmenich or any of their affiliates, or any other party that may be involved in the Transaction.

In connection with this opinion, we have reviewed, among other things: (i) a draft of the Agreement dated 30 May 2022 (the "Draft Agreement"); (ii) Annual Reports of the Company for the years ended 31 December 2021, 31 December 2020 and 31 December 2019, and Annual Reports of Firmenich for the years ended 30 June 2021, 30 June 2020 and 30 June 2019; (iii) certain publicly available interim reports to stockholders of the Company; (iv) certain publicly available research analyst reports for the Company; (v) certain other communications from the Company to their respective stockholders; (vi) certain internal information relating to the business, operations, earnings, cash flow, assets, liabilities and prospects of the Company, including certain financial forecasts, analyses and projections relating to the Company prepared by management of the Company and furnished to us by the Company for purposes of our analysis (the "Company Forecasts") (collectively, the "Company Internal Data"); (vii) certain financial forecasts, analyses and projections relating to Firmenich prepared by management of Firmenich and adjusted by management of the Company and furnished to us by the Company for purposes of our analysis (the "Firmenich Forecasts"); and (ix) and certain cost savings and operating revenue synergies, and associated costs to achieve, projected by the management of Firmenich and the Company to result from the Transaction furnished to us by the Company for purposes of our analysis and to be made available in the public announcement of the Transaction (the "Synergies"). We have participated in discussions with members of the senior management and representatives of the Company regarding their assessment of the Company Internal Data (including, without limitation, the Company Forecasts), the Firmenich Forecasts, and the Synergies, as appropriate, and the strategic rationale for the Transaction. In addition, we reviewed publicly available financial and stock market data, including valuation multiples, for the Company and compared that data with similar data for certain other companies, the securities of which are publicly traded, in lines of business that we deemed relevant. We conducted such other financial studies and analyses and took into account such other information as we deemed appropriate.

We have assumed, without independent verification or any responsibility therefor, the accuracy and completeness of the financial, legal, regulatory, tax, accounting and other information supplied to, discussed with, or reviewed by us for purposes of this opinion and have, with your consent, relied upon such information as being complete and accurate. In that regard, we have assumed, at your direction, that the Company Internal Data (including, without limitation, the Company Forecasts), the Firmenich Forecasts, and the Synergies have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company, as applicable, as to the matters covered thereby, and we have relied, at your direction, on the Company Internal Data (including, without limitation, the Company Forecasts), the Firmenich Forecasts, and the Synergies for purposes of our analysis and this opinion. We express no view or opinion as to the Company Internal Data (including, without limitation, the Company Forecasts), the Firmenich Forecasts, and the Synergies or the assumptions on which they are based. In addition, at your direction, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet or otherwise) of the Company, Firmenich or any other entity, nor have we been furnished with any such evaluation or appraisal, and we have not been asked to conduct, and did not conduct, a physical inspection of the properties or assets of the Company, Firmenich or any other entity. We have assumed, at your direction, that the final executed Agreement will not differ in any respect material to our analysis or this opinion from the Draft Agreement reviewed by us. We have also assumed, at your direction, that the Transaction will be consummated on the terms set forth in the Agreement and in accordance with all applicable laws and other relevant documents or requirements, without delay or the waiver, modification or amendment of any term, condition or agreement, the effect of which would be material to our analysis or this opinion and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Transaction, no delay, limitation, restriction, condition or other change, including any divestiture requirements or amendments or modifications, will be imposed, the effect of which would be material to our analysis or this opinion. We have also assumed that the Transaction will have the tax consequences described in discussions with, and materials furnished to us by, representatives of the Company. We have also assumed that the representations and warranties made by the Company and the Firmenich shareholders in the Agreement and the related agreements are and will be true and correct in all respects material to our analysis or this opinion, and that the Adjustment will not result in any adjustment to the Contribution Cash Consideration that is material to our analysis or this opinion. We have not evaluated and do not express any opinion as to the solvency or fair value of the Company, Danube, Firmenich or any other entity, or the ability of the Company, Danube, Firmenich or any other entity to pay their respective obligations when they come due, or as to the impact of the Transaction on such matters, under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. We are not legal,

regulatory, tax or accounting advisors, and we express no opinion as to any legal, regulatory, tax or accounting matters.

We express no view as to, and our opinion does not address, the Company's underlying business decision to proceed with or effect the Transaction, or the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available to the Company or in which the Company might engage. This opinion is limited to and addresses only (i) the fairness, from a financial point of view, as of the date hereof, to the holders of the Shares (other than Excluded Shares) 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 provided for pursuant to the Agreement. We have not been asked to, nor do we express any view on, and our opinion does not address, any other term or aspect of the Agreement or the Transaction, including, without limitation, the structure or form of the Transaction, or any other agreements or arrangements contemplated by the Agreement or entered into in connection with or otherwise contemplated by the Transaction, including, without limitation, the Offer, the Buy-Out (as defined in the Agreement), the Post-Offer Merger and Liquidation, or any amount to be paid or distributed to holders of Shares in the Buy-Out, the Post-Offer Merger and Liquidation, any allocation of the Share Sale Consideration or the aggregate consideration payable provided for pursuant to the Agreement, or the fairness of the Transaction or any other term or aspect of the Transaction to, or any consideration to be received in connection therewith by, or the impact of the Transaction on, the holders of any other class of securities, creditors or other constituencies of the Company or any other party. In addition, we express no view or opinion as to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to be paid or payable to any of the officers, directors or employees of the Company or any party, or class of such persons in connection with the Transaction, whether relative to (i) the Offer Consideration to be paid to the holders of the Shares provided for pursuant to the Agreement or otherwise or, (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 provided for pursuant to the Agreement. Our opinion, as expressed herein, relates to the relative values of the Company and Firmenich. Our opinion is necessarily based on financial, economic, monetary, currency, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof, and we do not have any obligation or responsibility to update, revise or reaffirm this opinion based on circumstances, developments or events occurring after the date hereof. We express no view or opinion as to what the value of Danube Ordinary Shares actually will be when issued pursuant to the Transaction or the prices at which the Shares or the Danube Ordinary Shares will trade or otherwise be transferable at any time, including following the announcement or consummation of the Transaction. Our opinion does not constitute a recommendation to

any shareholder of the Company or any other person as to how such shareholder or other person should act with respect to the Transaction or any other matter.

Our financial advisory services and the opinion expressed herein are provided solely for the information and assistance of the Boards of the Company (in their capacity as directors and not in any other capacity) in connection with and for purposes of its consideration of the Transaction. This opinion may not be disclosed, quoted, referred to or communicated (in whole or in part) to, and may not be relied upon by, any other person, nor shall any public references to us or this opinion be made at any time, in any manner or for any purpose whatsoever except with our prior written consent, other than by means of inclusion in full in the position statement to be issued by the Boards in accordance with the Dutch Takeover Decree (*Besluit openbare biedingen Wft*) in connection with the Transaction, and except for any disclosure that may be required under the US securities laws. The issuance of this opinion was approved by the Centerview Partners Fairness Opinion Committee. This opinion has been prepared in English and any translation of this opinion is solely for informational purposes. We are not responsible for the accuracy or completeness of any such translation and such translation shall not be deemed to modify the substance of this opinion.

Based upon and subject to the foregoing, including the various assumptions made, procedures followed, matters considered, and qualifications and limitations set forth herein, we are of the opinion, as of the date hereof, that (i) the Offer Consideration provided for pursuant to the Agreement is fair, from a financial point of view, to the holders of Shares other than Excluded Shares 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 provided for pursuant to the Agreement is fair, from a financial point of view, to DSM Holdco.

Very truly yours,

Centerview Partners UK LLP

CENTERVIEW PARTNERS UK LLP

**SCHEDULE 2**  
**FAIRNESS OPINION J.P. MORGAN**



# J.P.Morgan

30 May 2022

Koninklijke DSM N.V.  
Het Overloon 1  
6411 TE Heerlen  
The Netherlands

Members of the Supervisory Board and the Managing Board (the “Boards”):

You have requested our opinion as to (i) the fairness, from a financial point of view, to the holders of ordinary shares (the “Shares”) in the share capital of Koninklijke DSM N.V. (“DSM” or the “Company”) (other than in respect of shares held by the Company or any of its affiliates, hereafter “Excluded Shares”) of the Offer Consideration (as defined below) to be paid to such holders in the proposed Offer (as defined below) by a newly incorporated company limited by shares under Swiss law wholly owned by DSM (“Danube”) and, (ii) the fairness, from a financial point of view, to DSM Holdco (as defined in the Agreement) of the Share Sale Consideration (as defined below) to be paid to DSM Holdco in the proposed Share Sale in connection with the Post-Offer Merger and Liquidation (as defined in the Agreement) provided for pursuant to the Agreement below).

Pursuant to the business combination agreement proposed to be entered into (the “Agreement”), among Firmenich, DSM, the Firmenich Shareholders and Danube (as defined in the Agreement), inter alia:

(i) DSM shall, subject to and in accordance with the terms and conditions of the Agreement, cause Danube to launch an exchange offer to the DSM shareholders holding DSM ordinary shares (the “Offer”), offering one newly issued Danube ordinary share per DSM ordinary share (the “Offer Consideration”);

(ii) Danube, DSM and Firmenich shall use their reasonable efforts to ensure that the Danube ordinary shares (the “Danube Ordinary Shares”) will be admitted to listing on the regulated market operated by Euronext Amsterdam as from settlement of the Offer (the “Listing”);

(iii) the Firmenich shareholders shall cause a fiduciary agent, to be jointly appointed by the Firmenich shareholders (the “Fiduciary Agent”), to contribute all Firmenich shares to Danube, and Danube shall, and DSM shall cause Danube to, discharge its obligations under the Agreement in relation to the Contribution Share Consideration and the Contribution Cash Consideration (each as defined below) by (x) issuing such number of Danube ordinary shares representing immediately after completion 34.5% of Danube’s total issued and outstanding share capital (on a fully

**J.P. Morgan Securities plc**

25 Bank Street, Canary Wharf, London, E14 5JP  
Tel: +44 (0)20 7742 4000 • Fax: +44 (0)20 3493 0684

Registered in England & Wales No. 248609. Registered Office 25 Bank Street, Canary Wharf, London, E14 5JP. Authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

diluted basis), to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich shareholders (the "Contribution Share Consideration") and (y) paying an amount in cash of EUR 3,500,000,000 (the "Contribution Cash Consideration") to the Fiduciary Agent, acting in its own name and on behalf of the Firmenich shareholders (the "Contribution");

(iv) after the settlement of the Shares tendered during the post-closing acceptance period under the Offer and subject to (i) the Transactions Resolutions (as defined in the Agreement) having been adopted and being in full force and effect and (ii) the aggregate number of Shares having been tendered during the acceptance period and the post-closing acceptance period under the Offer, together with (x) any Shares directly or indirectly held by Danube or any of its Affiliates (as defined in the Agreement), (y) any Shares committed to Danube or any of its Affiliates in writing and (z) any Shares to which Danube or any of its Affiliates is entitled, representing at least the Acceptance Threshold (as defined in the Agreement), but less than 95%, of the Company's aggregate issued and outstanding ordinary share capital following the settlement of the Shares tendered during the post-closing acceptance period under the Offer, the Company may be notified by Danube or Firmenich to implement the Post-Offer Merger and Liquidation (as defined in the Agreement) in accordance with the terms and conditions of the Agreement, which provides inter alia that:

- a. prior to the Triangular Merger (as defined in the Agreement) becoming effective, Danube shall and the Company shall procure that DSM Holdco shall enter into a share purchase agreement between Danube and DSM Holdco (the "Post-Offer Share Purchase Agreement") pursuant to which DSM Holdco will sell and Danube will purchase all issued and outstanding shares in the capital of DSM Sub (as defined in the Agreement) (the "Share Sale"). The consideration payable by Danube to DSM Holdco under the Post-Offer Share Purchase Agreement shall be a note that gives the holder of the note the right to require Danube to deliver to it, on first demand, such number of Danube Ordinary Shares that is equal to the number of Shares held by Danube plus the Shares held by the non-tendering DSM shareholders (the "Share Sale Consideration", and such note, the "Note");
- b. directly following closing of the Share Sale, DSM Holdco will:
  - i. through conversion of part of the Note by applying a value fairly representing the prevailing value of a Danube Ordinary Share, receive from Danube an amount in cash equal to the Dutch dividend withholding tax liability due under the dissolution and liquidation of DSM Holdco taking into account the recognised capital contributed to the 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 Danube Ordinary Shares (the "Cash Portion"); and
- ii. receive such number of Danube Ordinary Shares equal to the number of Shares held by the non-tendering DSM shareholders immediately prior to execution of the Merger Deed (as defined in the Agreement) minus such number of Danube Ordinary Shares representing the Cash Portion (by applying a value fairly representing the prevailing value of a Danube Ordinary Share) and as a result thereof make a capital contribution in respect of such Danube Ordinary Shares received by DSM Holdco; and
- (v) Danube shall ensure that the Liquidator (as defined in the Agreement), as soon as practicable after closing of the Share Sale, 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 closing of the Share Sale and shall result in:
- a. the distribution of the remaining portion of the Note to Danube, where, as a consequence of such distribution, this right will extinguish;
  - b. the distribution of Danube Ordinary Shares plus 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 Danube Ordinary Shares to the non-tendering DSM shareholders that are not Non-Eligible US Persons (as defined in the Agreement);
  - c. the dissemination of Danube Ordinary Shares to a sales agent acting on behalf of the Non-Eligible US Persons who will distribute the cash sale proceeds of such Danube Ordinary Shares to the Non-Eligible US Persons, should such construct be applicable; and
  - d. the deduction from the distribution to the non-tendering DSM shareholders (as meant in sub-paragraph (b) and (c) above) of an amount equal to the Dutch dividend withholding tax liability due under the dissolution and liquidation of DSM Holdco and the payment thereof, on behalf of the non-tendering DSM shareholders, to the Dutch Tax authorities.

The transactions contemplated by the Agreement, including the Offer, the Listing, the Contribution, the Share Sale and the Post-Offer Merger and Liquidation are together referred to as the "Transaction".

We also understand that the Contribution Cash Consideration will be subject to adjustment as provided in the Agreement based on the value of the Firmenich

Leakage and the DSM Leakage (each as defined in the Agreement) (the “Adjustment”).

Please be advised that while certain provisions of the Transaction are summarised above, the terms of the Transaction are more fully described in the Agreement. As a result, the description of the Transaction and certain other information contained herein is qualified in its entirety by reference to the more detailed information appearing or incorporated by reference in the Agreement.

In arriving at our opinion, we have (i) reviewed a draft of the Agreement dated 30 May 2022 (the “Draft Agreement”); (ii) reviewed certain publicly available business and financial information concerning Firmenich and DSM, the industries in which they operate and certain other companies engaged in businesses comparable to them; (iii) compared the proposed financial terms of the Transaction with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration received for such companies; (iv) compared the financial and operating performance of Firmenich and DSM with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the shares of DSM and certain publicly traded securities of such other companies; (v) reviewed the audited financial statements of Firmenich and DSM for the fiscal year ended 2021, the unaudited financial statements of Firmenich for the period ended 31 December 2021 and the unaudited financial statements of DSM for the period ended 31 March 2022; (vi) reviewed certain internal, unaudited financial analyses, projections, assumptions and forecasts prepared by or at the direction of the managements of Firmenich and DSM relating to Firmenich and DSM’s business for the period ending 30 June 2025 in respect of Firmenich and 31 December 2024 in respect of DSM, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the Transaction (the “Synergies”); and (vii) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the management of Firmenich and DSM with respect to certain aspects of the Transaction, and the past and current business operations of Firmenich and DSM, the financial condition and future prospects and operations of Firmenich, DSM and Danube, the effects of the Transaction on the financial condition and future prospects of Firmenich, DSM and Danube, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by Firmenich or DSM or otherwise reviewed by or for us. We have

not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with DSM, we did not assume any obligation to undertake any such independent verification. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of Firmenich, DSM or Danube under any laws relating to bankruptcy, insolvency or similar matters. We have assumed that the final executed Agreement will not differ in any respect material to our analysis or this opinion from the Draft Agreement reviewed by us. In relying on financial analyses, projections, assumptions and forecasts provided to us or derived therefrom, including the Synergies, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management of DSM as to the expected future results of operations and financial condition of Firmenich, DSM and Danube to which such analyses, projections, assumptions or forecasts relate. We express no view as to such analyses, projections or forecasts (including the Synergies) or the assumptions on which they were based and DSM has confirmed that we may rely upon such analyses, projections, assumptions and forecasts (including the Synergies) in the delivery of this opinion. We have also assumed that the Transaction and the other transactions contemplated by the Agreement will have the tax consequences described in discussions with, and materials furnished to us by, representatives and advisors of DSM, and that the Transaction, including but not limited to each of the Offer, Listing, Contribution, Share Sale and the Post-Offer Merger and Liquidation, will be consummated as described in the Agreement. We have also assumed that the representations and warranties made by DSM and the Firmenich Shareholders in the Agreement and the related agreements are and will be true and correct in all respects material to our analysis, and that the Adjustment will not result in any adjustment to the Contribution Cash Consideration that is material to our analysis. We are not legal, regulatory, accounting or tax experts and have relied on the assessments made by advisors to DSM with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Firmenich, DSM or Danube or on the contemplated benefits of the Transaction. In giving our opinion, we have relied on DSM's commercial assessments of the Transaction. The decision as to whether or not DSM and the DSM Shareholders enters into a Transaction (and the terms on which they do so) is one that can only be taken by DSM and the DSM shareholders respectively.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion.

Our opinion is limited to (i) the fairness, from a financial point of view, of the Offer Consideration to be paid to the DSM shareholders (other than holders of Excluded Shares) in the proposed Offer 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 provided for pursuant to the Agreement. We express no opinion any other term or aspect of the Agreement or the Transaction, including, without limitation, the structure or form of the Transaction, or any other agreements or arrangements contemplated by the Agreement or entered into in connection with or otherwise contemplated by the Transaction, including, without limitation, the Offer, the Buy-Out (as defined in the Agreement), the Post-Offer Merger and Liquidation, or any amount to be paid or distributed to holders of Shares in the Buy-Out, the Post-Offer Merger and Liquidation, any allocation of the Share Sale Consideration or the aggregate consideration payable provided for pursuant to the Agreement, or the fairness of the Transaction or any other term or aspect of the Transaction to, or any consideration to be received in connection therewith by, or the impact of the Transaction on, the holders of any class of securities, creditors or other constituencies of Danube or DSM or any other party or as to the underlying decision by Danube, DSM or the DSM shareholders to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons whether relative to (i) the Offer Consideration to be paid by Danube in the Offer or with respect to the fairness of any such compensation, or (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 provided for pursuant to the Agreement. We are expressing no opinion herein as to the price at which the shares of Danube will trade at any future time. As a result, other factors after the date hereof may affect the value of the businesses of Firmenich, DSM or Danube after consummation of the Transaction, including but not limited to (i) the total or partial disposition of the share capital of Firmenich, DSM or Danube by shareholders of Danube within a short period of time after the effective date of the Transaction, (ii) changes in prevailing interest rates and other factors which generally influence the price of securities, (iii) adverse changes in the current capital markets, (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of Firmenich, DSM or Danube, (v) any necessary actions by or restrictions of governmental agencies or regulatory authorities or any changes in applicable law, and (vi) timely execution of all necessary agreements to complete the Transaction on terms and conditions that are acceptable to all parties at interest. No opinion is expressed as to whether any alternative transaction might be more beneficial to DSM or the DSM shareholders.

We have acted as financial advisor to DSM with respect to the proposed Transaction and will receive a fee from DSM for our services, a substantial portion of which will

N316939

become payable only if the proposed Transaction is consummated. In addition, DSM has agreed to indemnify us for certain liabilities arising out of our engagement. During the two years preceding the date of this letter, we and our affiliates have had commercial or investment banking relationships with DSM for which we and such affiliates have received customary compensation. Such services during such period have included acting as dealer on DSM's EMTN programme, financial adviser and lead arranger of a bridge loan in relation to DSM's acquisition of Erber Group in July 2020 and financial adviser in relation to the sale of DSM's resins business in April 2021. In addition, our commercial banking affiliate is a lender under outstanding credit facilities of DSM, for which it receives customary compensation or other financial benefits. In addition, we and our affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of DSM. In the ordinary course of our businesses, we and our affiliates may actively trade the debt and equity securities of DSM and Firmenich for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that (i) the Offer Consideration to be paid to the DSM shareholders in the proposed Offer is fair, from a financial point of view, to such shareholders (other than holders of Excluded Shares) 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 provided for pursuant to the Agreement is fair, from a financial point of view, to DSM Holdco.

This letter is provided to the Boards of DSM in connection with and for the purposes of its evaluation of the Transaction. This opinion does not constitute a recommendation to any DSM shareholder as to how such shareholder should vote with respect to the Transaction or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) publicly or to any third party for any purpose or in any manner whatsoever except with our prior written approval. This opinion may be reproduced in full in (i) the position statement to be made available by DSM to DSM shareholders in accordance with the Dutch Takeover Decree (*Besluit openbare biedingen Wft*) in connection with the Transaction; and (ii) any prospectus or other disclosure document mailed to DSM shareholders in connection with the Transaction that may be required under the securities laws of the United States of America.

Very truly yours,

J.P. MORGAN SECURITIES PLC

N316939