Glycom A/S

Kogle Allé 4, 2970 Hørsholm

CVR no. 28 51 24 57

Annual report 2021

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

on 8 July 2022

DocuSigned by:

Anders Glargaard

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Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Glycom A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Hørsholm, 8 July 2022

Executive Board:

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Jesper Mørk
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Jesper Mørk

Board of Directors:

DocuSigned by:
Gareth Barker
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Gareth Allan Barker
Chairman

DocuSigned by:
Jesper Mørk
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Jesper Mørk

DocuSigned by:
Anders Glargaard
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Anders Glargaard

DocuSigned by:
James Young
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James Young

Independent auditor's report

To the shareholder of Glycom A/S

Opinion

We have audited the financial statements of Glycom A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 8 July 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen State Authorised Public Accountant mne34459	Niklas R. Filipsen State Authorised Public Accountant mne47781

Management's review

Company details

Glycom A/S
Kogle Allé 4
2970 Hørsholm
Denmark

Telephone:	+45 88 30 95 00
Website:	www.glycom.com
CVR no.	28 51 24 57
Established:	22 March 2005
Registered office:	Hørsholm
Financial year:	1 January – 31 December

Board of Directors

Gareth Allan Barker, (Chairman)
Jesper Mørk
Anders Glargaard
James Young

Executive Board

Jesper Mørk

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Glycom A/S
Annual report 2021
CVR no. 28 51 24 57

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Gross profit	204,626	123,707	160,268	112,838	23,944
Operating profit/loss	96,947	48,533	105,135	63,146	-530
Loss from financial income and expenses	-4,240	-27,711	-32,104	-65,260	-45,658
Profit/loss for the year	72,821	10,605	30,534	-14,156	-39,845
Total assets	747,724	730,001	761,630	722,910	773,885
Investments in property, plant and equipment	7,232	3,416	2,755	2,376	523
Equity	343,714	270,893	217,798	30,433	30,942
Return on assets	13.1%	6.5%	14.2%	8.4%	-0.1%
Equity ratio	46,0%	37.1%	28.6%	4.2%	4.0%
Average number of full-time employees	47	49	48	50	44

The financial ratios have been calculated as follows:

Return on assets $\frac{\text{Profit/loss from operating activities x 100}}{\text{Average assets}}$

Equity ratio $\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Management's review

Operating review

Principal activities

Glycom is dedicated to the scientific, clinical and commercial development of Human Milk Oligosaccharides (HMOs) for at broad range of health applications. Glycom is the world's leading HMO supplier and the only fully integrated HMO player with its own product development, preclinical and clinical development, regulatory team and large-scale production.

Development in activities and financial position

The income statement for 2021 shows a profit of DKK 72,821 thousand against a profit of DKK 10,605 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 343,714 thousand. Management considers the Company's financial performance in the year satisfactory and in according with expected.

Glycom A/S has entered into a service level agreement on the continued development of HMO on behalf of the DSM group, this has caused a change in the company income level, because the income has been in the same level as previous years, combined with the SLA the earnings in the company has raised significantly.

Outlook

The company's main activities will still be development, manufacture and sales of Human Milk oligosagarides primarly for the infant formula industry. For the year 2022 the the expected profit will be in the range of DKK 85,000 to DKK 90,000 before tax.

Intellectual capital

Glycom employs several highly skilled team members across the group, which are critical to both the development of new HMOs and to the continued improvement of production strains and processes. Retention of key employees and employee satisfaction are therefore very important to Glycom, as is being able to attract new highly skilled employees.

Our central Research and Innovation team in Hørsholm consists of more than 35 highly specialized team members, many have been employed with the company for several years and employee turnover has historically been low. Glycom expects to be able to remain an attractive workplace and continues invest in its employees.

Glycom's production team consists of skilled operators, technicians, engineers and other highly skilled employees, which are all key to the running and continuously optimizing the production processes with high quality output. Across the production departments, employee surveys are regularly held to ensure a high level of employee satisfaction. At the latest employee satisfaction survey, a high employee satisfaction score was observed.

Environmental matters

Glycom's production takes place at its facility in Esbjerg, and is part of DSM.

In the fourth full year of operation, Glycom has made further improvements within the environmental area. Noise measurements have been completed with positive results and the company's waste-sorting has been improved significantly with several waste factions for recycling. Air pollution control has been completed with positive outcome.

Management's review

Operating review

The company's water and energy consumption were mapped for the entire production by process in order to get focus on improvement opportunities. Projects related to recycling of water from the largest consumption areas has intense focus and an energy project related to one of our biggest energy-consuming processes has been started. Glycom continues to have a very positive and constructive dialogue with all the relevant departments of The Danish Environmental Protection Agency about possible continous improvements.

Research and development activities

After the acquisition by DSM, Glycom A/S has entered into a service level agreement on the continued development of HMO on behalf of the DSM group. On this basis, the research and development activities continues, but the future intellectual property rights belongs with the customer. The past development activities and related intellectual capital rights remains with Glycom A/S and is maintained as part of the continuing activities of Glycom A/S.

Risks

Operational risks

Glycom's operational risk is mainly related to the ability to deliver all HMOs in spec and on time, every time. Significant investments are made in education, equipment and testing as well as a in continuous preventive maintenance in order to pre-empt any issues. In order to resolve any potential issue strategic spare parts are kept in stock and service agreements are in place for key operations and equipment. Management's review

Financial risks

Given Glycom's activities abroad, the company's earnings, cash-fiows and equity are influenced by the development in other currencies. Most of the currency exposure is towards the euro. With the Euro and the Danish krone tightly linked and most revenues and costs being Euro or DKK denominated, Glycom does not hedge against currency fluctuation as these are immaterial.

Glycom has significant exposure to the general interest rate as most of the Company's loans have variable interest rates. As such, an increase in the general interest level would negatively affect the Company.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross profit		204,626	123,707
Staff costs	2	-52,010	-53,384
Amortisation and depreciation of intangible assets and property, plant and equipment		-25,597	-21,790
Other operating costs		-30,072	-3,338
Profit before financial income and expenses		96,947	45,195
Financial income	3	25	721
Financial expenses	4	-4,265	-28,432
Profit before tax		92,707	17,484
Tax on the profit for the year	5	-19,886	-6,879
Profit for the year	6	72,821	10,605

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Balance sheet

DKK'000	Note	2021	2020
ASSETS			
Non current assets			
Intangible assets	7		
Completed development projects		222,604	241,813
Acquired patents		11,016	11,949
Acquired licences		0	635
Software		8,877	0
Development projects in progress		19,320	19,320
		261,817	273,717
Property, plant and equipment			
Fixtures and fittings, tools and equipment	8	9,513	6,509
		9,513	6,509
Investments			
Investments in group entities	9	420,212	420,212
		420,212	427,776
Total non-current assets		691,542	708,002
Current assets			
Receivables			
Trade receivables		355	1,655
Receivables from group entities		48,132	14,003
Deferred tax assets	10	0	7,564
Other receivables		4,130	3,837
Prepayments	11	372	42
		52,989	19,537
Cash at bank and in hand		3,193	2,462
Total current assets		56,182	21,999
TOTAL ASSETS		747,724	730,001

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	12	1,790	1,790
Reserve for development cost		126,049	136,057
Retained earnings		215,875	133,046
Total equity		343,714	270,893
Provisions			
Provisions for deferred tax	10	15,219	0
Total provisions		15,219	0
Non-Current liabilities			
Deferred income	13	13,625	10,210
Total non-current liabilities		13,625	10,210
Current liabilities other than provisions			
Bank debt		0	120
Prepayments received from customers		0	70,690
Trade payables		4,894	13,002
Payables to group entities		336,106	334,892
Other payables		17,309	19,984
Deferred income	13	16,857	10,210
		375,166	448,898
Total liabilities other than provisions		388,791	459,108
TOTAL EQUITY AND LIABILITIES		747,724	730,001

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Statement of changes in equity

DKK'000	Contributed capital	Reserve for develop-ment cost	Retained earnings	Total equity
Equity at 1 January 2021	1,790	136,057	133,046	270,893
Profit appropriation	0	0	72,821	72,821
Transfer of reserves	0	-10,008	10,008	0
Equity at 31 December 2021	1,790	126,049	215,875	343,714

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Glycom A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement for Koninklijke DSM N.V.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Glyom A/S and group entities are included in the consolidated financial statements of Koninklijke DSM N.V., Het Overloon 1,6411 TE Heerlen, Netherlands.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of royalties is recognised as revenue in the statement provided that transfer of risk to the buyer has taken place before year end.

Revenue from the sale of services, comprising sales of R&D cost, is recognised on a straight-line basis in the income statement as the services are provided, and the costs are recognised in the income statement.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise expenses related to administration, sales- and marketing, leases etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities

Other operating cost

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses from transactions denominated in foreign currencies etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with Danish entities of the DSM group. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets include development projects and other acquired intangible rights, including acquired patents, licenses and software.

Development projects comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Other intangible assets, are measured at cost less accumulated amortization and impairment losses.

The basis of amortisation is cost less any projected residual value after the end of the useful life. Amortisation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Completed development projects	15 years
Acquired patents	10 years
Acquired licenses	3-5 years
Software	3-5 years

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments in group entities

Investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Reserve for development costs

Reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK'000	2021	2020
Wages and salaries	50,683	61,697
Other social security costs	304	317
Other staff cost	1,023	-8,630
	52,010	53,384
Average number of full-time employees	47	49

With reference to section 98b(3), of the Danish Financial Statement Act, remuneration to the Executive Board hasn't been disclosed for 2020 and 2021. No remuneration has been paid to the Board of Directors in 2021 and 2020.

3 Financial income

Interest income from group entities	0	280
Other financial income	25	441
	25	721

4 Financial expenses

Interest expenses to group entities	4,140	20,854
Other interest expense	125	7,578
	4,265	28,432

5 Tax on profit for the year

Adjustment to deferred tax for the year	22,780	6,846
Adjustments to tax regarding previous years	-2,894	33
	19,886	6,879

Financial statements 1 January – 31 December

Notes

6 Profit appropriation

DKK'000	2021	2020
Retained earnings	72,821	10,605
	72,821	10,605

7 Intangible assets

DKK'000	Completed development projects	Acquired patents	Acquired licenses	Software	Development projects in progress	Total
Cost at 1 January 2021	286,976	13,918	1,791	0	19,320	322,005
Additions	0	0	0	9,469	0	9,469
Transfer	0	0	-1,791	1,791	0	0
Cost at 31 December 2021	286,976	13,918	0	11,260	19,320	331,474
Impairment losses and amortisation at 1 January 2021	45,163	1,969	1,156	0	0	48,288
Amortisation	19,209	933	0	1,227	0	21,369
Transfer	0	0	-1,156	1,156	0	0
Impairment losses and amortisation at 31 December 2021	64,372	2,902	0	2,383	0	69,657
Carrying amount at 31 December 2021	222,604	11,016	0	8,877	19,320	261,817

In completed development projects, interest of DKK 613 thousand has been recognised.

Completed development projects and development projects in progress relates to the development of different variants of Human Milk Oligosaccharides (HMO).

Financial statements 1 January – 31 December

Notes

8 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment
Cost at 1 January 2021	28,434
Additions	7,232
Cost at 31 December 2021	35,666
Depreciation and impairment losses at 1 January 2021	21,925
Depreciation	4,228
Depreciation and impairment losses at 31 December 2021	26,153
Carrying amount at 31 December 2021	9,513

Financial statements 1 January – 31 December

Notes

9 Investments in group entities

DKK'000	invest- ments in group interpises
Cost at 1 January 2021	422,056
Cost at 31 December 2021	422,056
Impairment losses at 1 January 2021	-1,844
Impairment losses at 31 December 2021	-1,844
Carrying amount at 31 December 2021	420,212

Name/legal form	Registered office	Equity interest	Equity	Profit/loss for the year
			DKK'000	DKK'000
Subsidiaries:				
Glycom Manufacturing A/S (2021)	Esbjerg Denmark	100%	520,450	49,033
Glycom Inc (*).	Covinton, LA, USA	100%	-	-
Glycom GmbH (2020)	Hamburg, Germany	100%	212	104
			532,963	47,040

Year figures in brackets indicate the year for the most recent published annual report.

Subsidiaries marked with *, there are no published annual reports.

10 Deferred tax

DKK'000	2021	2020
Deferred tax at 1 January	-7,564	1,668
Deferred tax adjustment for the year in the income statement	22,783	-9,232
	15,219	-7,564

Financial statements 1 January – 31 December

Notes

11 Prepayments

Prepayments consists of expenses relating to the subsequent period.

12 Contributed capital

The contributed capital consists of:

A shares, 454,303 shares of nom. DKK 1.00 each
B shares, 136,542 shares of nom. DKK 1.00 each
C shares, 572,568 shares of nom. DKK 1.00 each
D shares, 626,454 shares of nom. DKK 1.00 each

13 Deferred income

Deferred income of DKK 30,482 thousand (31 December 2020: DKK 20,420 thousand) comprise payments received from customers that cannot be recognised until the subsequent financial year.

14 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with its parent, DSM Nutritional Products A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 36 months. The total rent and lease obligations are listed below.

DKK'000	2021	2020
Rent and lease obligations	6,834	7,006

15 Related party disclosures

Glycom A/S' related parties comprise the following:

Control

DSM Nutritional Products Denmark ApS holds all shares in the Company.

Glycom A/S is part of the consolidated financial statements of Koninklijke DSM N.V., Het Overloon 1,6411 TE Heerlen, Netherlands which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Koninklijke DSM N.V. can be obtained by contacting the companies at the above addresses.

Financial statements 1 January – 31 December

Notes

Related party transactions

DKK'000	2021
Sale of services to group entities	97,510
Purchase of services from group entities	10,195

Payables and receivables to group entities are disclosed in the balance sheet and financial income and expenses are disclosed in note 3 and 4.

A reference to note 2 is made for remuneration to Management.