2024 Integrated Annual Report DSM B.V.

dsm-firmenich

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Forward-looking statements

This Integrated Annual Report may contain forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company. DSM cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and position to differ materially from these statements. The information provided in this Integrated Annual Report is provided as of the date of its issue. DSM does not assume any obligation to update any information or forward-looking statement provided in this Integrated Annual Report unless required by law. This Integrated Annual Report contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation. The English language version of this Integrated Annual Report prevails over other language versions.

REPORT BY THE MANAGING BOARD

Our company

About DSM

DSM is a company organized under Dutch law with its statutory seat in Maastricht, the Netherlands. DSM is part of the dsm-firmenich Group. As part of dsm-firmenich, we are innovators in nutrition and health. We reinvent, manufacture, and combine vital nutrients and flavors to help the world's growing population thrive sustainably.

Our Business Units

Our three Business Units are Taste, Texture & Health – DSM; Health, Nutrition & Care – DSM; and Animal Nutrition & Health. These Business Units each strive to address the latest consumer needs and wants in a sustainable way. We are uniquely positioned to help our customers realize their ambitions and address evolving consumer trends. We do this by creatively applying proven science and drawing on our data-driven innovation capabilities as well as our exceptional standards of operational excellence. Our Business Units are supported by Group Business Partners such as Science & Research, Finance, Human Resources, Sustainability, Procurement, Legal, Regulatory, Risk & Compliance, Safety, Health and Environment, and Digital & Tech.

Our strategy

DSM's strategy is aligned with the strategy of dsm-firmenich.

After a challenging 2023, we took decisive action and completed a strategic business and portfolio review. We launched a €200 million vitamin transformation program and accelerated the delivery of our synergies, which are expected to contribute approximately €350 million to Adjusted EBITDA. Furthermore, we have recognized that the ANH business would thrive better under different ownership, leading to the announcement in February 2024 to separate this Business Unit from the dsm-firmenich Group including the DSM Group. Our strategic review also led us to sell our marine lipids and yeast extracts in the course of 2024. On February 11, 2025, we announced the sale of our stake in the Feed Enzymes Alliance for €1.5 billion to our equal partner Novonesis.

After the divestment of our ANH business, which is planned for 2025, and the finalization of the portfolio tuning, dsm-firmenich will fully focus on strengthening its position in nutrition and health.

Science & Research

Our approach to Science & Research

Our global Science & Research team ensures innovation is aligned with the needs of our businesses by continuously refining its innovation portfolio to maximize value. This involves delivering existing priority projects that have a direct impact on business, as well as reviewing and investing in capabilities to future-proof innovation delivery. Our global innovation portfolio effectively addresses both current and future needs. This is boosted further through investments made by our Venturing unit in startups developing cutting-edge innovations. With our track record of world-class scientific leadership and uniquely broad portfolio of ingredients, we apply creative expertise and proven science to improve health and well-being and address the global challenges of sustainable delivery.

IP and licensing

Our intellectual property (IP) professionals maximize the value of our innovations and brands by strategically defending patents and trademark rights in key markets. The IP team acts as a differentiator in joint developments, technology licensing (in/out), and IP asset acquisitions or sales.

Pushing the boundaries

By combining all our science capabilities, our Science & Research team strives to pioneer solutions that help shape the future of nutrition and health. In 2024, we launched an array of innovations across a range of markets. For example, our Sprinkle It Technology™ makes it easy to increase the nutritional value of food, our Novasense® solutions improve the perception of alcohol in no- or low-alcohol drinks, and our TastePRINT® technology is ushering in a new generation of affordable and sustainable sweetness. We also launched exciting new solutions in our ocean-friendly *life's®OMEGA* range, which boosts sustainability by making use of omega-3 derived from microalgae rather than from fish; our new ProAct360™ solution is improving livestock performance through enhanced protein digestion; and much more.

Business

Taste, Texture & Health - DSM

About Taste, Texture & Health - DSM

Taste, Texture & Health - DSM (TTH-DSM) tackles some of society's biggest challenges: providing nutritious, healthy, and sustainable food and beverages; accelerating diet transformation with products that offer appealing taste and texture; and nourishing the rapidly growing global population while minimizing food loss and waste. To achieve these goals, we use creative processes involving our customers. Our passion for the science and emotion of food extends along the value chain from discovery to application to the end-consumer experience. This includes drinks with little or no sugar; dairy products with consumer-preferred mouthfeel; succulent savory bites; and nutritious plant-based alternatives.

Our markets

Key market trends

The global food and beverage market is growing at a compound annual growth rate (CAGR) of 2.4%. This diverse market is built on local tastes and traditions, with global, regional, and local players. In 2024, it was shaped by these trends:

- Health as a key consumer need – with a focus on reduced sugar, salt, and fat, and on increased protein content, nutritional value, and health benefits (although taste remains the key driver in purchasing decisions)
- Alongside new products, food industry players are focusing on reformulating and optimizing recipes to respond to fluctuations in the market for raw materials
- Two-thirds of projected volume growth over the next five years will be attributable to Asia-Pacific, the Middle East and Africa
- Regulations focus on food safety, health, and sustainability – the latter supported by growing consumer concerns about climate

Key performance figures

in € million	2024	2023
Sales	1,501	1,435
EBITDA	257	213

The year in review

Strategic priorities

In June 2024, during our Capital Markets Day, we presented our 'TTH Strategic Priorities '28' outlining our focus on high-growth, high-margin product groups and how we aim to outpace the market by growing our divisions and leveraging merger synergies. The divestment of our yeast extracts business, with annual sales of about €120 million, to Lesaffre was a direct result of our strategic review. The divestment was completed on 1 October 2024.

Investment in facilities

To maintain market leadership and grow with our customers, we continued to invest in our regional presence, including:

- Making great progress with the construction of our state-of-the-art TTH-DSM headquarters and application laboratories at the Biotech Campus Delft (Netherlands) which is expected to be operational by mid-2025

Innovation

Developing new food and beverage solutions increasingly depends on the effective use of advanced digital technologies, machine learning and AI for fermentation, laboratory automation, and receptor technologies.

In 2024, at the world's largest annual food and beverage tradeshow, Gulfood Manufacturing, we won the Digital Transformation Innovation of the Decade Award for Delvo®ONE. Our Delvo®ONE portfolio of all-in-one functional cultures for fermented milk products not only simplifies culture selection through AI-driven technology, but also optimizes taste, texture, and shelf life, delivering enhanced sensory and functional benefits for dairy producers.

Partnerships

Yili Group

In 2023, we signed an agreement with Chinese dairy producer Yili Group to cooperate in research, innovation, and sustainability. In 2024, we followed this by signing a Global Strategic Cooperation Memorandum focused on taste innovations in dairy and health. In the highly competitive Chinese market, our combined capabilities are particularly attractive to Yili.

Health, Nutrition & Care - DSM

About Health, Nutrition & Care - DSM

Health, Nutrition & Care - DSM (HNC-DSM) helps people improve their health by supplementing their diet with critical nutrients. Working across segments like Early Life Nutrition, Dietary Supplements, Pharmaceuticals, Medical Nutrition, and Biomedical materials, we drive nutrition science and medical innovation forward, optimizing immunity, accelerating recovery, and enhancing quality of life.

At HNC, we elevate global patient and consumer health at every life stage by creating and delivering next-generation products, customized solutions, and expert services. As an end-to-end partner, we work closely with our customers from product conception to launch, providing unique consumer insights, a broad portfolio of nutritional ingredients, and innovative solutions. This year, we added an array of delivery systems and masking and flavor capabilities to support solutions specifically for our market applications.

Our markets

Key market trends

- There is a gap of almost a decade between life span and health span – meaning that almost a decade of people's lives is impacted by poor health
- Growing awareness around preventative and holistic approaches to health management (e.g., the interconnectedness of gut health, cognitive function, and overall well-being) is fueling demand for innovative self-care health products
- Consumers are seeking sustainable and evidence-based solutions; focusing on the environmental impact of producing ingredients, on which forms are better for them, and on how absorption of active ingredients impacts effectiveness
- Small, disruptive new brands, especially in the dietary supplements category, are enjoying strong growth

Key performance figures

in € million	2024	2023
Sales	2,835	2,806
EBITDA	443	489

The year in review

Accelerating the algal shift

In October 2024, we transferred the majority of our MEG-3® fish oil business to KD Pharma Group. This allows us to focus on growing our algal omega-3 life's®OMEGA portfolio, which is backed by our world-leading IP, scientifically-proven nutritional equivalency to fish oil, secured supply, and sustainability data. In 2024, life's®OMEGA O3020 – the first algal-based lipid with high EPA content – became available in the EU and USA for use in the category 'Food for Special Medical Purposes', and we launched a variety of life's®OMEGA products tailored to the requirements of individual customers.

Innovation

We defined key strategic innovation priorities based on consumer trends and needs across all business segments. These include providing novel ingredient solutions as well as novel premix and market-ready solutions that deliver nutritional support in segments such as gut health, healthy aging, and women's health. In 2024, we accelerated the shift from fish oil to algal sources with the launch of our *life's®OMEGA* portfolio, led the market in infant nutrition innovation in HMOs, and significantly expanded our Humiome® gut health portfolio.

Other notable innovation achievements included:

- VAP 250, a new form of dry vitamin A – as a stable, clean-label solution for combating malnutrition and widespread nutrient deficiency through flour fortification
- CBtru™, a premium formulated CBD drug intermediate and patented solution enhancing patient compliance, increasing API loading and optimizing bioavailability for superior therapeutic outcomes
- The launch in Japan's pharmaceutical market of Sprinkle It Technology™ (SIT™), our patented multi-layered micronutrient granules designed to address nutritional insufficiencies among seniors, in support of healthy aging

Animal Nutrition & Health

About Animal Nutrition & Health

Animal Nutrition & Health (ANH) helps to deliver healthy animal proteins efficiently, while harnessing the power of data to make animal farming practices more sustainable, productive, and transparent.

We are a leading provider of vitamins, advanced feed additives (Performance Solutions), and premixes, empowered by cutting-edge AI-driven Precision Services. We enhance livestock health and performance, improve feed efficiency and safety, reduce emissions and antibiotic use, and enable data-driven decision-making. Our solutions help animal farmers face a range of challenges in meeting growing global demand for healthy and sustainable proteins, including:

In 2024, it was recognized that our ANH business would thrive better under different ownership. This led to the announcement in February 2024 to separate our Business Unit from the dsm-firmenich Group including the DSM Group.

Our markets

Key market trends

Poultry market conditions remained positive in 2024, with lower feed costs and firm demand supporting higher supply. The pork industry continues to face significant pressure, with animal protein demand in China remaining weak. The ruminant business saw good growth due to higher beef exports from Latin America. In addition, in the fourth quarter, the vitamin business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market, especially impacting the contract price for vitamins A and E in the fourth quarter.

Key performance figures

in € million	2024	2023
Sales	3,324	3,223
EBITDA	301	(30)

The year in review

Step-up in profitability of vitamins

Our vitamin business saw a continued improvement, reflected both in customer demand and normalization of profitability. The vitamin transformation program, launched in mid-2023, was implemented according to plan, with the cost of goods reduced, savings delivered, and inventory optimized.

Enhancing future growth and global reach

The inauguration of two new premix plants represented important milestones pointing to further progress and growth. Our new plant in Sete Lagoas in the State of Minas Gerais (Brazil) will produce supplements to support the nutrition and health of beef and dairy cattle, underscoring the importance of Brazil's agribusiness. Our new plant in Sadat City (Egypt) will serve customers in Egypt, the wider Middle East, Southern Europe, and Africa. It reflects our commitment to meeting the increasing demand from mid-range and large livestock farms and feed millers for premixes and innovative feed additives.

Innovation

We further strengthened our position as an innovation leader in our industry with our Precision Services and Performance Solutions. This involved the launch of additions to our portfolio as well as the continued development of existing offerings.

- Sustell™ expanded into the beef and shrimp industries with modules to meet their respective environmental foot printing needs
- FarmTell™, our complete software suite for data-driven decision-making, added its first AI for livestock management, using Lore™'s cutting-edge technology platform
- In Europe, we launched three advanced feed additives: ProAct 360™, our new enzyme technology developed jointly with Novozymes to drive feed efficiency; Hy-D®, our specific vitamin D3 metabolite to provide animals with a fast track to a strong skeleton and better performance; and HiPhorius™, our complete phytase to enable precision nutrition, improve animal performance, reduce feed costs, and minimize environmental impact. On 11 February 2025, dsm-firmenich announced the sale of its stake in the Feed Enzymes Alliance to its equal partner Novonesis, a global leader in biosolutions, for €1.5 billion
- FUMzyme® sol, the only enzyme designed to target fumonisin mycotoxins, was launched for use in distiller dried grains
- Our Verax™ DBS analytics tool offers users an easy-to-use, non-invasive way to assess vitamin D3 status

Corporate activities

Any consolidated activities within continuing operations that are outside the three Business Units are reported as Corporate activities. These comprise operating and service activities, including the recharge of the corporate service costs to related parties, as well as a number of costs that cannot be allocated directly to the Business Units. While this segment reports net sales from its service units, it normally has a negative operating result.

Corporate activities include various holding companies, regional holdings, and corporate overheads. The most significant cost elements are corporate departments and the share-based compensation, see **Note 27 Share-based compensation** to the consolidated financial statements.

During 2024 the captive insurance business was demerged from DSM to its ultimate shareholder DSM-Firmenich AG.

Financial performance

Financial results

Taste, Texture & Health - DSM (TTH-DSM) recorded a very strong performance. Better business conditions led to a solid performance of Health, Nutrition & Care - DSM (HNC-DSM) through the second half of the year. Animal Nutrition & Health delivered a significant step-up in financial results.

In 2024, net sales were €7,803 million, which was 3% higher than in 2023. Business conditions markedly improved during the year.

EBITDA was up to 60% owing to the good organic sales growth, and the contributions from the synergies following the merger, the vitamin transformation program and the temporary vitamin price effect in Q4.

Income statement and key data

in € million	2024	2023	Change
Continuing operations			
Sales	7,803	7,590	3%
EBITDA	961	532	81%
Operating profit (loss)	110	(412)	-127%
Net profit (loss)	(19)	(463)	-96%
EBITDA margin (in %)	12.3	7.0	
DSM			
Net profit (loss) for the period	(19)	2,326	-101%

Net profit (loss)

Net loss from continuing operations of €19 million was 96% lower compared to the net loss from continuing operations of €463 million posted in 2023. The increase in the net result of continuing operations for the year is mainly attributable to an increase in net sales of €213 million (3%) to €7,803 million in 2024 combined with lower total operating costs of €309 million and higher income tax (€114 million).

Financial income and expense of continuing operations decreased by €30 million year on year to a net expense of €28 million, which was caused by a decrease of unwinding of discounted payables of €19 million and more favorable fair value changes of derivatives of €33 million partly offset by lower interest income from third parties.

The total tax expense for continuing operations in 2024 amounted to €98 million versus a tax income of €16 million in the reference year. The increase of the income tax expense and herewith the effective income tax rate as compared to 2023 is mainly due to the combination of the geographical spread of the results within the group and non-deductible expenses in 2024.

The total net result from continuing and discontinued operations decreased by €2,345 million to -€19 million. This decrease was mainly a result of the net book profit of €2,790 million on the sale of DSM Engineering Materials (DEM) in 2023.

Balance sheet

The balance sheet total (total assets) increased to €15.8 billion at year-end (2023: €15.7 billion). Equity decreased by -€0.8 billion, which was attributable to dividend payments of -€0.7 billion, deemed dividend of -€0.3 billion, the net loss of -€0.0 billion, and the effect of exchange rate differences of +€0.2 billion. Equity as a percentage of total assets decreased from 57% to 51%.

Capital expenditure on intangible assets and property, plant and equipment amounted to €579 million for continuing operations in 2024 (€533 million on a cash basis). Including new leases, the additions to intangible assets and property, plant and equipment amounted to €677 million, whereas amortization, depreciation and impairments amounted to €851 million.

Cash and cash equivalents amounted to €2,469 million at the end of the year, an increase of €288 million. This increase resulted from cash inflows from operating activities of €801 million, offset by cash outflows from investing activities amounting to -€423 million and from financing activities of -€108 million.

The increase in other non-current assets of €310 million is mainly caused by a higher deferred tax asset by €69 million, and an increase of €185 million in the share in associates and joint ventures. The latter is predominantly related to the minority stake of 29% in KD Pharma's parent company MidCo Omega following the divestment of the Marine Lipids business in the reporting year.

Other non-current liabilities increased by €500 million, mainly attributable to higher borrowings. Bonds are €297 million higher (issuance of a €800 million bond versus redemption of a €500 million bond). A borrowing to the insurance captive company DSM Re Switzerland AG in the amount of €230 million, previously recognized as an intercompany borrowing, was reclassified to a related party borrowing.

Other current liabilities were €375 million higher, due to higher trade payables by €96 million and a higher related party cash pool by €179 million.

Balance sheet profile

	2024		2023	
	in € million	in %	in € million	in %
Goodwill and intangible assets	4,984	32	5,210	33
Property, plant and equipment	3,542	22	3,492	22
Other non-current assets	809	5	499	3
Cash and cash equivalents	2,469	16	2,181	14
Other current assets	4,023	25	4,360	28
Total assets	**15,827**	**100**	**15,742**	**100**
Equity	8,117	51	8,923	57
Provisions	127	1	111	1
Other non-current liabilities	3,863	24	3,363	21
Other current liabilities	3,720	24	3,345	21
Total equity and liabilities	**15,827**	**100**	**15,742**	**100**

Management expects that DSM will be able to continue as a going concern.

Subsequent events

On 11 February 2025, dsm-firmenich announced the sale of its Feed Enzymes business to Novonesis, a global leader in biosolutions, for €1.5 billion.

On 19 February 2025, dsm-firmenich announced the successful launch of a €750 million bond with an 11-year maturity due in 2036, at a coupon of 3.375%. The bond is issued by DSM B.V. and is guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure.

On 3 April 2025, DSM expanded its investment in Yantai DSM Andre Pectin Company Limited ('Andre Pectin'), increasing its shareholding from 75% to 90.5%.

See also **Note 30 Events after the balance sheet date** to the consolidated financial statements.

Non-financial information

EU Taxonomy

Regulation
The EU Taxonomy Regulation (EU 2020/852) entered into force on 12 July 2020, establishing criteria for environmentally sustainable economic activities related to six environmental objectives:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

The Taxonomy Regulation requires companies subject to the obligation to publish non-financial information under the EU Accounting Directive to disclose the proportion of their activities that qualify as environmentally sustainable.

Supplementing the Taxonomy regulation, the first delegated act concerning the technical screening criteria for economic activities with substantial contribution to climate change mitigation and adaptation (the Climate Delegated Act) was formally adopted on 4 June 2021. A delegated act specifying the content and presentation of information to be disclosed by companies in scope of the EU Taxonomy was formally adopted on 6 July 2021. A delegated act amending the Climate Delegated Act (covering the environmental objectives of climate change mitigation and adaptation) and an Environmental Delegated Act addressing the remaining four environmental objectives were published in 2023.

We welcome the implementation of the EU Taxonomy and have assessed its impact on our company in line with its overall objectives, albeit accepting that parts of the Taxonomy regulation are subject to interpretation, which may lead to variability in its application. Considering the level of complexity as well as the evolving character of the framework, we expect that Taxonomy reporting will develop over time. As such, we shall apply a conservative approach to, and interpretation of, the Taxonomy legislation until we believe it has sufficiently matured. We will periodically revalidate our methodology and our reported KPIs based on the evolution of the regulations and forthcoming guidance from, among others, the European Commission and the European Securities and Markets Authority (ESMA).

Disclosures
Under the Taxonomy regulation, DSM is required to report on how much Turnover, Capital Expenditure (‘CapEx’) and Operating Expenses (‘OpEx’) are in scope of the Taxonomy Regulation (i.e., ‘Taxonomy-eligible activities’), and how much are aligned with the Taxonomy regulation (i.e., ‘Taxonomy-aligned activities’). In 2024, the required disclosures apply in full to all six environmental objectives. In this assessment, potential double-counting in the KPIs has been considered. In addition, as DSM does not carry out nuclear and fossil gas related activities, the standard template on the disclosure of these activities is not provided.

Turnover

Total turnover, as defined by the Taxonomy regulation, corresponds to the sales from continuing operations as reported on the basis of the income statements in the consolidated financial statements. In line with 2023, DSM again only identified the Pharma business (part of HNC-DSM) as an eligible activity under the environmental objective pollution prevention and control in 2024.

Taxonomy-eligible turnover amounted to €363 million, or 4.7% of total turnover. Given the Pharma business is not considered material to DSM's business as well as a lack of evidence for alignment, no alignment was established for the taxonomy-eligible turnover and, hence, we disclose 0% alignment.

CapEx

Total CapEx is determined based on the 2024 additions to, and acquisitions of, property, plant and equipment, intangible assets, and additions to right-of-use assets. More specifically, it includes the following items that can also be found in the consolidated financial statements:

- Changes in the carrying amount of intangible assets (excluding goodwill) from 'Capital expenditure' and 'Acquisitions' (see also **Note 8 Goodwill and intangible assets** to the consolidated financial statements)
- Changes in the carrying amount of items of property, plant & equipment from 'Capital expenditure' and 'Acquisitions' (see also **Note 9 Property, plant and equipment** to the consolidated financial statements)
- Changes in the carrying amount of right-of-use assets from 'New leases / terminations' (see **Note 9 Property, plant and equipment** to the consolidated financial statements)

In 2024, DSM made no acquisitions. While we did not identify any CapEx related to the Pharma business, which was identified as an eligible activity, Taxonomy-eligible CapEx also includes expenditures related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, primarily relating to our office buildings. Taxonomy-eligible CapEx amounted to €122 million, or 18.0% of total CapEx. In 2024, DSM did not establish alignment for the eligible CapEx, as the relevant activities are not considered material to DSM's total business as well as the lack of evidence for alignment. Therefore, DSM discloses 0% alignment with respect to the CapEx KPI.

OpEx

Total OpEx, as defined by the Taxonomy regulation, includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets. Applying this definition to dsm-firmenich, total OpEx consists of maintenance (including building renovations) and direct R&D costs, excluding costs and income related to bad debts, government grants, depreciation and amortization, and own work capitalized. This definition has been applied to the calculation of both numerator and denominator.

Taking into consideration the assessment of the limited contribution of the Pharma business to both the turnover KPI and the CapEx KPI, the eligible OpEx related to this business within dsm-firmenich's business model is considered immaterial from an EU Taxonomy perspective. In addition, no other eligible activities have been identified for the OpEx KPI. As such, the numerator reflecting the eligible OpEx attributable to this business is considered negligible and dsm-firmenich discloses 0% eligible and aligned OpEx.

Turnover

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Absolute Turnover (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (14)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC1.1	363	4.7%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								3.3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		363	4.7%	0%	0%	0%	4.7%	0%	0%								3.3%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		363	4.7%	0%	0%	0%	4.7%	0%	0%								3.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		7,440	95.3%																
Total (A+B)		7,803	100.0%																

CapEx

				Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (14)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of energy efficient equipment	CCM7.3	6	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance	CCM7.5	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation, maintenance and repair of renewable energy technologies	CCM7.6	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Acquisition and ownership of buildings	CCM 7.7	115	17.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.3%		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC1.1	0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		122	18.0%	18.0%	0%	0%	0%	0%	0%								14.0%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		122	18.0%	18.0%	0%	0%	0%	0%	0%								14.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		555	82.0%																
Total (A+B)		677	100.0%																

OpEx

Economic activities (1)	Code (2)	Absolute OpEx (3)	Proportion of CapEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ('Do No Significant Harm'): Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (14)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainabile activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC1.1	0	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainabile activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		442	100%																
Total (A+B)		442	100.0%																

Governance and risk management

Governance and governance framework

Governance

DSM B.V. is a direct and wholly owned affiliate of DSM-Firmenich AG. It is managed by a Managing Board and supervised by a Supervisory Board. Members of the Managing Board and the Supervisory Board are appointed by the General Meeting of Shareholders.

DSM B.V. is governed by Dutch law and by its Articles of Association, which can be consulted on the **Company website**.

DSM is part of the dsm-firmenich Group and is organized in three distinct high-performing Business Units. These Business Units are supported by Group Business Partners. More details about the organization can be found in the **About DSM** section.

Diversity

As part of dsm-firmenich, we strongly value diversity, and we endeavor to reflect this in our Board memberships. The Supervisory Board has formulated diversity policies for the Supervisory Board and the Managing Board. These policies seek a balanced composition of these bodies, taking into account gender, age, knowledge, experience, and nationality / cultural background. In addition, for the composition of the Supervisory Board, the tenure structure is taken into consideration.

In terms of gender diversity, we aim for at least 30% of the positions in our Supervisory Board and Managing Board to be held by women and at least 30% by men. To ensure a balanced composition in terms of nationality / cultural background, our aim is to have not more than 50% of the members of our Supervisory Board drawn from a single nationality. While a diverse composition in terms of nationality / cultural background is also taken into account in the composition of the Managing Board, no quantitative target is set here, given the small number of Managing Board members.

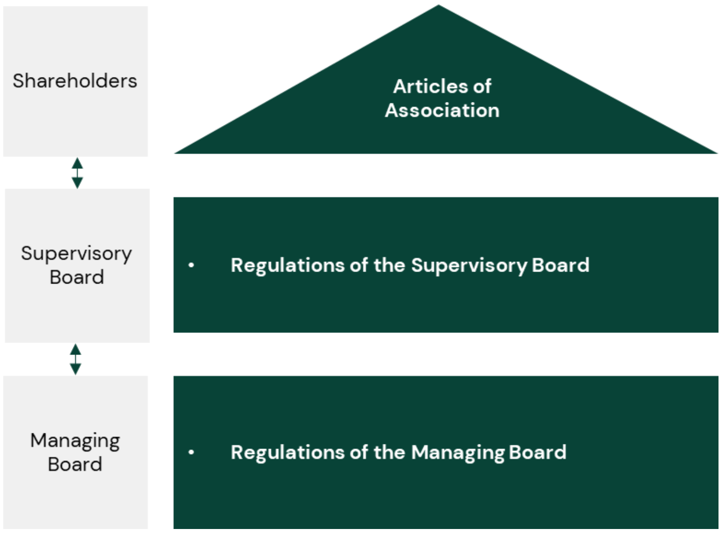
Our diversity policies are implemented by applying them to nominations for (re)appointments of Supervisory Board and Managing Board members.

In 2024, the Supervisory Board consisted of 33% women, which is in line with Dutch legislation on gender diversity and with the Company's own diversity policy. Furthermore, the composition of our Supervisory Board is in line with our target of having not more than 50% of the members drawn from a single nationality.

The Managing Board comprised 100% men in 2024. On 5 August 2024, Dimitri de Vreeze, CEO of dsm-firmenich, stepped down as member of the Managing Board of DSM B.V. As of the same date, Joris de Beer (country leader for the Netherlands) and Ivo Nelissen (Senior Vice-President Group Tax) were appointed as members of the Managing Board of DSM B.V.

Governance framework

The figure below depicts DSM B.V.'s governance framework and the most important governance elements and regulations at each level.



Its internal corporate governance framework is based on its Articles of Association (the 'Articles of Association'). The Regulations of the Supervisory Board and the Managing Board further clarify the duties, powers and regulations of the governing bodies of DSM B.V.

Risk management

Our risk management framework is based on the COSO Enterprise Risk Management model. It supports DSM's Group, Business Unit and Business Partner functions in managing risks that might prevent us from achieving our strategic, financial, and operational objectives and in protecting company assets, including reputation. It also supports compliance with laws and regulations, as well as reliable financial and non-financial reporting.

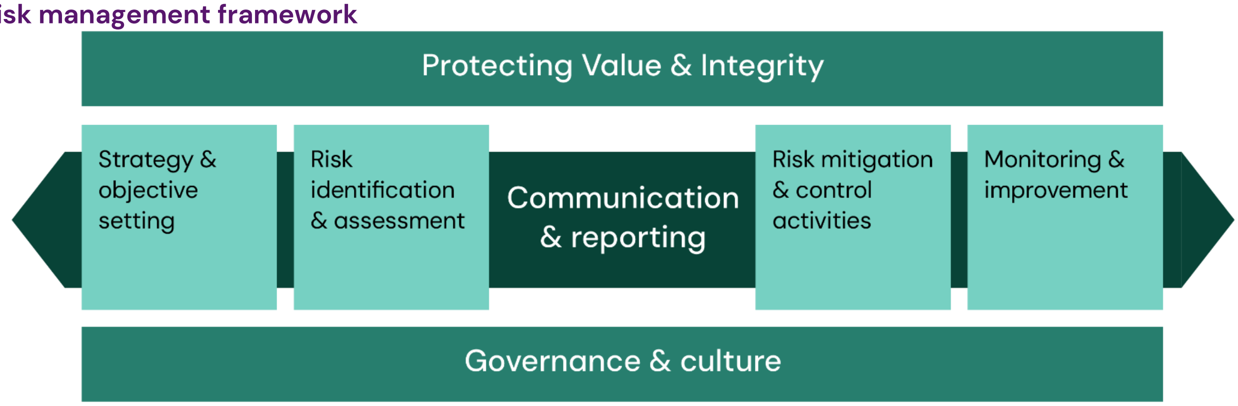
Our approach to risk management

With the creation of dsm-firmenich, enterprise risk management for DSM has become part of dsm-firmenich's risk management activities. The Managing Board continues to be accountable for risk management within DSM as part of their responsibilities within dsm-firmenich. The risk management framework of dsm-firmenich - described in the below sections - also applies to DSM as part of the dsm-firmenich Group.

Risk management framework

The building-blocks of our risk management framework are shown in the diagram. Governance and culture form the foundation, on which the pillars of the risk management process – strategy & objective-setting, risk identification & assessment, risk mitigation & control activities, monitoring & improvement – stand to protect our value & integrity. Communication & reporting ensures the connection between the pillars and the sharing of adequate information with internal and external stakeholders. The building-blocks are summarized in the paragraphs below.

Risk management framework



Governance & culture

As part of the dsm-firmenich Group, the DSM Group applies the Operating Model Framework that was determined by the Executive Committee of DSM-Firmenich AG, with the approval of the Board of Directors of DSM-Firmenich AG. The Operating Model Framework functions as guidance for the operations of, and cooperation within, the Group, the Business Units and Business Partners, who are therefore jointly responsible for achieving our objectives and managing the associated risks.

Strategy & objective-setting

Our Group strategy and objectives are determined by the Board of Directors of DSM-Firmenich AG, supported by the Executive Committee of DSM-Firmenich AG. The DSM Group strategy and objectives are translated into specific plans and priorities for Business Unit and Business Partner leadership and are elaborated in further detail for lower levels in the organization.

Risk identification & assessment

The realization of an ambitious strategy will always entail risks. To enable informed decision-making, these risks are identified and assessed at all levels in the organization. Risk assessments may focus on various topics (e.g., Safety, Health and Environment (SHE), security, climate) and are regularly updated.

Risk mitigation & control activities

Mitigating actions and controls are defined and implemented for the most relevant risks. Controls include policies, standards, Segregation of Duties (SoD) management, business continuity management, and business performance reviews. Control activities, which can be preventive or detective, are integrated into our business processes and are executed by the first line.

Monitoring & improvement

The Internal Control department within Legal, Regulatory, Risk & Compliance owns the Internal Control Framework. It defines the standard set of key controls that must be performed by the first line, and it aims to ensure reliable financial reporting, mitigate fraud risks, and safeguard our assets. The effectiveness of the key controls is independently tested by the Internal Control department.

Communication & reporting

Reviewing of risks and incidents takes place via structured processes, and if needed on an ad-hoc basis.

Material risks and uncertainties

Within the framework of the dsm-firmenich risk management process, risk assessments are performed at all levels in the DSM organization and can focus on varying topics. Material risks for our Business Units and Business Partner functions are reported to our CEO twice a year via the Risk & Incident Report.

Our risk profile

The below table details the five most important short-term risks that might have material impact within three years and have the potential to prevent us from successfully implementing our strategy and achieving our targets, despite the mitigations in place.

Top risks, descriptions, and mitigations

Data management and digital transformation	
Risk description Poor data governance and data management carry the risk of data breaches, resulting in failure to maintain data confidentiality and/or unauthorized access to sensitive information, leading in turn to financial losses and reputational damage. Data management forms the backbone of our digitalization roadmap. The successful execution of our roadmap is important for delivering on our strategic and financial targets. The implementation of this roadmap remains complex. This, in combination with certain resource constraints, means there is a risk that the digital transformation roadmap may not be implemented according to plan or may not deliver targeted benefits in full.	**Mitigations** dsm-firmenich including DSM, established a governance structure around data management, under the oversight of our Data Council. A data governance policy was launched and Data Domain owners have been identified for priority data domains. Data leaders from the Data and AI unit have been appointed to enhance governance across all business platforms and data domains. A data governance roadmap is in place to measure progress. In dsm-firmenich's operating model including DSM, Business Partners allocate dedicated resources to drive digitally-enabled process excellence. Furthermore, our capacity and capability in Digital & Tech are continually strengthened. All key projects are subject to quality reviews by an independent, multi-disciplinary team of experts at specific moments throughout project implementation.
Geopolitical instability	
Risk description We operate globally and could therefore be affected by geopolitical instability and related economic decline, such as: • Trade restrictions, raw material and energy shortages, and supply disruptions, hampering our ability to supply our customers • Lower economic growth and declining disposable income, impacting demand for our products • Inflation, putting pressure on our margins	**Mitigations** Our business continuity management governance and processes are key components of the operating model within dsm-firmenich including DSM. To reduce the impact of possible disruptions, preventive actions are taken, such as reducing single-source positions, qualifying back-up manufacturing sites, and optimizing safety stocks.

	Continuous monitoring of possible disruptions in our supply chains enables us to act with speed as and when needed. We hedge part of our exposure to purchasing price fluctuations and currency fluctuations.
Commodity markets	
Risk description	**Mitigations**
We operate in highly competitive markets. There is a risk that some competitors may benefit from a lower cost position and where we cannot differentiate ourselves sufficiently, this could impact our sales volumes and margins.	We prioritize high-growth and higher-margin market segments and we monitor the competitive landscape. To address the needs of customers and end-consumers in these segments, we develop innovative products and services and offer differentiating value propositions. We make full use of our wide-ranging expertise, our scientific, technical and data-driven innovation capabilities, and our portfolio of natural and renewable ingredients. In all our Business Units, we focus on maximizing operational performance. In 2024, we continued the vitamin transformation program launched in 2023 to improve profitability, structurally reduce our exposure to price fluctuations, and deliver significant savings.
Talent availability	
Risk description	**Mitigations**
Our success depends on our employees, including – but not limited to – scientists, researchers, flavorists, and experts in digital and data science. In view of the tight labor market and the ongoing challenges of the macro-economic environment, there is a risk that we may be not able to attract, retain, develop, and engage the people with the required expertise, experience, and mindset needed for the implementation of our strategy.	We operate a range of company-wide initiatives addressing topics such as integrated rewards, people development, well-being, engagement, and Diversity, Equity & Inclusion. We monitor retention rates as well as employee engagement, taking appropriate action as and when needed. We frequently connect with our employees to update them on the company's performance, its position in the various markets we serve, and the challenges and opportunities before us.

Cyber security	
Risk description	**Mitigations**
As external cyber threats remain high, we are exposed to the risk of cyber attacks. This could lead to discontinuity of operations and loss of integrity or confidentiality of information.	We invest in our information security systems to strengthen our security. We have a single cyber security framework covering IT, operations technology, and R&D laboratory systems. Since the 'human firewall' remains critically important, we have intensified our phishing tests to keep employee awareness high. To mitigate the impact of a potential cyber attack, we have developed robust business continuity and disaster recovery plans.

Other important risks

There are also other business risks, such as innovation, business continuity, product quality, tax, changing regulations, increasing non-financial reporting requirements, and the separation of our Animal Nutrition & Health business. Our risk management framework is set up to adequately monitor and respond to these risks.

All relevant risks are considered in the preparation of our financial statements.

Group structure and shares

Group structure

DSM B.V. and Group companies

DSM B.V. (formerly Koninklijke DSM N.V.) is the parent company of the DSM Group and a direct and wholly owned affiliate of DSM-Firmenich AG. DSM B.V. is a company organized under Dutch law with its statutory seat in Maastricht and its registered office at Wilhelminasingel 39, 6227 BE Maastricht, the Netherlands.

Delisting ordinary shares Koninklijke DSM N.V. and buy-out

In 2024, the statutory buy-out procedure was completed; DSM-Firmenich AG acquired the remaining 3.9% of the DSM ordinary shares.

The last trading date of the DSM ordinary shares was 30 May 2023. The delisting of the DSM ordinary shares was effective on 31 May 2023. In 2023, DSM-Firmenich AG commenced the statutory buy-out procedure in accordance with Articles 2:359c DCC and 2:201a DCC to acquire the DSM ordinary shares that were not tendered in the Exchange Offer (the Buy-Out) (or otherwise acquired by DSM-Firmenich AG). End of the year 2023, DSM-Firmenich AG held a total of 167,321,557 DSM B.V. shares, representing approximately 96.1% of DSM's aggregate issued and outstanding share capital. The remaining 3.9% of DSM's shares (6,696,477) were acquired in 2024 via the buy-out procedure, which was completed on 5 July 2024. The buy-out price excluding interest amounted to €93.42 per share.

Former bearer shares

Former DSM bearer shares are subject to the Buy-Out scenario. In 2019, an amendment was made to Article 2:82 of the Dutch Civil Code stating that DSM shareholders who have not handed in their bearer share certificates will lose any entitlement to exchange their certificates for a replacement share as of 2 January 2026. Further information can be found in the dsm-firmenich **Offering Circular** dated 22 November 2022; see paragraph 14.27.

Supervisory Board and Managing Board DSM B.V.

Supervisory Board

The Supervisory Board is composed of the following three members.

Thomas Leysen, Chairman of the Supervisory Board, Chairman of the Board of Directors of DSM-Firmenich AG and Member of its Compensation Committee since 2023

Thomas Leysen has spent a large part of his career at Umicore, which was transformed under his leadership from a metals producer to a materials technology group with leading positions in battery materials, automotive catalysts, and precious metals recycling. He was CEO of the company until 2008, after which he became Chairman of the Supervisory Board. He has been Chairman of the Board of Mediahuis, a European media company, since its formation in 2013.

He has long been committed to the promotion of sustainability development, and was the founding chair of The Shift, a coalition of businesses and non-governmental organizations in Belgium. He was Chairman of the Federation of Enterprises in Belgium between 2008 and 2011. Between 2011 and 2020, he was Chairman of the Board of KBC Group, a banking and insurance group with activities mainly in Belgium, Central Europe and Ireland. He was Member of the Supervisory Board of Koninklijke DSM N.V. as of 2020 and served as its Chairman from 2021 to 2023, until DSM and Firmenich merged.

Nationality	Belgian
Year of Birth	1960
Education	Master’s degree, Law, Katholieke Universiteit Leuven (Belgium)
Listed Company Boards	• Umicore: Non-Executive Chair of the Supervisory Board
Non-Listed Company Boards	• Mediahuis: Non-Executive Chair of the Board
Other Memberships	• Myriad USA and Myriad Canada: Chair of the Foundation • Mayer van den Bergh Museum: Chair of the Board of Trustees • World Wildlife Fund (WWF) Belgium: Chair of the Board (starting 1 January 2025)

John Ramsay, Member of the Supervisory Board, Member of the Board of Directors of DSM-Firmenich AG and Chairman of its Audit & Risk Committee since 2023

John Ramsay started his career at KPMG before entering the corporate world in 1984, when he joined ICI. He held several, increasingly senior, accounting and finance positions within ICI, which would later become AstraZeneca. John Ramsay played a leading role in planning and executing the merger of AstraZeneca's agribusiness with Novartis, including the integration and disposal of various businesses post-merger.

He also played a leading role in the formation and stock exchange listing of the Syngenta business and became its Group Controller in 2001. In that role, he had to build up the group's finance function from scratch, establishing the organization and reporting systems after the IPO. His last executive position was Chief Financial Officer (CFO) and Interim CEO of Syngenta AG, which he held until 2016. He has served as Non-Executive Board Member of G4S and was a was a Member of the Supervisory Board of Koninklijke DSM N.V. during a six-year tenure, until DSM and Firmenich merged in 2023.

Nationality	British
Year of Birth	1957
Education	Chartered Accountant
Listed Company Boards	• RHI Magnesita N.V.: Non-Executive Director • Croda International PLC: Non-Executive Director (stepping down effective 1 March 2025) • Babcock International PLC: Non-Executive Director
Non-Listed Company Boards	N/A
Other Memberships	N/A

Corien Wortmann, Member of the Supervisory Board, Member of the Board of Directors of DSM-Firmenich AG, Member of its Sustainability Committee and Member of its Audit & Risk Commmittee since 2023

Corien Wortmann served as Chair of the Board of ABP Pension Fund, a world leader in responsible investing, from 2015 to 2022. She was a Member of the European Parliament for the European People's Party from (EPP) 2004 to 2014, and the EPP's Vice President Economy, Finance and Environment. She is currently a Non-Executive Member and Vice Chair of the Board of Directors of Aegon Ltd, Member of the Capital Market Advisory Board of the AFM, Board Member of the Impact Economy Foundation, and Chair of the Supervisory Board of Netspar, a scientific network on pensions.

In 2024, she was appointed Member of the Supervisory Board of Deloitte Netherlands. She has served as Chair of the Supervisory Board of Save the Children (Netherlands), as Jury Member of the Business Woman of the Year Prize at Veuve Clicquot, as Co-Chair of the European High Level Expert Group Next CMU. She was a Member of the Supervisory Board of Koninklijke DSM N.V. during a two-year tenure, until DSM and Firmenich merged in 2023. She was a member of the Capital Markets Advisory Board of the Dutch Financial Markets Authority until 2024.

Nationality	Dutch
Year of Birth	1959
Education	Master's Degree in Political Science and Economics, Vrije Universiteit Amsterdam (Netherlands)
Listed Company Boards	Aegon LtD: Non-Executive Vice-Chair of the Board
Non-Listed Company Boards	Deloitte Netherlands: Member of the Supervisory Board
Other Memberships	• Impact Economy Foundation: Advisory Board Member • Netspar: Chair of the Supervisory Board • Koninklijke Hollandsche Maatschappij der Wetenschappen: Member • Planet Bio: Member of the Supervisory Board

Managing Board

The Managing Board is composed of the following three members.

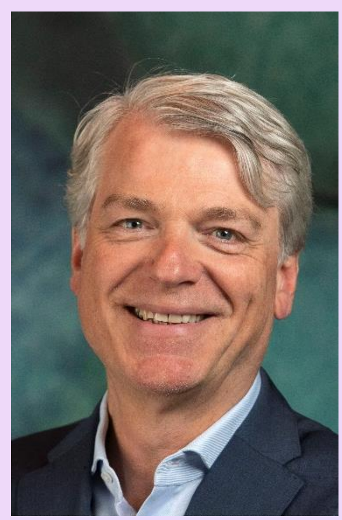
Ralf Schmeitz, Chief Financial Officer (CFO), member of the Managing Board since 2023

Ralf Schmeitz was appointed as Managing Board member of DSM B.V. and CFO of dsm-firmenich in September 2023, marking a significant milestone in his journey with the company. He initially joined DSM in 2006 , and his path has been marked by outstanding achievements and a track record of strong performance.

Ralf Schmeitz has played a pivotal role in propelling the transformation of the Finance function and in navigating substantial portfolio changes. Prior to his CFO role, he held the position of Head of Group Finance, overseeing Finance & Control, Treasury and Taxation. In his previous role at DSM, he held the position of Group Controller, spearheading both the Business Controlling and Accounting teams. Ralf began his career at PwC, laying strong foundations and building financial and strategic acumen, and then moved to Hewlett Packard, where he assumed diverse leadership responsibilities in Finance.

Nationality	Dutch
Year of Birth	1972
Education	• Master's degree, Economics, Maastricht University (Netherlands) • Master's degree, Accountancy, Maastricht University (Netherlands) • Master's degree in Business Valuation, Erasmus University, Rotterdam (Netherlands)

Joris de Beer, Vice-President DSM Netherlands B.V., member of the Managing Board since 2024



Joris de Beer was appointed as Managing Board member of DSM B.V. in August 2024.

Initially, Joris joined DSM in 1987 and held several, increasingly senior, international business positions. May 2022, Joris was appointed as president of DSM Netherlands B.V.

Joris de Beer has developed into a seasoned manager with extensive expertise in general management, business development, marketing and sales and mergers and acquisitions.

His career spans various roles both domestically and internationally, demonstrating his adaptability and global perspective. He is recognized for exceptional ability to navigate and manage multi-stakeholder environments.

Nationality	Dutch
Year of Birth	1958
Education	• Master's degree, Business Economics, Vrije Universiteit Amsterdam (Netherlands)

Ivo Nelissen, Senior Vice-President & Global Head of Group Tax, member of the Managing Board since 2024

Ivo Nelissen was appointed Global Head of Group Tax of dsm-firmenich in September 2020 and as Managing Board member of DSM B.V. in August 2024.

He initially joined DSM in 2008 in the tax department responsible for different regions, business, and corporate departments. Since he joined DSM, he played an important role in the many transformative M&A projects up to and including the merger with Firmenich. Ivo started his career at Deloitte as a Tax Lawyer, laying a strong foundation in Legal and Tax structuring, M&A, Enterprise Modelling and Finance.

Nationality	Dutch
Year of Birth	1978
Education	• Master's degree in Dutch Tax Law, Maastricht University (Netherlands) • Master's degree in European and International Tax Law, Maastricht University (Netherlands)
Listed Company Boards	• N/A
Non-Listed Company Boards	• PDN Pension Fund: Director • Limburg Ventures: Member of the Supervisory Board • Chemelot Ventures: Member of the Supervisory Board
Other Memberships	• N/A

Auditors

Mandate and term of office

KPMG was appointed as Group and statutory auditors of DSM B.V. for the financial year 2024. The Supervisory Board reconsiders on an annual basis whether the external auditors should be proposed to the Annual General Meeting for re-election.

Assurance fees

The assurance fees paid to KPMG in its capacity as statutory and Group auditor for the 2024 consolidated financial statements, the fees for any other audit services, non-audit tax services, as well as for other non-audit services can be found in **Note 29 Service fees paid to external auditors** to the consolidated financial statements. The scope of the audit of the 2024 Consolidated financial statements was approved by the Supervisory Board and defined in an engagement and fee letter signed by the CEO and the CFO.

Auditor Rotation

The General Meeting of Shareholders adopted the resolution to appoint PricewaterhouseCoopers Accountants N.V. as external auditor of DSM for the financial year 2025 at its Annual General Meeting of 29 May 2024. The external auditor will be Ennèl van Eeden.

FINANCIAL STATEMENTS

Consolidated financial statements

The financial statements of DSM include the consolidated financial statements and the parent company financial statements. DSM (the 'Company' or the 'Group') is the former Koninklijke (or Royal) DSM Group, a sub-group of the dsm-firmenich Group, a new group following the merger between DSM and Firmenich that took place on 8 May 2023.

The parent company of the sub-group DSM is DSM B.V., domiciled in Maastricht (Netherlands). Its shareholder is DSM-Firmenich AG, listed on the Euronext Amsterdam stock exchange.

These consolidated financial statements comprise DSM B.V. and its subsidiaries (the 'Group'). A list of main participations of the Group can be downloaded from the company website.

The financial year 2024 covers the period from 1 January 2024 to 31 December 2024.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated income statement

in € million	Notes	2024	2023
Continuing operations			
Net sales	5	7,803	7,590
Cost of sales	5	(5,992)	(6,021)
Gross profit		**1,811**	**1,569**
Marketing & Sales	5	(1,030)	(1,051)
Research & Development	5	(304)	(352)
General & Administrative	5	(403)	(619)
Other operating income	5	86	155
Other operating expense	5	(50)	(114)
Operating profit (loss)		**110**	**(412)**
Finance income	6	106	129
Finance expense	6	(134)	(187)
Profit (loss) before tax		**82**	**(470)**
Income tax expense	7	(98)	16
Share of net profit of associates and joint ventures	10	(8)	(8)
Other results related to associates and joint ventures	10	5	(1)
Net profit (loss) from continuing operations		**(19)**	**(463)**
Net profit from discontinued operations	3	–	2,789
Net profit (loss) for the period		**(19)**	**2,326**
Attributable to:			
– Holders of shares parent company	16	(43)	2,312
– Dividend on cumulative preference shares		–	6
– Non-controlling interests	17	24	8

Consolidated statement of comprehensive income

in € million	Notes	2024	2023
Net profit (loss) for the period		**(19)**	**2,326**
Other comprehensive income			
Remeasurements of defined benefit liability	24	7	(35)
Fair value changes in other participating interests and other financial instruments	11	(20)	(37)
Related tax		(3)	9
Items that will not be reclassified to profit or loss		**(16)**	**(63)**
Exchange differences on translation of foreign operations	16		
- Change for the period		161	(101)
- Reclassified to the income statement on loss of significant influence		10	-
Hedging reserve	16		
- Change for the period		(28)	27
- Reclassified to the income statement		-	-
Equity accounted investees – share of other comprehensive income		-	(1)
Related tax		6	(2)
Items that may subsequently be reclassified to profit or loss		**149**	**(77)**
Total other comprehensive income		**133**	**(140)**
Total comprehensive income for the period, net of tax		**114**	**2,186**
Attributable to:			
- Holders of shares parent company	16	88	2,184
- Non-controlling interests	17	26	2

Consolidated balance sheet at 31 December

in € million	Notes	2024	2023
Assets			
Goodwill and intangible assets	8	4,984	5,210
Property, plant and equipment	9	3,542	3,492
Deferred tax assets	7	238	169
Prepaid pension costs	24	20	15
Share in associates and joint ventures	10	240	55
Derivatives	23	50	46
Other non-current assets	11	261	214
Non-current assets		**9,335**	**9,201**
Inventories	12	2,201	2,318
Trade receivables	13	1,565	1,535
Income tax receivables	13	51	79
Other current receivables	13	144	286
Derivatives	23	42	35
Financial investments	14	20	101
Cash and cash equivalents	15	2,469	2,181
Assets held for sale	3	-	6
Current assets		**6,492**	**6,541**
Total assets		**15,827**	**15,742**
Equity and liabilities			
Shareholders' equity		7,959	8,814
Non-controlling interests	17	158	109
Equity	16	**8,117**	**8,923**
Deferred tax liabilities	7	411	454
Employee benefit liabilities	24	271	289
Provisions	18	65	77
Borrowings	19	3,085	2,487
Derivatives	23	1	3
Other non-current liabilities	20	95	130
Non-current liabilities		**3,928**	**3,440**
Employee benefit liabilities	24	3	2
Provisions	18	62	34
Borrowings	19	672	631
Derivatives	23	54	28
Trade payables	21	1,460	1,364
Income tax payables	21	142	133
Other current liabilities	21	1,389	1,179
Liabilities held for sale	3	-	8
Current liabilities		**3,782**	**3,379**
Total equity and liabilities		**15,827**	**15,742**

Consolidated statement of changes in equity (Note 16)

x € million	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total Equity
Balance at 1 January 2023	**328**	**471**	**(196)**	**363**	**9,777**	**10,743**	**102**	**10,845**
Net profit (loss) for the period	–	–	–	–	2,318	**2,318**	8	**2,326**
Other comprehensive income	–	–	–	(108)	(26)	**(134)**	(6)	**(140)**
Total comprehensive income	–	–	–	(108)	2,292	**2,184**	2	**2,186**
Dividend	–	–	–	–	(3,935)	**(3,935)**	–	**(3,935)**
Options / performance shares granted	–	–	–	23	–	**23**	–	**23**
Options / performance shares vested / canceled	–	–	–	(23)	23	**–**	–	**–**
Reissued shares	–	–	63	–	(39)	**24**	–	**24**
Repurchase of shares	–	–	(256)	–	–	**(256)**	–	**(256)**
Cancellation of shares	(67)	(2)	345	–	(276)	**–**	–	**–**
Divestment of subsidiary with NCI	–	–	–	–	–	**–**	(4)	**(4)**
Transfer	–	–	44	(5)	(4)	**35**	9	**44**
Other changes	–	–	–	–	(4)	**(4)**	–	**(4)**
Balance at 31 December 2023	261	469	–	250	7,834	**8,814**	109	**8,923**
Net profit (loss) for the period	–	–	–	–	(43)	**(43)**	24	**(19)**
Other comprehensive income	–	–	–	126	5	**131**	2	**133**
Total comprehensive income	–	–	–	126	(38)	**88**	26	**114**
Dividend	–	–	–	–	(673)	**(673)**	–	**(673)**
Deemed dividend[1]	–	–	–	–	(282)	**(282)**	–	**(282)**
Options / performance shares granted	–	–	–	31	–	**31**	–	**31**
Options / performance shares vested / canceled	–	–	–	(27)	27	**–**	–	**–**
Divestment of subsidiary with NCI	–	–	–	–	–	**–**	4	**4**
Transfer	–	–	–	191	(210)	**(19)**	19	**–**
Other changes	–	–	–	–	–	**–**	–	**–**
Balance at 31 December 2024	261	469	–	571	6,658	**7,959**	158	**8,117**

1 The in-substance demerger of DSM Re Switzerland AG resulted in a deemed dividend amounting to €282 million

Consolidated cash flow statement (Note 26)

in € million	2024	2023
Operating activities		
Net profit (loss) from continuing operations	(19)	(463)
Net profit from discontinued operations	-	2,789
Net profit for the period	**(19)**	**2,326**
Share of profit of associates and joint ventures (including discontinued operations)[1]	3	9
Income tax expenses (including discontinued operations)[1]	98	21
Profit before tax (including discontinued operations)[1]	**82**	**2,356**
Finance income and expense (including discontinued operations)[1]	28	59
Operating profit (including discontinued operations)[1]	**110**	**2,415**
Depreciation, amortization and impairments (including discontinued operations)[1]	851	944
EBITDA (including discontinued operations)[1]	**961**	**3,359**
- (Gain) or loss from disposals	(59)	(2,770)
- Changes in provisions	(24)	10
- Changes in employee benefits	(23)	(34)
- Share-based compensation	24	23
- Income taxes paid / received	(131)	(107)
- Other non-cash items	2	97
Operating cash flow before changes in working capital	**750**	**578**
Changes in:		
Inventories	5	58
Trade receivables	(130)	46
Trade payables	123	(66)
Changes in operating working capital	(2)	38
Changes in non-operating working capital	53	(40)
Changes in working capital	51	(2)
Cash provided by operating activities	**801**	**576**

1 The consolidated cash flow statement includes an analysis of all cash flows in total, therefore including both continuing and discontinued operations. For the amounts related to discontinued operations split by activities and a reconciliation of profit from continuing operations to total, including discontinued operations, see **Note 3 Change in the scope of the consolidation** to the consolidated financial statements.

Consolidated cash flow statement (Note 26) continued

in € million	2024	2023
Cash provided by operating activities	**801**	**576**
Investing activities		
Capital expenditure for intangible assets	(83)	(103)
Capital expenditure for property, plant and equipment	(450)	(439)
Proceeds from disposal of property, plant and equipment	18	20
Payments regarding drawing rights	–	(8)
Acquisition of subsidiaries	(5)	(389)
Disposal of subsidiaries	29	3,533
Payments for short-term financial investments	–	(150)
Proceeds from short-term financial investments	53	187
Other financial assets (incl. associates):		
– Dividends received	8	4
– Capital payments and acquisitions	(59)	(15)
– Proceeds from disposals	72	26
– Additions to loans granted	(87)	(35)
– Repayment of loans granted	58	31
Interest received	23	49
Cash from / (used in) investing activities	**(423)**	**2,711**
Financing activities		
Contributions from non-controlling interests	–	–
Proceeds from borrowings	807	2
Repayment of borrowings	(548)	(21)
Payments of lease liabilities	(65)	(52)
Change in debt to credit institutions	37	(1)
Proceeds from re-issued treasury shares	–	8
Repurchase of shares	–	(256)
Dividend paid	(673)	(3,935)
Interest paid	(28)	(14)
Funding cash pool	362	425
Other	–	(8)
Cash (used in) / from financing activities	**(108)**	**(3,852)**
Cash and cash equivalents at the beginning of the period	**2,181**	**2,755**
Net increase / (decrease) in cash and cash equivalents	270	(565)
Effect of movements in exchange rates on cash held	18	(9)
Cash and cash equivalents at the end of the period	**2,469**	**2,181**

See Note 26 Notes to the cash flow statements to the consolidated financial statements for selected comments on statement of cash flow.

Notes to the consolidated financial statements

1 General information

Basis of preparation

DSM's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the provisions of section 362-8 of Book 2 of the Dutch Civil Code.

In the following notes, all amounts are shown in millions of euros (€), unless otherwise stated.

Changes in accounting policies

With effect from 1 January 2024, DSM has applied the amendments, as stipulated in Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), which require additional disclosures about its supplier finance arrangements. See also **Note 21 Current liabilities** for the corresponding disclosures.

On 9 April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which becomes effective from 1 January 2027. IFRS 18 includes requirements on the presentation of new defined subtotals in the consolidated income statement, the disclosure of management-defined performance measures, and enhanced requirements for the aggregation and disaggregation of information. While DSM has started to perform preliminary impact assessments, it is too early to elaborate on the impact of IFRS 18 on the Group's consolidated financial statements.

Other new or amended standards that are effective from 1 January 2024 do not have a material effect on DSM's consolidated financial statements. In addition, other new or amended standards effective after 1 January 2025 were neither adopted early, nor expected to have significant impact.

Group material accounting policies

The below information outlines the general Group material accounting policies. Other specific material accounting policies that management considers to be the most important for the presentation of the financial position and results of DSM's operations are included in the relevant notes and applied throughout the consolidated financial statements.

Principles of consolidation

As a parent company, DSM is exposed, or has a right, to the variable returns from its involvement with its subsidiaries and has the ability to affect the returns through its power over the subsidiaries. The financial data of subsidiaries are fully consolidated. Non-controlling interests in the Group's equity and profit and loss are stated separately. Subsidiaries are consolidated from the acquisition date until the date on which DSM ceases to have control. From the acquisition date onwards, all intra-group balances and transactions and unrealized profits or losses from intra-group transactions are eliminated.

A joint arrangement is an entity in which DSM holds an interest and which is jointly controlled by DSM and one or more other venturers under a contractual arrangement. A joint arrangement can either be a joint venture whereby DSM and the other partner(s) have rights to the net assets of the arrangement, or a joint operation where DSM and the partner(s) have rights to the assets and obligations for the liabilities of the arrangement. For joint ventures, the investment in the net assets is recognized and accounted for in accordance with the equity method, see also **Note 10 Associates and joint arrangements**. For a joint operation, assets, liabilities, revenues, and expenses are recognized in the financial statements of DSM in accordance with the contractual entitlement or obligations of DSM.

Foreign currencies

The Group's presentation currency is the euro (€), which is also the parent company's functional currency.

Each entity of the Group records transactions and balance sheet items in its functional currency. Transactions denominated in a currency other than the functional currency are recorded at the spot exchange rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in a currency other than the functional currency of the entity are translated at the closing rates. Exchange differences resulting from the settlement of these transactions and from the translation of monetary items are recognized in the income statement. Non-monetary items that are measured on the basis of historical costs denominated in a currency other than the functional currency continue to be translated against the rate at initial recognition and will not result in exchange differences.

On consolidation, the balance sheets of subsidiaries that do not have the euro as their functional currency are translated into euros at the closing rate. The income statements of these entities are translated into euros at the average rates for the relevant period. The functional currency in which goodwill paid on acquisition is recorded is based on the business case underlying the corresponding business combination. Exchange differences arising from the translation of the net investment in entities with a functional currency other than the euro are recorded in Other comprehensive income. The same applies to exchange differences arising from borrowings and other financial instruments insofar as those instruments hedge the currency risk related to the net investment. On disposal of an entity with a functional currency other than the euro, the cumulative exchange differences relating to the translation of the net investment are recognized in profit or loss.

The currency exchange rates that were used in preparing the consolidated financial statements are listed below for the most important currencies.

1 euro =	**Exchange rate at 31 December**		**Average exchange rate**	
	2024	2023	**2024**	2023
US dollar	1.04	1.11	1.08	1.08
Swiss franc	0.94	0.93	0.95	0.97
Brazilian real	6.43	5.36	5.83	5.40
Chinese renminbi	7.58	7.85	7.79	7.66

Emission rights

DSM is subject to legislation encouraging reductions in greenhouse gas emissions and has been awarded emission rights (principally CO_2 emission rights) in a number of jurisdictions. Emission rights are reserved for meeting delivery obligations and are recognized at cost. Income is recognized when surplus emission rights are sold to third parties. When actual emissions exceed the emission rights available to DSM, a liability is recognized for the expected additional costs.

Significant accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, disclosure of contingent assets and liabilities at the date of the financial statements. Actual outcomes could differ from those estimates. The estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Furthermore, the application of the Group's accounting policies may require management to make judgments, apart from those involving estimates, that can have a significant effect on the amounts recognized in the financial statements.

Areas of management estimates and judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed along with the material accounting policies in the relevant notes.

Presentation of Consolidated income statement

DSM presents expenses in the Consolidated income statement in accordance with their function. This allows the presentation of gross profit on the face of the income statement, which is a widely used performance measure in the industry. The composition of the costs allocated to the individual functions is explained below.

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

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

Research & Development consists of:

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

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

2 Alternative performance measures

Accounting policy

In monitoring the financial performance of DSM, management uses EBITDA as an Alternative performance measure (APM) not defined by IFRS. An APM should not be viewed in isolation as an alternative to the equivalent IFRS measure and should be used as supplementary information in conjunction with the most directly comparable IFRS measure. An APM does not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

In line with common industry practice, EBITDA is used as a metric to review DSM's financial performance.

Earnings before interest, tax, depreciation and amortization (EBITDA) is defined as the IFRS metric operating profit plus depreciation, amortization, and impairments.

Reconciliation of Alternative performance measures (continuing operations)

	2024	2023
Operating profit (loss)	**110**	**(412)**
Depreciation, amortization and impairments	851	944
EBITDA	**961**	**532**

3 Change in the scope of consolidation

Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method from the moment control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, including assets transferred, shares issued, and liabilities incurred, measured at acquisition date fair value. Acquisition-related costs incurred are expensed, except if related to the issue of debt or equity securities.

As of the acquisition date, identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree are recognized separately from goodwill. Identifiable assets acquired and the liabilities assumed are measured at acquisition date fair value. For each business combination, DSM elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any contingent consideration payable is measured at fair value at the acquisition date; subsequent changes in the fair value of the contingent consideration resulting from events after the acquisition date are recognized in profit or loss.

For business combinations with the acquisition date in the prior reporting period, comparative information is revised in case adjustments are made during the measurement period to the provisional amounts, determined as part of the purchase price allocation (PPA), based on information available at the acquisition date.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups (assets and liabilities relating to an activity that is to be sold) are classified as 'held for sale' if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met as from the date on which a letter of intent or agreement to sell is ready for signing. Non-current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

Discontinued operations

Discontinued operations comprise those activities that were disposed of during the period or which were classified as held for sale at the end of the period and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale.

Estimates and judgments

Key estimates DSM makes in the accounting for changes in the scope of consolidation relate to the determination of fair values for assets acquired and liabilities assumed in business combinations. These estimates are based on historical quoted market prices plus past experience, and are validated by external valuation specialists where deemed necessary by management.

Acquisitions

In 2024, DSM did not acquire any business (in 2023: €292 million).

Finalization of Adare Biome PPA

The Purchase Price Allocation (PPA) related to the acquisition of Adare Biome in France in 2023 was finalized without any changes in relation to the purchase price allocation as disclosed in the annual report of 2023.

Divestments

Jiangshan

At the end of 2023, DSM committed to the sale of its vitamin C business in Jiangshan (China) and therefore classified the assets and liabilities as held for sale at the end of the reference year. On 8 March 2024, DSM completed the sale and transfer of its 100% equity interest in DSM Jiangshan Pharmaceutical Co., Ltd. to Jingjiang Cosfocus Health Technology Co., Ltd. Besides the derecognition of the assets and liabilities held for sale, the liability that was recognized in 2023 toward the buyer was settled at closing of the transaction.

CanolaPRO®

On 15 February 2024, DSM and Avril entered into an Implementation Agreement setting out certain amendments to the Olatein joint arrangement, leading to a change of DSM's share from a controlling stake of 75% into a 50/50 joint-control partnership with Avril. As a consequence, DSM has deconsolidated the CanolaPRO® business and accounts for its interest in Olatein as a joint venture applying the equity method. The fair value of the remaining share in the joint venture at the date when control was lost amounted to €30 million.

Marine lipids

On 30 September 2024, the company completed the divestment of its MEG-3® fish oil business to KD Pharma Group SA, a contract development and manufacturing organization (CDMO) active in pharmaceutical and nutritional lipids. As part of the transaction, DSM has obtained a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH. The fish-oil business was part of the Business Unit Health, Nutrition & Care, and represented approximately €170 million sales in 2023, with approximately 200 employees who were transferred to KD Pharma.

Yeast extracts

On 1 October 2024, the company completed the divestment of its yeast extract business to Lesaffre, a key global player in fermentation and micro-organisms. Yeast extracts was part of DSM Business Unit Taste, Texture & Health, with annual sales of about €120 million. After the completion of the deal, DSM will continue to supply yeast extracts produced in Delft to Lesaffre until the end of 2025, after which point the production of yeast extracts in Delft will be discontinued. Upon divestment, DSM recognized a provision for onerous contracts and severance payments amounting to €50 million. See also Note 18 Provisions.

As these businesses were not considered a major line of business, the results of these businesses (the 'disposal groups') were not reclassified to discontinued operations.

Summary of divestments in 2024

See below table for the book result and the impact on the cash flow statement of the divestments and deconsolidation that took place in the reporting year.

	MEG-3 fish oil	Yeast extract	Jiangshan Vitamin C	Olatein	Other divestments	Total
Assets						
Goodwill and intangible assets	(28)	-	-	(22)	(1)	**(51)**
Property, plant and equipment	(64)	(73)	-	(50)	-	**(187)**
Other non-current assets	-	-	-	5	-	**5**
Inventories	(117)	(5)	1	(1)	-	**(122)**
Receivables and other current assets	(4)	-	(9)	13	-	**-**
Cash and cash equivalents	(10)	-	(3)	-	-	**(13)**
Total assets	**(223)**	**(78)**	**(11)**	**(55)**	**(1)**	**(368)**
Non-controlling interests and liabilities						
Provisions	-	50	-	-	-	**50**
Non-current liabilities	-	-	-	(42)	-	**(42)**
Current liabilities	(5)	8	(57)	(6)	-	**(60)**
Total liabilities	**(5)**	**58**	**(57)**	**(48)**	**-**	**(52)**
Net assets	(218)	(136)	46	(7)	(1)	**(316)**
Non-controlling interest				4		**4**
Net assets dsm-firmenich shareholders	**(218)**	**(136)**	**46**	**(11)**	**(1)**	**(320)**
Consideration (net of selling costs, translation differences and net debt)	156	157	(65)	9	7	**264**
Book result 2024	(62)	21	(19)	(2)	6	**(56)**
Income tax	5	(5)	-	(3)	(2)	**(5)**
Net book result	**(57)**	**16**	**(19)**	**(5)**	**4**	**(61)**
Impact on the cash flow statement						
Consideration (net of selling costs, translation differences and net debt)	156	157	(65)	9	7	**264**
Of which via an equity stake in target company	(159)	-	-	(30)	-	**(189)**
Of which deferred payments, non-cash and internal financing	(3)	(13)	14	21	(1)	**18**
Consideration in cash	**(6)**	**144**	**(51)**	**-**	**6**	**93**
Cash in divested company	(10)	-	(3)	-	-	**(13)**
Other divestment-related cash-in/(out)	-	-	-	-	(51)	**(51)**
Total cash-in/(out) related to disposals	**(16)**	**144**	**(54)**	**-**	**(45)**	**29**

Discontinued operations
In 2024, no business was classified as discontinued operations.

Assets and liabilities held for sale
End of 2024, DSM is not committed to the sale of any of its businesses, and therefore has not classified assets and liabilities as held for sale.

Breakdown net profit into continuing and discontinued operations

	2024			2023		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net sales	7,803	-	**7,803**	7,590	388	7,978
EBITDA	961	-	**961**	532	2,827	3,359
Total expenses	7,693	-	**7,693**	8,272	(2,439)	5,833
Operating profit	110	-	**110**	(412)	2,827	2,415
Financial income and expense	(28)	-	**(28)**	(58)	(1)	(59)
Profit (loss) before income tax expense	**82**	**-**	**82**	**(470)**	**2,826**	**2,356**
Income tax expense	(98)	-	**(98)**	16	(37)	(21)
Results related to associates and joint ventures	(3)	-	**(3)**	(9)	-	(9)
Net profit (loss) for the year	**(19)**	**-**	**(19)**	**(463)**	**2,789**	**2,326**
Of which:						
- Attributable to non-controlling interests	24	-	**24**	8	-	8
- Dividend on Cumulative Preference Shares	-	-	**-**	6	-	6
- Available to holders of ordinary shares	(43)	-	**(43)**	(477)	2,789	2,312

Impact on cash flow statement (discontinued operations)

	2024	2023
Net cash provided by / (used in):		
- Operating activities	-	70
- Investing activities	-	3,517
Net change in cash and cash equivalents	**-**	**3,587**

Demerger

Captive insurances

On 10 June 2024, DSM demerged its re-insurance company DSM Re Switzerland AG to its main shareholder DSM-Firmenich AG. This in-substance demerger of DSM Re Switzerland AG and transfer of its shares to DSM B.V.'s parent company DSM-Firmenich AG is accounted for applying a book-value method. The difference between the nominal consideration and the book values transferred is treated as a distribution to DSM-Firmenich AG (deemed dividend). The corresponding release of the translation reserve is recognized in equity.

More specifically, DSM B.V. received a cash consideration of CHF 8 million (€8 million) based on the historical capital contribution. The IFRS book value of its investee amounted to €290 million, consisting of other non-current assets (€230 million), receivables and other current assets (€218 million), provisions (€5 million) and current liabilities (€153 million). The loss on this transaction amounting to €282 million is considered deemed dividend and is deducted from equity. The related foreign currency translation reserve amounting to €110 million has been recycled to retained earnings.

4 Segment information

Accounting policy

DSM has segmented its operations by business activity from which revenues are earned and expenses incurred. These operating results are regularly reviewed by the Managing Board, DSM's Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the operating segments and assess their performance. DSM uses EBITDA as the main indicator to evaluate the consolidated performance as well as the performance per operating segment. Discrete financial information is available for each identified operating segment. DSM has determined that Taste, Texture & Health - DSM (TTH-DSM), Health, Nutrition & Care - DSM (HNC-DSM), and Animal Nutrition & Health (ANH) represent reportable operating segments in addition to the reportable segment Corporate Activities.

The same accounting policies that are applied for the consolidated financial statements of DSM are also applied for the operating segments. Prices for transactions between segments are determined on an arm's length basis at market-based prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can reasonably and consistently be allocated. Interest income, interest expense, and income tax expense or income are not allocated to segments as these amounts are not included in the measure of segment profit or loss reviewed by the Managing Board.

Selected information on a country and regional basis is provided in addition to the information about operating segments.

Operating segments

DSM is organized into three Business Units:

- **Taste, Texture & Health - DSM (TTH-DSM)** helps customers create food and beverage products that are delicious, nutritious, affordable, and sustainable. This Business Unit provides enjoyment and nourishment for consumers, business success for customers, and better health for people and planet This Business Unit mainly consists of the Ingredients Solutions business
- **Health, Nutrition & Care - DSM (HNC-DSM)** provides people solutions to help them look after their health by adding critical nutrients to diet. This Business Unit drives medical innovation forward, helping to accelerate recovery times and enhancing quality of life. This Business Unit mainly consists of DSM's former Health, Nutrition & Care business, including the Personal Care & Aroma Ingredients business
- **Animal Nutrition & Health (ANH)** delivers healthy animal proteins efficiently and sustainably, harnessing the power of data to make animal farming practices more sustainable, productive, and transparent

For 2024, these Business Units have been identified as the reportable operating segments of DSM.

Any consolidated activities outside the three reportable operating segments above are reported as the reportable segment 'Corporate Activities'. These consist of corporate operating and service activities that are not further allocated to the operating segments.

DSM does not have a single external customer that represents 10% or more of total sales.

Geographical information

	Nether-lands	Switzer-land	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
2024								
Net sales (by destination)								
In € millions	356	297	2,152	1,773	1,354	699	1,172	**7,803**
In %	5	3	28	23	17	9	15	**100**
Workforce at period-end (headcount)	1,776	2,275	4,218	2,262	2,444	2,455	1,751	**17,181**
Intangible assets and property, plant and equipment at period-end (carrying amount)	1,618	1,822	2,251	2,005	337	405	88	**8,526**
2023								
Net sales (by destination)								
In € millions[2]	384	218	2,051	1,701	1,318	773	1,145	**7,590**
In %[2]	5	3	28	22	17	10	15	**100**
Workforce at year-end (headcount)[1]	1,783	2,274	4,274	2,447	2,555	3,785	1,737	**18,855**
Intangible assets and property, plant and equipment at year-end (carrying amount)	1,665	1,950	2,220	1,937	422	423	85	**8,702**

1 Refers to total Group, including discontinued operations."
2 Restated for comparative purposes

Reportable segments

	Taste, Texture & Health - DSM	Health, Nutrition & Care - DSM	Animal Nutrition & Health	Corporate Activities	Total continuing operations	Discontinued operations	TOTAL
2024							
Net sales	1,501	2,835	3,324	143	**7,803**	-	**7,803**
EBITDA[1]	257	443	301	(40)	**961**	-	**961**
Operating profit	55	34	81	(60)	**110**	-	**110**
2023							
Net sales	1,435	2,806	3,223	126	**7,590**	388	**7,978**
EBITDA[1]	213	411[2]	48[2]	(140)	**532**	2,827	**3,359**
Operating profit	85	(8)[2]	(285)[2]	(204)	**(412)**	2,827	**2,415**

1 See **Note 2 Alternative performance measures** to the consolidated financial statements for the reconciliation to IFRS performance measures.
2 Restated for comparative purposes

5 Net sales and costs

Accounting policy

Revenue from contracts with customers is recognized by identifying the contract and its performance obligations as well as determination and allocation of the transaction price to these performance obligations. Net sales represent the invoice value less estimated rebates, cash discounts, and indirect taxes. No element of financing is deemed present as sales are made with a short-term credit term.

The payment terms are determined per business segment on a customer basis. DSM has neither specific obligations for returns or refunds, nor specific warranties or other related obligations.

Sale of goods

At DSM, revenue related to the sale of goods is recognized in the income statement when the performance obligation is satisfied. This is at the point in time when transfer of control of the goods passes to the buyer. Fulfilment of the performance obligations related to goods sold is measured using the commercial shipment terms as an indicator for the transfer of control. Revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

Rendering of services

Income coming from the rendering of services is recognized when the service, i.e., the performance obligation, has been performed. Fulfillment of the performance obligations for services rendered is identified according to the individual contract. The revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

Licensing (royalties)

Income related to the sale or licensing of technologies or technological expertise is recognized in the income statement either at a point in time or over time, depending on when the contractually identified performance obligations are satisfied. Performance obligations related to license income include the transfer of rights and obligations associated with those technologies. License income is reported in Net sales as it is part of the ordinary and recurring activities of the business.

Net sales

	2024	**2023**
Goods sold	7,514	7,325
Services rendered	283	253
Royalties	6	12
Total	**7,803**	**7,590**

Services rendered also include recharges of corporate service costs to related parties.

See also Note 28 Related parties.

Disaggregation of net sales

	2024	2023
Taste, Texture & Health - DSM (TTH-DSM)	1,496	1,435
Health, Nutrition & Care - DSM (HNC-DSM)	2,840	2,806
– Dietary supplements and I-Health	991	1,017
– Early life nutrition	413	411
– Biomedical solutions	208	204
– Personal care	618	588
– Other	610	586
Animal Nutrition & Health (ANH)	3,324	3,223
– Essential Products	2,469	2,434
– Performance Solutions	855	789
Corporate Activities	143	126
Total	**7,803**	**7,590**

Total costs

In 2024, total operating costs (the total costs included in operating profit) amounted to €7.7 billion, €0.3 billion lower than in 2023, when these costs stood at €8.0 billion. Total operating costs in 2024 included Cost of sales amounting to €6.0 billion (2023: €6.0 billion); gross profit as a percentage of net sales stood at 23% (2023: 21%).

Employee benefit costs

	2024	2023
Wages and salaries	1,416	1,426
Social security costs	181	181
Pension costs (see also Note 24)	98	96
Share-based compensation (see also Note 27)	29	23
Total	**1,724**	**1,726**

Depreciation, amortization and impairments

	2024	2023
Amortization of intangible assets	248	245
Depreciation of property, plant and equipment owned	315	340
Depreciation of right-of-use assets	57	51
Impairment losses	231	308
Total	**851**	**944**

Impairment losses of PPE, goodwill and intangible assets of €231 million are mainly related to the intangible assets of €54 million concerning specific molecule technologies, for which the supply rights were transferred, to the impairment of the Marine Lipids business of €62 million, and the manufacturing facility of €73 million, following the divestment of the Yeast Extract business.

Other operating income

	2024	2023
Release of provisions	2	-
Gain on sale of assets and activities	39	23
Insurance benefits	4	22
Amendments / settlements to pension plans	-	1
Earn-out payments and other settlements	21	57
Lease income	-	4
Royalties	-	2
Sale of emission rights	-	8
Sundry	20	38
Total	**86**	**155**

Other operating expense

	2024	2023
Additions to provisions	5	22
Exchange differences	9	13
Acquisitions / disposals / demerger	19	56
Sundry	17	23
Total	**50**	**114**

6 Finance income and expense

	2024	2023
Finance income		
Interest income from third parties	62	93
Interest income from related parties	22	25
Fair value change in derivatives	15	6
Sundry	7	5
Total finance income	**106**	**129**
Finance expense		
Interest expense from third parties	(81)	(91)
Interest expense from related parties	(30)	(20)
Interest relating to lease liabilities	(10)	(5)
Interest relating to defined benefit plans	(7)	(7)
Fair value change in derivatives	-	(33)
Capitalized interest during construction	6	4
Exchange differences	(5)	(8)
Unwinding of discounted payables	(3)	(22)
Sundry	(4)	(5)
Total finance expense	**(134)**	**(187)**
Total finance income and expense	**(28)**	**(58)**

In 2024, the interest rate applied in the capitalization of interest during construction was 2.5% (same as in 2023).

7 Income tax

Accounting policy

Income tax expense is recognized in the income statement except to the extent that it relates to an item recognized directly in Other comprehensive income or Shareholders' equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable with respect to previous years. The current tax position also reflects any uncertainty related to income taxes. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date, and reflect any uncertainty related to income taxes and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled. Deferred tax assets, including assets arising from losses carried forward and tax credits, are reassessed over time and recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets and liabilities are stated at nominal value.

Deferred taxes are not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset and presented net when there is a legally enforceable right to offset, and the assets and liabilities relate to income taxes levied by the same taxation authority.

Estimates and judgments

Key estimates for income tax generally relate to uncertain tax positions that could result from different interpretation of tax legislation by local tax authorities in the countries where DSM operates. For the measurement of the uncertainty, DSM uses the most likely amount or the expected value method to estimate the underlying risk. This requires judgements and final outcome may deviate from the estimates.

Income tax

The income tax expense on continuing operations was €98 million. The breakdown of the income tax expense is as follows.

	2024	2023
Current tax (expense) / benefit:		
– Current year	(199)	(121)
– Prior-year adjustments	–	8
– Tax credits compensated	11	10
– Non-recoverable withholding tax	(1)	(4)
Total current tax (expense) / benefit	**(189)**	**(107)**
Deferred tax (expense) / benefit:		
– Originating from temporary differences and their reversal	86	139
– Prior-year adjustments	(1)	4
– Change in tax rate	(1)	4
– Changes arising from write-down of deferred tax assets	(6)	(33)
– Changes in previously and newly recognized tax losses and tax credits	13	9
Total deferred tax (expense) / benefit	**91**	**123**
Total tax (expense) / benefit	**(98)**	**16**

The increase of the income tax expense and herewith the effective income tax rate as compared to 2023 is mainly due to the combination of the geographical spread of the results within the group and non-deductible expenses in 2024. The relationship between the income tax expense based on the nominal tax rate in the Netherlands and the actual income tax expense is explained in the table below.

In € million	2024	2023
Profit (loss) before tax	82	(470)
Tax reconciliation		
Tax calculation on Profit before tax based on nominal Dutch corporate income tax rate (25.8%)	(21)	121
Income tax effects of:	–	–
– Deviating rates	(95)	(104)
– Change in tax rates	(1)	4
– Tax-exempt income and non-deductible expenses	24	25
– Other effects	(5)	(30)
Income tax income (expense)	**(98)**	**16**

Pillar Two legislation has been enacted in several jurisdictions in which DSM operates. DSM applies the temporary relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current tax when it is incurred. The income tax expense relating to Pillar Two legislation was less than €1 million in 2024 because of the geographical spread of the business results. As Pillar Two legislation was not yet enacted in the countries in which DSM operated in 2023, there was no income tax expense relating to Pillar Two in that year.

The balance of the deferred tax assets and deferred tax liabilities decreased by €112 million owing to the changes presented in the following table.

Deferred tax assets and liabilities

	2024	2023
Balance at 1 January		
Deferred tax assets	169	95
Deferred tax liabilities	(454)	(476)
Total	**(285)**	**(381)**
Changes:		
– Income tax income / (expense) in income statement	91	106
– Income tax: change in tax percentage	–	4
Total income statement	91	110
– Income tax expense in OCI	3	7
– Acquisitions and disposals	–	(44)
– Exchange differences	11	3
– Transfer	7	20
Balance at 31 December	**(173)**	**(285)**
Of which:		
– Deferred tax assets	238	169
– Deferred tax liabilities	(411)	(454)

In various countries, DSM has taken standpoints regarding its tax position which may at any time be challenged, or have already been challenged, by the tax authorities, because the authorities in question interpret the law differently. For particular tax treatments whose acceptance by the relevant tax authorities is uncertain, DSM either recognizes a liability or reflects the uncertainty in the recognition and measurement of its current and deferred tax assets and liabilities.

The deferred tax assets and liabilities relate to the following balance sheet items.

Deferred tax assets and liabilities by balance sheet item

	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	12	(341)	11	(378)
Property, plant and equipment	30	(161)	29	(167)
Right-of-use assets	1	(42)	–	(24)
Financial assets	33	(7)	35	(14)
Inventories	101	(8)	59	(7)
Receivables	9	(19)	7	(13)
Lease liabilities non-current	35	–	18	–
Other non-current liabilities	–	(1)	1	(2)
Non-current provisions	50	–	49	–
Other current liabilities	61	(4)	45	(2)
Lease liabilities current	10	–	9	–
	342	**(583)**	**263**	**(607)**
Tax losses carried forward and credits	68	–	59	–
Set-off	(172)	172	(153)	153
Total	**238**	**(411)**	**169**	**(454)**

No deferred tax assets were recognized for loss carryforwards amounting to €159 million (2023: €188 million).

Unrecognized loss carryforwards amounting to €53 million will expire in the years up to and including 2029 (2023: €78 million up to and including 2028), nil losses between 2030 and 2034 (2023: €1 million between 2029 and 2033) and the remaining €106 million in 2035 and beyond (2023: €110 million between 2034 and beyond). In addition, an amount of €15 million (2023: €9 million) of withholding taxes was unrecognized.

No deferred tax liability is recognized on temporary differences relating to unremitted retained earnings of subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The amount of unremitted retained earnings on which no deferred tax liability has been provided for represents €1,011 million (2023: €592 million).

The valuation of deferred tax assets depends on the probability of the reversal of temporary differences and the utilization of tax loss carryforwards, tax credits and withholding tax. Deferred tax assets are recognized for future tax benefits arising from temporary differences and for tax loss carryforwards to the extent that the tax benefits are probable. DSM has to assess the likelihood that deferred tax assets will be recovered from future taxable profits. Deferred tax assets are reduced if, and to the extent that, it is not probable that all or some portion of the deferred tax assets will be realized. In the event that actual future results differ from estimates and depending on tax strategies that DSM may be able to implement, changes to the measurement of deferred taxes could be required, which could have an impact on the company's financial position and profit for the year.

8 Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over DSM's share in the net fair value of the identifiable assets and liabilities in a business combination. Goodwill paid on acquisition of a business is included in intangible assets. Goodwill paid on acquisition of joint ventures or associates is included in the carrying amount of these entities. Goodwill recognized as an intangible asset is tested for impairment annually, and when there are indications that the carrying amount may exceed the recoverable amount. A gain or loss on the disposal of an operation includes the goodwill allocated to the operation sold.

Intangible assets acquired as part of a business combination

Intangible assets acquired in a business combination are recognized at fair value on the date of acquisition and subsequently amortized on a straight-line basis over their expected useful lives. The expected useful lives vary from 4 to 20 years.

Separately acquired intangible assets

Separately acquired licenses, patents, application software and other purchased rights are carried at historical cost less straight-line amortization and less any impairment losses. The expected useful lives vary from 4 to 20 years.

Capital expenditure that is directly related to the development of application software is recognized as an intangible asset and amortized over its estimated useful life (5 to 8 years). Costs of software maintenance are expensed when incurred.

Internally generated intangible assets

Research costs are expensed when incurred. Development expenditure is capitalized if the recognition criteria are met and if it is demonstrated that it is technically feasible to complete the asset; that the entity intends to complete the asset; that the entity is able to sell the asset; that the asset is capable of generating future economic benefits; that adequate resources are available to complete the asset; and that the expenditure attributable to the asset can be reliably measured. Development expenditure that meets the recognition criteria is amortized over the asset's useful life on a straight-line basis. As long as internally generated intangible assets are under construction, they are not amortized as they are not yet available for use. Instead, they are subject to a review for impairment annually, or more frequently if events or circumstances indicate this is necessary. Any impairment is charged to the income statement as it arises.

Impairment of non-financial assets

When there are indications that the carrying amount of a non-financial asset (goodwill, an intangible asset, or an item of property, plant and equipment) may exceed the estimated recoverable amount (the higher of its value in use and fair value less costs of disposal), the possible existence of an impairment loss is investigated. If an asset does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market interest rates and the risks specific to the asset or CGU. When the recoverable amount of a non-financial asset or a CGU is less than its carrying amount, the carrying amount is impaired to its recoverable amount and an impairment charge is recognized in profit or loss. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized. Impairment losses for goodwill are never reversed.

Estimates and judgments

Key estimates and judgments DSM makes in the accounting for goodwill and intangible assets relate to:

- The amortization period of intangible assets, which depends on their useful lives

- The determination of CGUs, which depends on the capacity of the asset or group of assets to generate independent cash flows
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of goodwill and intangible assets. These estimates are based on historical and current market rates, quoted prices, experience, current business outlooks, and are validated by external valuation specialists, where deemed necessary by management.

Goodwill and intangible assets

	Goodwill	Customer base	Brands and trademarks	Technology and formulas	Software, licenses and patents	Internally generated	Other	Total
Balance at 1 January 2023								
Cost	2,989	1,249	124	1,005	612	576	270	**6,825**
Amortization and impairment losses	5	596	62	270	363	186	196	**1,678**
Carrying amount	2,984	653	62	735	249	390	74	**5,147**
Changes in carrying amount:								
- Capital expenditure	-	1	-	-	2	98	2	**103**
- Put into operation	-	2	2	1	57	(62)	-	**-**
- Acquisitions	147	45	11	105	-	-	1	**309**
- Amortization	-	(61)	(8)	(63)	(66)	(38)	(9)	**(245)**
- Impairment losses	(28)	(3)	-	(13)	(1)	(13)	(7)	**(65)**
- Exchange differences	(63)	5	-	4	7	11	(4)	**(40)**
- Reclassification to held for sale	-	-	-	-	-	2	-	**2**
- Transfers	-	3	20	12	(5)	(12)	(11)	**7**
- Other	-	-	-	-	-	-	(8)	**(8)**
	56	(8)	25	46	(6)	(14)	(36)	**63**
Balance at 31 December 2023								
Cost	3,061	1,305	158	1,127	673	612	258	**7,194**
Amortization and impairment losses	21	660	71	346	430	236	220	**1,984**
Carrying amount	3,040	645	87	781	243	376	38	**5,210**
- Of which acquisition related	3,040	645	87	781	-	-	13	**4,566**
Changes in carrying amount:								
- Capital expenditure	-	-	-	-	1	79	3	**83**
- Put into operation	-	(1)	3	11	53	(68)	2	**-**
- Amortization	-	(65)	(14)	(60)	(78)	(25)	(6)	**(248)**
- Impairment losses	(37)	(1)	(4)	(54)	(1)	(6)	-	**(103)**
- Exchange differences	63	1	(1)	1	(1)	(4)	1	**60**
- Transfers	-	(15)	(17)	(1)	32	(1)	6	**4**
- Other consolidation changes	(11)	-	-	-	-	(11)	-	**(22)**
	15	(81)	(33)	(103)	6	(36)	6	**(226)**
Balance at 31 December 2024								
Cost	3,097	1,148	176	994	904	569	191	**7,079**
Amortization and impairment losses	42	584	122	316	655	229	147	**2,095**
Carrying amount	3,055	564	54	678	249	340	44	**4,984**
- Of which acquisition-related	3,055	564	54	678	-	-	11	**4,362**

The amortization and impairment losses of goodwill and intangible assets are included in Cost of sales, Marketing & Sales, Research & Development, and General & Administrative expenses.

Where DSM acquired entities in business combinations, they were accounted for by the acquisition method, resulting in recognition of mainly goodwill, customer- and marketing-related, and technology-based intangible assets.

Other significant intangibles were mainly obtained during the acquisitions of Erber Group and Glycom in 2020, and F&F Amyris and First Choice Ingredients in 2021. Intangible assets are amortized on a straight-line basis and subject to impairment trigger testing.

There are no intangible assets with an indefinite useful life (same as in 2023). The carrying amount of the internally generated intangible assets includes €137 million (2023: €133 million) that relates mainly to strategic projects which are not being amortized yet. The recoverable amount of these projects was estimated based on the present value of the future cash flows expected to be derived from the projects (value-in-use).

Goodwill

The CGUs DSM identified in 2024 were Taste, Texture & Health – DSM (TTH-DSM), Health, Nutrition & Care (HNC-DSM), and Animal Nutrition & Health (ANH).

Goodwill per Cash generating unit

	2024	2023
Taste, Texture & Health - DSM (TTH-DSM)	582	577
Health, Nutrition & Care - DSM (HNC-DSM)	1,490	1,480
Animal Nutrition & Health (ANH)	983	983
Total	**3,055**	**3,040**

The annual impairment tests of goodwill are performed in the fourth quarter. The recoverable amount of the CGUs is based on a value-in-use calculation.

The cash flow projections are derived from dsm-firmenich's overall business plan as DSM does not operate in isolation from the dsm-firmenich Group. DSM's derived business plan is adopted by the Managing Board. The DSM specific cash flow projections are based on the derived budget for 2025, as approved by DSM's management, which is extrapolated throughout the remainder of the forecast period using management's internal forecasts. The key assumptions in the cash flow projections relate to the market growth for the CGUs and the related revenue projections, EBITDA developments, and the rates used for discounting cash flows. For the CGUs HNC-DSM and ANH, which are considered mature businesses, a forecast period of five years is applied before they come to a terminal value. For TTH-DSM, an initial forecast period of ten years was applied, reflecting the extended period of time during which the identified synergies arising from the merger are expected to contribute to the growth of this CGU. The terminal value growth rate is determined with the assumption of inflationary growth.

Key assumptions for goodwill impairment tests

	2024	2023
Forecast period (years)		
- Mature business	5	5
- Emerging business	10	10
Terminal value growth	2.0%	2.0%
Pre-tax discount rate		
Taste, Texture & Health - DSM (TTH-DSM)	8.5%	8.3%
Health, Nutrition & Care - DSM (HNC-DSM)	8.6%	7.9%
Animal Nutrition & Health (ANH)	9.6%	9.2%
Organic sales growth (year 1–5)		
Taste, Texture & Health - DSM (TTH-DSM)	0%–6%	3%–8%
Health, Nutrition & Care - DSM (HNC-DSM)	0%–7%	6%–7%
Animal Nutrition & Health (ANH)	4%–13%	4%–8%

For ANH and HNC-DSM, the growth assumptions are based on the growth of the global food and feed markets, and the vitamin transformation program; for TTH-DSM, on the growth assumptions of the global food and beverage markets.

A sensitivity test was performed on the impairment tests of the CGUs and showed that the conclusions of these tests would not have been different if a reasonable possible adverse change in key parameters had been assumed.

9 Property, plant and equipment

Accounting policy

Property, plant and equipment owned

Items of Property, plant and equipment owned are measured at cost less depreciation calculated on a straight-line basis over their estimated useful lives and less any impairment losses. Borrowing costs during construction are capitalized when the underlying asset under construction meets the recognition criteria of a qualifying asset.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group. Expenditures relating to major scheduled turnarounds are capitalized and depreciated over the period up to the next turnaround.

The estimated remaining lives of assets are reviewed every year, taking account of commercial and technological obsolescence as well as normal wear and tear. The initially assumed expected useful lives are in principle as follows:

- Buildings 10–50 years
- Plant and equipment 4–15 years
- Land is not depreciated

An item of property, plant and equipment owned is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use or the sale of the asset. Any gain or loss arising on derecognition of the asset is recorded in profit or loss.

Right-of-use assets (leases)

DSM mainly leases offices, warehouses, vehicles, machinery, and other equipment.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost less any depreciation on a straight-line basis over the expected lease term, less any impairment losses, and adjusted for remeasurements of the lease liability. In line with the initially assumed expected useful life of the corresponding asset class within Property, plant and equipment, the minimum expected lease term for building leases is in principle 10 years. However, the contractual terms or specific circumstances could require applying the shorter non-cancellable period in determining the expected lease term. For vehicle leases, the expected lease term is set equal to the contractual term (4–5 years).

Impairment of Property, plant and equipment

If there is an indication of impairment, the carrying amount of an item of Property, plant and equipment or the cash generating unit (CGU) to which it belongs is reviewed and the recoverable amount of the asset or the CGU is estimated. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

Estimates and judgments

Key estimates and judgments DSM makes in the accounting for items of property, plant and equipment relate to:

- The depreciation period of items of property, plant and equipment, which depend on their useful lives
- The determination of the lease term for lease contracts based on assessment of available renewal options. Estimates are based on the underlying asset class, past practices and current business outlooks
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of items of property, plant and equipment. These estimates are based on historical and current market rates, experience, and current business outlooks

Composition of Property, plant and equipment

	2024	2023
Property, plant and equipment owned	3,242	3,266
Right-of-use assets	300	226
Total	**3,542**	**3,492**

Property, plant and equipment owned

	Land and buildings	Plant and equipment	Under construction	Not used for operating activities	Total
Balance at 1 January 2023					
Cost	1,929	4,625	572	6	**7,132**
Depreciation and impairments	839	2,891	–	–	**3,730**
Carrying amount at 1 January 2023	**1,090**	**1,734**	**572**	**6**	**3,402**
Changes in carrying amount:					
– Capital expenditure	7	42	394	–	**443**
– Put into operation	38	259	(297)	–	**–**
– Acquisitions	6	7	3	–	**16**
– Disposals and deconsolidations	(3)	(2)	–	–	**(5)**
– Depreciation	(71)	(269)	–	–	**(340)**
– Impairment losses	(64)	(187)	8	–	**(243)**
– Exchange differences	4	(11)	3	–	**(4)**
– Other reclassifications	13	72	(88)	–	**(3)**
	(70)	**(89)**	**23**	**–**	**(136)**
Balance at 31 December 2023					
Cost	1,937	4,965	595	6	**7,503**
Depreciation and impairments	917	3,320	–	–	**4,237**
Carrying amount at 31 December 2023	**1,020**	**1,645**	**595**	**6**	**3,266**
Changes in carrying amount:					
– Capital expenditure	4	47	445	–	**496**
– Put into operation	33	140	(173)	–	**–**
– Disposals and deconsolidations	(41)	(52)	(2)	–	**(95)**
– Depreciation	(63)	(252)	–	–	**(315)**
– Impairment losses	(35)	(90)	(3)	–	**(128)**
– Exchange differences	1	10	11	–	**22**
– Other reclassifications	15	193	(212)	–	**(4)**
– Other changes	–	–	–	–	**–**
	(86)	**(4)**	**66**	**–**	**(24)**
Balance at 31 December 2024					
Cost	1,774	4,840	663	6	**7,283**
Depreciation and impairments	840	3,199	2	–	**4,041**
Carrying amount at 31 December 2024	**934**	**1,641**	**661**	**6**	**3,242**

In 2024, impairment losses of €128 million (2023: €243 million) were recognized on Property, plant and equipment, mainly following the divestment of the Yeast Extract business (€73 million) and the Marine Lipids business (€38 million). For acquisitions, see Note 3 Change in the scope of consolidation.

Right-of-use assets

	Land and buildings	Plant and equipment	Total
Balance at 1 January 2023	119	55	**174**
Changes in carrying amount:			
Acquisition	1	-	**1**
New leases / terminations	92	13	**105**
Depreciation	(34)	(17)	**(51)**
Exchange rate differences	(4)	1	**(3)**
	55	**(3)**	**52**
Balance at 31 December 2023			
Cost	289	95	**384**
Depreciation and impairments	115	43	**158**
Carrying amount at 31 December 2023	**174**	**52**	**226**
Changes in carrying amount:			
New leases / terminations	86	12	**98**
Remeasurements	27	6	**33**
Depreciation	(39)	(18)	**(57)**
Exchange rate differences	-	-	**-**
	74	**-**	**74**
Balance at 31 December 2024			
Cost	390	92	**482**
Depreciation and impairments	142	40	**182**
Carrying amount at 31 December 2024	**248**	**52**	**300**

For the disclosures on the lease liabilities that correspond with the right-of-use assets, see **Note 19 Borrowings**.

10 Associates and joint arrangements

Accounting policy

An associate is an entity over which DSM has significant influence but no control or joint control, usually evidenced by a shareholding that entitles DSM to between 20% and 50% of the voting rights. A joint venture is an entity over which DSM has joint control and is entitled to its share of the net assets and liabilities.

Investments in associates and joint ventures are initially recognized at cost, including transaction costs. Subsequent to initial recognition, these investments are accounted for by the equity method, which involves recognition in the income statement of DSM's share of the associate's or joint venture's profit or loss for the year determined in accordance with the accounting policies of DSM. Any other results at DSM in relation to associated companies are recognized under Other results related to associates and joint ventures. DSM's interest in an associate or joint venture is carried in the balance sheet at its share in the net assets of the associate or joint venture together with goodwill paid on acquisition, less any impairment loss.

When DSM's share in the loss of an associate or joint venture exceeds the carrying amount of that entity, the carrying amount is reduced to zero. No further losses are recognized unless DSM has responsibility for obligations relating to the entity.

Associates and joint ventures

The following table analyses, in aggregate, the carrying amount and share of profit of associates and joint ventures. For acquisitions and divestments, see Note 3 Change in the scope of consolidation.

	2024				2023
	MidCo Omega	Other associates	Joint Ventures	Total	Total
Balance at 1 January	**-**	**46**	**9**	**55**	**61**
- Share of the profit of associates and joint ventures	(3)	2	(12)	(13)	(8)
- Other comprehensive income	-	-	-	-	(2)
- Capital payments	-	11	6	17	5
- Dividends received	-	(8)	-	(8)	(1)
- Other consolidation change	159	(4)	30	185	-
- Other	3	1	-	4	-
Balance at 31 December	**159**	**48**	**33**	**240**	**55**

The other consolidation change reflects MidCo Omega which relates to the divestment of the Marine Lipids business to the KD Pharma group. As part of that transaction, DSM has obtained a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH.

See below table for the key figures of the main associate MidCo Omega on a 100% basis.

	MidCo Omega	
	2024	2023
Current assets	325	-
Non-current assets	395	-
Current liabilities	71	-
Non-current liabilities	249	-
Net assets (100% basis)	**400**	**-**
of which Non-controlling interest	1	-
Attributable to investee's shareholders	399	-
Summarized statement of profit or loss		
Revenue (net sales)	31	-
Profit for the year (continuing operations)	**(9)**	**-**
Other comprehensive income	-	-
Total comprehensive income	**(9)**	**-**
of which Non-controlling interest	-	-
Attributable to investee's shareholders	(9)	-

Joint operations

The operations Veramaris® and Avansya are accounted for in accordance with IFRS 11 for joint operations. DSM therefore recognizes their amounts for the assets, liabilities, revenues, and expenses in accordance with the contractual entitlement and obligations of DSM, see also Note 1 General Information.

11 Other non-current assets

Accounting policy

Other non-current assets comprise loans to associates and joint ventures, other participating interests and other long-term investments and receivables.

Other participating interests comprise equity interests in entities in which DSM has no significant influence. We generally apply the irrevocable election upon initial recognition to present subsequent changes in the fair values of these interests in Other comprehensive income (OCI) as these represent investments that DSM intends to hold for a longer term for strategic purposes. Fair value changes in OCI will not be recycled through profit and loss upon disposal of the interest. All dividends received will be presented in profit or loss.

DSM's business model objective for loans granted is 'held-to-collect contractual cash flows only'. Held to collect loans, other receivables and other deferred items, for which the contractual cash flows consist solely of principal and interest, are measured at amortized cost, using the effective interest method, which generally corresponds to the nominal value, less an adjustment for expected credit loss. Upon disposal of these assets, the gain or loss is recognized in profit or loss. Other long-term investments and receivables, for which the contractual cash flows are not solely principal and interest, are recognized at fair value, with changes in fair value recognized in profit or loss.

	Loans associates and joint ventures	Other participating interests	Other receivables	Other	Total
Balance at 1 January 2023	**2**	**125**	**158**	**10**	**295**
Changes:					
- Charged to the income statement	-	-	(1)	-	**(1)**
- Acquisitions	-	-	-	-	**-**
- Disposals	-	(10)	-	-	**(10)**
- Capital payments	-	10	-	-	**10**
- Loans granted / prepayments	3	-	13	-	**16**
- Repayments / (receipts)	-	-	-	(4)	**(4)**
- Exchange differences	-	-	(1)	(1)	**(2)**
- Transfer shares held in DSM-Firmenich AG from treasury shares	-	44	-	-	**44**
- Other transfers	-	-	(24)	4	**(20)**
- Changes in fair value through OCI	-	(37)	-	-	**(37)**
- Other changes	(1)	7	(82)	(1)	**(77)**
Balance at 31 December 2023	**4**	**139**	**63**	**8**	**214**
Changes:					
- Charged to the income statement	-	-	8	-	**8**
- Acquisitions	-	52	-	-	**52**
- Disposals	-	(8)	-	-	**(8)**
- Capital payments	-	6	-	-	**6**
- Loans granted / prepayments	47	-	55	-	**102**
- Repayments / (receipts)	-	-	(47)	-	**(47)**
- Exchange differences	-	-	(3)	-	**(3)**
- Re-issuance of shares held in DSM-Firmenich AG	-	(21)	-	-	**(21)**
- Sale shares held in DSM-Firmenich AG to DSM Firmenich AG	-	(40)	-	-	**(40)**
- Other transfers	(3)	11	54	1	**63**
- Changes in fair value through OCI	-	(21)	-	-	**(21)**

- Expected credit loss (ECL) adjustment and impairments	(1)	-	(45)	-	**(46)**
- Other changes	(1)	1	2		**2**
Balance at 31 December 2024	**46**	**119**	**87**	**9**	**261**

The shares held by DSM B.V. in the parent company DSM-Firmenich AG are recognized in Other participating interests. In the reporting year, 500,000 shares were acquired for the amount of €52 million and 488,387 shares were re-issued to the stock market (-€21 million). The value adjustment of the shares held in DSM-Firmenich AG reported under Changes in fair value through OCI amounts to -€27 million (2023: -€8 million). At the end of 2024, the 404,185 shares held by DSM B.V. in the parent company DSM-Firmenich AG were sold to DSM-Firmenich AG at fair value, amounting to €40 million.

The 'Expected credit loss (ECL) adjustment and impairment' of €45 million relates to the loan that was waived as part of the Jiangshan divestment (see also **Note 3 Change in the scope of consolidation**).

12 Inventories

Accounting policy

Inventories are stated at the lower of cost and net realizable value. The cost of intermediates, work-in-progress and finished goods includes directly attributable costs and related production overhead expenses.

Net realizable value is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Products whose manufacturing cost cannot be calculated because of joint cost components are stated at net realizable value after deduction of a margin for selling and distribution efforts. Value adjustments for slow-moving and obsolete inventories are made.

Cost is generally determined using the weighted average cost formula, unless the nature of the inventories warrants the use of the first in, first out (FIFO) method of valuation.

	2024	2023
Raw materials and consumables	610	676
Intermediates and finished goods	1,666	1,716
	2,276	**2,392**
Adjustments to lower net realizable value	(75)	(74)
Total	**2,201**	**2,318**

Changes in the adjustment to net realizable value

	2024	2023
Balance at 1 January	**(74)**	**(66)**
Additions charged to income statement	(26)	(29)
Utilization / reversals	24	21
Exchange differences	-	1
Disposal	2	28
Transfer	(1)	(2)
Reclassification to held for sale	-	(27)
Balance at 31 December	**(75)**	**(74)**

13 Current receivables

Accounting policy

Current receivables, for which the contractual cash flows are solely principal and interest, are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, which generally corresponds to their nominal, non-discounted value, less an adjustment for expected credit loss.

Loss allowances for trade receivables are always measured at lifetime expected credit loss – see also Note 23 Financial Instruments and risks.

	2024	2023
Trade receivables		
Trade accounts receivable	1,238	1,183
Other trade receivables	225	231
Other receivables from related parties	71	101
Deferred items	39	38
Receivables from associates	3	-
	1,576	**1,553**
Expected credit loss	(11)	(18)
Total Trade receivables	**1,565**	**1,535**
Income tax receivable	**51**	**79**
Other current receivables		
Other taxes and social security contributions	10	17
Related party cash pool	68	178
Employee-related receivables	3	7
Acquisition-/disposal-related receivables	9	5
Loans	23	69
Other receivables	30	9
Deferred items	1	1
Total Other current receivables	**144**	**286**
Total current receivables	**1,760**	**1,900**

Information about the expected credit loss that relates to trade accounts receivable resulting in a loss allowance is included under Credit risk in Note 23 Financial instruments and risks.

Deferred items comprised €40 million (2023: €39 million) in prepaid expenses that include advance payments for any expenditure that would have otherwise been made during the next 12 months.

Related party cash pool relates to the receivables from DSM Finance B.V., the dsm-firmenich finance entity, with entities of the dsm-firmenich Group. See Note 26 Notes to the cash flow statements.

14 Financial investments

Accounting policy

Financial investments are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Deposits with banks with a maturity between three and twelve months are classified as current financial investments.

	2024	2023
Fixed term deposits	20	101
Total	**20**	**101**

All fixed-term deposits have been placed with institutions with a high credit rating in line with our counterparty policy. The purpose of the deposits is either to meet short-term cash commitments, or to manage liquidity to such extent that yields are optimized while allowing DSM sufficient freedom in fulfilling its (strategic) goals.

For more information regarding the counterparty policy, see **Note 23 Financial instruments and risks**.

15 Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash at banks and in hand and deposits held at call with banks with a maturity of less than three months at inception.

Deposits will be classified as 'cash equivalent' if held at banks with a maturity of less than three months at inception. Deposits will be classified as 'current investments' if the maturity is more than three months but less than or equal to one year. Bank overdrafts are included in current liabilities. Included in cash and cash equivalents are investments in money-market funds that do not meet the SPPI (Solely Payments of Principal & Interest) criterion but are held to meet short-term cash demand and have a maturity of less than three months at inception. Money-market fund investments have been placed with institutions with a high credit rating in line with our counterparty policy.

Cash and cash equivalents are measured at amortized cost, or at fair value through profit and loss.

Composition of cash and cash equivalents

	2024	2023
Deposits	610	284
Money-market funds	504	931
Cash at bank and in hand	1,351	964
Payments in transit	4	2
Total	**2,469**	**2,181**

For DSM, the purpose of holding cash in deposits and money-market funds is to meet short-term cash commitments and to manage liquidity to such an extent that yields are optimized, while allowing DSM sufficient freedom in fulfilling its (strategic) goals.

Cash at year-end 2024 was not being used as collateral and therefore was not restricted (same as in 2023).

In a few countries, DSM faces cross-border foreign exchange controls and/or other legal restrictions that limit its ability to make these balances available at short notice for general use by the Group. The amount of cash held in these countries was €142 million at year-end 2024 (2023: €64 million). The cash will generally be invested or held in the relevant country and, given the other liquidity resources available to the Group, does not significantly affect the ability of the Group to meet its obligations.

For more information regarding the counterparty policy, see **Note 23 Financial instruments and risks**.

16 Equity

Accounting policy

DSM classifies ordinary shares and other financial instruments, for which settlement of the contractual obligations is at the sole discretion of DSM, as equity.

The price paid for repurchased DSM shares (treasury shares) is deducted from DSM shareholders' equity until the shares are reissued. Treasury shares are presented in the treasury share reserve. When treasury shares are sold or reissued, the amount received is recognized as an increase in equity.

Dividend to be distributed to holders of ordinary shares is recognized as a liability when the Annual General Meeting of Shareholders approves the profit appropriation.

Movements in equity

	2024	2023
Balance at 1 January	**8,923**	**10,845**
Net profit for the year	(19)	2,326
Other comprehensive income	133	(140)
Options / share units granted	31	23
Dividend	(673)	(3,935)
Deemed dividend[1]	(282)	-
Proceeds from reissue of ordinary shares	-	24
Acquisition of NCI without a change in control	4	-
Acquisition (divestment) of subsidiary with NCI	-	(4)
Repurchase of shares	-	(256)
Transfer	-	44
Other changes	-	(4)
Balance at 31 December	**8,117**	**8,923**

1 The in-substance demerger of DSM Re Switzerland AG resulted in a deemed dividend amounting to €282 million. The related translation reserve amounting to €110 million has been released to retained earnings.

Share capital

On 31 December 2024, the capital amounted to €261 million, consisting of 174 million ordinary shares, all held by its parent DSM-Firmenich AG. All shares have a nominal value of €1.50 each. The outstanding shares provide an entitlement of one vote per share at the General Meeting of Shareholders. All rights attached to the company's shares held by the Group (treasury shares) are suspended until those shares are reissued.

The changes in the number of issued and outstanding shares in 2023 and 2024 are shown in the table on the next page.

Share premium

The share premium did not change in the reporting year.

Treasury shares

DSM B.V. did not own treasury shares in 2024.

The DSM-Firmenich AG shares held by DSM are recognized in Other participating interests (OPI). End of 2024, the shares were sold to DSM-Firmenich AG.

Development issued and outstanding shares of DSM B.V. (Koninklijke DSM N.V. until 31 May 2023)

	Issued shares	Issued shares	Treasury shares
	Ordinary	Cumprefs A	Ordinary
Balance at 1 January 2023	**174,786,029**	**44,040,000**	**1,710,632**
Reissue of shares in connection with share-based payments			(280,021)
Treasury shares DSM N.V. swapped to DSM-Firmenich AG shares	-		(662,616)
Cancellation of shares	(767,995)	(44,040,000)	(767,995)
Balance at 31 December 2023	**174,018,034**	**-**	**-**
Number of treasury shares at 31 December 2023	-		
Number of shares outstanding at 31 December 2023	**174,018,034**	**-**	
Balance at 1 January 2024	**174,018,034**	**-**	**-**
Other changes	-	-	
Balance at 31 December 2024	**174,018,034**	**-**	**-**
Number of treasury shares at 31 December 2024	-		
Number of shares outstanding at 31 December 2024	**174,018,034**	**-**	

Other reserves in Shareholders equity

	Translation reserve	Hedging reserve	Reserve for share-based compensation	Fair value reserve	Total
Balance at 1 January 2023	**424**	**(33)**	**44**	**(72)**	**363**
Changes:					
Fair-value changes of derivatives	-	27	-	-	**27**
Fair-value changes of other financial assets	-	-	-	(37)	**(37)**
Exchange differences	(96)	-	-	-	**(96)**
Options and performance shares granted	-	-	23	-	**23**
Options and performance shares exercised/canceled	-	-	(23)	-	**(23)**
Transfer to retained earnings	-	-	-	(5)	**(5)**
Income tax	(1)	(1)	-	-	**(2)**
Total changes	(97)	26	-	(42)	**(113)**
Balance at 31 December 2023	**327**	**(7)**	**44**	**(114)**	**250**
Changes:					
Fair-value changes of derivatives	-	(28)	-	-	**(28)**
Fair-value changes of other financial assets	-	-	-	(20)	**(20)**
Exchange differences	168	-	-	-	**168**
Stock options and share units granted	-	-	31	-	**31**
Stock options and share units exercised/canceled	-	-	(27)	-	**(27)**
Transfer to retained earnings	110	-	-	81	**191**
Income tax	-	6	-	-	**6**
Total changes	278	(22)	4	61	**321**
Balance at 31 December 2024	**605**	**(29)**	**48**	**(53)**	**571**

For information on the reserves, see Note 6 Shareholders' equity to the parent company financial statements.

Dividend

Dividend distribution in the reporting year

	2024	2023
Shareholders DSM B.V. (formerly Koninklijke DSM N.V.)		
Per cumulative preference share A: - (2023: €0.14)	–	6
Per ordinary share:		
Final dividend listed ordinary shares: - (2023: €1.66)	–	11
Final dividend ordinary shares held by DSM-Firmenich AG: €3.87 (2023: €1.66)	673	278
Special dividend listed ordinary shares: - (2023: €20.92)	–	140
Special dividend ordinary shares held by DSM-Firmenich AG: - (2023: €20.92)	–	3,500
Total	**673**	**3,935**

This dividend distribution is excluding the deemed dividend of €282 million that was posted following the in-substance demerger of DSM Re Switzerland AG and transfer of its shares to DSM B.V.'s parent company DSM-Firmenich AG. See also Note 3 Change in the scope of consolidation.

17 Non-controlling interests

Accounting policy

Non-controlling interests in subsidiaries are measured at the proportionate share of the subsidiaries' identifiable net assets.

	2024				2023
	Andre Pectin	Yimante	Other	Total	
% of non-controlling interest	25%	25%			
Balance at 1 January	**48**	**61**	**-**	**109**	**102**
Changes:					
- Share of profit/charged to income statement	4	18	2	**24**	8
- Divestments	–	–	4	**4**	(4)
- Transfers	–	19	–	**19**	9
- Exchange differences	2	3	(3)	**2**	(6)
Total changes	6	40	3	49	7
Balance at 31 December	**54**	**101**	**3**	**158**	**109**

The shareholding by DSM in Yimante Health Ingredients (Jingzhou) Company Ltd. is 75%. The profit will be distributed in a 50:50 proportion. The impact of this arrangement has led to a transfer of €19 million (2023: €9 million) within equity from shareholders' equity to non-controlling interest.

Not fully-owned subsidiaries on a 100% basis

	2024				2023
	Andre Pectin	Yimante	Other	Total	
Assets					
Intangible assets	37	19	-	**56**	74
Property, plant and equipment	38	121	-	**159**	215
Other non-current assets	2	40	15	**57**	76
Inventories	51	10	-	**61**	61
Receivables	31	111	-	**142**	96
Current investments	7	-	-	**7**	51
Cash and cash equivalents	73	9	-	**82**	12
Total assets	**239**	**310**	**15**	**564**	**585**
Liabilities					
Provisions (non-current)	10	1	-	**11**	11
Borrowings (non-current)	-	13	-	**13**	74
Other non-current liabilities	-	1	-	**1**	2
Borrowings and derivatives (current)	-	13	-	**13**	66
Other current liabilities	10	32	-	**42**	69
Total liabilities	**20**	**60**	**-**	**80**	**222**
Net assets (100% basis)	**219**	**250**	**15**	**484**	**363**
Net sales	96	277	1	**374**	339
Net profit for the year	19	74	-	**93**	33
Cash provided by / (used in) operating activities	27	71	1	**99**	63

18 Provisions

Accounting policy

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. The underlying assumptions in the recognition of provisions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In cases where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial expense.

Differences between the final obligations and the initial estimates are recognized in the consolidated income statement in the period in which such determination is made.

Estimates and judgments

Key estimates made in the accounting for provisions relate to the estimates made in determining the likelihood and timing of potential cash flows included in their measurement.

	Restructuring costs and termination benefits	Environmental costs	Other provisions	Total
Balance at 1 January 2023	**41**	**29**	**25**	**95**
Of which current	39	2	4	**45**
Changes:				
– Additions	48	4	24	**76**
– Releases	(9)	–	–	**(9)**
– Uses	(41)	(3)	(7)	**(51)**
– Other change	–	3	(3)	**–**
Total changes	(2)	4	14	**16**
Balance at 31 December 2023	**39**	**33**	**39**	**111**
Of which current	25	3	6	**34**
Changes:				
– Additions	35	–	61	**96**
– Releases	(3)	–	(18)	**(21)**
– Uses	(38)	(3)	(13)	**(54)**
– Disposals			(5)	**(5)**
– Other change	–	–	–	**–**
Total changes	(6)	(3)	25	**16**
Balance at 31 December 2024	**33**	**30**	**64**	**127**
Of which current	12	3	47	**62**

The rate used for discounting decreased from 3.5% to 3.4%. Depending on the risk profile, the discount rates used at the end of 2024 vary from 3.4% to 5.3% (2023: 3.5% to 5.7%). The balance of provisions measured at present value increased by less than €2 million in 2024 in view of the passage of time (similar to 2023). Provisions for restructuring costs and termination benefits mainly relate to the costs of redundancy schemes connected to the dismissal of employees and costs of termination of contracts. These provisions generally have a term of one to three years.

Regarding the provisions for restructuring costs and termination benefits, the additions related mainly to an addition of €4 million to the existing provisions in relation to the merger and integration, and the creation of a provision for an amount of €21 million in connection with the closure of a plant following the divestment of the Yeast Extract business. The usage of these provisions mainly related to the existing provisions for the merger and integration (€17 million) and the restructuring of the vitamin asset footprint (€10 million).

Other additions to provisions for restructuring costs and termination benefits in 2024 relate mainly to the various smaller restructuring projects (same as in 2023). The provisions for environmental costs relate to soil clean-up obligations, among other things and have an average life of around 30 years.

Several items have been combined under Other provisions, e.g., demolition costs, onerous contracts and legal claims. These provisions have an average life of one to 10 years. Following the divestments in 2024, provisions for onerous contracts amounting to €32 million were created.

19 Borrowings

Accounting policy

Borrowings

Borrowings, including bonds, are not held for trading and are initially recognized at fair value of the proceeds received, net of transaction costs. Subsequently, borrowings are stated at amortized cost using the effective interest method, with any discount or premium on the borrowing amortized over the applicable term. The corresponding interest expenses are recorded as financial expense in profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, DSM uses its incremental borrowing rate as the discount rate. In determining the incremental borrowing rate, DSM applies the practical expedient to use a single discount rate to portfolios of leases with reasonably similar characteristics, as reflected in the contractual currency and expected lease term of these contracts.

In general, DSM splits the contractual consideration into a lease and a non-lease component based on their relative stand-alone prices. For vehicle leases, however, DSM applies the practical expedient not to make this split but rather accounts for the fixed consideration as a single lease component.

Over time, the lease liability is increased by the interest expense related to the unwinding of the lease liability and decreased by the lease payments made. The lease liability is remeasured to reflect any reassessment of or modification to the contractual terms and conditions of the lease, including indexation.

Payments related to short-term leases (leases with a term shorter than 12 months) are recognized on a straight-line basis in profit or loss.

Borrowings

	2024		2023	
	Total	Of which current	Total	Of which current
Bonds	3,040	500	2,743	500
Related party borrowings	300	40	-	-
Private loans	35	14	108	56
Lease liabilities	317	53	240	48
Credit institutions	65	65	27	27
Total	**3,757**	**672**	**3,118**	**631**

At 31 December 2024, there was €1,561 million in borrowings outstanding with a remaining term of more than 5 years (at 31 December 2023, €617 million).

In agreements governing loans with a residual amount at year-end 2024 of €3,340 million (31 December 2023: €2,743 million), negative pledge clauses have been included that restrict the provision of security.

Related party borrowings relate to the borrowings from DSM Finance B.V., the dsm-firmenich finance entity, with entities of the dsm-firmenich Group.

The schedule of repayment of borrowings is as follows.

Borrowings by maturity

	2024	2023
Less than one year	672	631
One to two years	794	538
Two to three years	66	788
Three to four years	593	27
Four to five years	71	517
More than five years	1,561	617
Total	**3,757**	**3,118**

A breakdown by currency is given in the following table.

Borrowings by currency

	2024	2023
EUR	3,444	2,843
CNY	34	50
USD	110	78
CHF	101	99
BRL	24	16
Other	44	32
Total	**3,757**	**3,118**

On balance, total borrowings increased by €639 million due to the following changes.

Movements of borrowings

	2024	2023
Balance at 1 January	**3,118**	**3,064**
Loans taken up	807	–
Repayments	(548)	(33)
Unwinding (interest)	12	6
Consolidation changes	230	–
Related party loans taken up	70	–
Transfers	–	28
Disposals	(39)	–
Reclassification to held for sale	–	–
Changes in debt to credit institutions	37	–
New lease arrangements (incl. remeasurements)	132	102
Payment of lease liabilities	(65)	(49)
Exchange differences	3	–
Balance at 31 December	**3,757**	**3,118**

DSM redeemed in full the 2.375% EUR bond 2014–2024 of €500 million on the maturity date of 3 April 2024.

On 2 July 2024, DSM B.V. issued a 10-year €800 million bond. The bond is guaranteed by DSM-Firmenich AG, has a coupon of 3.625% and matures on 2 July 2034.

As a result of a dsm-firmenich group restructuring, the DSM Re Switzerland AG (insurance captive) became a related party. Therefore, a borrowing in the amount of €230 million, previously recognized as an intercompany borrowing was reclassified to a related party borrowing. For more information, see see Note 3 Change in the scope of the consolidation.

A breakdown of bonds is given below.

Bonds

			Nominal amount	2024	2023
EUR loan	2.38%	2014—2024	500	–	500
EUR loan	1.00%	2015—2025	500	500	500
EUR loan	0.75%	2016—2026	750	750	749
EUR loan	0.25%	2020—2028	500	499	498
EUR loan	0.63%	2020—2032	500	498	496
EUR loan	3.63%	2024—2034	800	793	–
Total			**3,550**	**3,040**	**2,743**

The bonds issued by DSM B.V. have a fixed interest rate. The bonds issued in the period 2015-2020 are listed on the AEX. The bond issued in 2024 is listed on the Luxembourg Stock Exchange.

- The 2.375% EUR bond 2014–2024 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond of 3.97%, including the settlement of the pre-hedge
- The 1% EUR bond 2015–2025 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond at 3.65%, including the settlement of the pre-hedge
- The 0.75% EUR bond 2016–2026 of €750 million was pre-hedged by means of a collar, resulting in an effective interest rate for this bond of 1.08%, including the settlement of the pre-hedge

- The 0.25% EUR bond 2020–2028 of €500 million has an effective interest rate of 0.29%
- The 0.625% EUR bond 2020–2032 of €500 million has an effective interest rate of 0.70%
- The 3.625% EUR bond 2024-2034 of €800 million has an effective interest rate of 3.691%

A breakdown of private loans is given below.

Private loans

	2024	2023
CNY loan	14	39
Other loans	21	69
Total	**35**	**108**

A breakdown of the lease liabilities is given below.

Lease liabilities by maturity

	2024	2023
Less than one year	54	49
One to two years	45	37
Two to three years	35	29
Three to four years	26	22
Four to five years	23	17
More than five years	212	140
Total undiscounted lease liabilities at 31 December	395	294
Lease liabilities included in the Balance Sheet at 31 December	**317**	**240**
Current	53	48
Non-current	264	192

In addition to the contractual lease commitments, DSM has identified explicit renewal options available to DSM, which are currently not reasonably certain to be exercised and are therefore not included in the measurement of the lease. The associated future lease payments which are uncommitted and optional for DSM, are estimated around €196 million (undiscounted; 2023: €181 million). The interest expense on the lease liabilities was €10 million (2023: €5 million) and the total repayments of the lease liabilities amounted to €65 million in 2024 (2023: €52 million). These cash flows are reported as financing cash flows. DSM's policy regarding financial risk management is described in Note 23 Financial instruments and risks.

20 Other non-current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

Government grants are recognized at their fair value if there is reasonable assurance that the grant will be received and that all related conditions will be complied with. Cost grants, which are grants that compensate DSM for expenses incurred, are recognized as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. If the grant is an investment grant, its fair value is initially recognized as deferred income in Other non-current liabilities and then released to profit or loss over the expected useful life of the relevant asset.

	2024	2023
Investment grants / customer funding	48	54
Deferred items	35	30
Acquisition-/divestment-related liabilities	10	45
Other	2	1
Total	**95**	**130**

The decrease in the Other non-current liabilities is mainly caused by the transfer to current liabilities.

21 Current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

	2024	2023
Trade payables		
Received in advance	5	8
Trade accounts payable third parties[1]	1,387	1,337
Trade accounts payable related parties[1]	64	19
Notes and cheques due	4	-
Total Trade payables	**1,460**	**1,364**
Income tax payable	**142**	**133**
Other current liabilities		
Other taxes and social security contributions	53	56
Interest	26	20
Pensions	-	1
Investment creditors	145	117
Employee-related liabilities	263	218
Payables associates and joint ventures relating to cash facility	4	3
Related party cash pool	870	691
Acquisition-/divestment-related liabilities	28	73
Total Other current liabilities	**1,389**	**1,179**
Total current liabilities	**2,991**	**2,676**

1 The 2023 numbers have been restated for comparative purposes

Related party cash pool relates to the payable of DSM Finance B.V., the DSM finance entity within the dsm-firmenich group. See Note 26 Notes to the cash flow statements.

Included in trade accounts payable are amounts due to suppliers which could be part of a supply chain finance arrangement between the supplier and a third-party bank. Our suppliers can enter into such arrangements with third-party banks, and access earlier payment on terms linked to our investment grade credit rating. If a supplier participates, this does not impact classification of the trade payable, as arrangements are concluded between them and banks and do not alter payment conditions between the supplier and us. Additionally, DSM does not incur any additional interest toward the bank on the amounts due to the suppliers. Therefore, these amounts remain classified as trade payables and the related payments are included in operating cash flows. DSM applied transitional relief available under Supplier

Finance Arrangements – Amendments to IAS 7 and IFRS 7 and has not provided comparative information in the first year of adoption.

Supplier finance arrangements

	2024
Carrying amount of liabilities	
Presented within trade and other payables (beginning of the period)	189
Presented within trade and other payables (end of the period)	200
- Of which suppliers have received payment (by a third-party bank)	165
Range of payment due dates	
Liabilities that are part of supplier finance arrangements	30-120 days after invoice date
Comparable trade payables that are not part of a supplier finance arrangement	0-120 days after invoice date

22 Contingent liabilities and other financial obligations

The contingent liabilities and other financial obligations in the following table are not recognized in the balance sheet.

	2024	2023
Guarantee obligations on behalf of related parties and third parties	173	170
Other	51	76
Total	**224**	**246**

Guarantee obligations are principally related to VAT and duties on the one hand and to financing obligations of associated companies or related third parties on the other. Guarantee obligations will only lead to a cash outflow when called upon. At year-end, no obligations had been called upon. Other relates mainly to contingent liabilities in contracts for catalysts.

Guarantees issued to related parties and third parties in favor of Group companies amount to €173 million.

In 2024, DSM-Firmenich AG, DSM B.V., and Firmenich International SA signed a cross-guarantee agreement to mitigate structural subordination in the Group. The cross-guarantee agreement includes downstream guarantees from DSM-Firmenich AG to DSM B.V. and Firmenich International SA. In addition, there are also upstream guarantees from these two subsidiaries to the ultimate parent DSM-Firmenich AG. The guarantees are irrevocable and unconditional and cover existing and future senior unsecured debt instruments across these entities, including dsm-firmenich's existing senior unsecured debt instruments. Under this cross-guarantee agreement, DSM-Firmenich AG acts as guarantor for the €800 million bond issued on 2 July 2024 by DSM B.V., and for the credit facilities concluded in 2024 by DSM B.V. comprising the €1.8 billion revolving credit facility (RCF) and the €1.0 billion bridge facility.

Litigation

DSM has a process in place to monitor legal claims periodically and systematically. DSM is involved in several legal proceedings, most of which are related to the ordinary course of business. DSM does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements and disclosed in Note 18 Provisions.

In 2015, an award was issued against DSM Sinochem Pharmaceuticals India Private Ltd. (DSP India) in a protracted arbitration case in India going back to 2004 involving a joint venture that DSP India had formed with Hindustan Antibiotics Ltd., which suspended its operations in 2003. DSP India (renamed to Centrient Pharmaceuticals after divestment by former DSM in 2018) is covered by an indemnity from DSM B.V. for this case. In 2015, DSP India made an application with the Civil Court in Pune (India) to set aside the arbitral award. The award amounts to INR 127.5 crore (€14 million as at year-end 2024) excluding interest of 12% per year as of 2004. DSM provided the Pune Court a bank guarantee of INR 410 crore (€45 million as at year-end 2024). At the end of 2024, application proceedings were still pending. DSM views this case as unfounded and is of the opinion that the likelihood of the award being ultimately set aside is high. Therefore, no liability is recognized in respect of this case.

In 2019, Brazilian tax authorities disagreed with certain tax treatment as applied by the company in 2014–2016, which would have an effect on such prior year income tax returns of around BRL 134 million (€21 million as at year-end 2024), including penalties and interest. DSM views this case as unfounded and considers that the possibility of winning this case is high, as confirmed by external legal counsel. Therefore, no liability relating to this case is recognized. Currently certain elements are subject to appeal at the Superior Chamber. In the event that DSM receives an unfavorable decision, the case can still be taken to the Judicial Court.

23 Financial instruments and risks

Policies on financial risks

As an international company, DSM is exposed to financial risks in the normal course of business. A major objective of the company is to minimize the impact of market, liquidity and credit risk on the value of the company and its profitability. In order to achieve this, a systematic financial and risk management system has been established. Furthermore, an internal control framework is in place, and the controls are monitored and tested periodically.

The derivatives contracts used by DSM are entered into exclusively in connection with the corresponding underlying transaction (hedged item) relating to normal operating business. The instruments used are customary products, such as currency swaps, cross-currency interest rate swaps, collars, forward exchange contracts and interest rate swaps.

An important element of DSM's capital management is the allocation of cash flow. DSM primarily allocates cash flow to investments aimed at strengthening its business positions and securing the payment of dividends to its shareholders. The remaining cash flow is further used for acquisitions and partnerships that strengthen DSM's competences and market positions. The net debt to equity ratio (gearing) is 13.3 (2023: 8.1), see also Note 25 Net debt.

Liquidity risk

Liquidity risk is the financial risk that an entity does not have and/or cannot access enough liquid cash and/or assets to meet its obligations. This can happen if the entity's credit rating falls, or when it experiences sudden unexpected cash outflows or an unexpected drop in cash inflows, or some other event that causes counterparties to avoid trading with or lending to the entity. Additionally, an entity can be indirectly exposed to market liquidity risk if the financial markets on which it depends are subject to loss of liquidity.

The primary objective of liquidity management is to optimize the corporate cash position, among other means by securing availability of sufficient liquidity for execution of payments by DSM entities, at the right time and in the right place.

At 31 December 2024, DSM had cash and cash equivalents of €2,469 million (2023: €2,181 million).

During 2024 DSM concluded a new €1.8 billion revolving credit facility (RCF) to replace existing RCF arrangements which would have expired in 2025: DSM's €1 billion RCF and Firmenich's CHF 750 million RCF. The syndicated facility, which DSM entered into with a group of 15 banks, has a tenor of five years and two one-year extension options. On 15 November 2024, DSM entered into a €100 million bilateral revolving credit facility with the same commercial terms and maturity to provide additional financial flexibility. The agreements for the newly arranged committed credit facilities neither contain financial covenants nor material adverse change clauses. At year-end 2024, no loans had been taken up under the committed credit facilities.

In 2023, a bridge financing facility amounting to €1.0 billion was contracted by DSM B.V. The issuance by dsm-firmenich of an €800 million bond on 2 July 2024 reduced the undrawn amount of the bridge financing facility to €200 million. The remaining undrawn amount was canceled on 18 October 2024.

On 13 December 2024, DSM concluded a €1.0 billion bridge facility to provide additional financial flexibility in light of upcoming bond maturities. The agreement neither contains financial covenants nor material adverse change clauses. At year-end 2024, no loans had been taken up under the bridge facilities.

Furthermore, DSM has a commercial paper program amounting to €2.0 billion (2023: €2.0 billion). At 31 December 2024, there was no ECP outstanding (same as 2023).

DSM has no derivative contracts to manage currency risk or interest rate risk outstanding under which margin calls by the counterparty would be permitted.

Floating-rate and fixed-rate borrowings and monetary liabilities analyzed by maturity are summarized in the following table. Borrowings excluding credit institutions are shown after taking into account related interest rate derivatives in designated hedging relationships. DSM manages financial liabilities and related derivative contracts on the basis of the remaining contractual maturities of these instruments. The remaining maturities presented in the following table provide an overview of the timing of the cash flows related to these instruments.

Liquidity risk of financial liabilities

	Carrying amount	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
2023							
Borrowings	3,118	631	538	788	17	527	617
Monetary liabilities	2,739	2,682	35	6	3	3	10
Guarantees	170	18	1	4	–	–	147
Derivatives	30	27	–	3	–	–	–
Interest payments	78	29	18	10	4	4	13
Cash at redemption[1]	7	2	1	1	1	1	1
Total	**6,142**	**3,389**	**593**	**812**	**25**	**535**	**788**
2024							
Borrowings	3,757	672	794	66	593	71	1,561
Monetary liabilities	3,084	3,074	2	–	–	–	8
Guarantees	173	84	2	–	–	–	87
Derivatives	55	54	1	–	–	–	–
Interest payments	336	44	39	33	34	32	154
Cash at redemption[1]	12	2	2	2	1	1	4
Total	**7,417**	**3,930**	**840**	**101**	**628**	**104**	**1,814**

1 Difference between nominal redemption and amortized costs.

The following table reflects the exposure of the derivatives to liquidity risk. It contains the cash flows from derivatives with positive fair values and from derivatives with negative fair values to provide a complete overview of the derivative-related cash flows. The amounts are gross and undiscounted.

Derivatives cash flow

	2024	2025	2026	2027	2028	2029	Total
2023							
Inflow	2,407	23	13	5	-	-	**2,448**
Outflow	(2,396)	(23)	(16)	(4)	-	-	**(2,439)**
2024							
Inflow		3,447	24	5	1	11	**3,488**
Outflow		(3,460)	(25)	(5)	(1)	(11)	**(3,502)**

Market risk

Market risk can be subdivided into interest rate risk, currency risk and price risk.

Interest rate risk

Interest rate risk is the risk that adverse movements of interest rates lead to high costs on interest-bearing debt or assets, which negatively impact our ability to honor our commitments. The aim is to minimize the interest rate risks associated with the financing of the company and thus at the same time optimizing the net interest costs. This translates into a certain desired profile of fixed-interest and floating-interest positions, including cash and cash equivalents, with the floating-interest position not exceeding 60% of net debt.

There were no outstanding fixed-floating interest rate swaps (end of 2023 none).

The following analysis of the sensitivity of borrowings, assets and related derivatives to interest rate movements assumes an instantaneous 1% change in interest rates for all maturities from their level on 31 December 2024, with all other variables held constant. A 1% reduction in interest rates would result in a €21 million pre-tax loss in the income statement and equity on the basis of the composition of financial instruments on 31 December 2024, as floating-rate borrowings are more than compensated for by floating-rate assets (mainly cash). The opposite applies in the case of a 1% increase in interest rates.

For more information regarding fixed or floating interest, see **Note 19 Borrowings** to the consolidated financial statements.

Sensitivity to change in interest rate

	2024			2023		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
		+1%	(1%)		+1%	(1%)
Loans to associates and joint ventures	46	–	–	4	–	–
Financial investments	20	–	–	101	1	(1)
Cash and cash equivalents	2,469	25	(25)	2,181	22	(22)
Short-term borrowings	(672)	(1)	1	(631)	(1)	1
Long-term borrowings	(3,085)	(3)	3	(2,487)	(1)	1

Currency risk

Adverse movements of foreign currencies negatively impact the results of operations and our financial condition, e.g. due to losses on assets or liabilities in foreign currencies. The aim is to hedge risks resulting from sales and purchases at the moment of recognition of the receivables and payables. This is done by transferring at spot rates the respective exposures to the Group, which are, then (on a netted basis), hedged externally.

Companies may opt to hedge currency risks from firm commitments and forecast transactions. The currencies involved are primarily USD and CHF.

CNY has significant exposure for the Group. However, it does not meet the threshold for cash flow hedging. We use currency forward contracts, spot contracts, and average-rate currency forwards and options to hedge exposure to fluctuations in foreign exchange rates. At year-end, these instruments had remaining maturities of less than one year. For the hedging of currency risks from firm commitments and forecast transaction cash flows, hedge accounting is applied. Hedge accounting is not applied for hedges of recognized trade receivables and payables hedged with short-term derivatives. To hedge intercompany loans, receivables, and payables denominated in currencies other than the functional currency of the subsidiaries, we use currency swaps or forward contracts. The following table assumes a 10% change in all foreign currency rates against the euro from their level on 31 December 2024, with all other variables constant. A +10% change indicates a strengthening of the foreign currencies against the euro, and vice-versa.

Sensitivity to change in exchange rate

	2024			2023		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
		+10%	(10%)		+10%	(10%)
Loans to associates and joint ventures	46	-	-	4	-	-
Current investments	20	1	(1)	101	7	(7)
Cash and cash equivalents	2,469	29	(29)	2,181	21	(21)
Short-term borrowings (excluding lease liabilities)	(619)	(7)	7	(583)	(9)	9
Long-term borrowings (excluding lease liabilities)	(2,821)	(2)	2	(2,295)	(1)	1
Lease liabilities	(317)	(22)	22	(240)	(19)	19
Currency forward contracts	11	1	(1)	(19)	(36)	36
Average-rate forwards used for economic hedging[1]	(23)	(2)	2	25	(5)	5
Other derivatives	50	2	(2)	44	(6)	6

1 Fair-value change reported in Hedging reserve.

Sensitivity changes on these positions will generally be recognized in profit or loss or in the translation reserve in equity, except for the instruments for which cash flow hedge accounting or net-investment hedge accounting is applied.

In case of a strengthening or weakening of the euro against USD, CHF and CNY (being the key currencies), this would affect the translation of financial instruments denominated in these currencies taking into account the effect of hedge accounting and assuming all other variables being constant.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
EUR				
USD (10% movement)	(14)	14	(297)	297
CHF (10% movement)	12	(12)	(138)	138
CNY (10% movement)	(29)	29	(72)	72

Price risk

Financial instruments that are subject to changes in stock exchange prices or indexes are subject to a price risk. At year-end 2024, mainly other participating interests are subject to price risks.

Credit risk

Credit risk is the risk that a (commercial or financial) counterparty may not be able to honor a financial commitment according to the contractual agreement with DSM. The company manages the credit risk to which it is exposed by applying credit limits per institution and by dealing exclusively with institutions that have a high credit rating.

At the balance sheet date, there were no significant concentrations of credit risks.

For all financial assets measured at amortized cost, the estimation of the loss allowance for doubtful accounts receivable is based on an expected credit loss (ECL) model.

For trade receivables, DSM uses an allowance matrix to measure the lifetime ECL for trade receivables. The loss rates depend among other things on the specified aging categories and are based on historical write-off percentages, taking market developments into account.

For other financial assets, DSM applies an ECL model that reflects the size and significance of DSM's exposure to credit loss. The ECL is based on the allocation of a credit risk grade which is based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from Moody's.

Risk of default is herewith considered as the risk of bankruptcy, or any legal impediment to the timely payment of either interest and/or principal, as well as missed or delayed disbursement of either interest and/or principal.

The loss allowance on non-current financial assets taken into consideration at the end of 2024 was €2 million (2023: €0 million).

With regard to treasury activities (for example cash, cash equivalents and derivatives held with banks or financial institutions) it is ensured that financial transactions are only concluded with counterparties that have at least a Moody's credit rating of A3 for long-term instruments. At Business Unit level, outstanding receivables are continuously monitored by management. Appropriate allowances are made for any credit risks that have been identified in line with the expected credit loss policy.

The development of the outstanding trade accounts receivable per aging category is as follows.

	2024	2023
Neither past due nor impaired	1,099	1,090
1–29 days overdue	69	56
30–89 days overdue	40	16
90 days or more overdue	30	21
Total	**1,238**	**1,183**

The table below provides information about the credit risk exposure per aging category and the ECL for trade accounts receivable of €11 million at 31 December 2024 (31 December 2023: €18 million), see **Note 13 Current receivables** to the consolidated financial statements.

	2024			2023		
	Weighted average loss rate	Gross carrying amount	Expected credit loss	Weighted average loss rate	Gross carrying amount	Expected credit loss
Neither past due nor impaired	0.0%	1,099	-	0.2%	1,090	(2)
1–29 days overdue	0.2%	69	-	0.0%	56	-
30–89 days overdue	0.8%	40	-	0.0%	16	-
90 days or more overdue	33.2%	30	**(11)**	76.2%	21	(16)
Total		**1,238**	**(11)**		**1,183**	**(18)**

The changes in the expected credit loss for trade accounts receivable are as follows.

	2024	2023
Balance at 1 January	**(18)**	**(12)**
Net remeasurement of expected credit loss	4	(7)
Deductions	-	1
Disposals	3	-
Exchange differences	-	-
Balance at 31 December	**(11)**	**(18)**

The maximum exposure to credit risk is represented by the carrying amounts of financial assets that are recognized in the balance sheet, including derivative financial instruments. DSM has International Swaps and Derivatives Association (ISDA) agreements in place with its financial counterparties that allow for the netting of exposures in case of a default of either party, but do not meet the criteria for offsetting in the balance sheet. The following table presents the carrying amounts of the derivative financial instruments subject to these agreements. No significant agreements or financial instruments were available at the reporting date that would reduce the maximum exposure to credit risk.

Exposure to credit risk related to derivatives

	2024	2023
Receivables from derivatives presented in the balance sheet	92	81
Related amounts not offset in the balance sheet	(19)	(12)
Net amount	**73**	**69**
Liabilities from derivatives presented in the balance sheet	(55)	(31)
Related amounts not offset in the balance sheet	18	12
Net amount	**(37)**	**(19)**

Notional value of derivative financial instruments

	2024			2023		
	Non-current	Current	Total	Non-current	Current	Total
Cross-currency interest rate swaps	(13)	-	**(13)**	(25)	(31)	(56)
Forward exchange contracts, currency options, currency swaps	-	(2,070)	**(2,070)**	(2)	(761)	(763)
Other derivatives	-	-	**-**	-	-	-
Total	**(13)**	**(2,070)**	**(2,083)**	**(27)**	**(792)**	**(819)**

Information about financial assets is presented in Note 10 Associates and joint arrangements, Note 11 Other financial assets, Note 13 Current receivables, Note 14 Current investments and Note 15 Cash and cash equivalents to the consolidated financial statements.

DSM may grant corporate guarantees for credit support of subsidiaries and associates, to get access to credit facilities which are necessary for their operating working capital needs and which cannot be funded by the corporate cash pools and/or for bank guarantees needed for local governmental requirements. Information on guarantees is presented in Note 22 Contingent liabilities and other financial obligations.

Hedge accounting

DSM uses derivative financial instruments to manage financial risks relating to business operations and does not enter into speculative derivative positions.

The purpose of cash flow hedges is to minimize the risk of volatility of future cash flows. These may result from a recognized asset or liability or a forecast transaction that is considered highly probable (firm commitment). DSM determines the existence of an economic relationship between the hedging instrument and hedging item based on currency, amount, and timing of their respective cash-flows.

The purpose of a hedge of a net investment is to reduce the foreign currency translation risk of an investment in a company whose functional currency is not the euro. Changes in fair value are recognized in Other comprehensive income (Translation reserve), and ineffectiveness will be recognized in the income statement. The amount recognized in Other comprehensive income will be reclassified to the income statement, upon divestment of the respective foreign subsidiary.

The purpose of a fair value hedge is to hedge the fair value of assets or liabilities reflected on the balance sheet. Changes of fair value in hedging instruments, as well as hedged items, will be recognized in the income statement.

Cash flow hedges

In 2024, DSM hedged USD 1,129 million (2023: USD 498 million) of its 2025 projected net cash flow in USD against the EUR by means of average-rate currency forward contracts at an average exchange rate of USD 1.091 per EUR for the four quarters of 2025. Each quarter, the relevant hedges for that quarter will be settled and recognized in the income statement.

In 2024, DSM also hedged JPY 1,850 million (2023: JPY 7,535 million) of its 2025 projected net cash flow in JPY against the EUR by means of average-rate currency forward contracts at an average exchange rate of JPY 154.4 per EUR for the four quarters of 2025. dsm-firmenich also hedged the projected CHF obligations against the EUR, namely CHF 380 million (2023: CHF 393 million) at an average exchange rate of CHF 0.937 per EUR. These hedges have fixed the exchange rate for part of the USD and JPY receipts and CHF payments in 2025. Cash flow hedge accounting is applied for these hedges. In 2024, €4 million loss was recognized in the operating profit of the segments involved in accordance with the realization of the expected cash flows. There was no ineffectiveness in relation to these hedges. As of the second quarter of 2024, the Group no longer hedges forecast JPY cash flows as the exposure is no longer deemed material.

Cash flow hedges foreign currency risk

	Inventory purchases	Other
2023		
Nominal amount hedged item	12	108
Carrying amount assets	1	25
Carrying amount liabilities	-	(1)
Line item balance sheet	Derivatives	Derivatives
Change in the value of the hedging instrument	-	(6)
Costs of hedging recognized in OCI	-	(30)
Reclassified from hedging reserve to income statement	2	(24)
Line item income statement	Cost of sales	Sales
2024		
Nominal amount hedged item	10	667
Carrying amount assets	1	6
Carrying amount liabilities	-	(41)
Line item balance sheet	Derivatives	Derivatives
Change in the value of the hedging instrument	-	59
Costs of hedging recognized in OCI	-	63
Reclassified from hedging reserve to income statement	(1)	4
Line item income statement	Cost of sales	Sales

Fair value of financial instruments

The fair value of derivatives and long-term instruments are based on calculations, quoted market prices or quotes obtained from intermediaries.

The portfolio of derivatives consists of average-rate forward contracts that are valued against average foreign exchange forward rates obtained from Bloomberg and other derivatives that are valued using a discounted cash flow model, applicable market yield curves and foreign exchange spot rates. Inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable.

We use the following hierarchy for determining the fair value of financial instruments:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the fair value that are not based on observable market data

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of the fair value.

Fair value of financial instruments

	Carrying amount					Fair Value			
	Amort. Cost	Fair value hedging instr.	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Assets 2023									
Non-current derivatives	–	2	44	–	**46**	–	46	–	**46**
Other participating interests	–	–	–	139	**139**	38	78	23	**139**
Non-current loans to associates and JVs	4	–	–	–	**4**				
Other non-current receivables	63	–	–	–	**63**				
Trade receivables	1,535	–	–	–	**1,535**				
Other current receivables	286	–	–	–	**286**				
Current derivatives	–	35	–	–	**35**	–	35	–	**35**
Financial investments	101	–	–	–	**101**				
Cash and cash equivalents	1,250	–	931	–	**2,181**	931	–	–	**931**
Liabilities 2023									
Non-current borrowings	(2,487)	–	–	–	**(2,487)**	(2,065)	–	–	**(2,065)**
Non-current derivatives	–	(3)	–	–	**(3)**	–	(3)	–	**(3)**
Other non-current liabilities	(85)	–	(45)	–	**(130)**	–	–	(45)	**(45)**
Current borrowings	(631)	–	–	–	**(631)**	(498)	–	–	**(498)**
Current derivatives	–	(28)	–	–	**(28)**	–	(28)	–	**(28)**
Trade payables	(1,364)	–	–	–	**(1,364)**				
Other current liabilities	(1,179)	–	–	–	**(1,179)**				
Assets 2024									
Non-current derivatives	–	1	49	–	**50**	–	50	–	**50**
Other participating interests	–	–	–	119	**119**	2	93	24	**119**
Non-current loans to associates and JVs	46	–	–	–	**46**	–			
Other non-current receivables	87	–	–	–	**87**	–			
Trade receivables	1,565	–	–	–	**1,565**	–			
Other current receivables	144	–	–	–	**144**	–			
Current derivatives	–	42	–	–	**42**	–	42	–	**42**
Financial investments	20	–	–	–	**20**				
Cash and cash equivalents	1,965	–	504	–	**2,469**	504	–	–	**504**
Liabilities 2024									
Non-current borrowings	(3,085)	–	–	–	**(3,085)**	(2,436)	–	–	**(2,436)**
Non-current derivatives	–	(1)	–	–	**(1)**	–	5	(6)	**(1)**
Other non-current liabilities	(85)	–	(10)	–	**(95)**	–	–	(10)	**(10)**
Current borrowings	(672)	–	–	–	**(672)**	(493)	–	–	**(493)**
Current derivatives	–	(54)	–	–	**(54)**	–	(54)	–	**(54)**
Trade payables	(1,460)	–	–	–	**(1,460)**				
Other current liabilities	(1,389)	–	–	–	**(1,389)**				

24 Employee benefits

Accounting policy

Short-term employee benefits
Short-term employee benefits are generally recognized as an expense in the period the employee renders services to DSM.

Post-employment benefits: Defined contribution plans
For DSM's defined contribution plans, the obligations are limited to the payment of contributions, which are recognized as employee benefit costs.

Post-employment benefits: Defined benefit plans
For defined benefit plans, the aggregate of the value of the defined benefit obligation and the fair value of plan assets for each plan is recognized as a net defined benefit liability or asset. Defined benefit obligations are determined using the projected unit credit method. Plan assets are recognized at fair value. If the fair value of plan assets exceeds the present value of the defined benefit obligation, a net asset is only recognized to the extent that the asset is available for refunds to the employer or for reductions in future contributions to the plan. Defined benefit pension costs consist of three elements: service costs, net interest, and remeasurements. Service costs are part of employee benefit costs and consist of current service costs. Past service costs and results of plan settlements are included in Other operating income or expenses. Net interest is part of Finance income and expenses and is determined on the basis of the value of the net defined benefit asset or liability at the start of the year, and on the interest on high-quality corporate bonds. Remeasurements are actuarial gains and losses, the return (or interest cost) on net plan assets (or liabilities) excluding amounts included in net interest and changes in the effect of the asset ceiling. These remeasurements are recognized in Other comprehensive income as they occur and are not recycled through profit or loss at a later stage.

Post-employment defined benefit plans include pension plans and other post-employment benefits

Other employee benefits
The service cost, the net interest on the net defined liability (asset) and remeasurements of the net defined liability (asset) related to other long-term employee benefits, such as jubilee and incentive plans, are recognized in profit or loss.

Estimates and judgments
Management makes assumptions regarding variables such as discount rate, future salary increases, life expectancy, and future healthcare costs. Management consults with external actuaries regarding these assumptions at least annually for significant plans. Changes in these key assumptions can have a significant impact on the projected defined benefit obligations, funding requirements and periodic costs incurred.

The Employee benefit liabilities of €274million (2023: €291 million) consist of €247 million related to pensions (2023: €249 million), €3 million related to other post-employment benefits (2023: €20 million) and €23 million related to other employee benefits (2023: €22 million). See also the table below.

	2024	2023
Employee benefit liabilities		
Pension plans and other post-employment benefits	251	269
Other employee benefits	23	22
Total	**274**	**291**
Of which current	3	2

The Group operates a number of defined benefit plans and defined contribution plans throughout the world, the assets of which are generally held in separately administered funds. The pension plans are generally funded by payments from employees and from the relevant Group companies. The Group also provides certain additional healthcare benefits to retired employees in the US and Switzerland.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit accounting is intended to reflect the recognition of post-employment benefits over the employee's approximate service period, based on the terms of the plans and the investment and funding.

The charges for post-employment benefit costs recognized in the income statement (Note 5 Net sales and costs) relate to the following.

Post-employment benefit costs

	2024	2023
Defined benefit plans:		
- Current service costs pension plans	36	30
- Other post-employment benefits	1	3
Defined contribution plans	61	63
Total pension costs included in employee benefit costs	**98**	**96**
- Pension costs included in Other operating (income) / expense	-	(1)
Total in operating profit, continuing operations	**98**	**95**
Pension costs included in Financial income and expense	7	7
Total continuing operations	**105**	**102**
Discontinued operations	-	4
Total	**105**	**106**
Of which:		
- Defined contribution plans	61	65
- Defined benefit plans	44	41

For 2025, costs for the defined benefit plans relating to pensions are expected to be €45 million.

Changes in net liabilities of the post-employment benefits recognized in the balance sheet are shown in the following overview.

	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/ asset ceiling	Net liabilities/ (assets) recognized in the balance sheet
Balance at 1 January 2023	1,708	(1,593)	129	**244**
Included in income statement:				
- Current service cost	35	-	-	**35**
- Interest expense / (income)	49	(45)	3	**7**
Total included in income statement	84	(45)	3	**42**
Included in other comprehensive income:				
- Loss / (gain) from change in demographic assumptions	(3)	-	-	**(3)**
- Loss / (gain) from change in financial assumptions	112	-	-	**112**
- Experience loss / (gain)	26	-	-	**26**
- Return on plan assets excluding interest income	-	(43)	-	**(43)**
- Asset ceiling change, excluding movement through income statement	-	-	(58)	**(58)**
Total included in other comprehensive income	135	(43)	(58)	**34**
Other				
- Benefits paid (including transfers in and out)	(90)	67	-	**(23)**
- Contributions by plan participants	20	(20)	-	**-**
- Employer contributions	-	(46)	-	**(46)**
- Settlements	(190)	186	-	**(4)**
- Balance sheet transfer	4	-	-	**4**
- Acquisition / disposals	3	-	-	**3**
- Currency translation adjustment and other	79	(84)	5	**-**
Total other	(174)	103	5	**(66)**
Balance at 31 December 2023	**1,753**	**(1,578)**	**79**	**254**
Net defined benefit assets				**(15)**
Net defined benefit liabilities				**269**
Total				**254**
- Current service cost	36	-	-	**36**
- Plan administration expenses	1	-	-	**1**
- Interest (expense) / income	31	(25)	1	**7**
Total included in income statement	68	(25)	1	**44**
Included in other comprehensive income:				
- Loss / (gain) from change in financial assumptions	25	-	-	**25**
- Experience loss / (gain)	44	-	-	**44**
- Return on plan assets excluding interest income	-	(73)	-	**(73)**
- Asset ceiling change, excluding movement through income statement	-	-	(1)	**(1)**
- Other changes	-	(2)	-	**(2)**
Total included in other comprehensive income	69	(75)	(1)	**(7)**
Other				
- Benefits paid (including transfers in and out)	(80)	63	-	**(17)**
- Contributions by plan participants	21	(21)	-	**-**
- Employer contributions	-	(45)	-	**(45)**
- Currency translation adjustment and other	(13)	16	(1)	**2**
Total other	(72)	13	(1)	**(60)**
Balance at 31 December 2024	**1,818**	**(1,665)**	**78**	**231**
Net defined benefit assets				**(20)**
Net defined benefit liabilities				**251**
Total				**231**

The fair value of the plan assets consists of 93% of quoted assets (2023: 93%).

Pension-plan assets by category

	2024	2023
Equities	500	445
Bonds	590	606
Property	384	362
Insurance policies	3	2
Other	140	140
Cash and bank deposits	48	22
Total plan assets	**1,665**	**1,577**

The pension-plan assets include neither ordinary DSM shares nor property occupied by DSM.

The countries with the most significant defined benefit obligations for DSM are specified in the following table.

Defined benefit plans in core countries

	Switzerland	United States of America	United Kingdom	Germany	Other countries	Total
Defined benefit plans 2023						
Funded and unfunded defined benefit obligations	1,320	9	164	244	16	**1,753**
Fair value of plan assets	(1,407)	(6)	(154)	(11)	-	**(1,578)**
Net excess of liabilities/(assets) over obligations	**(87)**	**3**	**10**	**233**	**16**	**175**
Unrecognized assets due to asset ceiling	79	-	-	-	-	**79**
Net excess of liabilities/(assets) over obligations recognized	**(8)**	**3**	**10**	**233**	**16**	**254**
Composed of						
Net defined benefit assets	(9)	(6)	-	-	-	**(15)**
Net defined benefit liabilities	1	9	10	233	16	**269**
Total changes	**(8)**	**3**	**10**	**233**	**16**	**254**
Defined benefit plans 2024						
Funded and unfunded defined benefit obligations	1,410	9	151	231	17	**1,818**
Fair value of plan assets	(1,500)	(8)	(145)	(12)	-	**(1,665)**
Net excess of liabilities/(assets) over obligations	**(90)**	**1**	**6**	**219**	**17**	**153**
Unrecognized assets due to asset ceiling	78	-	-	-	-	**78**
Net excess of liabilities/(assets) over obligations recognized	**(12)**	**1**	**6**	**219**	**17**	**231**
Composed of						
Net defined benefit assets	(12)	(8)	-	-	-	**(20)**
Net defined benefit liabilities	-	9	6	219	17	**251**
Total changes	**(12)**	**1**	**6**	**219**	**17**	**231**

The main actuarial assumptions for the year (weighted averages) are:

Actuarial assumptions for major plans

	Switzerland	United States of America	United Kingdom	Germany
2023				
Discount rate	1.30%	5.00%	4.50%	3.20%
Salary increase	2.25%	3.00%	0.00%	2.80%
Pension increase	0.00%	0.00%	3.00%	2.20%
2024				
Discount rate	0.90%	5.50%	5.50%	3.40%
Salary increase	2.25%	3.00%	0.00%	2.60%
Pension increase	0.00%	0.00%	3.05%	2.00%

The above-mentioned actuarial assumptions are harmonized for all defined benefit plans in a country.

Sensitivities of significant actuarial assumptions

The discount rate, the future increase in wages and salaries and the pension increase rate were identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected.

- A 0.25% increase/decrease in the discount rate would lead to a decrease/increase of 3.1% (2023: 2.6%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected increase in salaries/wages would lead to an increase/decrease of 0.3% (2023: 0.3%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected rate of pension increase would lead to an increase/decrease of less than 1.4% (2023: 1.4%) in the defined benefit obligation

The sensitivity analysis is based on realistically possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Main defined benefit plans description

The DSM Group companies have various pension plans, which are geared to the local regulations and practices in the countries in which they operate. As these plans are designed to comply with the statutory framework, tax legislation, local customs, and economic situation of the countries concerned, it follows that the nature of the plans varies from country to country. The plans are based on local legal and contractual obligations.

DSM's current policy is to offer defined contribution retirement benefit plans to new employees wherever possible. However, DSM still has a (small) number of defined benefit pension and healthcare schemes from the past or in countries where legislation does not allow us to offer a defined contribution scheme. Generally, these schemes have been funded through external trusts or foundations, where DSM faces the potential risk of funding shortfalls.

The most significant defined benefit schemes are:

- DSM Nutritional Products (DNP) AG Pension Plan in Switzerland (DNP AG)
- DSM UK Pension Scheme in the UK
- Pension Plan at DSM Nutritional Products GmbH in Germany (DNP GmbH)

For each plan, the following characteristics are relevant:

DNP AG Pension Plan in Switzerland

The DNP AG Pension Plan is a typical Swiss Cash Balance plan. For accounting purposes, this plan is qualified as a defined benefit plan. It is a contribution-based plan, with no promise of indexation for on-going pensions. The Swiss state minimal requirements for occupational benefit plans have however to be respected.

The purpose of the plan is to protect the (legacy) DSM employees against the economic consequences of retirement, disability and death. The employer and employees pay contributions to the pension plan at rates set out in the pension plans rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital.

The weighted average duration of the defined benefit obligation is 13.9 years (2023: 13.5 years) which could be seen as an indication of the maturity profile of the scheme.

According to the Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP/BVG), the Swiss Pension plans are managed by independent and legally autonomous entities which have the legal structure of foundation. The Pension Board is composed of equal numbers of employee and employer representatives. Each year, the Pension Board decides the level of interest, if any, to apply to the retirement accounts in accordance with the pension policy.

The Pension Board is also responsible for the investment of the assets and defining the investment strategy for long-term returns with an acceptable level of risk. The plan assets are collectively invested (no individual investment choice).

DSM UK Pension Scheme

The DSM UK Pension Scheme was closed as of 30 September 2016 for all pension accruals. An unconditional indexation policy is applicable for the vested pension rights.

The weighted average duration of the defined benefit obligation is 12.9 years (2023: 13.9 years), which could be seen as an indication of the maturity profile of the scheme.

The pension plan is managed and controlled by a DSM company pension fund. The Board of Trustees consists of representatives of the employer and the employees who have an independent role.

There is a long-term de-risking strategy for the DSM UK Pension Scheme in place with the objective to align the company's intentions and the Trustees responsibility with respect to this plan.

DNP GmbH Pension Plan in Germany

The DNP GmbH Pension Plan in Germany has been closed to new entrants as of 31 December 2008. The accrual is still applicable for employees who have been participating in the plan since 2008. The pension plan is a final-pay pension plan (averaged over the last 12 months prior to retirement) and service-related benefit.

The liability is on the balance sheet of DSM Nutritional Products GmbH. No assets are allocated to this liability. All reimbursements will be paid out by the local company.

The weighted average duration of the defined benefit obligation is 11.4 years (2023: 12.0 years), which could be seen as an indication of the maturity profile of the scheme.

Other employee benefits

Other employee benefits comprise jubilees, long-term incentive (LTI) plans to senior management and deferred compensation liabilities. The changes in other employee benefits are listed below.

	Other employee benefits
Balance at 1 January 2023	**29**
Of which current	5
Changes:	
- Additions	2
- Releases	(2)
- Uses	(7)
- Other change	-
Total changes	(7)
Balance at 31 December 2023	**22**
Of which current	2
Changes:	
- Additions	5
- Uses	(3)
- Other change	-
Total changes	2
Balance at 31 December 2024	**24**
Of which current	2

25 Net debt

The development of the components of net debt is as follows.

	Cash and cash equivalents	Current investments	Non-current borrowings	Current borrowings	Derivatives	Total
Balance at 1 January 2023	**2,755**	**125**	**(2,978)**	**(86)**	**97**	**(87)**
Change from operating activities	576	-	-	-	(51)	**525**
Change from investing activities	2,711	(24)	-	(13)	-	**2,674**
Reclassification from non-current to current	-	-	544	(544)	-	**-**
Transfers	(73)	-	57	12	4	**-**
Dividend to shareholders on AEX	(3,935)	-	-	-	-	**(3,935)**
Interest	(14)	-	(2)	-	-	**(16)**
Proceeds from reissued shares	8	-	-	-	-	**8**
New/unwinding leases	-	-	(108)	-	-	**(108)**
Repurchase of shares	(256)	-	-	-	-	**(256)**
Funding cash pool[1]	425	-	-	-	-	**425**
Other	(7)	-	-	-	-	**(7)**
Change from financing activities	**(3,852)**	**-**	**491**	**(532)**	**4**	**(3,889)**
Exchange differences	(9)	-	-	-	-	**(9)**
Total changes	**(574)**	**(24)**	**491**	**(545)**	**(47)**	**(699)**
Balance at 31 December 2023	**2,181**	**101**	**(2,487)**	**(631)**	**50**	**(786)**
Change from operating activities	801	-	-	-	(13)	**788**
Change from investing activities	(423)	(83)	(151)	(38)	-	**(695)**
Reclassification from non-current to current	-	-	575	(575)	-	**-**
Transfers	232	-	(808)	576	-	**-**
Dividend to shareholders	(673)	-	-	-	-	**(673)**
Interest	(28)	-	(12)	-	-	**(40)**
New leases and remeasurements	-	-	(132)	-	-	**(132)**
Funding cash pool[1]	362	-	(70)	-	-	**292**
Other	(1)	-	-	-	-	**(1)**
Change from financing activities	**(108)**	**-**	**(447)**	**1**	**-**	**(554)**
Exchange differences	18	2		(4)		**16**
Total changes	**288**	**(81)**	**(598)**	**(41)**	**(13)**	**(445)**
Balance at 31 December 2024	**2,469**	**20**	**(3,085)**	**(672)**	**37**	**(1,231)**

1 For the explanation of change related to Funding cash pool, see Note 26 Notes to the cash flow statement.

In 2024, the gearing (net debt / equity plus net debt) was 13.2% (in 2023: 8.1%).

26 Notes to the cash flow statement

The cash flow statement explains the changes in cash and cash equivalents. It is prepared via a comparison of the balance sheets at 1 January and 31 December. Changes that do not involve cash flows, such as changes in exchange rates, amortization, depreciation, impairment losses, and transfers to other balance sheet items, are eliminated.

Changes in working capital due to the acquisition or disposal of consolidated companies are included under Investing activities.

The consolidated cash flow statement includes an analysis of all cash flows in total, including continuing and discontinued operations. For amounts related to discontinued operations split by activities and a reconciliation of results from continuing operations to total, see Note 3 Change in the scope of the consolidation.

Most of the changes in the cash flow statement can be traced back to the detailed statements of changes for the balance sheet items concerned.

The cash flow relating to acquisitions (-€5 million) is limited in 2024. The disposal of businesses of €29 million consists of the cash-related part of the consideration (€93 million) minus the cash in the divested companies (€13 million) and the divestment-related costs and tax settlements (€51 million). See also. See also Note 3 Change in the scope of the consolidation.

Funding Cash pool

Funding cash pool relates to Group cash management facility within the dsm-firmenich Group. Cash balances of the dsm-firmenich Group are pooled and transferred to a centralized treasury function within DSM to the extent legally and fiscally possible. Cash balances of dsm-firmenich subsidiaries are swept daily to bank accounts centrally held by DSM Finance B.V., to the extent legally possible, which as such result in a receivable balance on or payable balance to DSM Finance B.V.

27 Share-based compensation

Accounting policy

Share-based compensation at DSM consists of the granting of Performance Share Units (PSUs) and Restricted Share Units (RSUs), and stock option plans to eligible employees.

PSUs and RSUs generally vest after three years on the achievement of predefined vesting conditions. The cost of PSUs and RSUs is measured by reference to the fair value of the DSM-Firmenich AG and former Koninklijke DSM N.V. shares on the date on which the PSUs and RSUs were granted or modified. The cost is recognized in profit or loss (Employee benefit costs) during the vesting period, together with a corresponding increase in equity. The transaction is classified as an equity-settled transaction because DSM has no obligation to settle the transaction with its eligible employees. The obligation to settle was transferred to DSM-Firmenich AG (the parent and issuing entity) following the swap of shares after the merger in 2023. Vesting conditions other than market conditions are considered by adjusting the number of equity instruments, so that the amount recognized during the vesting period in employee benefit costs is based on the number of share units that eventually vest.

Estimates and judgments

Key estimates related to share-based compensation costs for PSUs and RSUs are the estimation of fair values of the shares on the grant or modification date, and the number of shares that will vest. An independent third party conducts the fair value calculation as far as vesting is tied to market conditions, using the Monte Carlo method.

Restricted- and Performance Share Unit Plan

The DSM and dsm-firmenich Restricted- and Performance Share Unit Plans provide rules for the grant of RSUs and/or PSUs to eligible employees. Considering the plan rules that allow multiple grant dates, best practice is to effectuate the grant of share units on the last trading day at the Amsterdam Stock Exchange in March. In principle PSUs will be granted; RSUs may be granted in specific circumstances.

The number of share units to be granted is based on job level, contribution, and the face value of the dsm-firmenich share over a reference period. As a result, the number of share units to be granted annually will fluctuate with the share price development.

RSUs and PSUs are subject to a vesting period of 3 years starting at the grant date. Vesting of RSUs is subject to continued employment until the vesting date ('time vesting'). In addition, vesting of PSUs is also subject to the achievement of predefined performance targets at the end of the performance period.

The 2024 grant of PSUs under the dsm-firmenich Restricted- and Performance Share Unit Plan to eligible employees is based on the at-target level; in 2024 this concerned 161,243 (2023: 156,299) share units.

At DSM, grants to the eligible employees is based on the 'at-target' grant level. This 'at-target' grant level includes RSUs as well as PSUs. The 2021 grant vested 31 March 2024. The vesting percentage for the Managing Board / Executive Committee was 123.75% of the at target grant (or 82.5% of the maximum to vest i.e., the number initially granted). For other eligible employees, all outstanding RSUs vested the vesting date, while the vesting % for the PSUs was 160% of the at target grant. In total 87,703 share units of this series vested.

Overview of share units eligible employees from DSM

Year of grant	Outstanding at 31 Dec. 2023	In 2024			Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
		Granted	Vested[1]	Forfeited/ expired			
2021	70,093	18,010	(87,703)	(400)	-	144.30	31 Mar 2024
2022	75,479	763	(10,344)	(5,213)	60,685	162.50	31 Mar 2025
2023	151,709	434	(9,003)	(18,022)	125,118	97.67	31 Mar 2026
2024	-	161,243	(729)	(12,095)	148,419	106.32	28 Mar 2027
2024 Total	**297,281**	**180,450**	**(107,779)**	**(35,730)**	**334,222**		
	at 31 Dec. 2022				at 31 Dec. 2023		
2023 Total	266,804	171,061	(134,346)	(6,238)	297,281		

1 Restricted- and Performance Share Units may partly vest upon termination of employment in connection with, for example, divestments, retirement or early retirement.

In September 2022, a group of senior key employees (excluding the Co-CEOs) at DSM received an RSU grant, which was subject to completion of the merger between DSM and Firmenich. As the merger was completed, the RSUs were finally granted. Upon vesting, the respective grant will be settled in cash. These cash-settled RSUs vest in September 2025 and have a fair value on 31 December 2024 of €97.72 (2023: €92.00).

Overview of cash-settled RSUs

Year of grant	Outstanding at 31 Dec. 2023	In 2024			Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
		Granted	Vested	Forfeited/ expired			
2022	84,784		(11,860)	(5,823)	67,101	117.45	30 Sep 2025

Measurement of fair value

The following assumptions were used to determine the fair value of the equity-settled share units at grant date.

Assumptions equity-settled share units

	2024	2023
Share units granted to certain executives		
Risk-free rate[1]	2.53%	2.79%
Expected share life in years	3	3
Nominal share life in years	3	3
Share price in €[1]	105.40	100.50
Expected dividend in €	2.50	1.00
Fair value of share granted in €	98.30	97.67

1 The differences in the risk-free rate and share price are due to different grant dates.

Share-based compensation

An amount of €29 million is included in the costs for wages and salaries for share-based compensation (2023: €23 million). The following table specifies the share-based compensation.

Share-based compensation

	2024	2023
Equity-settled share units and stock options	25	18
Cash-settled share units	4	5
Total expense	**29**	**23**

28 Related parties

Accounting policy

DSM has identified its key management personnel, the other entities from the dsm-firmenich Group and its associates and joint ventures as related parties. For associates and joint ventures, see also Note 10 Associates and joint arrangements.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, as defined by IAS 24 'Related Parties'. IAS 24 requires the disclosure of the remuneration of key management personnel divided into: short-term employee benefits (salary and short-term incentive), post-employment (pension expenditure) and other long-term benefits, termination benefits, and share-based payment cost (share-based compensation)

Transactions with related parties

	2024	2023
DSM-Firmenich AG (equity holder)		
Sales to	2	17
Receivables from	3	51
Payables to	34	18
In-house cash receivables from	68	-
In-house cash payables to	-	691
Interest from	1	4
Other dsm-firmenich entities outside of the DSM B.V. Group		
Sales to	169	62
Receivables from	68	46
Payables to	30	-
In-house cash receivables from	-	177
In-house cash payables to	870	-
Borrowings from	300	-
Associates and joint ventures		
Sales to	19	8
Purchases from	108	96
Loans to	47	4
Receivables from	23	16
Payables to	14	3
Interest from	1	-
Commitments to	12	6

On 10 June 2024, DSM demerged its re-insurance company DSM Re Switzerland AG to its main shareholder DSM-Firmenich AG. For further details on this transaction, see Note 3 Change in the scope of consolidation.

In 2024, DSM issued dividends to DSM-Firmenich AG for the amount of €673 million (2023: €278 million regular and €3,500 million special dividend). This dividend distribution is excluding the deemed dividend of €282 million that was posted following the in-substance demerger of DSM Re Switzerland AG and transfer of its shares to DSM B.V.'s parent company DSM-Firmenich AG. See also Note 3 Change in the scope of consolidation.

DSM recharged to DSM-Firmenich AG €3 million (2023: €14 million) and to other related parties €83 million (2023: €33 million) of corporate service costs.

DSM may issue guarantees as credit enhancement of associates to acquire bank facilities for these associates. DSM has provided guarantees to third parties for debts of associates for an amount of €21 million (2023: €28 million). Expected credit losses for receivables from related parties amount to zero (same as 2023).

Other related-parties disclosures relate entirely to key management of DSM, being represented by the company's management. For further details about their remuneration, see below.

Key management personnel

The remuneration of key personnel concerns the Supervisory Board and the Managing Board DSM B.V. (and also the Executive Committee until 18 April 2023). The members of the Supervisory Board as well as the members of the Managing Board (and Executive Committee until 18 April 2023) of DSM B.V. did not receive any remuneration for that assignment at DSM B.V. Included herein is the remuneration paid to them in view of other positions within the DSM Group.

Remuneration expenses Supervisory Board, Managing Board, and Executive Committee of DSM awarded to members of the Supervisory Board, Managing Board and Executive Committee of DSM appointed in that capacity

in € thousand	2024	2023
Base salary / Supervisory Board fees	477	2,391
Employer pension contribution	95	471
Short-Term Incentive[1]	267	869
Share-based compensation[2]	178	2,518
Other[3]	134	16,562
Total	**1,151**	**22,811**

1 Short-Term Incentive based on target level minus weight of EBITDA target.
2 Represents the expenses of Performance Share Units (PSUs) awarded according to IFRS rules. These costs are considered over the vesting period and therefore cover several years.
3 Includes benefits, severance payments for Executive Committee members that left the Company because of the merger, special payments as included in the Offering Circular (issued 22 November 2022) related to the merger, settlement DSM STI Deferral and Matching Plan, social security contributions and obligations following Article 32bb of the Dutch Wage Tax Act (1964).

29 Service fees paid to external auditors

The service fees recognized in the financial statements 2024 for the services of KPMG amounted to €6.7 million (2023: €6.4 million). The amounts per service category are shown in the following table.

	Total service fee		Of which	
	KPMG	KPMG	**KPMG NL**	KPMG NL
	2024	2023	**2024**	2023
Audit of the Group financial statements	5.7	5.5	4.1	3.7
Audit of other (statutory) financial statements	0.8	0.7	-	-
Other assurance services	0.1	0.1	0.1	0.1
Permitted non-assurance services	0.1	0.1	0.1	0.1
Total assurance services charged to DSM	**6.7**	**6.4**	**4.3**	**3.9**

The service fees mentioned in the table for the audit of the financial statements 2024 (2023) relate to the total fees for the audit of the financial statements 2024 (2023), irrespective of whether the activities were performed during the financial year 2024 (2023).

The other assurance services rendered by KPMG in 2024 mainly relate to a comfort letter and audits of capital reduction.

KPMG provided permitted non-assurance services related to regulatory filings and agreed-upon procedures.

30 Events after the balance sheet date

On 11 February 2025, dsm-firmenich announced the sale of its Feed Enzymes business to Novonesis, a global leader in biosolutions, for €1.5 billion. At DSM, the feed enzymes business is currently part of the Animal Nutrition & Health Business Unit, which itself will be separated from the Group to operate under new ownership, as announced in February 2024, and represented approximately €300 million in total annual net sales in 2024. DSM expects to receive approximately €1.4 billion net in cash, after transaction costs and capital gains tax, and anticipates a book profit on the transaction to be recognized upon closing. This transaction is expected to be completed in the course of 2025, subject to customary conditions and regulatory approvals. The held-for-sale conditions are only met after the reporting date and therefore do not impact the DSM's consolidated financial statements at year-end 2024.

On 25 February 2025, DSM successfully launched a €750 million bond with an 11-year maturity due in 2036, at a coupon of 3.375%. The bond is issued by DSM B.V. and is guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure (see also **Note 9 Contingent liabilities** to the parent company financial statements). The proceeds of the new bond will be used for general corporate purposes, including the refinancing of existing indebtedness.

The re-offer price for the 11-year bond tranche was 98.875%. Based on this price, the yield is 3.500%. The bonds are listed on the Luxembourg Stock Exchange. As a consequence of the bond issuance the undrawn amount of €1.0 billion bridge facility will be reduced to €250 million (see also **Note 23 Financial instruments and risks**).

On 3 April 2025, DSM expanded its investment in Yantai DSM Andre Pectin Company Limited ('Andre Pectin'), increasing its shareholding from 75% to 90.5%.

Parent company financial statements

Balance sheet of DSM B.V. at 31 December before profit appropriation

x € million	*Notes*	2024	2023
Assets			
Intangible assets	2	468	469
Financial assets	3	12,112	13,110
Deferred tax assets	4	67	53
Other deferred items		4	2
Non-current assets		**12,651**	**13,634**
Receivables	5	116	81
Cash and cash equivalents		–	–
Current assets		**116**	**81**
Total		**12,767**	**13,715**
Shareholders' equity and liabilities			
Share capital	6	261	261
Share premium	6	469	469
Treasury shares	6	–	–
Legal reserves[1]	6	888	746
Other reserves, incl. retained earnings	6	6,384	5,020
Undistributed results:	6		
– Net profit for the year	6	(43)	2,318
Shareholders' equity	6	**7,959**	**8,814**
Borrowings	7	2,540	2,243
Other non-current liabilities		7	8
Non-current liabilities		**2,547**	**2,251**
Current liabilities			
Borrowings	7	500	500
Other current liabilities	8	1,761	2,150
Current liabilities		**2,261**	**2,650**
Total		**12,767**	**13,715**

1 2023 restated for comparison purposes

The accompanying notes are an integral part of these parent company financial statements.

Income statement of DSM B.V.

x € million	*Notes*	2024	2023
Other income	*1*	**2**	**1**
Cost of outsourced work and other external costs		(8)	(1)
Wages and salaries	*10*	–	(4)
Other operating expense		–	(1)
Total operating expenses		**(8)**	**(6)**
Operating profit (loss)		**(6)**	**(5)**
Financial income	*11*	89	83
Financial expense	*11*	(262)	(229)
Profit (loss) before income tax		**(179)**	**(151)**
Income tax	*4*	49	44
Share of the profit (loss) of subsidiaries	*3*	87	2,425
Net profit (loss) available to equity holders of DSM B.V.		**(43)**	**2,318**

Notes to the parent company financial statements

1 General

Unless stated otherwise, all amounts are in € million.

Summary of the accounting policies

These separate financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. The accounting policies used are the same as those used in the consolidated EU-IFRS financial statements, in accordance with the provisions of article 362-8 of Book 2 of the Dutch Civil Code.

In these separate financial statements, investments in subsidiaries are accounted for using the equity method. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves are eliminated to the extent that they can be considered as not realized. For an appropriate interpretation of these statutory financial statements, the separate financial statements should be read in conjunction with the consolidated financial statements.

To the extent that there is no legal or constructive obligation, participating interests with a negative equity value are valued at nil. This measurement also considers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognized if and to the extent that the cumulative unrecognized share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognized accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Information on the use of financial instruments and on related risks for the group is provided in **Note 23 Financial instruments and risks** to the consolidated financial statements. The Company makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from the Company to participating interests, instead of elimination against the equity value / net asset value of the participating interests.

Statutory and fiscal seat

The statutory seat of DSM B.V. is Maastricht (Netherlands). A list of DSM B.V.'s participations has been filed with the Chamber of Commerce (Netherlands) and is available from the company upon request. DSM is registered in the Dutch Commercial Register under number 14022069.

The company forms a fiscal unity for corporate income tax and VAT purposes together with the group companies in the Netherlands. Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent tax payer, taking into account tax liabilities applicable to the company, as well as the tax position of the fiscal unity.

2 Intangible assets

The carrying amount of intangible assets comprises goodwill on the acquisition of the Erber Group in 2020 (€423 million), Pentapharm in 2007 (€35 million) and Crina in 2006 (€10 million). For full information on these assets including the discussion of the related impairment tests, see **Note 8 Goodwill and intangible assets** to the consolidated financial statements.

Intangible assets

	Total
Balance at 1 January 2023	
Cost	471
Amortization and impairment losses	5
Carrying amount	**466**
Changes in carrying amount:	
- Exchange rate difference	3
Balance at 31 December 2023	
Cost	475
Amortization and impairment losses	6
Carrying amount	**469**
Changes in carrying amount:	
- Exchange rate difference	(1)
Balance at 31 December 2024	
Cost	474
Amortization and impairment losses	6
Carrying amount	**468**

3 Financial assets

	Share in Subsidiaries	Other participating interests	Total
Balance at 1 January 2023	**15,627**	**7**	**15,634**
Changes:			
– Share in profit	2,425	–	**2,425**
– Capital payments	1,089	–	**1,089**
– Dividend received	(5,540)	–	**(5,540)**
– Disposal of subsidiaries	(411)	–	**(411)**
– Net actuarial gains/(losses)	(25)	–	**(25)**
– Change in Fair value reserve	(34)	(8)	**(42)**
– Change in Hedging reserve	26	–	**26**
– Exchange differences	(87)	–	**(87)**
– Transfer	–	44	**44**
– Other	(3)	–	**(3)**
Balance at 31 December 2023	**13,067**	**43**	**13,110**
Changes:			
– Share in profit	87	–	**87**
– Capital payments	331	52	**383**
– Capital refunds	(251)	–	**(251)**
– Dividend received	(1,001)	–	**(1,001)**
– Deemed dividend	(282)	–	**(282)**
– Disposal of business	–	(61)	**(61)**
– Net actuarial gains/(losses)	4	–	**4**
– Change in Fair value reserve	7	(28)	**(21)**
– Change in Hedging reserve	(22)	–	**(22)**
– Exchange differences	165	1	**166**
Balance at 31 December 2024	**12,105**	**7**	**12,112**

The deemed dividend relates to the de-merger of captive insurances. See also **Note 3 Change in the scope of consolidation** of the consolidated financial statement.

The exchange differences in 2024 include the balance of the translation reserve that was released due to the demerger of the captive insurance entity to DSM-Firmenich AG.

A list of DSM participations can be downloaded from the company website.

4 Deferred tax assets and income tax

The deferred tax asset of €67 million (2023: €53 million) relates to net operating losses and temporary differences in the Dutch fiscal unity. The effective tax rate in 2024 was 27% (2023: 29%).

The variation in the effective tax rate arises due to changes in the result in combination with among others changes in tax exempt income, tax positions and non-deductible expenses.

5 Receivables

	2024	2023
Receivables from subsidiaries	103	75
Other receivables	13	6
Total	**116**	**81**

The carrying values of the receivables are a reasonable approximation of their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary. All receivables have an estimated maturity shorter than one year.

The Receivables from subsidiaries of €103 million (2023: €75 million) mainly include receivables relating to the Dutch fiscal unity. Other receivables amounting to €13 million (2023: €6 million) mainly consist of VAT and other tax receivables.

6 Shareholders' equity

				Legal reserves						Other reserves		Undistributed results	Total shareholder equity
x € million	Share capital	Share prem.	Treas. shares	Translation reserve	Capital dev. costs	Part. interest	Reval. reserve	Hedg. reserve	Fair value reserve	Share-based comp.	Ret. Earn.		
Balance at 31 December 2022	328	471	(196)	424	256	182	–	(33)	(72)	44	7,802	1,537	10,743
Added to other reserves	–	–	–	–	–	–	–	–	–	–	1,537	(1,537)	–
Net profit	–	–	–	–	–	–	–	–	–	–	–	2,318	2,318
Dividend	–	–	–	–	–	–	–	–	–	–	(3,935)	–	(3,935)
Reissued shares	–	–	63	–	–	–	–	–	–	–	(39)	–	24
Repurchase of shares	–	–	(256)	–	–	–	–	–	–	–	–	–	(256)
Cancellation of shares	(67)	(2)	345	–	–	–	–	–	–	–	(276)	–	–
Fair value changes of derivatives	–	–	–	–	–	–	–	27	–	–	–	–	27
Release to income statement	–	–	–	6	–	–	–	–	–	–	–	–	6
Fair value changes of other financial assets	–	–	–	–	–	–	–	–	(37)	–	–	–	(37)
Exchange differences	–	–	–	(102)	–	–	–	–	–	–	(1)	–	(103)
Options and performance shares granted	–	–	–	–	–	–	–	–	–	23	–	–	23
Options and performance shares exercised/canceled	–	–	–	–	–	–	–	–	–	(23)	23	–	–
Transfer to other participating interests	–	–	44	–	–	–	–	–	–	–	–	–	44
Transfer to retained earnings[1]	–	–	–	–	(17)	5	–	–	(5)	–	17	–	–
Changes in joint ventures and associates	–	–	–	–	–	–	–	–	–	–	(9)	–	(9)
Income tax	–	–	–	(1)	–	–	–	(1)	–	–	9	–	7
Remeasurements of defined benefit pension plans	–	–	–	–	–	–	–	–	–	–	(34)	–	(34)
Other	–	–	–	–	–	–	–	–	–	–	(4)	–	(4)
Balance at 31 December 2023	261	469	–	327	239	187	–	(7)	(114)	44	5,090	2,318	8,814

Added to other reserves	–	–	–	–	–	–	–	–	–	–	2,318	(2,318)	–
Net profit	–	–	–	–	–	–	–	–	–	–	–	(43)	(43)
Dividend	–	–	–	–	–	–	–	–	–	–	(673)	–	(673)
Deemed dividend	–	–	–	–	–	–	–	–	–	–	(282)	–	(282)
Fair value changes of derivatives	–	–	–	–	–	–	–	(28)	–	–	–	–	(28)
Release to income statement	–	–	–	10	–	–	–	–	–	–	–	–	10
Fair value changes of other financial assets	–	–	–	–	–	–	–	–	(20)	–	–	–	(20)
Exchange differences	–	–	–	158	–	–	–	–	–	–	–	–	158
Options and performance shares granted	–	–	–	–	–	–	–	–	–	31	–	–	31
Options and performance shares exercised/canceled	–	–	–	–	–	–	–	–	–	(27)	27	–	–
Transfer to retained earnings	–	–	–	110	(27)	(87)	–	–	81	–	(77)	–	–
Changes in joint ventures and associates	–	–	–	–	–	–	–	–	–	–	(19)	–	(19)
Income tax	–	–	–	–	–	–	–	6	–	–	(3)	–	3
Remeasurements of defined benefit pension plans	–	–	–	–	–	–	–	–	–	–	7	–	7
Other	–	–	–	–	–	–	–	–	–	–	1	–	1
Balance at 31 December 2024	261	469	–	605	212	100	–	(29)	(53)	48	6,389	(43)	7,959

1 2023 Legal reserves participating interests restated for comparison purposes

For details see the consolidated statement of changes in **Note 16 Equity** to the consolidated financial statements.

Legal reserves

In Shareholders' equity, a total amount of €888 million (2023: €746 million) is included for legal reserves required by Dutch law. The translation reserve relates to exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of DSM B.V. Further, a legal reserve is recorded for capitalized development costs. The legal reserve for participating interests is recorded to the extent that there are limitations for DSM B.V. to arrange profit distributions from its participating interests. The hedging reserve relates to cash flow hedge accounting. The negative hedge reserve of -€29 million (2023: -€7 million) as part of the legal reserve should be deducted from the freely distributable reserve. In addition, a revaluation reserve has been included for fair value changes of unquoted equity instruments of participating interests with no frequent notations owned by DSM; debit balances are recorded as part of Other reserves, which are considered freely distributable reserves.

Other reserves

The Other reserves comprise a Fair value reserve for fair value changes of unquoted equity instruments of participating interests with frequent notations, debit balances of the legal reserve for fair value changes of unquoted equity instruments of participating interests owned by DSM, and a Reserve for share-based compensation.

In the 'Consolidated financial statements', the Other reserves consist of the Translation reserve, Fair value reserve, Hedging reserve and Reserve for share-based compensation. See **Note 16 Equity** to the consolidated financial statements.

Profit appropriation

According to article 23 of the Articles of Association of DSM B.V. and with the approval of the Supervisory Board, every year the Managing Board determines the portion of the net profit to be appropriated to the reserves. For the year 2024, the net loss is €43 million (2023: €2,318 million profit). The amount of €354 million will be withdrawn from the reserves (in 2023, €1,645 million was appropriated to the reserves).

The remaining undistributed amount of €311 million (2023: €673 million after distribution of dividends on the Cumulative Preference Shares A) will be put at the disposal of the Annual General Meeting of Shareholders in accordance with the provisions of Article 32, section 5 of the Articles of Association.

No interim dividend for the year 2024 was paid.

If the Annual General Meeting of Shareholders decides in accordance with the proposal, the net result will be appropriated as follows.

Profit appropriation

in € million	2024	2023
Net profit (loss) for the year	**(43)**	**2,318**
Profit appropriation:		
– To be added to (withdrawn from) the reserves	(354)	1,645
– Final dividend distributable on ordinary shares	311	673

7 Borrowings

	2024		2023	
	Total	Of which current	Total	Of which current
Bonds	3,040	500	2,743	500
Total	**3,040**	**500**	**2,743**	**500**

At 31 December 2024, there were five bonds (€3,040 million, maturing in 2025, 2026, 2028 and from 2032 through 2034). The repayment schedule for borrowings is as follows.

Borrowings by maturity

	2024	2023
Less than one year	500	500
One to two years	750	500
Two to three years	–	749
Three to four years	499	–
Four to five years	–	498
More than five years	1,291	496
Total	**3,040**	**2,743**

In agreements governing loans with a residual amount at year-end 2024 of €3,040 million (31 December 2023: €2,743 million), clauses have been included which restrict the provision of security. More information on borrowings is provided in Note 19 Borrowings to the consolidated financial statements.

8 Other current liabilities

	2024	2023
Liabilities to subsidiaries	1,701	2,109
Other liabilities	60	41
Total	**1,761**	**2,150**

The Liabilities to subsidiaries concern mainly the current account toward the DSM internal financing company. These liabilities carry a short-term maturity and are interest-bearing. The decrease of this current account in 2024 is mainly caused by changing financing needs.

The carrying values of the recorded liabilities are a reasonable approximation of their respective fair values, given the short maturities of the positions. All liabilities have an estimated maturity shorter than one year.

9 Contingent liabilities

Guarantee obligations on behalf of affiliated companies and third parties amounted to €533 million (31 December 2023: €569 million). DSM B.V. has declared in writing that it accepts several liabilities for debts arising from acts in law of a number of consolidated companies (including relating to the Dutch fiscal unity for income tax and VAT). These debts are included in the consolidated balance sheet.

In 2024, DSM B.V., DSM-Firmenich AG and Firmenich International SA signed a cross-guarantee agreement to mitigate structural subordination in the Group. The cross-guarantee agreement includes downstream guarantees from DSM-Firmenich AG to DSM B.V. and Firmenich International SA. In addition, there are also upstream guarantees from these two subsidiaries to DSM-Firmenich AG. The guarantees are irrevocable and unconditional and cover existing and future senior unsecured debt instruments across these entities, including the existing senior unsecured bonds throughout the dsm-firmenich group.

Under this cross-guarantee agreement, DSM-Firmenich AG acts as guarantor for the €800 million bond issued on 2 July 2024 by DSM B.V., and for the credit facilities concluded in 2024 by DSM B.V. comprising the €1.8 billion revolving credit facility (RCF) and the €1.0 billion bridge facility.

10 Personnel

During the 2024 financial year there was no staff employed by DSM B.V. (2023: 2 employees).

11 Financial income and expense

Financial income of €89 million (2023: €83 million) consists of interest income on outstanding in-house cash balances; financial expense of €262 million (2023: €229 million) mainly consists of the interest expense on debit in-house cash balances (€200 million) and interest costs on bonds issued and the counterpart of the net investment hedge (€62 million). See also **Note 19 Borrowings** and **Note 23 Financial instruments and risks** to the consolidated financial statements.

12 Remuneration of key personnel

Remuneration of members of the Supervisory Board and the Managing Board of DSM B.V. in 2024

For 2024, the remuneration of key personnel concerns the Supervisory Board and the Managing Board DSM B.V. The members of the Supervisory Board as well as the members of the Managing Board DSM B.V. did not receive any remuneration in 2024 for their position at DSM B.V. Included herein is the remuneration paid to them in view of other positions within the dsm-firmenich group as far as not reported in the 2024 Integrated Annual Report of DSM-Firmenich AG.

Remuneration of members of the Supervisory Board, Managing Board and Executive Committee in 2023

The remuneration policy for the Supervisory Board and the Managing Board as approved by the 2019 Annual General Meeting of Royal DSM applied.

The remuneration awarded to members of the Supervisory Board and the Executive Committee (including the Managing Board) of Royal DSM, insofar as their appointment in such capacity relates to the period from 1 January 2023 until 18 April 2023 concerns:

- The remuneration of the members of the Supervisory Board of DSM who transferred to the Board of Directors of DSM-Firmenich AG on 18 April 2023 (the remuneration awarded by DSM-Firmenich AG for the period after 18 April 2023 was reported by DSM-Firmenich AG)
- The remuneration of the members of the Managing Board and Executive Committee of DSM who transferred to the Executive Committee of DSM-Firmenich AG on 18 April 2023 (the remuneration awarded by DSM-Firmenich AG was reported by DSM-Firmenich AG)
- The remuneration for members of the Executive Committee of DSM who remained employed by DSM-Firmenich AG in another capacity and who no longer met the criteria of key personnel as of 18 April 2023

Remuneration expenses incurred in financial year 2023 for members of the Supervisory Board or the Executive Committee of DSM who were not appointed as a member of the Board of Directors or Executive Committee DSM-Firmenich AG nor in another capacity and who left the organization after and due to the merger were considered.

No remuneration was awarded to members of the Supervisory Board and the Managing Board of DSM B.V. appointed in that capacity for the period from 18 April 2023 to 31 December 2023.

Remuneration of members of the Supervisory Board and the Managing Board of DSM B.V. in 2024 and 2023

The below table provides an overview of the remuneration paid to members the Supervisory Board and the Managing Board of DSM B.V. considering the above remarks.

Total remuneration expenses awarded to members of the Supervisory Board, Managing Board and Executive Committee of DSM

In 1,000 €	2024	2023
Base salary/Supervisory Board fees	477	2,391
Pension contributions	95	471
Short-Term Incentive[1]	267	869
Share-based compensation[2]	178	2,518
Other[3]	134	16,562
Total remuneration	**1,151**	**22,811**
Of which Managing Board remuneration	1,151	3,613
Of which Supervisory Board remuneration	-	243

1 For 2024: STI accrued in the reporting year based on performance in the reporting year, payable in 2025. For 2023: Short-Term Incentive (STI) based on at-target level minus the weight of EBITDA target pro-rated for the period 1 January to 1 April 2023 or at target pay-out over the period of employment.

2 Represents the expenses according to IFRS rules of Restricted Share Units (RSUs) and/or Performance Share Units (PSUs) awarded in the respective year. These costs are considered over the vesting period and therefore cover several years

3 Includes for 2023:

(i) Settlement of the STI Deferral and Matching scheme (€4.6m) and special bonus payments (€3.5 million) as included in the Offering Circular (issued 22 November 2022) related to the merger

(ii) Severance payments for ExCo members that left the Company because of the merger (€1.8 million); payments in lieu of notice (€1.3 million) and obligations following Article 32bb of the Dutch Wage Tax Act (1964) (€2.2 million)

(iii) Social security contributions (€0.6 million) and contractual items related to International Assignment arrangements (€1.6 million)

(iv) Other (€1.0m)

Includes for 2024: Benefits, company car, special bonuses or allowances and social security contributions

Maastricht, 15 April 2025

Managing Board,

Ralf Schmeitz, CFO

Joris de Beer

Ivo Nelissen

Maastricht, 15 April 2025

Supervisory Board,

Thomas Leysen, Chair

John Ramsay, Deputy Chair

Corien Wortmann

OTHER INFORMATION

Profit appropriation

For the statutory rules of the profit appropriation, please refer to **Note 6 to the parent company financial statements**.

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of DSM B.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of DSM B.V. as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying parent company financial statements give a true and fair view of the financial position of DSM B.V. as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2024 of DSM B.V. (the 'Company' or 'DSM') based in Maastricht. The financial statements include the consolidated financial statements and the parent company financial statements.

The consolidated financial statements comprise:

1. the consolidated balance sheet at 31 December 2024;
2. the following consolidated statements for 2024: the income statement, the statements of comprehensive income and changes in equity, and the cash flow statement; and
3. the notes comprising group material accounting policies and other explanatory information.

The parent company financial statements comprise:

1. the parent company balance sheet at 31 December 2024;
2. the parent company income statement for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 30 million
- 3.3% of the 5-years' averaged earnings before interest, taxes, depreciation and amortization

Group audit

- Performed substantive procedures for 76% of total assets
- Performed substantive procedures for 75% of revenue

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: presumed risk of management override of controls, presumed risk of revenue recognition and goodwill impairment testing Animal Nutrition & Health identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no going concern risks identified.
- Climate risks: We have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matters

- Goodwill impairment testing Animal Nutrition & Health

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 30 million (2023: EUR 30 million). The materiality is determined with reference to the 5-years' averaged earnings before interest, taxes, depreciation and amortization ('EBITDA') to reflect the volatility in the vitamins market. We consider EBITDA the most suitable metric to assess the Company's performance. Materiality as a percentage of the 5-years' averaged EBITDA is 3.3%. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 1.5 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

DSM is at the head of a group of components (hereafter "Group"). The financial information of this group is included in the financial statements of DSM.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group. As a result, we determine coverage differently and comparisons to prior period coverage figures are not meaningful.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified 30 components associated with a risk of material misstatement. For 22 out of these 30 components we involved component auditors. We as group auditor audited the remaining components. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 75% of Group revenue and 76% of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than a reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- Held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- Issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed.
- Held meetings with 7 component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work and attend meetings with local management.
- Inspected the work performed by 6 component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on significant risks and key judgement areas.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

As part of our audit, we have gained insights into DSM's business environment and DSM's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the code of business ethics, alert cases (whistleblowing procedures), compliance policies and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Managing Board, Supervisory Board and other relevant functions, such as Group Audit department, Legal Counsel and Fraud Response Team and evaluated correspondence with relevant supervisory authorities and regulators. We have also incorporated elements of unpredictability in our audit, such as: changes in the scope of the group audit, additional procedures on the valuation of goodwill and we selected additional transactions related to the risk of management override.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Health and safety regulation (reflecting the nature of DSM's production and distribution processes);
- Environmental regulation (reflecting the environmental clean-up responsibilities related to mainly DSM's former production and distribution processes);
- Anti-Competition legislation (reflecting DSM's operations across the world and potential investigations by national competition authorities);
- Consumer product law relating to product safety (reflecting the nature of DSM's diverse product base);
- Anti-bribery and corruption (reflecting DSM's significant operations in jurisdictions with high perceived levels of public sector corruption).

As a result of our risk assessment, we identified a fraud risk with respect to the valuation of goodwill for Animal Nutrition & Health, which is described in the key audit matter. Furthermore, the presumed fraud risks laid down in the auditing standards are responded to as follows:

Management override of controls (a presumed risk)
Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as controls related to journal entries.
- We performed a data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by management, including retrospective reviews of prior years' estimates such as with respect to impairment testing of goodwill, acquisition-related intangibles and employee benefit liabilities. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Revenue recognition (a presumed risk)
Risk:

- We identified a fraud risk in relation to the recognition of revenue of goods sold. This risk inherently includes the fraud risk that management deliberately overstates revenue in the cut-off period, as management may feel pressure to achieve planned results for the current year.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks with respect to revenue recognition.
- To assess if the risk is applicable before or after year-end we considered potential incentives for management based on the financial results. We evaluated the fraud risk with respect to revenue recognition specifically applicable to sales cut-off before year-end. This was also confirmed by the risk assessment of our component auditors based on an assessment of local facts and circumstances.
- To assess whether revenue was recognized in the appropriate period, for selected sales transactions recognized before year-end we inspected agreements with the customers and shipping documents.
- Further, we inspected selected credit notes issued after year-end to assess whether revenue was recognized appropriately.
- We performed journal entry testing, specifically taking into account high risk criteria in relation to revenues.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit. Our evaluation of procedures performed related to fraud did not result in any other key audit matters.

We communicated our risk assessment, audit responses and results to the Managing Board and the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The managing board has performed its going concern assessment and has not identified any going concern risks. To assess the management board's assessment, we have performed, among other things, the following procedures:

- we considered whether the Managing Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we inspected the financing agreements for terms or conditions that could lead to significant going concern risks;
- we analyzed the operating results forecast and the related cash flows compared to the actual results of 2024, developments in the business sector, macro-economic developments and any information of which we are aware as a result of our audit;
- we analyzed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to climate-related risks

Management prepared the financial statements, including considering whether the implications from climate related risks and commitments have been appropriately accounted for and disclosed, in accordance with the applicable financial reporting framework. The climate-related risks are managed by DSM B.V. as part of its regular risk management process and as such are taken into account in the preparation of the financial statements.

As part of our audit we performed a risk assessment of the impact of climate-related risk and the commitments and ambitions made by DSM B.V. in respect of climate change on the 2024 financial statements and our audit approach. Based on the procedures performed we considered whether there is a risk of material misstatement specific to climate relative to the going concern assumption and valuation of long-lived assets. Considering the risk assessment work performed, we did not identify a risk of material misstatement specific to climate and thus no further audit response was considered necessary.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to the Vitamins transformation program is not included as the impairments resulting from the program specifically relate to the financial year 2023.

Goodwill impairment testing Animal Nutrition & Health

Description

As of 31 December 2024, the consolidated financial statements included goodwill amounting to EUR 3,055 million of which EUR 983 million is allocated to the Animal Nutrition and Health ('ANH') cash generating unit.

Goodwill is assessed for impairment by management at least annually by determining the recoverable amount (the higher of its value in use and fair value less costs of disposal), which is then compared to the carrying amount.

Management applies judgment in assessing the cash flow projections of the (groups of) cash generating units at which level goodwill is allocated and determining the relevant valuation assumptions.

Valuation of goodwill is a key audit matter because the impairment test process is complex. It involves a high degree of management judgment and assumptions, such as cash flow forecasts, growth rates and discount rates of the CGU, being used in the Group's impairment tests.

Our response

We obtained and documented our understanding of the impairment testing process, the sensitivity analysis and tested the design and implementation of the relevant controls therein.

We assessed the determination of the CGUs taking into account the IFRS accounting standards and our knowledge of the organisation, structure and governance of the DSM Group.

We assessed the Group's ability to accurately prepare cash flow projections for their CGUs by comparing the actual financial performance to the projections made earlier.

We evaluated the accuracy of impairment test, the reasonableness of the key assumptions used to determine the recoverable amounts – including long term growth rates and discount rates based on our understanding of the related CGUs' cash flow projections – and the methodology used by management to prepare its cash flow forecasts.

We involved our in-house valuation specialists with specialized skills and knowledge who assisted in assessing the reasonableness of the discount rates and long term growth rates through testing the source information underlying their determination, and in developing a range of independent estimates and comparing those to the discount and long term growth rates applied by management.

We inquired and challenged BU management on their initiatives to realize sales and margin growth.

We also considered the adequacy of the disclosures on impairment testing and sensitivity tests in the consolidated financial statements.

Our observation

We consider that the outcome of management's impairment testing of the ANH cash generating unit is appropriate and adequately disclosed in Note 8 to the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Managing Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially appointed by the Annual General Meeting of Shareholders as auditor of DSM on 7 May 2014 (at that time Royal DSM N.V.), as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Managing Board and the Supervisory Board for the financial statements

The Managing Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Managing Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Managing Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Managing Board is responsible for assessing DSM's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Managing Board should prepare the financial statements using the going concern basis of accounting unless the Managing Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Managing Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing DSM's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 15 April 2025

KPMG Accountants N.V.

P.J. Groenland – van der Linden RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DSM’s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Board;
- concluding on the appropriateness of Managing Board’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on DSM’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor’s report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.