Annual Results 2021

Geraldine Matchett & Dimitri de Vreeze

Co-CEOs Royal DSM

Annual General Meeting
Heerlen, 10 May 2022
Over two decades, DSM has transformed into a pure play health, nutrition and bioscience company.
DSM has more than 150 years of deep scientific heritage, with bioscience facilities around the world

- DSM is active in the major groups of biosciences including microbial technologies with bacteria, yeasts, fungi and microalgae
- Close to 50% of DSM’s current (2021) sales of nutritional ingredients is produced out of biobased and/or input materials directly extracted from nature
Leadership in Health, Nutrition & Bioscience enhanced through high quality M&A

Added **new product categories, building the most comprehensive portfolio** of nutritional ingredients

**Strengthened bioscience capabilities** and **expanded global reach**

**Built a unique business model** with solutions/premix and extended this into precision and personalization
DSM has most complete portfolio of nutritional ingredients

Global Products

- Vitamins
- Minerals
- Colorants
- Carotenoids
- Sourced Ingredients
- Omega for feed
- Eubiotics
- Probiotics
- Bovaer
- Natural Preservatives
- Feed Enzymes
- Sourced Ingredients
- MTX detoxifiers
- HMOs
- Natural Lipids
- Preservatives
- Alternative Proteins
- Omegas
- Sweeteners
- HMOs
- Lipids
- Alternative Proteins
- Textures
- Cultures
- Stevia
- CBD
- Cannabinoids
- Skin bio-actives
- Aroma intermediates
- UV filters
Offering complete solutions – “more than an ingredients provider”

DSM is a reliable, end-to-end, innovative, purpose-led partner powered by experts to deliver science-backed nutrition and health products and quality customized solutions.
Rapid developments in science & technology enable DSM to add next frontier to business model

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<tr>
<th>Trends and challenges</th>
<th>Bioscience &amp; technology advances</th>
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<td>Consumer</td>
<td>Biotechnology breakthroughs</td>
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<tr>
<td>Society</td>
<td>Data &amp; Digital</td>
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<tr>
<td>Environment</td>
<td>Precision &amp; Personalization</td>
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Market opportunity for solutions that offer **health through nutrition**

Science & technology enabling **unprecedented precision**
DSM extended its unique business model with 3rd muscle
Added “Precision” and “Personalization”, powered by Data & Bioscience

**Precision & Personalization**
Digitization & Bioscience as a know-how multiplier

**Global Products**
Science, Scale, Quality

**Local Solutions**
Global network offering local (customized) solutions
DSM has a rich innovation pipeline, predominantly bioscience-based. DSM’s total innovation pipeline targeted to add 1.5% annually to sales growth and 2.5% to Adj. EBITDA growth for period up to 2025.

<table>
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<tr>
<th>Growth Themes</th>
<th>Business Platforms</th>
<th>Examples of larger projects</th>
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<tr>
<td>Precision</td>
<td>Personalized Nutrition</td>
<td>Hologram Sciences inc.</td>
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<tr>
<td></td>
<td>Precision Animal Farming</td>
<td>Verax (w/ Inside Tracker), Sustell (w/ Blond)</td>
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<tr>
<td>Prevention</td>
<td>Health from the Gut</td>
<td>Probiotics, Prebiotics (e.g., Glycom human milk oligos), Vitamin Direct</td>
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<td>Immunity</td>
<td>Ampli-D</td>
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<td></td>
<td>Brain Health</td>
<td>CBDs/CBX (w/ Brains)</td>
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<td>Sugar reduction</td>
<td>Avansya (fermentative stevia) (w/ Cargill)</td>
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<td></td>
<td>Antibiotics Reduction / ANH Gut Health</td>
<td>Eubiotic enzymes (w/ Novozymes); Designer prebiotics (w/ Midori)</td>
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<td>Proteins</td>
<td>Sustainable Food Proteins</td>
<td>CanolaPro (w/ Avril) and pea proteins (Vestkorn) for meat and dairy alternatives</td>
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<td>Animal Emission Reduction</td>
<td>Bovaer</td>
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<td></td>
<td>Low-footprint Feed Proteins</td>
<td>2nd Gen Protease, 4th Gen Phytase, Cornzyme (w/ Novozymes)</td>
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<td>Pathways</td>
<td>Sustainable Lipids Animal</td>
<td>Veramaris</td>
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<tr>
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<td>Sustainable Lipids Human</td>
<td>Green Ocean Human; Pharma Customized Lipids;</td>
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Examples of DSM’s rich innovation pipeline addressing global food system challenges, contributing to sustainable growth

Supporting the Immunity of people with micronutrient supplements
- COVID-19 has highlighted the need for easily accessible dietary solutions that support proactive immune health: sufficient nutrient intake is vital for people’s immunity
- Nutritional ingredients including Quali®-C, Quali®-D and Quali®-B, life’s platform OMEGA, ampli-D®, Culturelle®
- Available in reliable and efficacious formulations, premixes, market-ready solutions, B2C

Nutritious, tasty and sustainably produced plant-based meat, dairy and fish alternatives
- Authentic taste
- Compelling texture & mouthfeel
- Improve nutritional profile
- Managed salt, sugar, fat, allergens

EVERSWEET™ Stevia: Calorie-free sweetness, inspired by nature
- Reduced- and zero-calorie options for food & beverage
- No compromise on taste,
- Support good health and well-being in our societies
- Consumer end-products launched successfully by our customers, with many more product development projects underway

Bovaer™ - Reducing emissions from livestock
- Reducing methane emissions from ruminants by at least 30%
- Helping the dairy and beef value chain to significantly de-carbonize
- Supporting sustainable animal farming
- Regulatory approvals in Brazil and Chile and a positive EFSA opinion in Europe
- Large scale production capacity planned in Dairy, UK by 2025

Veramaris® - reducing our reliance on marine resources
- Contributing to preserving marine biodiversity
- Essential for health: Human & Animal: Fatty Omega-3 acids EPA & DHA
- 1kg Veramaris oil is equivalent to 60kg wild catch
- Introduction of the product for shrimp farming, pet food and human nutrition

Sustell™ - a powerful solution to measure, compare and improve the sustainability of animal protein
- Global service, built on validated protocols, calculation methodologies and proven processes that meet international standards
- Providing accurate, globally recognised, comparable analyses and results of environmental impact assessments, interventions and improvements throughout the animal protein value chain
DSM has the capability and therefore the responsibility to make a meaningful impact on the global food systems, while this also creates exciting new market opportunities.
Transformation DSM into a fully focused Health, Nutrition & Bioscience company

- **Materials businesses** managed largely on a **standalone basis**; reviewing strategic options, including a possible change of ownership

- New **simplified** Health, Nutrition & Bioscience **organization** through:
  - **Creation of** 3 Business Groups with strong market focus
    - **Food & Beverage**
    - **Health, Nutrition & Care**
    - **Animal Nutrition & Health**
  - **Integration of innovation activities** of DSM Innovation Center in 3 Business Groups: Fully equipped to drive impactful innovations
  - **Alignment of global enabling functions** and **top structure**
Three Business Groups created with clear end-market orientation and large addressable markets

Animal Nutrition & Health
Radically more sustainable animal farming
€3.3bn

Health, Nutrition & Care
Keeping the world’s growing population healthy
€2.6bn

Food & Beverage
Healthy diets for all through nutritious, delicious and sustainable solutions
€1.3bn
2021 Performance

Royal DSM
DSM’s strategy is to deliver strong financial returns, creating a positive societal impact, while having best-in-class ESG performance.
Taking full responsibility for our OWN footprint and people

ESG ambitions (set in 2019) accelerated in 2021

- **GHG scope 1+2 emissions reduction**: 50% by 2030
- **GHG scope 3 emissions reduction**: 28% by 2030
- **Energy efficiency**: >1% avg. p/yr. till 2030
- **Purchased renewable electricity**: 75% by 2030
- **Employee engagement**: 76% by 2022
- **Safety Frequency Recordable Incidents**: <0.20 by 2027
- **Female executives**: 30% by 2025
- **Brighter Living Solutions**: >65% by 2021

**2021 realization**

- 23% Reduction
- 8% Reduction
- 6% Improvement
- 72%
- 76%
- 0.21
- 23%
- 64%

*For: CDP A for Climate A- for Water, Corporate ESG Performance Leader, Prime, FTSE4Good, MSCI ESG Rating AAA, Sustainalytics Sector Leader, Moody’s Top ranking*
Quantifiable and auditable food system commitments set for 2030

- Closing the micronutrient gap for 800 MILLION PEOPLE by 2030
- Supporting the immunity of 500 MILLION PEOPLE by 2030
- DOUBLE DIGITS on-farm livestock emissions reduction by 2030
- Reaching 150 MILLION PEOPLE with solutions for plant-based foods by 2030
- Supporting the livelihoods of 500,000 SMALLHOLDER FARMERS by 2030

Health for People

Health for Planet

Healthy Livelihoods
## Group | Strong full year 2021 results

### 2021

<table>
<thead>
<tr>
<th>Metric</th>
<th>2021 Performance</th>
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<tr>
<td>Organic Sales growth</td>
<td>+13%</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>+18%</td>
</tr>
<tr>
<td>Adj. Net Operating Free Cash Flow</td>
<td>+9%</td>
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<td>€9,204m</td>
<td>€1,814m</td>
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- Strong full year results and strong performance on non-financial targets,
- Further step-up in sustainability ambitions and a more aggressive path towards net-zero
- Net profit of **€1,680m**, including profits from sale of AOC and Resins & Functional Materials (versus Net Profit 2020 of €508m)
Nutrition | Strong Results – Demonstrating its superior operational performance and reliability as a supplier

2021

Organic Sales growth
+8%
€7,031m

Adj. EBITDA
+8%
€1,447m

Adj. EBITDA margin
20.6%
(-40bps)

- Successfully navigating significant supply chain and logistic disruptions affecting the market throughout the year
- Strong 8% Adjusted EBITDA growth largely related to increased volumes, with a 6% contribution from M&A and a 4% negative FX effect

Volumes
+8%

Price/ Mix
0%

FX
-2%

M&A
+4%
## Materials | Very strong performance

### FY 2021*

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<th>Adj. EBITDA</th>
<th>Adj. EBITDA margin</th>
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<tr>
<td>+28%</td>
<td>+60%</td>
<td>22.5% (+460bps)</td>
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<tr>
<td>€1,935m</td>
<td>€435m</td>
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- Volumes up +14% vs 2020 and +6% vs 2019, while markets continued to struggle with semiconductor shortages and supply chain disruptions
- Adj. EBITDA up +60% vs 2020 and +17% vs 2019
- Results supported by customer restocking, operational leverage, manufacturing excellence and good pricing strength

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<th>Volumes</th>
<th>Price/Mix</th>
<th>FX</th>
<th>M&amp;A</th>
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<tr>
<td>+14%</td>
<td>+14%</td>
<td>-1%</td>
<td>0%</td>
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* Continuing Operations
DSM made four important acquisitions in 2021

- **F&F bio-based intermediates business of Amyris**, Inc., extending offerings in Personal Care & Aroma Ingredients with annual sales of about €20m
- Full ownership of **Midori USA**, Inc., a biotechnology start-up developing targeted eubiotics for animals
- **First Choice Ingredients**, a leading US supplier of dairy-based savory flavorings for a wide range of F&B applications including plant-based alternatives with annual sales of about €70m
- **Vestkorn Milling**, a leading producer of pea- and bean-derived ingredients for plant-based protein products with annual sales of about €20m

- DSM also **divested** businesses in 2021:
  - It completed the sale of Resins & Functional Materials and associated businesses
  - Divestment of its stake in AOC
Other 2021 Financial Highlights

End of 2021

- **Total Working Capital as % of sales**
  - 18.7%
  - - 40bps

- **OWC as % of sales**
  - 24.1%
  - - 50bps

- **Return on Capital Employed (excluding M&A)***
  - +14.3%
  - +210bps

End of 2021

- **Proposed dividend**
  - €2.50
  - per share +€0.10

- **Ordinary Shares Issued**
  - 174.8m
  - - 6.6m shares

- **Net Debt**
  - €1,014m
  - €2,577m (end of 2020)

* Including M&A, ROCE Continuing Operations was 11.2%, up 70bps compared to 2020 (10.4%)
Purpose-led, Performance-driven (Nutrition ’07-’21)

Ambitious mid-term profit targets:

- Mid-single digit % organic sales growth
- Adj. EBITDA margins >20%
- High-single digit % annual adjusted EBITDA growth
- ~10% avg. annual increase in Adj. Net Operating Free Cash Flow

*2018 figures show the results of the underlying business. This excludes an estimated €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment, due to a force majeure situation in the industry. See Integrated Annual Report 2018.
Creating sustainable value for all stakeholders
Superior share price performance vs. peers and AEX

Stock Performance % (since Jan-2017)
DSM achieved superior share price performance over the last 5 years

Dividend €

Note: Peers include Symrise, Givaudan, Kerry, IFF, Novozymes, Chr Hansen. Share prices rebased to 100.
(1) Share price change between 1st January 2017 and end of Q1 2022
2022 Q1 & Outlook
Q1 Results Highlights: DSM delivered a good first quarter

**2022 Q1 Group**

- **Organic Sales growth**: +12%
- **Adj. EBITDA**: +10%
- Group sales +18%
- Robust demand across DSM’s businesses
- Effective pricing measures to counteract inflation throughout the value chain
- Excellence of DSM’s people and operations ensured DSM was able to continue to satisfy its customers’ needs

- **Organic Sales growth**: +12%
- **Adj. EBITDA**: +10%

**2022 Q1 HNB**

- **Health, Nutrition & Bioscience**
- HNB sales +16%
- Despite highly inflationary environment and ongoing global supply chain challenges, all businesses delivered a good quarter

- **Organic Sales growth**: +9%
- **Adj. EBITDA**: +9%
- **Organic Sales growth**: +9%
- **Adj. EBITDA**: +9%

**2022 Q1 Materials**

- **Organic Sales growth**: +21%
- **Adj. EBITDA**: +11%
- Materials Sales +25%
- On April 20, 2022, DSM announced agreement to sell DSM Protective Materials to Avient Corporation for an Enterprise Value of €1.44bn

- **Organic Sales growth**: +21%
- **Adj. EBITDA**: +11%
Full Year 2022 outlook unchanged

- DSM expects for its Health, Nutrition & Bioscience activities to deliver a high-single digit Adjusted EBITDA increase.

- For the Group, DSM expects a mid-single digit Adjusted EBITDA increase, with a high-single Adjusted Net Operating Free Cash Flow increase. This outlook is based on DSM’s expectation of a stable Adjusted EBITDA in Materials following the strong performance in 2021.