always
inspiring more ...

symrise

2023

Financial Report 2023

Five-year financial overview

€ million		2019	2020	2021	2022[6]	2023[7]
Group – Results of operations						
Sales		3,408	3,520	3,826	4,618	4,730
EBITDA[1,2]		701	742	814	922	903
EBITDA margin[1,2]	in %	20.6	21.1	21.3	20.0	19.1
Net income[1,2]		296	307	375	406	340
Earnings per share[1,2]	in €	2.20	2.27	2.74	2.91	2.44
Dividends paid		129	131	143	147	154[3]
Dividends per share	in €	0.95	0.97	1.02	1.05	1.10[3]
Group – Financial position/net assets						
Cash flow from operating activities		547	636	522	360	720
Investments (without M & A)		182	159	174	270	270
Balance sheet total[2] (as of December 31)		5,953	5,940	6,673	7,783	7,846
Capital ratio[2] (as of December 31)	in %	41.3	39.8	48.7	46.4	47.0
Net debt (incl. provisions for pensions and similar obligations) (as of December 31)		2,222	2,029	1,964	2,692	2,666
Employees (as of December 31)	FTE[4]	10,264	10,531	11,151	12,043	12,435
Taste, Nutrition & Health						
Sales		1,989	2,151	2,335	2,913	2,978
EBITDA[5]		423	471	531	631	627
EBITDA margin[5]	in %	21.3	21.9	22.7	21.6	21.0
Scent & Care						
Sales		1,419	1,369	1,491	1,706	1,752
EBITDA		278	272	283	291	277
EBITDA margin	in %	19.6	19.8	19.0	17.1	15.8

1 Figures for 2019 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations
2 Figures for 2019 restated due to finalisation of purchase price allocation for ADF/IDF
3 Proposal
4 Not including apprentices and trainees; FTE = Full Time Equivalent
5 Figures for 2019 normalized for transaction and integration costs related to business combinations and restated due to finalisation of purchase price allocation for ADF/IDF
6 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden
7 Adjusted for one-time effects

Table of Contents

ABOUT THIS REPORT

This 2023 financial report contains the complete consolidated financial statements, the Group management report and all other legally required elements. Supplementary to it, a separate corporate report provides a comprehensive depiction of Symrise's performance in 2023 – both from a business perspective as well as from a sustainability standpoint. The corporate report can be viewed electronically and ordered in print form at www.symrise.com/corporatereport/2023.

The Symrise 2023 financial report was published simultaneously with the 2023 corporate report on March 6, 2024, and is available in German and English. The publication date of the financial report for the 2024 fiscal year is March 2025. Additional information on our company's activities can be found at www.symrise.com.

Symrise at a glance
always inspiring more …

SEGMENTS

Taste, Nutrition & Health				Scent & Care		
Food & Beverage	Pet Food	Aqua Feed	Probi	Fragrance	Cosmetic Ingredients	Aroma Molecules

DIVISIONS

Symrise provides exciting flavor and fragrance experiences, and offers sustainable solutions for food production based on natural starting materials. This is our mission. With commitment and innovative strength, we develop the best possible concepts for our customers' products. We do this so consumers around the world can take pleasure in the most common experiences of everyday life and additionally benefit from healthy or nurturing properties. With its creativity and entrepreneurial energy, Symrise opens up further potential with a third of its business being generated via cosmetic active ingredients and raw materials, functional ingredients, pet food, aquacultures and probiotics. Our wide range of activities offers new chances for growth, stabilizes performance and provides Symrise with an unmistakable profile.

Symrise's Value Chain

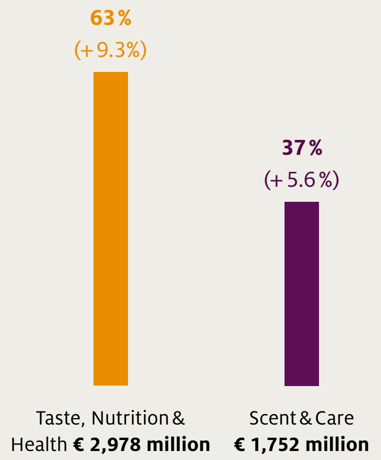
Raw materials →	Product development →	Manufacturing process →	Customers →	Consumers →
• Natural ingredients • Petro-based raw materials	• Natural extracts • Functional ingredients • Compositions	• Extraction • Distillation • Chemical processes • Encapsulation technologies • Mixes	Manufacturers of: • Foods • Beverages • Perfumes • Cosmetics • Oral care products • Household products • Pet food • Technical applications	

2023 Highlights

Strong organic sales growth

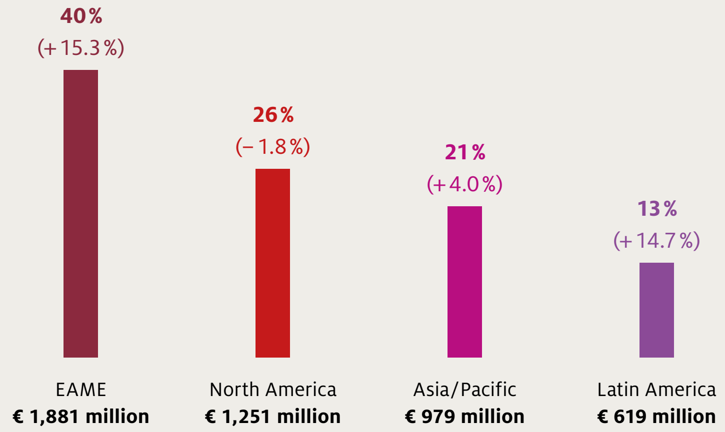
Sales by segment

as % of Group sales and organic growth in %



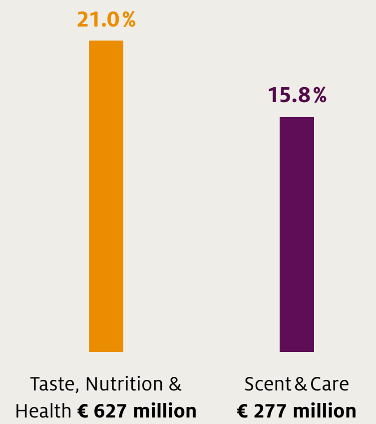
Sales by region

as % of Group sales and organic growth in %



EBITDA[1] (margin) segments

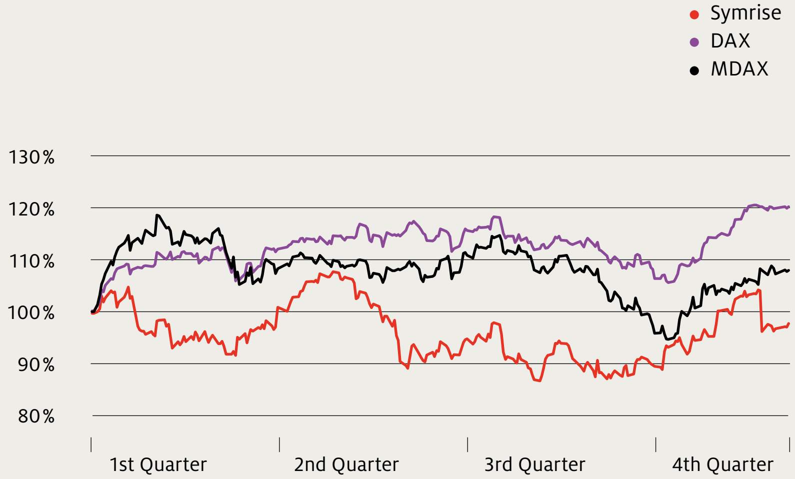
as % of Group sales



1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments

Share price development

of the Symrise stock in 2023



Figures, data, facts
2023

More than

12,000

employees in 40 countries

Market capitalization
€ 14 billion

7.9 %

Organic growth

Earnings per share
€ 2.44

EBIT[1]
€ 611 million
EBIT margin[1] 12.9 %

More than **6,000** customers in over 150 countries

Sales

€ 4,730 million

Dividend proposal

€ 1.10

per share

“

2023 was once again a successful year of growth impacted by difficult market conditions.

”

Net income

€ 340

million

Highly profitable EBITDA margin 2006 – 2023 between 19 % and 22 %

EBITDA[1]

€ 903 million

EBITDA margin[1] 19.1 %

1 Adjusted for one-time effects; please refer to the “Alternative performance indicators” section on page 42 for details about the adjustments

01

Group Management Report

SYMRISE AG, HOLZMINDEN

JANUARY 1 TO DECEMBER 31, 2023

Basic information
on the Symrise Group

Strategy

Vision

Growth
- Growth in emerging markets
- Maximization of customer spectrum
- Targeted innovation

Efficiency
- Specific efficiency programs
- Optimization of raw materials portfolio

Portfolio
- Expand competencies outside the traditional flavor and fragrance industry
- Acquisitions

Sustainability

Values

Goals

Financial goals

5 – 7 % p.a. (CAGR)
Organic sales growth
(until 2028)

EBITDA margin
20 – 23 % (until 2028)

Business Free
Cash Flow: 14 %

Customer portfolio mix:
global, regional, local
1/3 each

Cross-divisional
connection of products
and technologies

Complementary operative goals

Sustainability

Our sustainability agenda

FOOTPRINT

Minimize our environmental footprint along the value chain

INNOVATION

Maximize positive social & environmental impacts of our products

SOURCING

Maximize the sustainability of our supply chain and sourcing of our raw materials

CARE

Improve well-being in our stakeholder communities

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise is a global supplier of fragrances and flavorings, cosmetic active ingredients and raw materials, functional ingredients and product solutions for food production based on natural base materials. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food.

With sales of € 4.7 billion in the 2023 fiscal year and a market share of around 12 %, Symrise is one of the leading global suppliers. Headquartered in Holzminden, Germany, the Group is represented in more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The roots of Symrise date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise shares have been listed in the Prime Standard segment of the German stock exchange in Frankfurt/Main. With a market capitalization of around € 14 billion at the end of 2023, Symrise shares have been listed on the DAX® index since September 2021. Currently, about 90 % of the shares are in free float.

Operational business is the responsibility of the Taste, Nutrition & Health and Scent & Care segments.

The Taste, Nutrition & Health segment includes the Food & Beverage and Pet Food divisions as well as the two smaller units Aqua Feed and Probi. The Scent & Care segment includes the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

The business activities of the Group are organized into four regions: Europe, Africa and Middle East (EAME), North America, Asia/Pacific and Latin America.

The Group has a Corporate Center in which the following central functions are carried out: Accounting, Controlling, Taxes, Treasury, Corporate Communications/Sustainability, Investor Relations, Legal Affairs, Human Resources (HR), Group Compliance, Corporate Internal Audit and Information Technology (IT). In Germany and France, other supporting functions such as technology, energy, safety, environment and logistics are bundled in independent Group companies. These also maintain business relationships with customers outside the Group.

Symrise AG is headquartered in Holzminden, Germany. At this site, the Group’s largest, Symrise employs 2,600 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. Symrise has regional headquarters in Germany (Holzminden), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore. Important production facilities and development centers are located in Germany, France, Spain, Brazil, Mexico, Singapore, China, India, Japan and the USA. Symrise has sales branches in 40 countries.

Symrise sites 2023

● Global headquarters ● Regional headquarters • Symrise sites

MANAGEMENT AND OVERSIGHT

Symrise is a German stock corporation with a dual management structure consisting of an Executive Board and a Supervisory Board. The Executive Board is responsible for managing the company with the primary goal of increasing the company's value in a sustainable manner. The Supervisory Board acts as a counterbalance and oversees the Executive Board's management activities. This oversight function is not only retrospective but also relates to providing advice to the Executive Board going forward. Executive Board management activities may not be transferred to the Supervisory Board, which oversees and advises the Executive Board in the management of the company and regularly discusses business development, planning, strategy and risks with the Executive Board.

As of the end of the reporting period (December 31, 2023), the Executive Board of Symrise AG had five members: Dr. Heinz-Jürgen Bertram (CEO), Dr. Jörn Andreas (President Scent & Care), Dr. Stephanie Coßmann (Head of Human Resources & Legal and Labor Director), Olaf Klinger (CFO and IT) and Dr. Jean-Yves Parisot (President Taste, Nutrition & Health).

The Symrise AG Supervisory Board has twelve members. In compliance with the German Codetermination Act, the Symrise AG Supervisory Board has an equal number of shareholder and employee representatives. The Supervisory Board has formed four committees to increase the efficiency of its work. At present, the following shareholder representatives have been elected to the Supervisory Board for the period until

the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2024: Ms. Ursula Buck, Managing Director of BC BuckConsult, Possenhofen; Mr. Bernd Hirsch, CFO of COFRA Holding AG, Gütersloh; Mr. Michael König, Chief Executive Officer of Nobian Industrial Chemicals B.V., Iserlohn; Prof. Dr. Andrea Pfeifer, CEO of AC Immune S. A., St. Légier, Switzerland; Mr. Peter Vanacker, CEO of LyondellBasell Industries N.V., Houston, Texas, USA; and Mr. Jan Zijderveld, professional supervisory board member, London, UK.

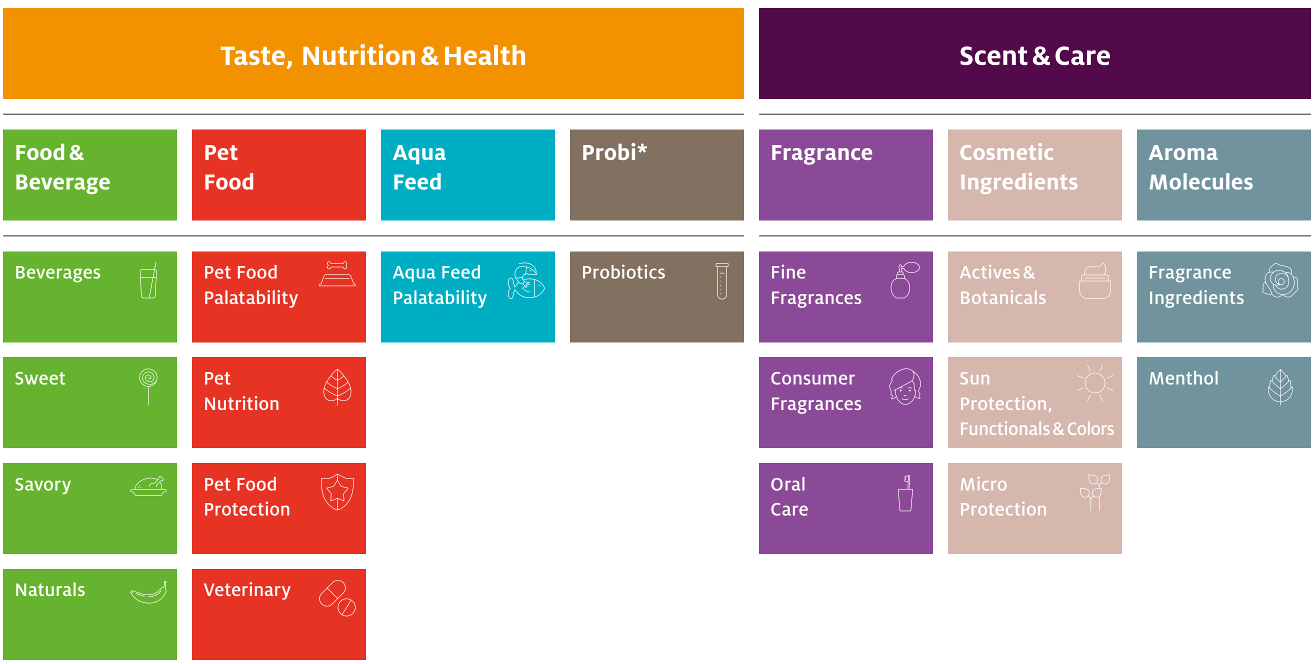
The following five employee representatives have been elected to the Supervisory Board from among the German staff in compliance with the legally prescribed election process for the period until the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2024: Ms. Jeannette Chiarlitti, IG BCE General Secretary of the Northern District, Salzgitter; Mr. Harald Feist, Chairperson of the Works Council and the General Works Council of Symrise AG, Holzminden; Mr. André Kirchhoff, independent member of the Works Council of Symrise AG, Bevern; Dr. Jakob Ley, Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health at Symrise AG, Holzminden; and Ms. Andrea Püttcher, Deputy Chairperson of the Works Council and Vice Chairperson of the General Works Council of Symrise AG, Bevern. As directed by the Local Court of Hildesheim on June 13, 2023, Mr. Malte Lückert, Secretary of the IGBCE Executive Board responsible for Economic, Sectoral and Collective Bargaining Policy and HR, Rodenberg, was appointed as a member of the Supervisory Board in accordance with Section 104 of the German Stock Corporation Act (AktG).

Details on cooperation between the Executive and Supervisory Boards as well as on corporate governance at Symrise can be found in the Supervisory Board and corporate governance statements.

BUSINESS ACTIVITIES AND PRODUCTS

Value chain of Symrise

Symrise manufactures about 35,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of the two segments extends across research and development, purchasing, production, and the sale of products and solutions. Natural ingredients, flavors, perfume oils and active ingredients are generally central functional components in Symrise customers' end products and are often a key factor in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste, value creation at Symrise lies in the development of products with additional benefits. Examples of how food ingredients and perfume oils are combined with other innovative components include flavors that enable the sugar or salt content of foods to be reduced or a moisturizing cosmetic ingredient that lowers the preservative content in care products.



* Majority shareholder in the Swedish company Probi AB

On the basis of these products, Symrise customers can set themselves apart from competitors with their tailor-made end products in the rapidly changing consumer goods market. The extensive research and development (R & D) undertaken at the company, which is supplemented by a wide-reaching external network of partnerships with research institutes and scientific facilities, forms the basis of product development. Given the strong differences in sensory preferences from region to region, comprehensive consumer research is also an important part of the R & D activities at Symrise.

CORPORATE STRUCTURE

The customers of Symrise include large, multinational companies as well as important regional and local manufacturers of food, beverages, pet food, perfumes, cosmetics, personal care products and cleaning products as well as laundry detergents.

The various product solutions are manufactured at our own production plants. In some cases, longer-term delivery contracts are in place for obtaining important raw materials. Symrise maintains close ties with its suppliers and establishes uniform standards to guarantee that the quality of its base materials remains the same.

Taste, Nutrition & Health

The Taste, Nutrition & Health segment has sites in 38 countries and sells its nearly 19,000 products in 148 countries. Taste, Nutrition & Health aims to make life better and healthier. As an augmented flavor house, the segment uses its combined know-how and scientific research to offer customers and partners solutions in the areas of taste, nutrition and health that are sustainable and based on natural ingredients. Symrise offers responsibly sourced ingredients treated with gentle proprietary processes utilizing IP and differentiated technologies to create flavorful, nutritious and healthy solutions. With more than 100 sites around the world, the segment serves the markets of the food and beverage industry as well as pet and fish food producers.

Taste: The taste of products remains a top priority for consumers. The sophisticated ingredients offered by Symrise ensure that consumers have holistic, authentic and intense taste experiences.

Nutrition: Consumers are aiming for a balanced diet; Symrise provides special nutrients to improve the nutritional profile of the final recipes.

Health: Consumers are increasingly realizing that food also contributes to health. Symrise develops specific active solutions for the desired health benefits.

The segment is divided into two core areas – Food & Beverage and Pet Food – as well as the two smaller Aqua Feed and Probi units.

Food & Beverage: Working closely with food producers, the division develops taste solutions and differentiated ingredients that meet the needs of consumers for naturalness and incomparable taste experiences. The division supplies individual tonalities and complete solutions for use in the final product, which, apart from the actual taste, can contain additional functional ingredients to protect taste and promote health. The Food & Beverage division's range comprises more than 14,000 products marketed by four business units.

Beverages: With global expertise in non-alcoholic and alcoholic beverages, Symrise advises and supports the international beverage industry. The authentic and innovative taste solutions from Symrise are used in soft drinks, juice beverages, tea and coffee products, spirits and fermented beverages.

Sweet: Symrise creates innovative taste solutions for sweets, chocolate, chewing gum, baked goods, cereals, ice cream, milk and milk alternatives.

Savory: The savory flavors developed by Symrise are used in two main categories – in Culinary for soups, sauces, ready meals, instant noodles and meat products and Snack Food with seasonings for snacks. In both categories, Symrise can rely on its core flavor expertise in meat and vegetables, which is characterized by modern food technology and research as well as sustainability.

Naturals: The division offers a wide range of innovative, natural and sustainable ingredients for the above-mentioned business units, including products for baby food and dietary supplements. In-house agronomists carefully select raw materials and apply responsible sourcing practices to preserve the best natural qualities of conventional and organic fruit, vegetables, meat, seafood, vanilla and plants. Gentle industrial processing methods combined with technological know-how are used to provide standardized clean label ingredients for food products that ensure safety, the highest quality and traceability along the entire value chain. Consequently, Symrise customers can optimize their products in terms of their taste performance, health benefits, sensory properties and shelf life.

Pet Food: The division offers high-quality, sustainable solutions for pet food manufacturers worldwide that ensure the well-being of pets and the satisfaction of pet owners. These solutions include numerous products and services for improving taste and pets' acceptance of foods, achieving pet food safety and for animal health. The division comprises three business units: Pet Food Palatability, Pet Nutrition and Pet Food Protection. Following the idea of "the closer, the better," Symrise serves its customers from more than 30 locations around the globe. In order to conduct research on feed acceptance, feeding behavior and the interactions between pet owners and pets, the division maintains four development centers housing around 1,100 dogs and cats.

Aqua Feed: The scope of the Aqua Feed business unit includes sustainable ingredients and services that enable fish feed manufacturers to develop high-performance and reliable solutions for fish and shrimp farms. In doing so, the business unit relies on a global network of science and technology experts.

Swedish company Probi, in which Symrise holds a majority interest, develops, produces and markets effective probiotics for food supplements and functional foods. Probi specializes in handling live bacterial cultures, from research and development through to the production process. This makes the health-promoting effects of probiotics accessible to the general public.

The segment also operates a Business Incubation Group (BIG), which aims to explore, promote and accelerate new and existing business ideas to support the growth of the segment and prepare it for the future. Currently, the incubator includes platforms researching sugar reduction, food protection, flavor enhancement, modern proteins, citrus flavor profiles and the consistent use of by-products.

Scent & Care

The Scent & Care segment has sites in more than 30 countries and markets more than 16,000 products in 133 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in various applications:

Fragrance: The Fragrance division employs highly talented and renowned perfumers of various nationalities at 13 creative centers worldwide (for example, in Paris, New York, Mexico City, Shanghai, Dubai, São Paulo, Barcelona, Singapore and Mumbai). They combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). Symrise's creative and composition business comprises three global business units: Fine Fragrances, Consumer Fragrances and Oral Care:

Fine Fragrances: The Fine Fragrances business unit designs modern, high-quality perfumes. Symrise is creating new, exciting fragrance experiences with a rich pipeline of its own fragrances. The company has also expanded its range of high-quality natural ingredients for fine fragrances under the Lautier brand.

Consumer Fragrances: The Consumer Fragrances business unit includes products for personal care and household products. Symrise uses state-of-the-art technology to combine functionality and fragrance experience.

Oral Care: The Oral Care business unit covers a wide range of products from toothpaste and mouthwashes to chewing gum. For this, Symrise offers the entire range of classic mint flavors and their intermediate products, as well as modern cooling agents. In this area, the business unit can utilize Symrise's backward integration in mint flavors.

Cosmetic Ingredients: The portfolio of the Cosmetic Ingredients division includes active ingredients, modern solutions for product preservation, pioneering protection against solar radiation and negative environmental influences, innovative ingredients for hair care, inspiring plant extracts, high-performance functionals and tailor-made cosmetic colors. The division's unique approach is based on more than 100 years of experience in the development and marketing of cosmetic raw materials. In addition, the division is able to combine the best of nature, science and chemistry as well as skin and hair biology. Based on intensive consumer research, the division understands the needs of modern consumers. The research centers in Holzminden, in Paris, France, and in São Paulo, Brazil, work closely with the respective regional sales and application technology teams to offer customers and consumers tailor-made solutions and products for different regional requirements. The Cosmetic Ingredients division is a recognized innovation leader that has received 37 innovation awards for new substances over the past ten years. During the same period, 172 patent applications were filed, 16 of them in 2023 alone.

Aroma Molecules: The division includes the Menthols and Fragrance Ingredients business units. In the Menthols business unit, Symrise manufactures nature-identical menthol, which is primarily used in manufacturing oral care products, chewing gum and shower gels. Fragrance Ingredients manufactures aroma chemicals (intermediate products for perfume oils) of especially high quality. These aroma chemicals are used both in the production of perfume oils at Symrise as well as marketed to companies in the consumer goods industry and other companies in the fragrance and flavor industry. This business unit additionally offers terpene-based products obtained from renewable and sustainable raw materials.

MARKET AND COMPETITION

MARKET STRUCTURE

The Symrise Group is active in many different markets around the world. These include the traditional market for flavors and fragrances (F & F market), which grew from € 31.2 billion in 2022 to € 32.0 billion in 2023, according to calculations made by the IAL Consultants market research institute (13th Edition, September 2022). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which grew from € 7.8 billion in 2022 to € 8.0 billion in 2023, according to IAL reports (3rd Edition, December 2022). Together, these markets are also referred to as the AFF market, which would have a volume of € 40.0 billion. This market will grow by around 3 % to 4 % in the long term. However, in 2023, the relevant market grew by only 2.6 % because inflation-related price effects were offset by slight volume declines.

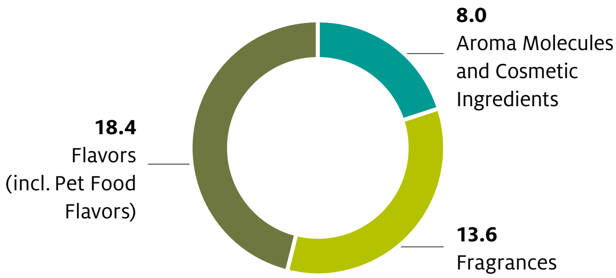
Worldwide, more than 500 companies are active in the relevant market for Symrise. Following the most recent acquisitions and mergers, the four largest players (Givaudan, the AFF-relevant units of IFF, DSM-Firmenich and Symrise) together hold a market share of 67 %.

The F & F market is characterized worldwide by high entry barriers. There is increasing customer demand for higher quality and more differentiated products with ever-shorter product life cycles. The majority of products and recipes are manufactured specially for individual customers. Furthermore, local taste preferences often dictate that there are many different recipes for a single end product that vary depending on the country in which it is marketed. Moreover, customer relations are often characterized by intensive cooperation in product development.

In addition to varying local taste preferences and consumer behaviors, there are other factors that also influence the demand for end products in which Symrise products are used. The population's increasing income in emerging markets is having a positive impact on the development of demand for products containing fragrances and flavorings or cosmetic ingredients. Market growth also depends on more basic products that meet everyday needs and already have an established presence in the markets of industrialized nations. In the developed Western European, Asian and North American markets, consumer trends such as beauty, health, well-being, convenience and naturalness determine the growing demand for products containing Symrise ingredients.

Relevant AFF market size 2023

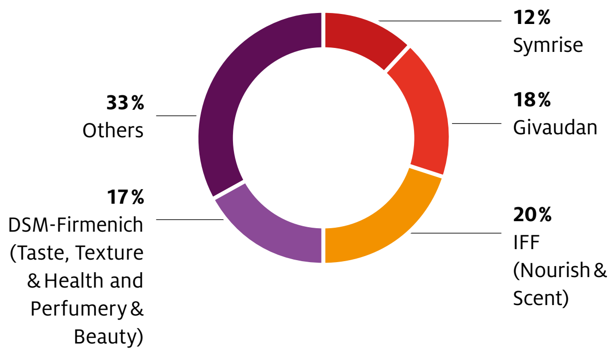
in € billion (approx. € 40.0 billion overall)



Sources: IAL FLA&FRA report (13th Edition, September 2022), IAL AC/AM report (3rd Edition, December 2022), IAL CI report (3rd Edition, December 2022).

AFF market share 2023

in % (market size approx. € 40.0 billion)



Sources: Company data and own estimates

THE MARKET POSITION OF SYMRISE

Symrise is one of the largest companies in the AFF industry. In relation to the relevant market of € 40.0 billion, Symrise held a market share in 2023 of roughly 12 % in terms of sales. Symrise has expanded the traditional segments to include additional applications such as cosmetic ingredients in Scent & Care and pet food ingredients in Taste, Nutrition & Health. Greater value creation can be achieved on the basis of these more complex product solutions. In submarkets such as sun protection or other cosmetic ingredients, Symrise also competes with companies or product segments of these companies that do not belong to the traditional AFF industry.

Symrise has leading positions in certain market segments worldwide, for example, in mint and vanilla flavor compositions. Furthermore, Symrise is one of the leading companies in the manufacturing of nature-identical L-menthol and also holds a leading position in the segment of UV sun protection filters, fragrance ingredients, and in baby and pet food.

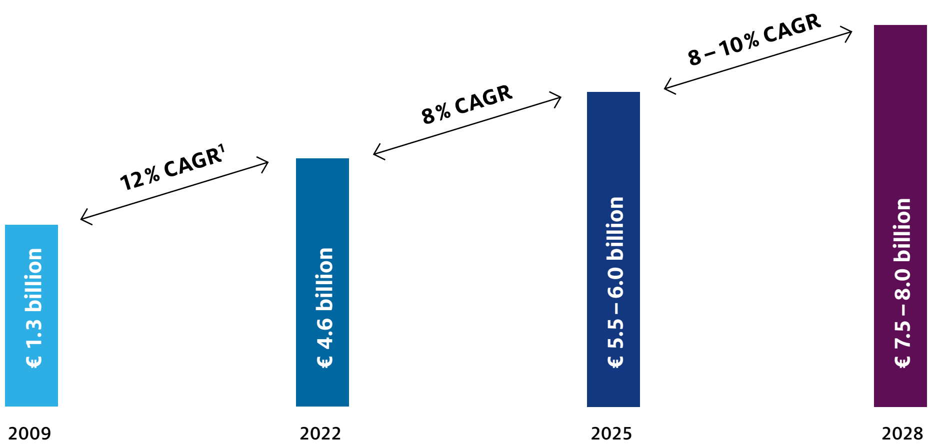
GOALS AND STRATEGY

GOALS

In the long term, Symrise wants to strengthen its market position and ensure the independence of Symrise. At the same time, Symrise recognizes its responsibility toward the environment, its employees and society at large. Symrise aims to increase sustainability with regard to its footprint, innovation, sourcing and care, and thereby minimize risk for the company and promote continued economic success.

Goals by 2028

Sales in € billion



1 CAGR: compound annual growth rate

- **Market position:** With long-term organic growth of 5 % to 7 % per year (CAGR)[1], sales growth at Symrise should exceed the growth of the market, which is expanding by about 3 % to 4 % per year on average. This will enable Symrise to gradually increase the distance between it and smaller competitors and to gain market share.

- **Value orientation:** Symrise wants to consistently be counted among the most profitable companies in the industry. The Group aims to achieve an average EBITDA margin of 20 % to 23 %.

Performance results are described in more detail in the corporate development section. Symrise ensures that its shareholders have an appropriate share in the company's success. The dividend policy is oriented toward the company's profitability.

STRATEGY

The corporate strategy of Symrise is based on three pillars: growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the Group's value over the long term and minimize risks. In this way, Symrise is making sustainability an integral part of its business model and turning it into a clear competitive advantage. The goal is a completely integrated corporate strategy.

- **Growth:** Symrise strengthens cooperation with its strategic customers around the world and expands its business in emerging markets. The Group makes sure that it remains an innovation leader in its core competencies. This ensures its continued growth.

- **Efficiency:** Symrise continually improves its processes and focuses on products with a high level of value creation. With backward integration for key raw materials, Symrise ensures a consistent, high-quality supply of these materials in sufficient quantities and at set delivery conditions. Symrise works cost-consciously in every division. This ensures the Group's profitability.

- **Portfolio:** Symrise enhances its product portfolio and taps into new markets and related business activities. The Group continues to expand its expertise outside the traditional flavor and fragrances industry. This ensures its prominent market position.

Symrise grows organically. When it makes sense, the Group engages in expansive acquisitions or enters into strategic partnerships for product development. At the same time, Symrise wants to ensure that the Group remains capable of taking advantage of any growth opportunities that arise without jeopardizing the company's financial stability.

VALUE-ORIENTED MANAGEMENT

Different variables are at play within the framework of value-oriented management[2]. The company is aiming for average organic sales growth of between 5 % and 7 % per year (CAGR)[1] in the long term. The EBITDA margin, for which Symrise has defined a strategic target of 20 % to 23 % (until 2025), serves as an indicator of the company's profitability. In addition, the company introduced business free cash flow in 2018 as the primary internal control variable to assess its performance in order to strengthen the Group's cash flow orientation. Symrise aims to continuously increase the business free cash flow, which consists of EBITDA, investments (including cash effects from leasing) and changes in working capital. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, Symrise attaches great importance to the Group's financial stability. Management's focus, therefore, is guided by these financial control parameters. Nonfinancial performance indicators in the areas of environment, procurement, employees and innovation are reported separately in the Corporate Report. Further information on the nonfinancial control variables can be found in the "Sustainability" chapter starting on page 26 and in the separate nonfinancial report pursuant to Section 289b of the German Commercial Code (HGB), which is published on the website of Symrise AG. at: **https://symrise.com/corporatereport/2023/company/sustainability-record/index.html**.

RESEARCH AND DEVELOPMENT

GUIDELINES

In research and development (R & D), Symrise aims to connect the individual components of product development, such as market and consumer research, basic research and creation throughout the Group. In the Taste, Nutrition & Health segment, new development potential is actively fostered through an incubator approach. Through the close linkup of R & D with business units, sales, marketing, purchasing and manufacturing/production, as well as quality assurance and regulatory issues, Symrise checks early on to see whether new products and technologies can be implemented, digitalized and if they

1 CAGR: compound annual growth rate

2 See also the "Alternative performance indicators" section

are profitable, in addition to assessing their sustainability aspects. Strategic research fields include the area of sustainable processes and products, such as green chemistry and the increased demand for perfumery ingredients based on renewable raw materials, as well as the area of taste optimization (taste balancing), the sensory optimization of preparations based on plant protein and the development of sustainable, resource-saving manufacturing processes. Essential research results are secured by way of stringent IP management in the form of patent and trademark protection. Furthermore, all R & D activities are geared to the guidelines of global mega trends, consumer needs, customer requirements, naturalness & authenticity, sustainability, digitalization, innovation and cost efficiency.

ORGANIZATION

From idea to marketable product, the innovation process at Symrise is organized around a uniform, stage gate process with decision filters, which has been implemented across the company. Here, more and more elements of agile project management are being used. In this context, a uniform project management system was introduced for all business areas in the Taste, Nutrition & Health segment. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project at Taste, Nutrition & Health and Scent & Care. The research and development projects are also regularly evaluated based on criteria from the four pillars of the sustainability strategy (FISC)[1] and prioritized accordingly. As part of this process in 2023, the area of fair use of biodiversity was further developed according to the provisions of the Nagoya Protocol and anchored in our project management processes. One future field is the utilization of legacy varieties of known agricultural raw materials in order to preserve and expand biodiversity. Symrise is also an active member of the OP2B consortium[2] of various industrial companies. The two segments at Symrise each manage their own R & D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to all segments, in order to achieve synergies and improve resource efficiency. Multiple R & D centers around the world ensure that the regional activities of the segments are optimally supported. The research activities of the Scent & Care segment, especially the centers for development and application technologies, are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Chennai and Mumbai (India), Paris (France), Antananarivo (Madagascar), São Paulo (Brazil) and Cuautitlán (Mexico). In addition, there is a hair research center at the São Paulo site. Furthermore, the Cosmetic Ingredients division carries out basic skin biology research on innovative skin models, thereby driving forward the preclinical development of new cosmetic active ingredients. In the Taste, Nutrition & Health segment, R & D activities are organized according to the Food & Beverage and Pet Food divisions as well as the Business Incubation Group (BIG). The majority of this segment's R & D activities are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Paris (France), Rennes (France), Elven (France), São Paulo (Brazil), and Lund (Sweden).

EXTERNAL COOPERATIONS

External cooperations and networks (Open Innovation) bring a considerable amount of additional approaches and ideas into the development process. Along with ideas from Open Innovation, Symrise also maintains a global project network with industrial, institutional and academic partners that covers every step of the innovative process – from basic research to marketing concepts.

Symrise participates in numerous scientific research projects that are supported by the German Federal Ministry of Education and Research (BMBF), the German Federal Ministry for Economic Affairs and Climate Action (BMWK), via the Research Group of the Food Industry (FEI)/Working Group for Industrial Research (AiF), the European Union (EU, Horizon 2020), TKI (Top Consortium for Knowledge and Innovation, Netherlands) the German Federal Ministry of Food and Agriculture (BMEL), the German Society for International Cooperation (GIZ), the French Crédit d'impôt recherche (CIR) and other public and private funding institutions. Increasingly, tax rebate options are being used for research activities in France and Germany. Topics related to the following areas play a key role: sustainability, the establishment of cultures and the breeding of plants with special flavor properties, the development and sensory improvement of plant proteins, raw material sourcing and biotechnological processing and improvement, the added health value of food ingredients, technologies and sustainable ingredients for perfume oils and oral hygiene. Symrise has joined the Sustainable Food Initiative (SFI), founded by Wageningen University & Research, in which various universities and industrial companies conduct joint research in the field of future and sustainable food production.

1 Further information on the four pillars of the sustainability strategy can be found in the "Sustainability" chapter starting on page 26.

2 One Planet Business for Biodiversity (OP2B) is an international, cross-sectoral and action-oriented business coalition on biodiversity with a specific focus on regenerative agriculture, initiated within French President Macron's One Planet Lab framework and launched at the United Nations Climate Action Summit in New York on September 23, 2019.

Significant research cooperations

Partners	Goal of the cooperation
CDL for Taste Research/University of Vienna	Systematic investigation of physicochemical and physiological properties of substances capable of influencing sweet taste
SustainVanil (including Osnabrück University of Applied Sciences and various partners)	Basics of indoor vanilla cultivation, understanding and optimization of the flowering process, biological control of harmful fungi and the diseases they cause in the vanilla plant (funded by the BMBF)
Optimization of protein composition/satiation	Investigation of the basis for optimization of the protein composition of potato and pea protein hydrolysates with regard to bitterness and regulation of satiation (AiF)
Extraction using NADES	Extraction of functional food ingredients using natural deep eutectic solvents (AiF)
SynBio4Flav (various partners, including the University of Greifswald)	Development of co-fermentation processes to obtain flavonoids (funded by the EU, Horizon 2020).
RapeQ (various partners, including the Technical University of Munich)	Improvement of the taste of rapeseed protein through breeding, processing and targeted masking (funded by the BMBF)
Potato protein (Technical University of Munich, LSB Freising)	Identification and correction of off-flavors (AiF)
Taste optimization for meat substitutes (various partners, WUR)	Taste improvement of meat substitutes (funded by TKI [Top Consortium for Knowledge and Innovation], Netherlands; sector: TKI Agri&Food)
In4Food (various partners, MRI, Fraunhofer)	Testing of indoor farming systems for the production of plant-based raw materials for functional applications
Pulses (various partners, including Wageningen University & Research)	Improving the taste of legume proteins (funded by TKI [Top Consortium for Knowledge and Innovation], Netherlands; sector: TKI Agri&Food
Encap4HEalth (TU Berlin, various partners)	New materials and processes, as well as an innovation exchange in the field of the encapsulation of bioactive ingredients (funded by the EU, Horizon 2020 RISE program)
Proteins4Singapore (TUM Create, Singapore)	Investigation of the use and improvement of indoor-produced plant and algae proteins for natural aroma systems
Protein fermentation (University of Hohenheim)	Investigation of the use of plant and animal protein byproducts through fermentation with basidiomycetes (AiF)
Fava bean protein (Technical University of Munich, LSB Freising)	Identification and correction of off-flavors (AiF)
New energy-efficient drying technologies (University of Bonn)	Investigation of the use of heat pump technology to dry plant materials and utilize the byproducts (funded by FNR/BMEL)
BioMarkerID (various partners, including Wageningen University & Research)	Use of receptomics/LC coupling to develop screening systems for taste actives
Rapeseed protein (Technical University of Munich, LSB Freising)	Identification and correction of off-flavors (AiF)
Leibniz Institute for Catalysis (LIKAT), Rostock	Research for fragrances and process optimization of flavorings
Laval University/Institute of Nutrition & Functional Foods, Quebec, Canada	Study of the probiotic influence of polyphenols from fruits and vegetables, development of synergistic combinations of probiotic polyphenols and bacteria to modulate the biocenosis of the internal organs

FOCUS AREAS

In the Taste, Nutrition & Health segment, work continued on systematically using digital tools in our main areas of research such as sugar, salt and fat reduction and improving the taste of plant proteins as meat substitutes or alternatives to dairy products. To this end, special statistical processes were optimized and applied, making a significant contribution to reducing project development cycles. Symrise presented an example of this way of working at the 21st FEI Cooperation Forum entitled “Characterization, processing and use of plant proteins – Concepts for foods of the future” held in Bonn on April 18, 2023. A further use of modern digital tools in identifying flavors to reduce sugar in food applications was presented by Symrise in a paper entitled “Identification of taste actives from cultural food heritage via combined text-mining and senso-analytical approach” that was delivered at the 13th Wartburg Symposium held in Eisenach on October 3, 2023. At the same conference, the company also presented current findings from citrus research in a paper entitled “Molecular-sensory decoding of Citrus latifolia Aroma” and described biotechnological approaches to manufacturing taste-balancing raw materials in a paper entitled “Biotransformation of flavonoids by fungal mycelium from edible Lentinus spp. to produce taste active flavonoids with isovanilloid motif.” The further development of our citrus expertise is of great importance in light of the widespread use of these products in beverages, sweets and other foods. That is why the molecular-sensory decoding process developed by Symrise is crucial for the exact characterization of flavor molecules and their combinations. This information is used by our developers and application technologists to create authentic product solutions for our customers.

The use of renewable raw materials is becoming increasingly important in continuing to evolve selected technologies for the formulation of fragrances and product solutions. In this regard, Taste, Nutrition & Health presented its current work on spray drying coacervates on plant protein at the 21st Gums and Stabilisers for the Food Industry Conference that took place in Greece in July 2023.

The research and technology strategy is being implemented on the basis of various research platforms. A large number of key topics are being worked on with a special focus on sustainability aspects. In the Food & Beverage division, examples include the development and adaptation of new, gentle and environmentally friendly separation technologies (Selective Enrichment Technologies Flavors SETFlavors®) and the expansion and elaboration of raw material sources for sustainable and natural product solutions for the Symrise Code of Nature® platform, which are primarily used for healthy food concepts; the continuous development of natural and sustainable raw materials for flavor solutions that lead to the sensory-preferred reformulation of low-sugar, low-salt and low-fat food concepts; and the development of energy-efficient and low-solvent methods for concentration, beginning with plant-based raw materials. In 2023, a special focus was placed on the challenge of improving the taste of plant proteins as meat substitutes or for use in dairy products. Another focus is on reducing sugar in beverages and dairy products as well as in savory applications. In this context, the selection of varieties and new cultivation methods for a sustainable supply chain were developed and established for specific plant-based raw materials for the Taste Balancing product platform. Another focus of research in the Taste, Nutrition & Health segment is the development and application of modern digital tools for the rapid and targeted development of flavor solutions for selected food applications. The ProtiScan™ process – developed by Symrise for recording the flavor release from innovative food preparations made with vegetable protein – is noteworthy in this context and was developed further in 2023. This process enables a significant reduction in project development times and forms a solid foundation for IT-based development concepts.

In addition, work is being carried out on the continuous improvement of product safety and the targeted optimization of the use of flavor solutions for application in reduced sugar and plant protein-based foods. In recent years, particular attention has been given to the development of digital prediction tools to support flavor development and creation. A significant portion of this work was continued and completed in 2023 and grouped under the umbrella term “PropheSY”.

In the Pet Food division, the Elven site was equipped with state-of-the-art extrusion equipment to develop more powerful and safer products. In addition, the VIDEKA® laboratory in Elven was designed for EAME customer support with shelf-life studies, research and development and analytical requirements. This laboratory is used to carry out shelf-life studies for pet food and pet care compounds using the latest analytical instruments.

In the Aqua business, an important focus of product development was the utilization of shrimp shells as raw materials or functional ingredients. Projects for the development and application of flavor enhancers for carnivorous fish species were continued.

Probi and the Naturals business unit have launched a joint project to develop new symbiotic products containing live microorganisms and polyphenols extracted from fruits.

With regard to its R & D strategy, the Scent & Care segment focuses on raw materials and technologies in accordance with the Fragrances division’s strategic research fields of captives and ingredients, delivery systems, health and emotion, and malodor. The strategic field of captives and ingredients is researching individual perfume raw materials for the Fragrance and Oral Care business units. In the case of new synthetic substances (captives) based on petrochemicals and renewable raw materials, the focus is on floral, woody and musky fragrances. In respect of the captives based on natural raw materials such as roots, flowers and fruits, work is concentrated on the strategic fields of biodiversity essential oils, natural technologies (Supernature) and artisan. In 2023, Cocoa Shell Madagascar, Neroli Oil Egypt, Supernature Sympep, Apple Symtrap, Strawberry Symtrap, Banana Symtrap and Blackcurrant Symtrap were added to the portfolio.

Core functions of research and development at Symrise

Research is also being carried out to find inexpensive raw materials for perfumery. Symrise has also added Natural Neofresh® to its Neofresh platform to meet customers' desire for sustainable products made from renewable raw materials.

Having continued the development of its combined expertise in fragrances and pet food especially for dogs and cats in recent years, Symrise is now deploying these developments increasingly in direct customer projects.

The marketing of Symcap BG® biodegradable capsules has generated a great deal of interest from some customers for use in fabric softeners. Research for capsules for fragrance oils is now heading to vegan capsules with improved efficacy for other areas of application as well. There is also growing customer demand for vegan capsules. Symcap BG contains gelatin so an alternative raw material based on pea protein has been found and developed into the new Symcap BP capsule that is market-ready. There is also increasing demand for kosher and halal products.

The Oral Care business unit has developed Fuji, a new cooling agent that is expected to be market-ready in 2024.

Research for the Aroma Molecules division is focused on improving existing manufacturing processes for market products such as menthol and on increasing process efficiency.

In the Cosmetic Ingredients division, there is an interdisciplinary group of cell biologists, molecular biologists and microbiologists researching the human microbiome. The new research area is investigating the benefits and risks of interactions between humans and microorganisms, and is providing scientific and cross-divisional support in the development of new products for skin, scalp and oral care, or in the area of nutrition. The first products and product concepts have already been introduced to the market. In addition, in-depth analyses on healthy volunteers showed that neither multifunctional active ingredients nor modern UV filters have an effect on the microbiome. In 2023, microbiome expertise was expanded to the armpit. The proprietary ex vivo model developed to identify active ingredients for deodorants was presented at a number of conferences, including the International Federation of Cosmetic Chemists and Scientists (IFSCC) Congress. It is expected that the first active substance based on the research model and the specific method will be market-ready in 2024.

PATENTS AND AWARDS

The number of patents filed (34 new applications in 2023) is used to measure innovation results and quality and to evaluate global coverage and competitive impact.

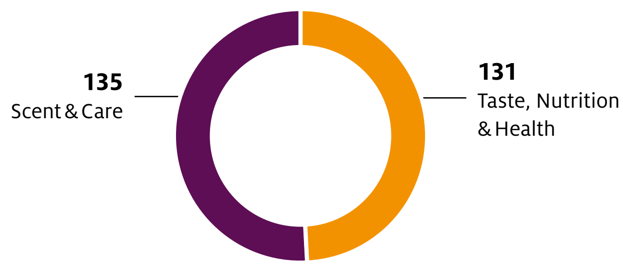
In 2023, as in previous years, Symrise research was recognized with awards for its high level of innovation. Launched in 2023, the yarrow-based Supervisome® EPH received two awards: a European BSB Innovation Award in the "Cosmetics/Raw Materials/Actives" category and the Pure Beauty Award UK. The product is manufactured in a special process which extracts the juice from fresh, organically grown yarrow and spray dries it to yield a stable raw material that, when used in cosmetic products, is proven to give the skin a more even appearance. Also launched in 2023, SymProt'in™ Oat is manufactured by enzymatic extraction from organically grown oats and is rich in hydrolyzed proteins. Thanks to its special composition, the product helps to protect the structure of hair and received the BSB Award in the "Natural Products/Raw Materials/Actives" category. SymHair® Thermo, which was already launched in 2022 and has garnered numerous awards, won the Pure Beauty Global Award in the "Best Ingredient" category. It is a sustainable product that combines carbohydrates with different chain lengths, providing outstanding protection for the hair against thermal damage. Launched back in 2020, Crinipan PMC green impressed another jury in 2023 to win the prestigious PCHi Fountain Award in the "Hair Care/Scalp Care Ingredient" category. The product delivers proven efficacy against dandruff and satisfies consumer demands for environmentally compatible products.

RESEARCH AND DEVELOPMENT EXPENSES

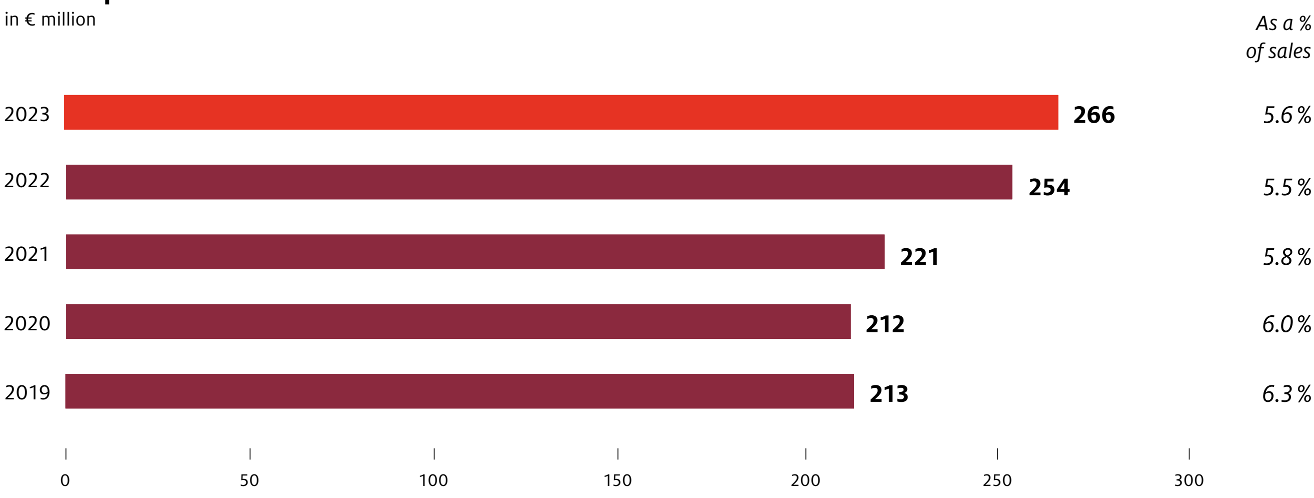
Total R&D expenditures amounted to € 266 million in the 2023 fiscal year (2022: € 254 million), increasing by 4.4 % compared to the previous year. The share of sales accounted for by R&D expenditures amounted to 5.6 %, a slight increase from 5.5 % in 2022. Compared to the previous periods (2019–2021), the share of R&D expenses as a percentage of sales shows a slightly declining trend, which is mainly due to portfolio shifts towards less research-intensive areas.

The capitalization rate for research and development activities remained immaterial in 2023 as in the previous year because the conditions for capitalization are generally only met at the conclusion of a project. This meant that a majority of the development costs incurred were recognized through profit or loss.

R&D expenses 2023 by segment
in € million



R&D expenses 2019–2023
in € million



EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2023, the Symrise Group employed 12,435 people worldwide (not including trainees and apprentices). In comparison to December 31, 2022 (12,043 employees), this represents an additional 392 employees. At 221, the number of apprentices and trainees was well above the previous year's figure of 209.

PERSONNEL STRATEGY

In 2023, Symrise revised its human capital strategy in line with the company's corporate strategy. The human capital vision of "ONE HR – inspiring more people for sustainable corporate growth" focuses on our main priorities: organization, people, sustainability and corporate growth. The HR organization has worked to become an integrated team that serves the entire organization and is now managed on the basis of a three-pillar model consisting of (i) business partnering, (ii) regional measures and (iii) centers of expertise such as (I) compensation and benefits, (II) talent management, learning, diversity and change, (III) talent recruitment and (IV) systems, analysis and sustainability. We have aligned our HR policy to focus on the following areas:

1) Developing a transparent, fair and motivating remuneration policy

2) Fostering professional development and talent management by offering equal opportunities to all employees

3) Providing reliable data and progressive technologies that facilitate better business management

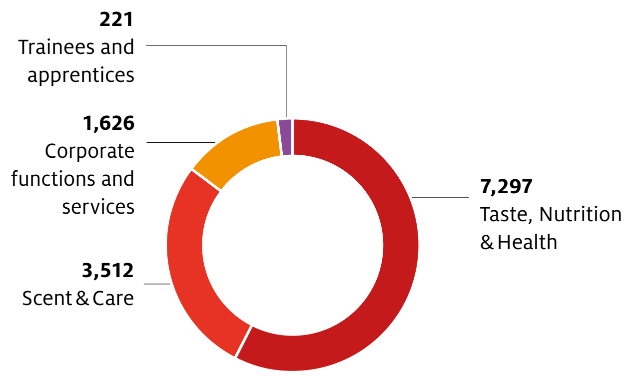
4) Creating a leadership culture that increases employee loyalty, values integration and diversity, and leverages synergies within the company

5) Ensuring the health and safety of our employees and establishing diversity as a business-critical success factor

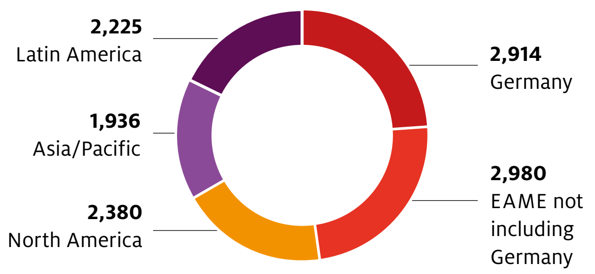
Our human capital strategy is aimed at creating an environment for our employees in which they can develop their full potential and build their skills and expertise.

The demographic development trend in many countries toward an aging society and a diversification of the population – and thus the active workforce – to include people from other cul-

Number of employees by segment



Number of employees by region



tures and educational systems are changing our living and working environments in many ways. People from over 80 nations work in the Symrise organization alone. For us as a global company, diversity has the added value of creative and innovative cooperation in diverse teams. Equal opportunities are more important than ever, and promoting diversity is central to the company's success. Furthermore, promoting diversity is essential to ensuring employee recruitment now and in the future.

We put our commitment to diversity into practice with specific measures on both local and global level.

Group strategic development of senior executives and employees

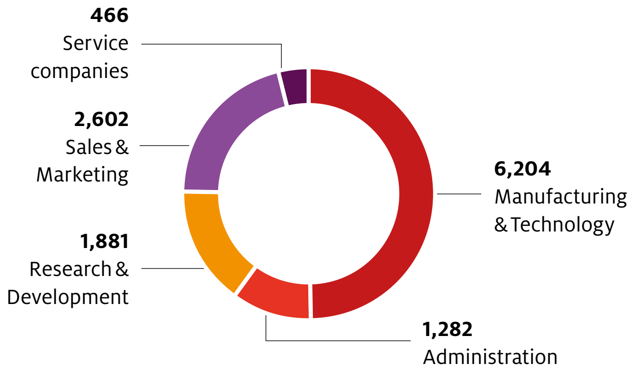
Our talent scouting and succession planning processes reconcile employees' individual career ambitions with our divisions' organizational development. In this connection, we define key positions within the company that we consider to be essential and for which we must identify and develop potential successors in the context of career development. Training activities are consolidated worldwide in programs based on four strategic pillars:

- Our flavorist and perfumer school
- Technical and specialist training for our employees
- Training for our sales representatives
- Executive development

As part of the strategic transformation of our HR management activities, we are planning a new talent management program for which we will be starting a pilot project in 2024. In our Taste, Nutrition & Health segment, we are developing leadership programs to build management skills such as transparency, trust, the eye-to-eye principle, courage and team spirit. We expect these skills to be important for preparing our future executives. At the same time, our training programs include methods such as coaching and mentoring. Mentors are in the unique position to pass on valuable experience to their mentees, who are usually younger.

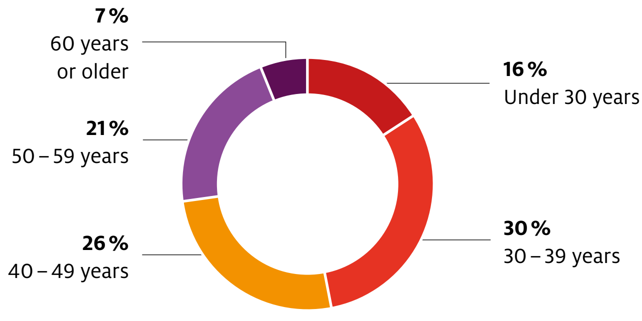
In the 2023 fiscal year, Symrise also continued to expand the topic area of modern and digital learning. Employees were provided with a global "Learning Management System" (LMS) and a digital learning platform ("Skillsoft"). More than 5,000 learning hours have now been completed worldwide on the Skillsoft platform.

Number of employees by position



Age structure of the workforce

in %



Group strategic development of female senior executives
In addition to increasing diversity with regard to other cultures, we also place great importance on gender equality at all management levels. In our talent development, we ensure that there are many women among the participants. In this way, we intentionally promote the preparation of young women for taking on greater management responsibility in our company. The pipeline of female senior executives has almost met the target we set for 2025.

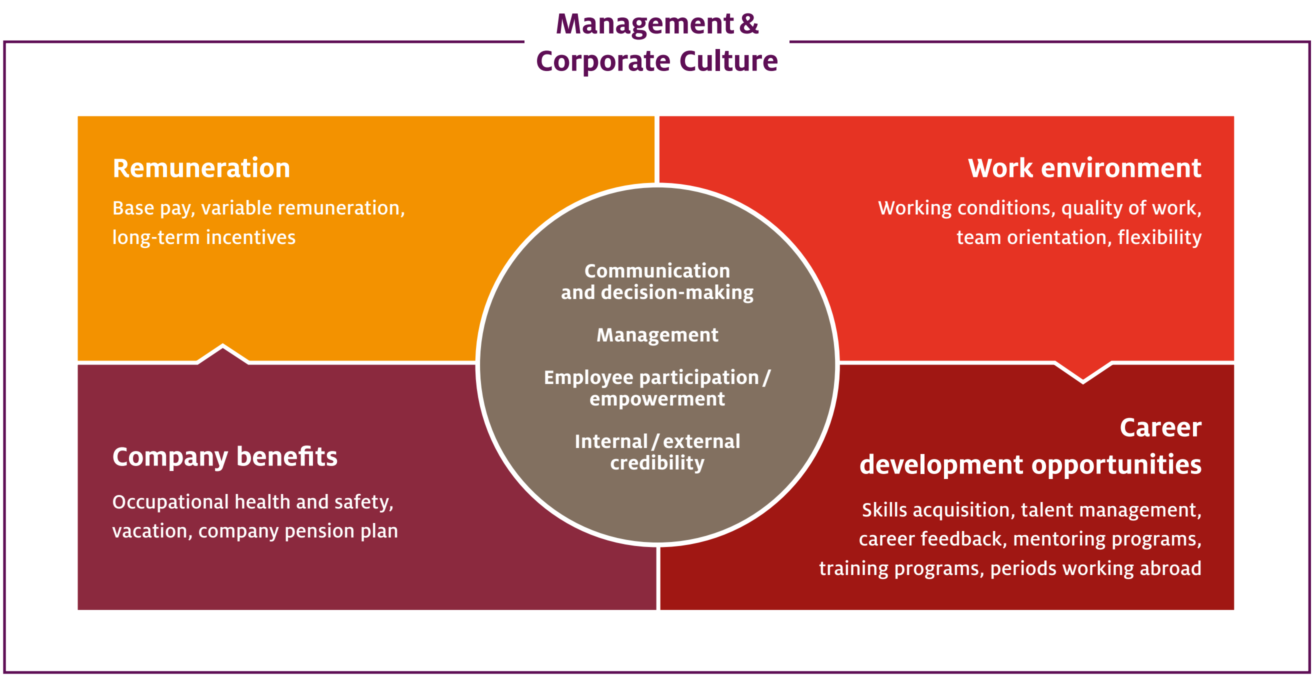
Equitable remuneration for women and men
In 2021, Symrise carried out a gender-specific analysis of the wages for the employees at its largest site in Germany. In the in-depth analysis on the subject of equal pay, comparable job groups were formed and pay differences were analyzed against the backdrop of whether there is possible discrimination in this area. For this purpose, aspects such as length of service, age, education and vocational training were considered, along with the requirements level and professional position.

Training and education
Educating young people is of particular importance at Symrise. This is evidenced by multiple awards in company comparisons over the past four years. Symrise recruits qualified young individuals who it specifically trains with the company's needs in mind, thus fulfilling its social obligation to the next generation.

As of December 31, 2023, a total of 141 apprentices and trainees were employed at the sites in Germany, representing an increase of 12 % compared to 2022 (126).

Depending on the occupation, training lasts two to three years. All trainees are taken on at least temporarily after completing their training if they meet the minimum requirements regarding the success of their training. With this investment in training, Symrise is meeting the demand for future specialists in chemical production and the laboratories as well as in commercial, marketing, IT and sales positions. Symrise also runs apprenticeship programs at other sites around the world with the goal of training and developing the young talents the company needs.

Symrise constantly trains experts over a period of around three years at its own flavorist and perfumer school, where they master raw materials and their applications in Symrise products and then successfully use them in product development. In addition, our employees have a wide variety of opportunities for completing a bachelor's, master's or doctoral degree alongside their work through cooperation agreements with universities, academies and institutes.



Remuneration and wage agreements

Equal pay for both men and women is a matter of course for us. Remuneration levels are based only on an employee's qualification and the value they contribute to the company. Most of the workforce is paid on the basis of collective wage agreements that are negotiated with the labor unions. Each year, we perform analyses at all our main sites to avoid any gender-specific differences in remuneration. The last official analysis in Germany was conducted in 2021. We regularly analyze equality indicators in France as well. Most of our companies there are subject to French legislation that requires gender equality reporting. An annual index is published for the companies affected. In 2023, our companies in Rennes, Antrain, Elven and Clichy scored an average of 87 out of 100 points.

The wage differences reflected in the absolute wage level may arise due to the job type. For example, shift workers are paid shift allowances that are not gender-specific.

The regularly scheduled bargaining on our collective wage agreements in Germany took place in 2022. As part of the successful negotiations, a collective wage agreement adapted to the economic challenges faced by companies and employees was concluded with a term of 18 months. This envisaged wage increases in January, July and December 2023. Moreover, Symrise paid all full-time employees an inflation bonus of € 1,500 in December 2023.

Symrise will also continue to give its employees covered by the collective wage agreement in Germany a share of the company's profits. The possible profit-sharing bonus linked to the EBITDA margin was also increased for 2023 and 2024.

For employees not covered by the collective wage agreement, separate global performance bonus plans apply to our managers with global or regional responsibilities. These support the achievement of the set corporate goals through results- and performance-based variable remuneration. Our creative employees are also included in this management and incentive system.

SUSTAINABILITY

For Symrise, business success and responsibility for the environment, its employees and society are inextricably linked. The company's corporate strategy therefore incorporates aspects of sustainability at all levels in order to enhance the Group's value over the long term and minimize risks. The business activity of Symrise involves the interests of many different stakeholder groups. Through active dialog with these stakeholders, the company continuously discusses its expectations and requirements and incorporates the stakeholders at every stage of value creation in order to develop successful solutions. This allows Symrise to create value for all its stakeholders.

The Symrise set of values forms the foundation of how the company thinks and acts and also determines the corporate culture. The goal is a completely integrated corporate strategy. To further emphasize this goal, the area of responsibility and position of Chief Sustainability Officer (CSO) was created for Symrise AG in 2016. The Executive Board is thereby accounting for the increasing strategic importance of sustainability issues. This strategic importance comprises both the internal coordination and strategic orientation of the sustainability objectives as well as an increased communication to customers and institutions focused on sustainability matters. Furthermore, the CSO is tasked with implementing the strategy across all divisions and business units as well as monitoring the activities to ensure consistent positioning of sustainability issues – both internally and externally. The CSO reports directly to the CEO of Symrise AG.

The successive strategic integration of sustainability into the company's core and supporting processes is managed by a global cross-segment team – the Symrise Sustainability Board. It defines common goals and ensures both the development and implementation of issues and objectives relevant for sustainability across the entire extended value chain, as well as the consideration of the interests of key stakeholders. Symrise manages sustainability in corporate processes using an Integrated Management System. It is based on the international standards on quality (ISO 9001), environmental protection (ISO 14001), occupational safety (OHSAS 18001), sustainability (ISO 26000), energy (ISO 50001), social responsibility (SA 8000), the generally accepted audit standards of the Global Food Safety Initiative (GFSI) and other recognized local standards. In 2023, Symrise was again widely recognized by external entities for its commitment to sustainability and is considered one of the leading companies worldwide. This is shown in the current ranking of the renowned non-profit organization

CDP (previously known as the Carbon Disclosure Project). CDP makes a yearly assessment of what participating companies do to fight climate change, protect water supplies and conserve forests. Symrise again achieved a spot o the A list in all three categories in 2023. In its sustainability reporting, Symrise complies with the guidelines of the Global Reporting Initiative (GRI) as contained in the GRI Standards. In doing so, Symrise conforms to the highest application level "In accordance – Comprehensive," which means that Symrise fully accounts for all material topics. All the information was audited externally in accordance with the AA1000 Assurance Standard. Further information can be found in the Corporate Report. The separate nonfinancial statement in accordance with Section 289b of the German Commercial Code (HGB) is published on the Symrise website at: **https://symrise.com/corporatereport/2023/company/sustainability-record/index.html**.

Our Sustainability Agenda

FOOTPRINT

Minimize our environmental footprint along the value chain

INNOVATION

Maximize positive social & environmental impacts of our products

SOURCING

Maximize the sustainability of our supply chain and sourcing of our raw materials

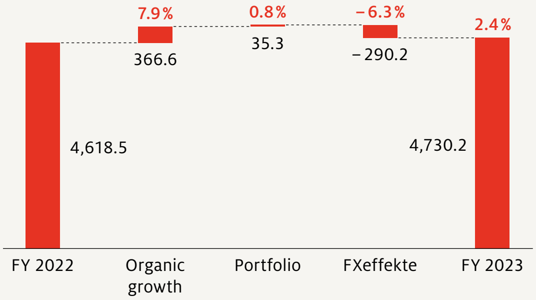
CARE

Improve well-being in our stakeholder communities

Economic report

Group

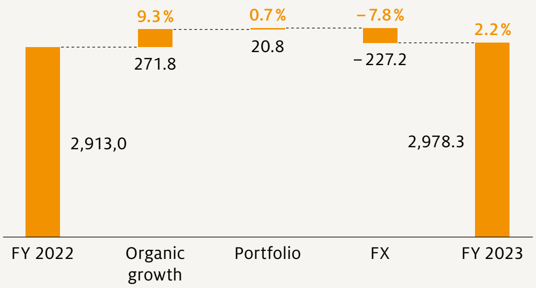
sales in € million



€ million		FY 2022[2]	FY 2023	FY 2023 adjusted[1]	Change in %
Gross profit		1,702.1	1,692.6	1,739.3	2.2
EBITDA		921.5	851.7	903.5	– 2.0
EBITDA margin	in %	20.0	18.0	19.1	
EBIT		630.1	559.4	611.2	– 3.0
EBIT margin	in %	13.6	11.8	12.9	
Depreciation		164.6	176.0		6.9
Amortization		126.8	116.3		– 8.2
Financial result		– 72.9	– 94.4		29.6
Earnings before income taxes		557.2	464.9		– 16.6
Net income[3]		406.1	340.5		– 16.2
Earnings per share[4]	in €	2.91	2.44		– 16.2
R & D expenses		254.5	265.7		4.4
Investments		270.1	270.0		– 0.1
Business Free Cash Flow in % of sales		6.5	11.3	11.7	

Taste, Nutrition & Health

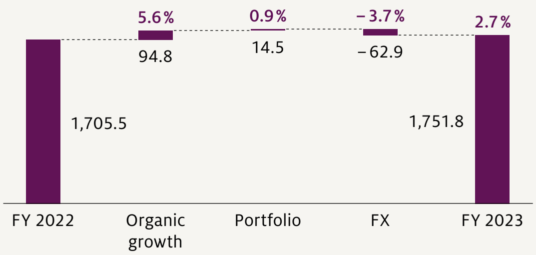
sales in € million



€ million		FY 2022[2]	FY 2023	FY 2023 adjusted[1]	Change in %
EBITDA		630.5	629.2	626.8	– 0.6
EBITDA margin	in %	21.6	21.1	21.0	
EBIT		430.2	428.8	426.4	– 0.9
EBIT margin	in %	14.8	14.4	14.3	

Scent & Care

sales in € million



€ million		FY 2022	FY 2023	FY 2023 adjusted[1]	Change in %
EBITDA		291.0	222.4	276.7	– 4.9
EBITDA margin	in %	17.1	12.7	15.8	
EBIT		199.9	130.6	184.8	– 7.6
EBIT margin	in %	11.7	7.5	10.5	

1 Adjusted for one-time effects; please refer to the “Alternative performance indicators” section on page 42 for details about the adjustments
2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden
3 Attributable to shareholders of Symrise AG
4 Undiluted

GLOBAL ECONOMIC AND INDUSTRY-RELATED CONDITIONS

GLOBAL ECONOMIC CONDITIONS

The global economic situation is strained. Ongoing geopolitical conflicts in Ukraine and the Middle East are causing uncertainty and harbor potential risks for globalized supply chains. Growing tensions between China and the USA are having a negative impact on world trade and the tight monetary policy adopted in response to record inflation has resulted in high lending costs and lower investment. In January 2024, in light of these developments, the World Bank estimated that global economic growth was 2.6 % in the reporting year, which represented a decline of 0.4 percentage points compared to 2022. The volume of world trade, which had still recorded significant growth of 5.6 % in 2022, expanded by only 0.2 % in the reporting year. Crude oil prices decreased by an average of 16.7 % in 2023, while the prices of other key commodities increased by an average of 9.7 %.

Although global economic growth of 2.6 % is likely to be above the figure that was forecast in mid-2023, there is evidence of the negative effects caused by the monetary policy measures introduced to counter inflation. In the industrialized countries especially, economic growth is estimated to have declined significantly to 1.5 % (2022: 2.5 %). However, there are large differences between the individual industrialized countries. Whereas the U.S. economy proved to be very resilient and increased by 0.6 percentage points in the reporting year, growth in the eurozone decreased from 3.4 % previously to 0.4 % in 2023. According to the Federal Statistical Office, Germany in particular saw a strong contraction of economic growth from 1.8 % in 2022 to – 0.1 % in 2023. Here, high prices continued to dampen the economy at all levels, with the additional impact of unfavorable financing conditions due to rising interest rates and lower demand from both the domestic and international markets. Japan's economic growth in 2023 was more positive but also very subdued at 1.8 %.

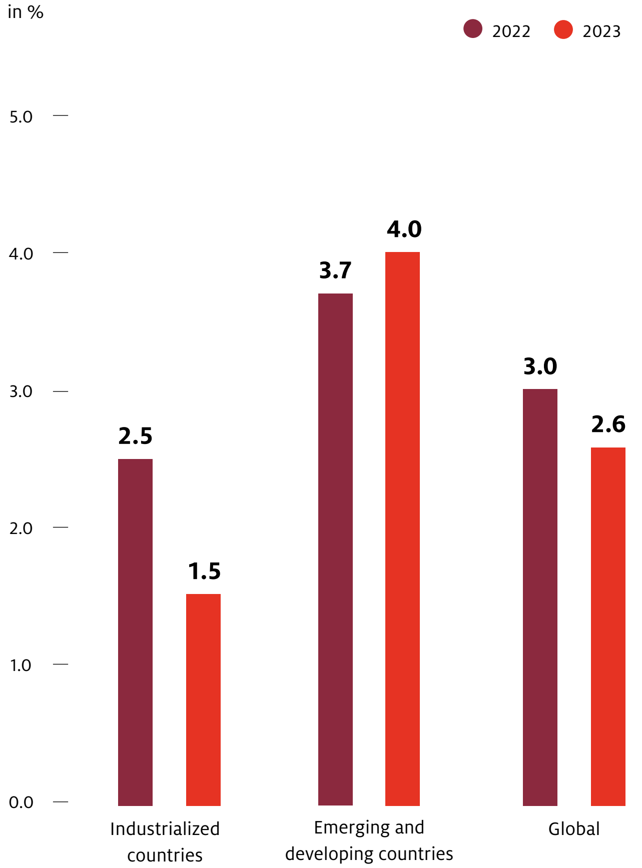
During the reporting year, economic output in the emerging and developing countries grew by an estimated 4.0 % on average, an increase of 0.3 percentage points compared to 2022. The economies of these countries therefore demonstrated a high level of resilience in the past fiscal year. China especially posted strong growth of 5.2 % (2022: 3.0 %) in the reporting year. By contrast, key markets such as India, Thailand, Indonesia, Argentina and Egypt saw a decline in economic growth.

DEVELOPMENT OF KEY SALES MARKETS

The relevant market for the Symrise Group had a global market size of € 40.0 billion in 2023 and is growing by about 3 % to 4 % annually over the long term according to estimates by IAL Consultants. Worldwide, 2023 was still dominated by inflation that was mainly attributable to significant food price rises. Although these were lower than in the previous year, household consumer behavior remained cautious in some areas and was in part more restrained than before or even during the pandemic. There was moderate growth in demand for ready meals, hygiene products and cleaning products, for example, with consumers' buying behavior returning to pre-pandemic levels. The stocks built by private households during the coronavirus pandemic were largely used up in 2022 but were no longer replenished to the same extent in 2023, with consumers preferring to purchase as needed. In the three aforementioned categories especially, it could be observed that – as in the previous year – consumers continued to switch from high-priced brand-name products to low-priced private label products in response to inflation. Demand was also impacted by shrinkflation – hidden inflation caused by selling a re-

GDP development 2022/2023

in %



duced product volume at an unchanged price. During 2023 – with supply chains far more reliable – and following on from 2022, food manufacturers especially continued to reduce the inventories they had built as a precaution during the coronavirus pandemic in response to hesitant buying behavior and lower volumes resulting from shrinkflation. This slow-down in demand was particularly evident in regions such as North America and also in Asia.

By contrast, demand for beverages, sweets and cosmetic products grew markedly. With the full removal of all the restrictions imposed during the coronavirus pandemic, catering businesses saw a continued recovery – as did demand for both alcoholic and non-alcoholic beverages. Duty-free sales also improved compared to the previous years that were still impacted by travel restrictions. This was evident especially in the rising sales of sweets, perfumes and cosmetic products.

Growth in the pet food market slowed slightly in 2023 following the significant gains in the previous years due to the continuous increase in the pet population since the start of the coronavirus pandemic.

PRICE DEVELOPMENT AND AVAILABILITY OF RAW MATERIALS

Symrise sources around 10,000 different raw materials on six continents. Important examples are natural vanilla and citrus (juices, essential oils etc.), terpene and citral derivatives as well as crude oil derivatives that are used as intermediates for menthol and other products, solvents and raw materials for sun protection filters and special fragrance ingredients. Symrise has a significant need for natural raw materials. This includes the extraction of a large number of fragrances and flavors from renewable sources based on crude sulfate turpentines (CST) and gum turpentines (GT) at the two locations in the United States in Jacksonville, Florida, and Colonels Island, Georgia.

In the reporting year, a balance between supply and demand was restored on many raw material markets, resulting in improved availability and pricing. Despite the continuing geopolitical crisis in Ukraine and the conflict between Israel and Hamas, prices for petrochemical-based raw materials declined but were offset by more stable crude oil prices. A marked drop in CST prices was also observed, due to lower demand on the supply side. The market for natural raw materials was also affected by adverse weather conditions such as the heat waves, hurricanes and droughts in many parts of the world. Moreover, weaker demand has resulted in a decline in prices for pet food. On the other hand, price hikes and an increased availability risk have been observed for citrus materials and colorants.

Symrise was largely able to cushion supply bottlenecks through backward integration as well as by having production sites in different regions of the world.

Moreover, Symrise is dedicated to a strategy of establishing and maintaining long-term collaborations to enhance supply security for important products. Examples of this are the collaboration with LANXESS AG in manufacturing synthetic menthols and the backward integration of vanilla with the inclusion of local farmers in Madagascar, the most important source country for bourbon vanilla. As part of its backward integration strategy, Symrise has been working with growers for many years to optimize the regional production of onions in the Weser Uplands. In this context, the company requires and supports sustainable and eco-friendly cultivation methods, respect for and fair treatment of growers as well as economic stability in the supply chain. Close collaboration with farmers increases supply security and raw material quality at competitive prices.

GENERAL POLITICAL AND REGULATORY CONDITIONS

The environment for the global registration and regulation of chemicals is constantly changing. Emerging markets are enacting their own laws that are oriented toward the European REACH regulation. This makes things more complex for global customers, who are interested in formulas that can be applied internationally. The direct and indirect influence of local chambers of commerce on the implementation of such programs in these regions remains important. At Symrise, country-specific expertise in the Global Substance Registration Team ensures the implementation of these new regulatory requirements.

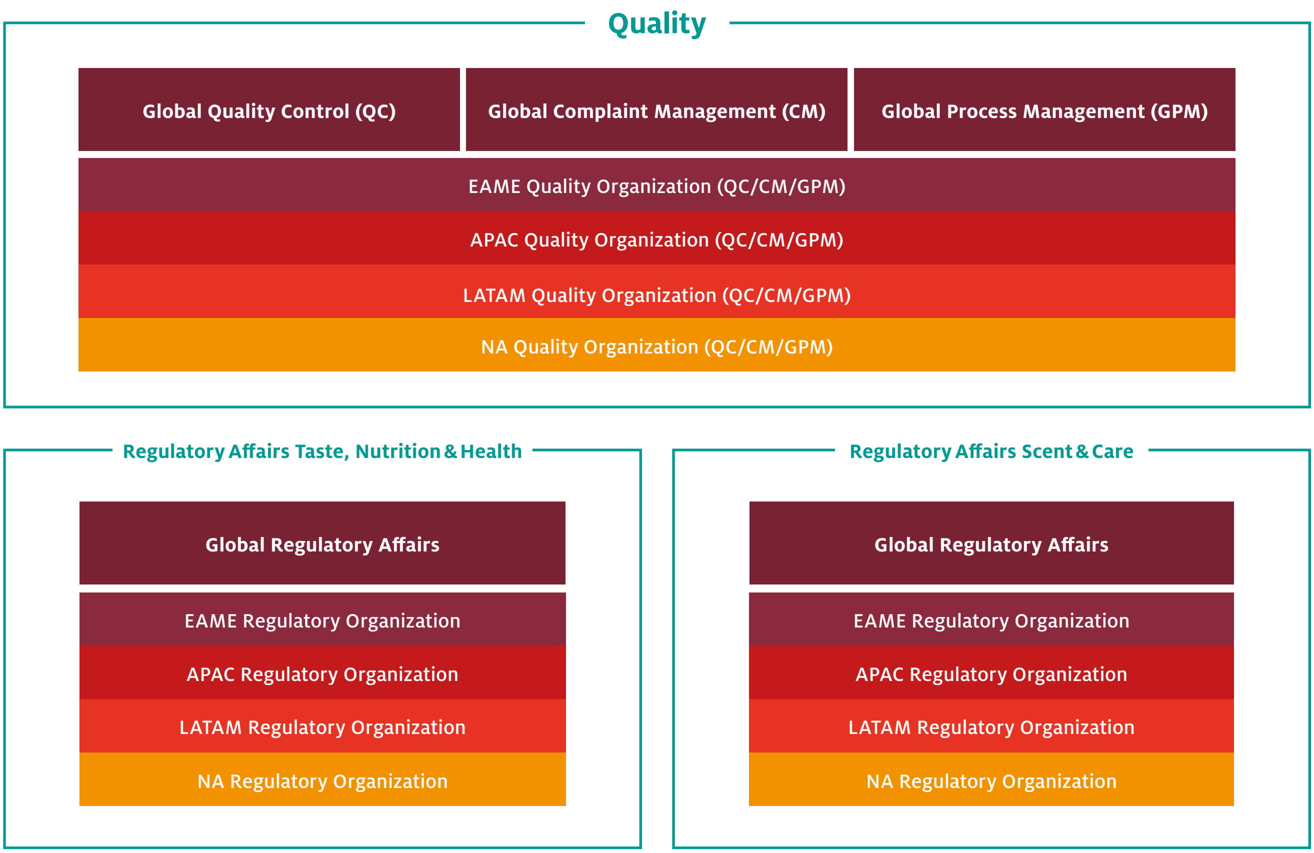
The company's Global Regulatory unit has maintained its culture of continuous improvement to ensure optimal service to its global customers. The European Commission's proposals for the Chemical Strategy for Sustainability (CSS) as part of the Green Deal have a major influence on the Scent & Care segment. In 2022, the International Fragrance Association (IFRA) coordinated a detailed impact assessment in close collaboration with the European Chemical Industry Council (CEFIC). These assessments are implemented in close coordination with the European Chemical Industry Council (CEFIC).

In the APAC region, it was agreed that flavoring substances approved by the European Food Safety Authority (EFSA) or the Flavor & Extract Manufacturers Association (FEMA) may be used in Vietnam, while approval from the Joint FAO/WHO Expert Committee on Food Additives (JECFA) is still pending. The corresponding regulation was amended and published in 2023.

In the EAME region, the Regulatory Team of the Taste, Nutrition & Health segment closely followed developments regarding the safety assessment of flavoring substances by the European Food Safety Authority (EFSA). As part of this process, internal and external stakeholders were regularly informed about current developments. In November 2023, EFSA published its assessment of the primary products for smoke flavors. Symrise is maintaining close contact with the relevant authorities.

The Global Substance Registration Team focuses on monitoring and implementing the continuous changes in local and regional requirements in specific countries. The current deadline of the end of 2023 for the entry into force of the Turkish REACH regulation (KKDIK) requires a large number of registrations to ensure that Symrise can continue to supply its customers in 2024. As a result of intensive discussions between the industry and the Turkish authorities, Symrise assumes that the deadline will be postponed. There were further changes to substance registration processes in the UK in 2023. On June 28, 2023, the British government announced the postponement by three years of all necessary registrations for the different tonnage bands. As a result, registrations for the first tonnage band above 1,000 tonnes will not become compulsory in the UK until October 27, 2026.

Symrise Global Operations Quality & Regulatory



In the coming years, Symrise's Global Substance Registration Team will continue to ensure that the company fulfills the requirements of the global registration systems since more and more countries and regions are introducing control systems for the safe handling of chemicals in line with the REACH regulation. A high degree of transparency is very important for the customers.

In the context of obtaining substance approval for several cosmetic product ingredients, Symrise filed a lawsuit at the European Court of Justice (ECJ) against the European Chemicals Agency (ECHA) to challenge what Symrise considers to be unjustified claims of animal testing of cosmetic product ingredients. In 2023, there were further hearings on the issue at the ECJ.

In addition, consumers who are increasingly more conscious in their purchasing decisions demand products with ingredients they can understand and that meet their ethical requirements. For this reason, characteristics such as vegan and "not tested on animals" are becoming increasingly important alongside the criteria of sustainability and naturalness. In 2011, Symrise already entered into the first formal partnership in this environment with EPAA (European Partnership for Alternative Approaches to Animal Testing), which receives support from several major end-product manufacturers and various sectors. For several years, Symrise has also been involved in the AFSA (Animal Free Safety Assessments) initiative with Humane Society International. The company is also a corporate sponsor of the European Society of Toxicology in Vitro (ESTIV). All of these initiatives ultimately have two goals: first, to expand a new generation of risk assessment to ensure the safety of ingredients and products without animal testing; and second, to reform regulations to reduce the number of tests performed on animals caused by regulatory agencies such as the European Chemicals Agency.

All segments of the Symrise Group are carefully monitoring the further development of the Nagoya Protocol that was implemented in European law in 2015. The agreement governs access to genetic resources and the balanced and fair division of their benefits resulting from their use. Symrise is permanently monitoring this development and working with non-governmental organizations that have practical expertise in this area in order to ensure continued compliance with the requirements.

DIFFERENTIATED CONSIDERATION OF THE EFFECTS ON SYMRISE

Business development at Symrise is influenced by various factors in the Group's environment. General economic development plays a major role when it comes to sales. The submarkets in which Symrise is active show different degrees of fluctuation depending on economic developments. The large number of countries where Symrise is active and the company's various product markets, however, have a risk-mitigating effect for the Group.

In its manufacturing, Symrise makes use of about 10,000 natural and synthetic raw materials. On account of various factors, including the development of the economy, oil prices and harvests, these raw materials can be subject to larger price fluctuations. Furthermore, production can also be affected by bottlenecks in the procurement of raw materials due to political unrest in supplier countries.

Symrise products are used in a number of applications worldwide, such as the manufacture of food including baby food and pet food, in cosmetic and pharmaceutical end products and in household products. Worldwide use of our products requires that we observe national and international consumer protection guidelines and legal regulations. These regulations are in constant flux due to new findings in research, development and production technology, a growing need for safety and steadily increasing health and environmental awareness across the globe. Symrise monitors the regional and global development of the regulatory environment, ensuring that it can react quickly to changes in or tightening of regulations.

COMPANY DEVELOPMENT AT A GLANCE

IMPORTANT EVENTS

Despite a volatile market environment with challenging political and economic conditions, Symrise was able to pursue its strategy systematically in the 2023 fiscal year. So far, the ongoing geopolitical conflicts in Ukraine and the Middle East have had only little impact on business development at Symrise. However, the continuing high level of inflation in the 2023 fiscal year led to in part significant cost increases at Symrise, accompanied by the consistent implementation of price rises.

In March, Symrise launched a number of bioactives under the diana food™ brand for use in beauty from within products. The company is expanding its offer with the development of these differentiating and innovative nutricosmetic ingredients. The range includes a full line of solutions for skin conditioning and anti-aging, skin brightening, as well as hair and nail care. It is composed of naturally sourced bioactives, such as collagen type I, vitamins C and A, and polyphenols from various fruits. This product range expands Symrise's expertise to include solutions for skin care from within, complementing the company's existing cosmetic ingredients offering.

In May 2023, Symrise inaugurated the Little Red House as a creative center for fine fragrances in the heart of Shanghai, further strengthening the company's position on the key Chinese fragrance market. The Little Red House is located in The Roof, an iconic building in Shanghai's Xuhui District. With the new hub, Symrise offers its customers a unique and inspiring space for developing and co-creating ideas and devising modern solutions in real time. The hub's name – "Xiaohongwu" in Chinese – relates to the red Symrise logo, the red walls of the chosen location, the familiar concept of a home and The Little Red Book, a Chinese social media platform. It serves as a meeting place for fragrance creation and also offers space for market research, creative arts and olfactory culture, featuring exclusive events and cultural programs.

In June, Symrise Cosmetic Ingredients opened a new Center of Expertise for Beauty & Home Care at the Symrise site in Clichy near Paris. It houses a microbiological laboratory dedicated to customer support for the EAME (Europe, Africa, Middle East) region as well as the Cosmetic Ingredients division's first application laboratory for home care products. This move strengthens Symrise's position as a leading company in the development of cosmetic ingredients and innovative solutions for customers around the world.

At the end of August, Symrise Pet Food inaugurated a new production facility in Chapecó, Brazil. The state-of-the-art production plant manufactures palatability solutions for dog and cat food and covers an area of more than 10,000 square meters, making it the largest of its kind in Latin America and the largest producer of pet food palatability solutions worldwide. It features advanced technologies with full automation delivering high operational efficiency. With this facility, the company has greatly expanded its production capacities in Brazil in preparation for the growing demand for pet food in Brazil and other Latin American markets. In addition, the site will deliver a number of products to global markets.

At the start of October, the Taste, Nutrition & Health segment launched its new SET Flavors™ brand. SET stands for selective enrichment technologies, which can be used alone or in combination. In this way, valuable natural aroma components can be obtained from the side streams and byproducts of food processing. The efficient processes and advanced technologies enable Symrise to select and enrich aroma substances from byproducts. These can be used as raw materials to develop innovative and authentic flavor profiles. Symrise SET Flavors™ address consumer wishes concerning future sustainability and environmental requirements.

At the end of October 2023, Symrise inaugurated Jardin Arabia, the new creative center for fine fragrances in the heart of Dubai. In this way, Symrise is strengthening its strategic foothold in the thriving Middle Eastern fragrance market. The name "Jardin Arabia" pays homage to the region and the elegant building structure, at the same time, embodying its central location at the crossroads between Europe and Asia. The elegant and inspiring collaborative hub is located in Internet City, Dubai's innovation district near the iconic Palm neighborhood. It showcases Symrise's fine fragrance market expertise and strengthens the company's creative approach.

GENERAL STATEMENT ON THE COURSE OF BUSINESS AND ON THE GROUP'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Symrise Group generated sales of € 4,730 million in the 2023 fiscal year. Sales increased by 2.4 % in the reporting currency compared to the previous year. Excluding portfolio effects, organic sales growth amounted to 7.9 %. At a total of € 903 million, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA[1]) were € 18 million lower than the previous year's figure of € 922 million[2]. This corresponds to a margin[1] of 19.1 % (2022[2]: 20.0 %).

Net income attributable to the shareholders of Symrise AG amounted to € 340 million, which was € 66 million lower than the previous year's figure[2]. Earnings per share were € 2.44 and thus € 0.47 below the previous year's figure[2] of € 2.91.

In light of the overall good business performance, the Symrise AG Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 1.05 in the previous year to € 1.10 per share for the 2023 fiscal year at the Annual General Meeting on May 15, 2024.

1 Adjusted for one-time effects in the Scent & Care segment in connection with the production stoppage at the Colonel Island site, the reorganization following the segment's realignment and costs associated with the antitrust investigation; moreover, adjustments were made in both segments for an insurance reimbursement for a cybersecurity incident in 2020. Please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the beginning of the 2023 fiscal year, Symrise had set itself the goal of achieving organic sales growth of 5 % to 7 % and thus noticeably above market growth (approx. 3 % to 4 %). This growth target was confirmed at the end of the first half. However, in 2023, Symrise's relevant market grew by only around 2.6 % because inflation-related price effects were offset by slight volume declines.

For 2023, Symrise had expected an EBITDA margin of around 20 % despite rising raw material prices. Debt, as measured by the key indicator of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA, should have been within the range of 2.5 and 2.7. For the business free cash flow in relation to sales, Symrise had set itself a target of 12 % at the beginning of the 2023 fiscal year. In its reporting for the first half of 2023, Symrise lowered its expectation for business free cash flow for the 2023 fiscal year to between 9 % and 11 %.

With organic sales growth of 7.9 % (excluding portfolio and currency translation effects), Symrise surpassed its sales goals in 2023. The adjusted EBITDA margin[1] of 19.1 % was below the value expected for 2023. At 3.0 times EBITDA[1], net debt was higher than the level expected for 2023, due especially to the weaker earnings performance and the still high working capital to ensure supply availability. On the reporting date, the adjusted business free cash flow[1] was 11.7 % and thus higher than the target of 9 % to 11 % forecast at the end of the first half.

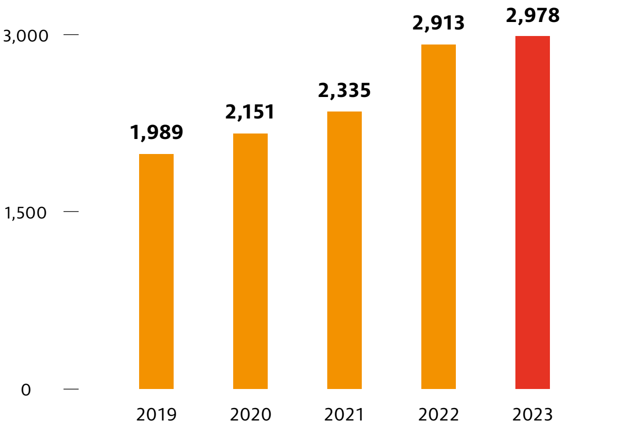
1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

Achievement of targets in 2023

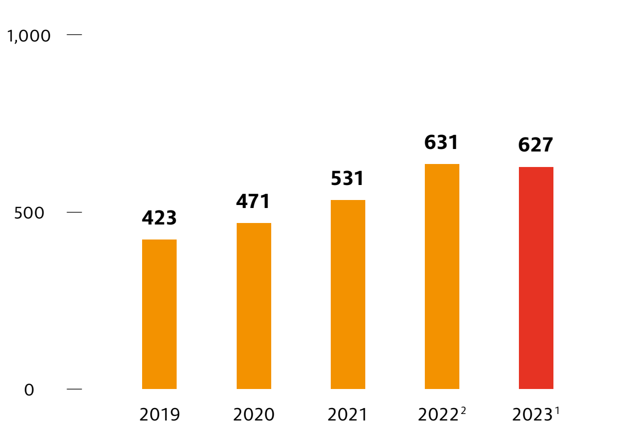
	Target at the beginning of the fiscal year	Figure achieved
Sales growth (at local currency)	5 – 7 %	7.9 %[1]
EBITDA margin	Around 20 %	19.1 %[2]
Net debt (including provisions for pensions and similar obligations as well as lease liabilities) / EBITDA (excluding acquisitions)	Between 2.5 and 2.7	3.0[2]
Business free cash flow	Around 12 %	11.7 %[2]

1 Organic growth 2 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

Taste, Nutrition & Health segment sales
in € million



Taste, Nutrition & Health segment EBITDA
in € million



DEVELOPMENT IN THE SEGMENTS AND REGIONS

TASTE, NUTRITION & HEALTH SEGMENT

The **Taste, Nutrition & Health segment** achieved organic sales growth of 9.3 %. Taking account of portfolio and currency translation effects, the segment's sales in the reporting currency amounted to € 2,978 million. Compared to the previous year, this corresponds to an increase of 2.2 %. The positive portfolio effect from the acquisition of Wing Biotechnology Co., Ltd., Shanghai, China, was around € 20 million.

In the Food & Beverage division, the business units responsible for sweet and savory products and for beverage flavoring developed very positively, all achieving high single-digit and double-digit organic growth, respectively. The EAME (Europe, Africa, Middle East) and Latin America regions in particular saw strong gains. The main growth drivers here were the markets of Western and Eastern Europe, Egypt and Saudi Arabia, as well as Mexico and Brazil. The Naturals business unit increased sales in the EAME and Asia/Pacific regions especially.

The Pet Food division also posted double-digit organic growth. Sales development was particularly dynamic in the Western and Eastern European markets, especially Poland and France, as well as in the USA, Mexico, Brazil and Southeast Asia, driven especially by global and regional customers. With the ongoing expansion of production capacities and the joint venture with Fujian Sunner Development Co. Ltd. in China (Sunner), Symrise has laid the foundation for the continued accelerated growth of the pet food business.

Sales by the Aqua Feed division also developed positively to deliver double-digit organic growth. Key growth impulses came from the EAME and Asia/Pacific regions, especially from the markets in Germany, China, Portugal and South Korea.

The probiotics business, which includes the majority interest in the listed company Probi AB, Lund, Sweden, was unable to maintain the level of the previous year and recorded a slight decline in sales. This was due to general market weakness, especially in North America. Sales development in EAME also saw a negative impact from the reduction in safety stocks by a number of major customers.

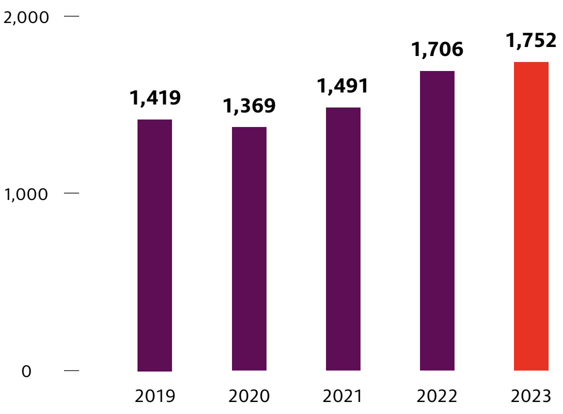
EBITDA Taste, Nutrition & Health: Adjusted EBITDA[1] of the Taste, Nutrition & Health segment in the reporting year amounted to € 627 million, which was lower than in the previous year[2] (2022: € 631 million). This was mainly attributable to the lack of the previous year's positive one-time effects from the sale of the Velcorin® business and the partial sale of the celery business and to higher operating costs. Due to the aforementioned effects, the adjusted EBITDA margin[1] of 21.0 % failed to match the previous year's[2] level (2022: 21.6 %).

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

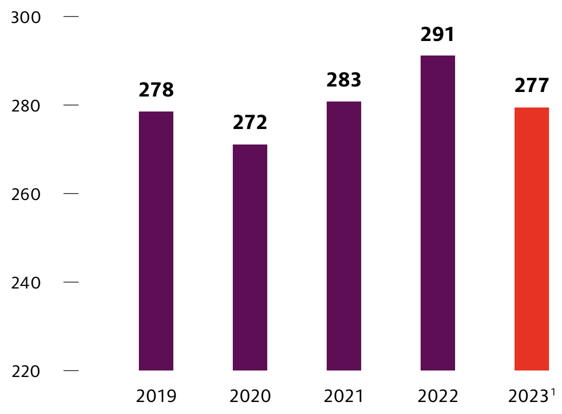
Scent & Care segment sales

in € million



Scent & Care segment EBITDA

in € million



SCENT & CARE SEGMENT

In the 2023 fiscal year, the **Scent & Care segment** generated sales of € 1,752 million. Compared to the previous year, this represents an increase of 2.7 %. Excluding portfolio and currency translation effects, organic sales growth amounted to 5.6 %. The portfolio effects from the acquisitions of Neroli Invest DL (Groupe Néroli) and Essence Ciel with its subsidiary SFA Romani (Romani) – both are based in Saint-Cézaire-sur-Siagne, France – contributed a total of around € 15 million.

The Fragrance division increased sales organically by a high single-digit percentage. The Fine Fragrances business in particular continued its dynamic development and followed its strong performance of the previous year with renewed double-digit percentage organic growth. The recent acquisitions also contributed to the business unit's growth. The growth rates in the EAME, North America and Latin America regions were particularly pronounced. The Consumer Fragrances business unit posted good single-digit percentage growth. Here, too, the biggest gains were posted by the EAME and Latin America regions, followed by Asia/Pacific, especially for laundry and cleaning products. The Oral Care business unit saw low single-digit percentage organic growth, with the biggest increases in the Asia/Pacific region.

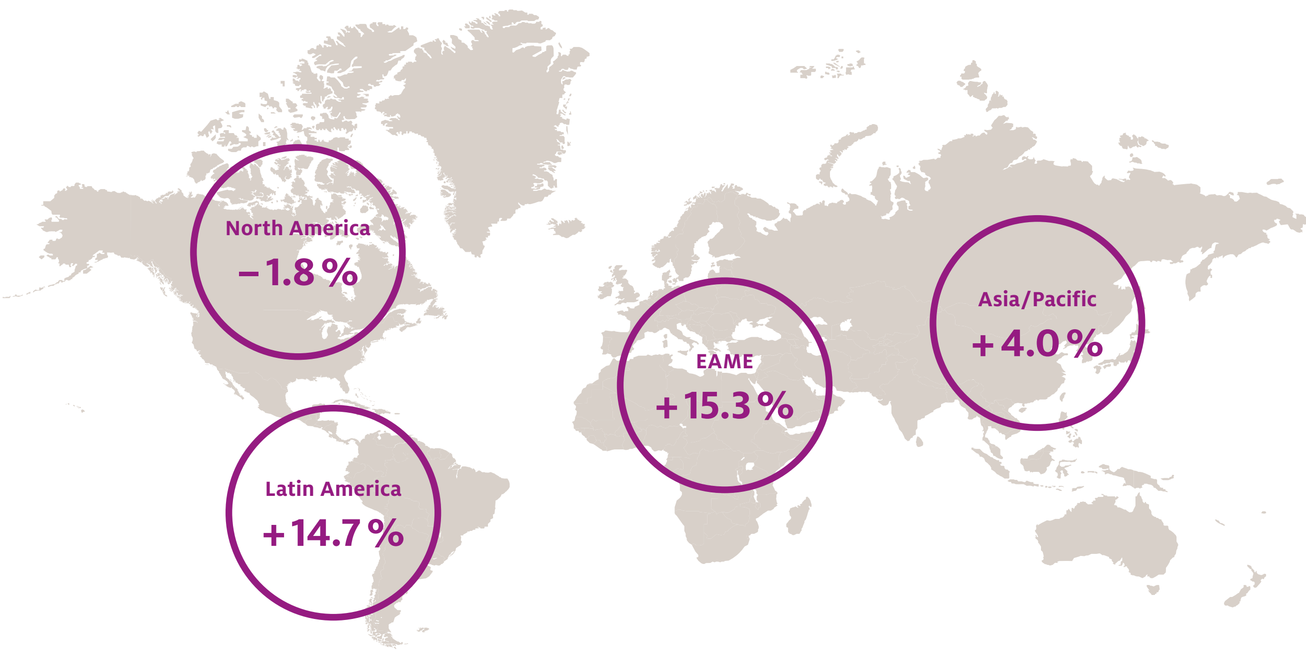
Sales development in the Aroma Molecules division was negatively impacted in particular by a difficult market environment and the production stoppage at Colonel Island, USA, following a fire in November 2022. Demand for fragrances and menthol was held back by customers reducing their inventories. The sum of sales across all business units and regions was significantly lower than in the previous year.

Sales by the Cosmetic Ingredients division continued to develop very positively, again posting double-digit percentage organic growth, especially in the EAME and Latin America regions. Sales also increased in North America and Asia/Pacific but by a smaller single-digit percentage. The strongest growth was posted by the sun protection business and the Micro Protection business unit.

EBITDA Scent & Care: In 2023, Scent & Care generated adjusted EBITDA[1] of € 277 million, which was 4.9 % lower than in the previous year (2022: € 291 million), due especially to increased raw material prices and higher operating costs. As a result, the adjusted EBITDA margin[1] decreased to 15.8 % from 17.1 % in 2022.

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

Development in the regions
(organic sales growth)



DEVELOPMENT IN THE REGIONS

Business in the EAME region developed positively, increasing organically by 15.3 % compared to the previous year. Sales development in North America saw a significant negative impact from the production stoppage at Colonels Island. In organic terms, the region's sales were 1.8 % lower than in the previous year. The Asia/Pacific region achieved organic sales growth of 4.0 % compared to the previous year. Sales development in Latin America was dynamic and delivered organic growth of 14.7 % compared to the previous year.

RESULTS OF OPERATIONS

DEVELOPMENT OF MATERIAL LINE ITEMS IN THE INCOME STATEMENT

Despite the good sales development, earnings performance in the 2023 fiscal year remained below expectations. The cost of goods sold increased slightly faster than sales, which was mainly attributable to higher raw material and manufacturing costs. The gross margin in the reporting year was 36.8 %, virtually level with the previous year's figure of 36.9 %. The share of selling and marketing expenses in Group sales declined from 14.7 % in 2022 to 14.2 % in the reporting year. This decrease was primarily attributable to lower logistics costs. Compared to the previous year, the R & D rate relative to sales increased from 5.5 % to 5.6 %, due especially to higher expenses for basic research in both segments. Administration expenses as a share of Group sales grew from 5.6 % a year earlier to 5.8 % in the reporting year, in particular as a result of increased IT system costs.

The decrease in other operating income is attributable primarily to the lack of the previous year's positive one-time effects in connection with the sale of the Velcorin® business as well as the partial sale of the celery business in North America, each amounting to around € 18 million in 2022.

Moreover, earnings were depressed by negative currency translation effects and smaller contributions from companies accounted for using the equity method.

Adjusted EBITDA[1] amounted to € 903 million, € 18 million lower than the previous year's value[2] (2022: € 922 million). The adjusted EBITDA margin[1] of 19.1 % was also below the previous year's value[2] of 20.0 %.

Financial result: The financial result of € 94 million deteriorated by € 22 million compared to the result of € – 73 million from the previous year. This was due to interest expense in connection with financing (€ 19 million) and interest on pension provisions (€ 16 million). The currency result (€ 11 million) was significantly higher than in the previous year.

Taxes: In the 2023 fiscal year, tax expenses amounted to € 120 million (2022: € 140 million). The resulting tax rate of 25.8 % is significantly below the level of the previous year (2022: 32.6 %) due to the previous year's impairment for the associated company Swedencare AB, Malmö, Sweden (Swedencare). Without the Swedencare effect, the tax rate in the previous year would have been 25.2 %. An adequate provision for tax risk was made at Group level, as in previous years.

Net income and earnings per share: Net income attributable to the shareholders of Symrise AG amounted to € 340 million, which was € 66 million lower than the previous year's figure[2] (2022: € 406 million). Earnings per share were € 2.44 (2022[2]: € 2.91).

Dividend proposal 2023: The Executive Board and Supervisory Board of Symrise AG will propose a dividend of € 1.10 per share for the 2023 fiscal year at the Annual General Meeting on May 15, 2024.

Income statement in summary

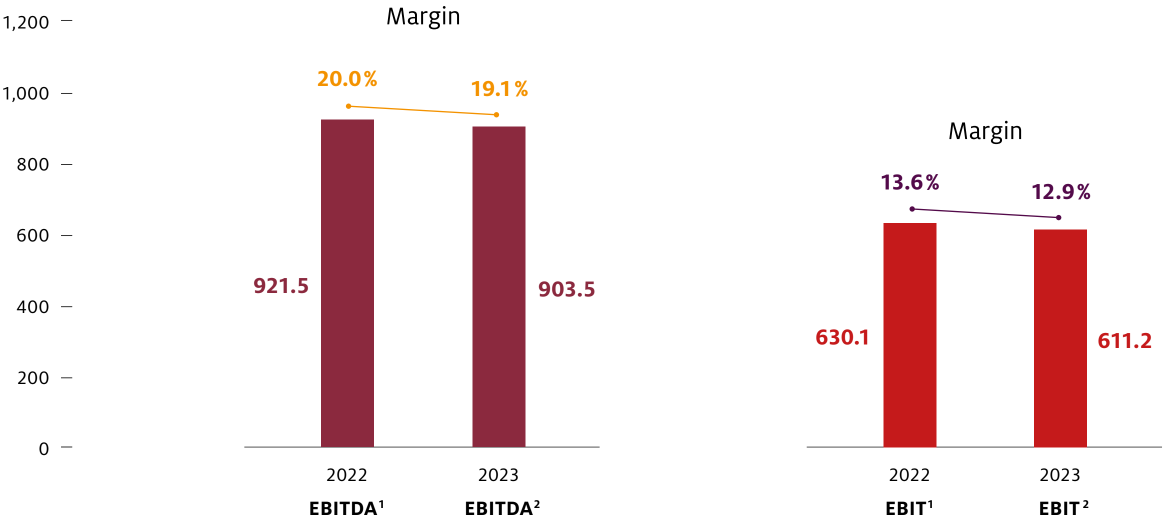
€ million	2022[2]	2023[1]	Change in %
Sales	4,618	4,730	2.4
Cost of goods sold	– 2,916	– 2,991	2.6
Gross profit	**1,702**	**1,739**	**2.2**
Gross margin	36.9	36.8	
Selling and marketing expenses	– 681	– 671	– 1.4
Research and development expenses	– 254	– 266	4.4
Administration expenses	– 258	– 275	6.8
Other operating income	115	80	– 30.3
Other operating expenses	– 6	– 5	– 16.6
Result of companies accounted for using the equity method	13	9	– 28.2
Income from operations/EBIT	**630**	**611**	**– 3.0**
Amortization of intangible assets	127	116	– 8.2
Depreciation of property, plant and equipment	165	176	6.9
EBITDA	**922**	**903**	**– 2.0**

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

Overview of Earnings

in € million / in %



FINANCIAL POSITION

FINANCIAL MANAGEMENT

Main features and objectives: The Symrise Group's financial management pursues the aim of guaranteeing that the company's financial needs are covered at all times, of optimizing the financial structure and of limiting financial risks insofar as possible. Consistent central management and the continuous monitoring of financial needs support these objectives.

In accordance with the Symrise Treasury department's guidelines, the financing of the Group is managed centrally. The financial needs of subsidiaries are ensured by means of internal Group financing within the framework of a cash pool, among other things. The surplus liquidity of individual European Group entities is put into a central account so that liquidity deficits of other Group units can be offset without external financing and the internal financial capital can be used efficiently. If external credit lines are needed for national subsidiaries, they are secured by guarantees from Symrise AG where necessary. The Group's financial liabilities are unsecured. The Group maintains good business relationships with a larger number of banks and avoids becoming too dependent on individual institutes.

The Symrise Group safeguards against risks resulting from variable interest rates on financial liabilities by means of interest rate hedges, if needed. Here, the principle applies that interest derivatives can only be concluded on the basis of underlying transactions.

Symrise does business in different currencies and is thus exposed to currency risks. Exchange rate risks occur when products are sold in different currency zones than the ones in which the raw materials and production costs accrue. Within the context of its global strategy, Symrise manufactures a large proportion of its products in the currency zones in which they are sold in order to achieve a natural hedge against exchange rate fluctuations. In addition, Symrise has implemented a risk management system, which, based on detailed cash flow planning, identifies open currency positions. These are regularly hedged against fluctuations.

With a Group equity ratio (including non-controlling interests) of 47.0 % as of December 31, 2023 (December 31, 2022: 46.4 %), Symrise has a solid foundation for driving future business development forward in a sustained manner.

1 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

2 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

Financing structure:
Net debt decreased by € 67 million compared to the reporting date of December 31, 2022, to € 2,166 million. The ratio of net debt including lease liabilities to EBITDA[1] is 2.4. Including pension obligations and lease liabilities, net debt stood at € 2,666 million, which corresponds to a ratio of net debt (including lease liabilities and provisions for pensions and similar obligations) to EBITDA[1] of 3.0.

Symrise fulfilled all of the contractual obligations resulting from loans in the 2023 fiscal year.

CASH FLOW AND LIQUIDITY ANALYSIS

€ million	2022	2023	Change in %
Cash flow from operating activities	360	720	99.8
Cash flow from investing activities	– 985	– 358	– 63.6
Cash flow from financing activities	482	– 264	– 154.9
Cash and cash equivalents (Dec. 31)	315	393	24.8
Business free cash flow[1]	**301**	**553**	**83.7**

All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The Group has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 500 million that was not utilized as of December 31, 2023.

The cash flow from operating activities was significantly above the level of the previous year. Lower earnings were offset by a reduction in working capital and lower tax payments. The operating cash flow rate relative to sales was 15.2 %.

Cash outflow from investing activities amounted to € 358 million, mainly due to payments made primarily in connection with increasing the company's stake in Swedencare as well as to payments for investments in intangible assets and property, plant and equipment and for non-current financial assets. There were no new financing activities in the reporting year. Net cash outflow for financing activities amounted to € 264 million, due primarily to the payment of the dividend and interest on financial liabilities.

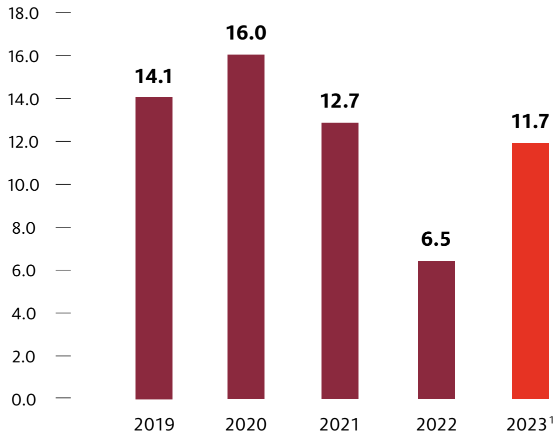
In addition, the company introduced business free cash flow as the primary internal control variable for performance assessment in order to strengthen the company's cash flow orientation. The adjusted business free cash flow, which comprises EBITDA, investments (including cash effects from leasing) and changes in working capital, amounted to € 553 million[1] in the 2023 fiscal year, which was 11.7 %[1] as a percentage of sales. The increase compared to the previous year resulted above all from the working capital, which increased significantly in the previous year to ensure supply availability.

Calculation of Business Free Cash Flow	**in € million**
Net Sales	**4,730.2**
EBITDA reported	851.7
One-time effects affecting Business Free Cash Flow	19.2
EBITDA adjusted	**870.8**
Increase (–)/decrease (+) in trade receivables	– 34.3
Increase (–)/decrease (+) of inventories	45.0
Increase (+)/decrease (–) in trade payables	– 34.8
Impact from the full consolidation of Califormulations	0.4
Changes in Working Capital	**– 23.7**
Payments for investing in intangible assets	– 21.3
Payments for investing in property, plant and equipment	– 248.9
Reclassification of non-cash investments	0.1
Proceeds from the disposal of assets	2.7
Investments	**– 267.4**
Elimination of extraordinary M&A effects	0.2
Business Free Cash Flow At Equity	0.8
Principal portion of Lease payments	– 27.7
Business Free Cash Flow	**553.1**
in % of Net Sales	11.7 %

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

Business Free Cash Flow

in % of sales



EBITDA (adjusted)
– Investments (including cash effects from leasing)
–/+ Changes in working capital

= Business free cash flow

INVESTMENTS AND ACQUISITIONS

The Symrise Group invested € 270 million in property, plant and equipment and intangible assets in the 2023 fiscal year, after also spending € 270 million in the previous year.

Investments in property, plant and equipment amounted to approximately € 247 million (2022: € 247 million). They included the construction of new Pet Food sites in Brazil – completed in 2023 – and Mexico – completion in 2024. Capacities at the site in Granada, Spain, were expanded for the Cosmetic Ingredients division. In addition, production capacities were expanded for the Pet Food (Netherlands, China and USA), Food & Beverage (France, USA and China), Fragrance and Aroma Molecules (both Mexico and Spain) divisions. Spending on intangible assets amounted to € 23 million (2022: € 24 million). The main focus here was on investments in software, especially the introduction of an ERP software in the Taste, Nutrition & Health segment and the new CX/CRM platform for use by both segments.

All of the projects were funded from operating cash flow. As of December 31, 2023, the Group had obligations to purchase property, plant and equipment amounting to € 83 million (December 31, 2022: € 67 million). This mainly relates to production facilities and laboratory and office equipment. These obligations will mostly come due during the course of 2024.

In the 2023 fiscal year, the Symrise Group also continued its growth strategy through targeted portfolio management.

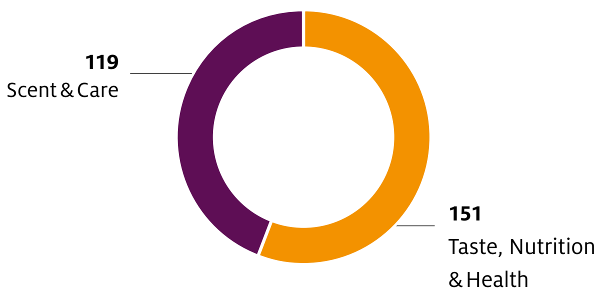
In February 2023, Symrise announced the establishment of a joint venture with Sunner, which is one of China's main poultry processors with an integrated business model. that covers chicken breeding and farming, feed processing and meat processing. The joint venture will supply the Chinese pet food market with sustainable and high-quality egg solutions. Through its strategic partnership with Sunner in the egg valorization business, Symrise is expanding its position in pet food applications in the Asia/Pacific region and accelerating its pet food growth strategy.

In October, Symrise acquired further shares in U.S. company Kobo Products Inc., which is based in South Plainfield, New Jersey, and supplies innovative, technology-based raw materials to the cosmetics industry. The transaction increased Symrise's stake in the pigment and powder specialist to 49 %. The involvement of Symrise creates further growth opportunities for both companies in the fields of mineral UV filters and decorative cosmetics. Kobo's customers are also benefiting from expanded capacities and global supply chains. With this step,

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

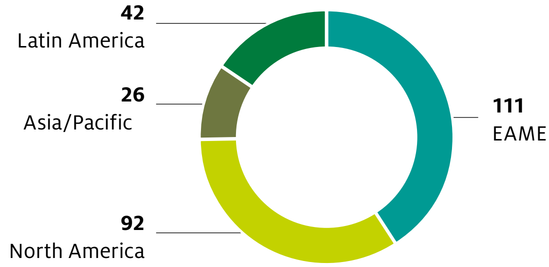
Investments by segment

in € million



Investments by region

in € million



both companies have demonstrated their commitment to the partnership that was initiated in 2021 and the added value it creates for both customers and consumers.

In the reporting period, Symrise increased its stake in the publicly listed Swedencare to 35.86 %. Swedencare is a provider of premium care and health products for pets. With this step, Symrise is strengthening its leading position as a provider of innovative pet food solutions and applications. The stake in Swedencare has been included in the consolidated financial statements as an associate since February 2022.

ALTERNATIVE PERFORMANCE INDICATORS

The management report and financial statements of the Symrise Group are prepared in accordance with applicable accounting standards. In addition to the disclosures and performance indicators required by these standards, Symrise also publishes alternative performance indicators that are not subject to these regulations and for which there is no generally accepted reporting standard. Symrise calculates these alternative performance indicators with the aim of facilitating the comparability of its performance over time and vis-à-vis other companies in the industry. The alternative performance indicators apply to all periods and are used both internally to manage the business and measure performance and externally by analysts and investors to assess the company's performance. Symrise calculates the following alternative performance indicators:

- Nominal and organic changes in sales and changes due to portfolio and currency translation effects
- EBITDA
- EBITDA margin
- Adjusted EBITDA
- Adjusted EBITDA margin
- EBIT
- EBIT margin
- Adjusted EBIT
- Adjusted EBIT margin
- Business free cash flow
- Adjusted business free cash flow
- Adjusted business free cash flow margin

The (nominal) **change in sales** is a relative performance indicator that describes the percentage change in sales compared to the previous year. The **organic** change in sales describes the percentage change in sales compared to the previous year, excluding the influence of portfolio and currency translation effects. The change **due to portfolio effects** shows the share of the change in sales that is attributable to the acquisition or sale of business activities or subsidiaries in the period under review. The change in sales **due to currency translation effects** provides information about the change in sales resulting from changes in the exchange rates used to translate foreign currencies into the reporting currency.

EBITDA stands for earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets. This performance indicator describes a company's operating earning power, irrespective of its capital structure and investment level. EBITDA is calculated on the basis of EBIT plus the depreciation and amortization of property, plant and equipment and intangible assets recognized through profit or loss during the reporting period.

EBIT stands for earnings before interest and taxes and describes a company's performance capability, excluding the effects of different international taxation systems and financing activities.

In order to strengthen the company's cash flow orientation, Symrise has introduced **business free cash flow** as the primary internal control variable. The business free cash flow consists of EBITDA, investments (including cash effects from leasing) and changes in working capital.

The **EBITDA margin** and **EBIT margin** are relative indicators used by Symrise for the internal and external comparison of operating earning power. The indicators are calculated on the basis of EBITDA or EBIT in relation to sales. Symrise uses these indicators in particular for the internal and external comparison of the cost structure and profitability of its businesses.

The **business free cash flow margin** is a relative performance indicator which describes business free cash flow in relation to sales.

In the 2023 fiscal year, as a result of special circumstances, the aforementioned indicators were adjusted for the following one-time effects:

- Costs in connection with the production stoppage at the Colonel Island site (€ 46.5 million)
- Reorganization costs resulting from the new strategic focus of the Scent & Care segment (€ 4.3 million)
- Costs associated with antitrust investigation (€ 5.8 million)
- Income from an insurance reimbursement for a cybersecurity incident in 2020 (€ 4.8 million)

NET ASSETS

SELECT LINE ITEMS IN THE STATEMENT OF FINANCIAL POSITION

Development of the financial position

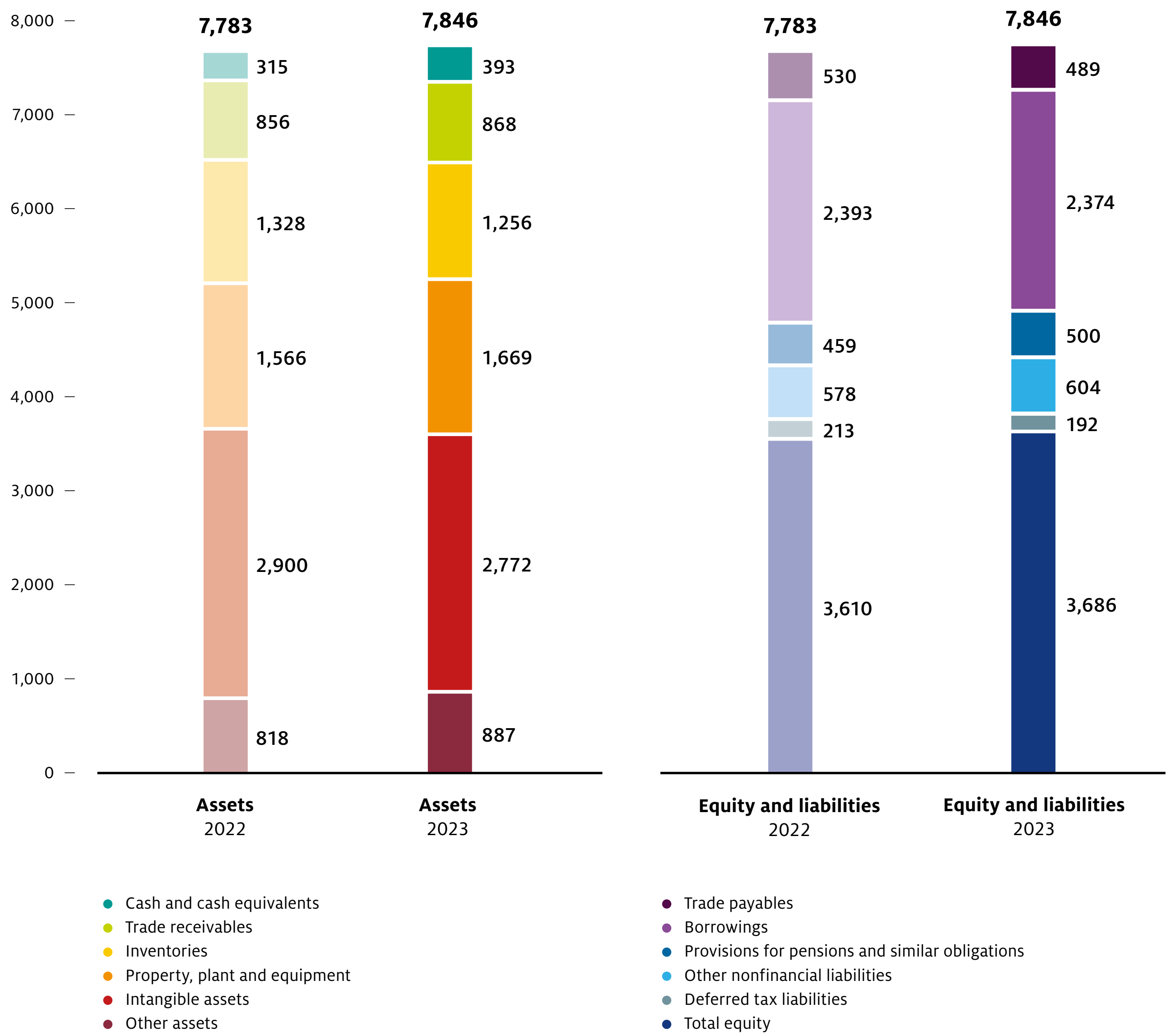
At € 7,846 million, total assets on December 31, 2023, were € 63 million higher than the level of the previous year (December 31, 2022: € 7,783 million).

On the assets side, the increase in total assets resulted primarily from higher investment-related property, plant and equipment (€ + 103 million). The increase in cash and cash equivalents (€ + 78 million) is offset by lower inventories (€ – 72 million). The increase in financial assets is primarily due to the successive acquisition of further shares in the Swedish company Swedencare AB, of which Symrise held 35.86 % as of the end of the reporting period. Intangible assets decreased by € 128 million, above all due to depreciation and amortization.

Changes to equity and liabilities mainly resulted from trade payables (€ – 40 million), provisions for pensions and similar obligations as well as equity. Due to changes in the measurement parameters, there was a shift between the pension obligations and revaluation reserve in equity, which resulted in a decrease in Group equity of € 18 million. Moreover, negative

Overview of the Statement of Financial Position as of December 31, 2023

in € million



currency translation effects led to a reduction in this item. Taking account of the earnings of € 345 million for the reporting year, equity (including non-controlling interests) at the reporting date was € 76 million higher. The Group equity ratio was 47.0 %, compared to 46.4 % in the previous year. A dividend of € 147 million was paid out in 2023 for the 2022 fiscal year.

Net debt

€ million	2022	2023
Borrowings	2,393	2,374
Lease liabilities (according to IFRS 16)	155	185
Cash and cash equivalents	– 315	– 393
Net debt	**2,233**	**2,166**
Provisions for pensions and similar obligations	459	500
Net debt including provisions for pensions and similar obligations	**2,692**	**2,666**

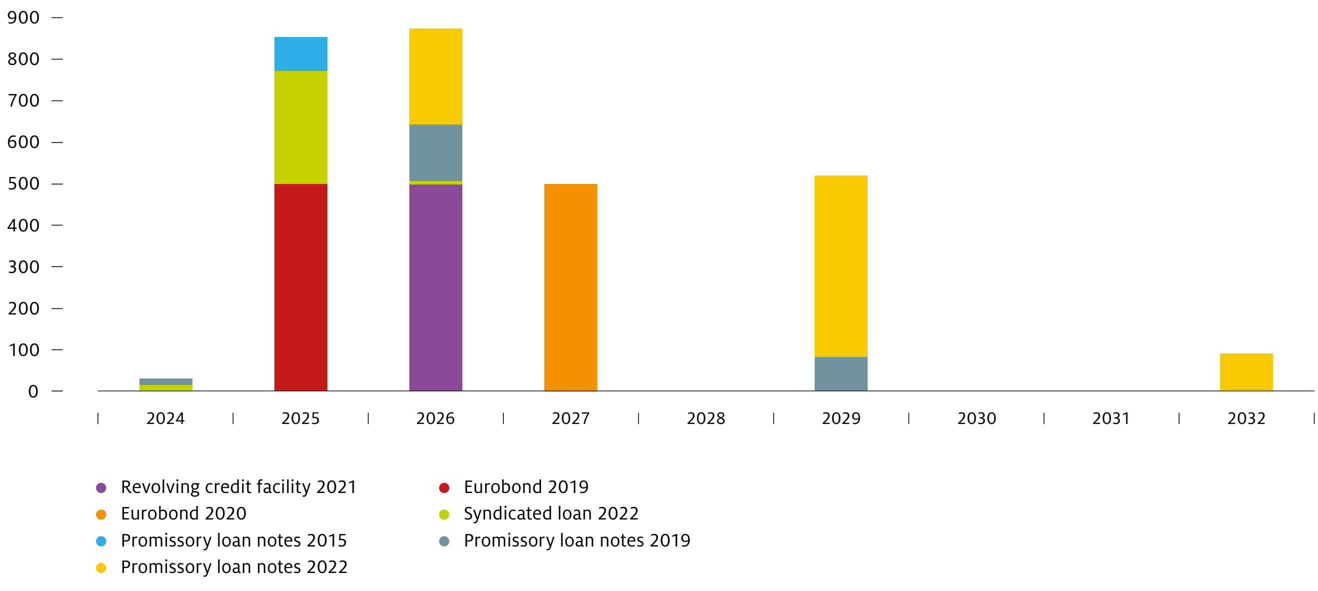
Net debt is calculated by deducting cash and cash equivalents from financial liabilities including lease liabilities. As a portfolio-oriented key indicator based on figures from the statement of financial position, it provides information on the company's actual debt. To calculate the key indicator of net debt/EBITDA, the net debt is applied to the EBITDA of the past twelve months both with and without retirement benefit obligations. This resulted in a value of 2.4 for the net debt/EBITDA ratio[1] in the reporting year (2022[2]: 2.4). The ratio of net debt including provisions for pensions and similar obligations/EBITDA[1] increased from 2.9 in 2022[2] to 3.0 in the reporting year.

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

Maturities as of December 31, 2023

in € million



Symrise targets a capital structure that allows the company to cover its future potential financing needs at reasonable conditions by way of the capital markets. This provides Symrise with a guaranteed high level of independence, security and financial flexibility. The company will continue its earnings-oriented dividend policy in order to continue giving shareholders an appropriate share in its success. Furthermore, it should be ensured that acquisition plans can be accompanied by solid financing options.

Significant obligations not reflected on the balance sheet exist in the form of obligations to purchase goods amounting to € 210 million (2022: € 341 million) and obligations to purchase property, plant and equipment amounting to € 83 million (2022: € 67 million).

Symrise AG has service contracts with various providers regarding the outsourcing of its internal IT. Some service contracts already existed in previous years. The remaining total obligation toward these service providers amounts to € 12 million (December 31, 2022: € 20.6 million), including extraordinary termination rights. Miscellaneous other financial obligations amounted to € 22 million as of December 31, 2023 (December 31, 2022: € 23 million), and are mostly obligations from consulting, service and cooperation contracts (€ 16 million; December 31, 2022: € 16 million).

CAPITAL STRUCTURE

€ million	2022		2023		Change in %
		in % of total equity and liabilities		*in % of total equity and liabilities*	
Equity	3,610	46	3,686	47	+ 2.1
Current liabilities	971	12	937	12	– 3.6
Non-current liabilities	3,201	41	3,223	41	+ 0.7
Liabilities	4,173	54	4,159	53	– 0.3
Balance sheet total	**7,783**	**100**	**7,846**	**100**	+ 0.8

General statement on the company’s economic situation

The Executive Board considers the economic situation of the Symrise Group to be still positive. In 2023, the company was again able to increase sales significantly, despite the challenging conditions. However, higher raw material and manufacturing costs as well as general increases in costs due to high inflation had a negative impact on profitability. The company’s financing is ensured for the medium term. Subject to the adoption of the resolution at the Annual General Meeting, Symrise AG shareholders will participate in the company’s success by receiving a higher dividend than in the previous year.

Outlook

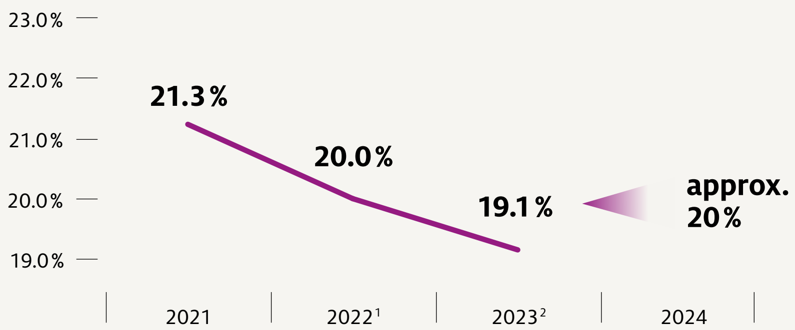
Framework

Global economic growth
2.4%

Market growth
3–4%

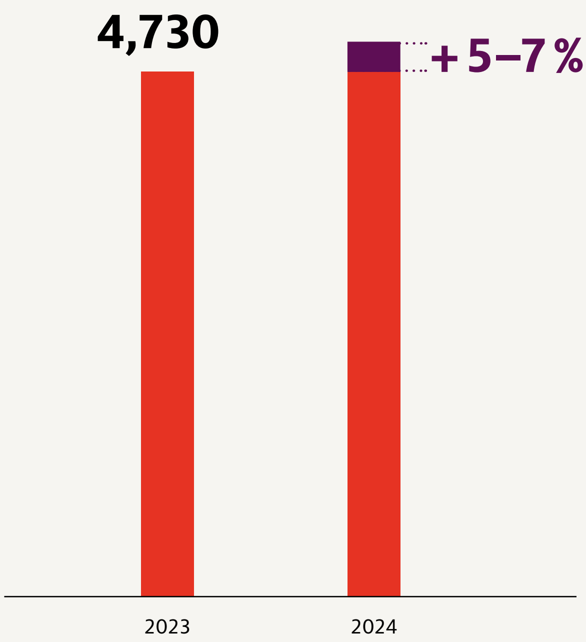
Commodity prices largely stable

EBITDA MARGIN



1 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden
2 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 42 for details about the adjustments.

ORGANIC SALES GROWTH
in € million



EXPECTATIONS

Business free cash flow in relation to sales
~12% in 2024
14% in the medium term

Net debt/
(including pensions and similar obligations as well as lease liabilities)
EBITDA
2.6–2.8

Investments in relation to sales
~6%

FUTURE GENERAL CONDITIONS

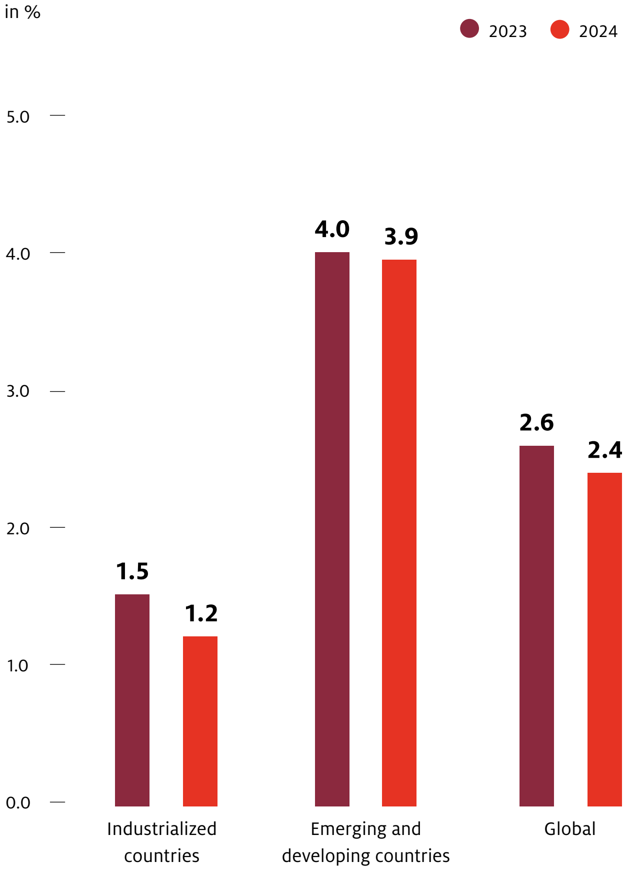
Despite a large number of prevailing challenges, the global economy is proving surprisingly resilient. Major economies have weathered the fastest rise in interest rates in 40 years with no extreme increase in unemployment rates or financial crises. It would seem that the record inflation has been curbed without tipping the world into a recession. Nevertheless, the World Bank forecasts for the next two years are gloomy. Due to higher interest rates, global crises and lower investment in the current year, it is likely that the world economy will see slower growth for the third year in succession. Following expansion of 2.6 % in the previous year, global economic growth is likely to weaken to 2.4 % in 2024 before increasing slightly to 2.7 % in 2025. The World Bank expects the weakest five-year global growth for 30 years. The forecast data indicate that most economies – both industrialized as well as emerging and developing countries – will grow more slowly in 2024 and 2025 than in the decade preceding the coronavirus pandemic, when growth averaged 3.1 %.

The pace of growth in industrialized countries is likely to decrease from 1.5 % in 2023 to 1.2 % in 2024. In the USA, the growth rate for gross domestic product is expected to decrease from 2.5 % in 2023 to 1.6 % in the current year, and in Japan from 1.8 % to 0.9 %. A slight increase of 0.3 percentage points to 0.7 % is predicted for the eurozone in 2024. The World Bank believes that economic growth in the emerging and developing countries will decrease slightly from 4.0 % in 2023 to 3.9 % in 2024. In countries including China, Thailand, Russia, Turkey, Egypt, Brazil and Mexico, the gross domestic product is likely to grow less strongly than in 2023. By contrast, Poland, Argentina, South Africa, India and Saudi Arabia are among the countries where growth is expected to be higher in 2024 compared to the previous year.

The downside risks to the forecast include an escalation of the recent conflict in the Middle East with associated disruption to the raw material markets, financial difficulties due to high debt and, as a result, high lending costs. Moreover, persistent high inflation, a weaker then expected Chinese economy and climate-related catastrophes could have a negative impact on the outlook.

GDP development 2023/2024

in %



The market for fragrances and flavors, aroma chemicals and cosmetic ingredients (AFF market) achieved a size of € 40 billion in 2023. According to estimates by market research institute IAL Consultants – the submarket for flavorings and fragrances accounts for about € 32.0 billion of this amount, while the submarket for aroma chemicals and cosmetic ingredients accounts for about € 8.0 billion.

In a long-term estimate, Symrise assumes an annual average growth rate of around 3 % to 4 % for the AFF market. Rising incomes in emerging markets are having a positive impact on the development of demand for products containing fragrances, flavorings and cosmetic ingredients. Market growth also depends on more basic products that meet everyday needs and already have an established presence in the markets of industrialized nations. In the developed Western European, Asian and North American markets, consumer trends such as beauty, health, well-being, convenience and naturalness determine the growing demand for products containing Symrise ingredients.

For the 2024 fiscal year, Symrise is expecting raw material costs to remain largely stable overall. However, the individual regions, divisions or raw material groups may see different trends. Generally, the company classifies raw materials as natural, agricultural or petroleum-based. The company's strategic focus is on natural raw materials from renewable sources. For important natural raw materials, the Group continues to pursue its backward integration approach. This means that Symrise cooperates closely with the growers of key agricultural products like vanilla, onions, beets and fruits. The goal is to achieve consistently high quality and planning security via long-term agreements. For menthols, Symrise relies on its leading market position and long-term supplier loyalty with multinational brand manufacturers.

The tense situation on the European and German energy markets, triggered by the war in Ukraine, has eased. Symrise is anticipating that energy costs for the 2024 fiscal year will remain largely stable.

The electricity supplied by the combined heat and power plant at the Holzminden site covers a large part of its electricity needs. For the remaining procurement volume, an increase in the price of electricity can also be expected due to rising procurement prices on the EEX electricity exchange as well as higher grid costs from the upstream network.

Symrise strives to positively influence the company's energy costs through various energy procurement measures and an established energy management system.

Symrise expects personnel costs to increase in line with inflation in the individual countries.

EFFECTS FROM HYPERINFLATIONARY COUNTRIES

The current hyperinflation in Venezuela, Argentina and Turkey is an issue of growing significance for the Group's consolidated earnings. Further information on accounting practices in countries with hyperinflation and their impact can be found in notes 2.5 and 11.

FUTURE COMPANY DEVELOPMENT

For 2024, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market. According to IAL Consultants, the forecast long-term growth of the relevant market is around 3 % to 4 % worldwide. For the Group, expected long-term growth of 5 % to 7 % (CAGR) remains unchanged and is also anticipated to be achieved in 2024. The company aims to generate sales of € 5.5 to 6.0 billion by the end of 2025. In addition, Symrise recently extended its long-term growth expectation to 2028 and aims to generate sales of € 7.5 to 8.0 billion by that time.

In order to increase earnings and profitability further, the company will be implementing targeted measures that include an efficiency program with disciplined cost management and initiatives to reduce process and workflow complexity and optimize the global production network and the portfolio with a focus on high-margin businesses. Moreover, the development of innovative sustainable products and technologies continues to be a fundamental aspect of the Symrise strategy.

Assuming that prices for raw materials remain largely stable, the Group expects an EBITDA margin for 2024 of around 20 %, which is at the lower end of the target corridor. In the medium term, the Group is seeking to maintain an EBITDA margin between 20 % and 23 %. The ratio of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA should be between 2.6 and 2.8 at the end of 2024. For the business free cash flow, the Group is aiming for a rate relative to sales of 12 % in 2024. The medium-term target is a rate of 14 %.

The company will continue its earnings-oriented dividend policy and give its shareholders an appropriate share in the company's success.

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

The Executive Board at Symrise AG sees the company as being optimally positioned to continue developing in every division and growth region. A proven strategy will be used to achieve the goals set. The three pillars of the strategy remain unchanged. They stand for the continued improvement of the competitive position and the sustainable expansion of the business:

- **Growth:** Close cooperation with selected customers, particularly as a way to further expand the share of sales in emerging markets

- **Efficiency:** The continuous improvement of processes and the expansion of backward integration with renewable raw materials

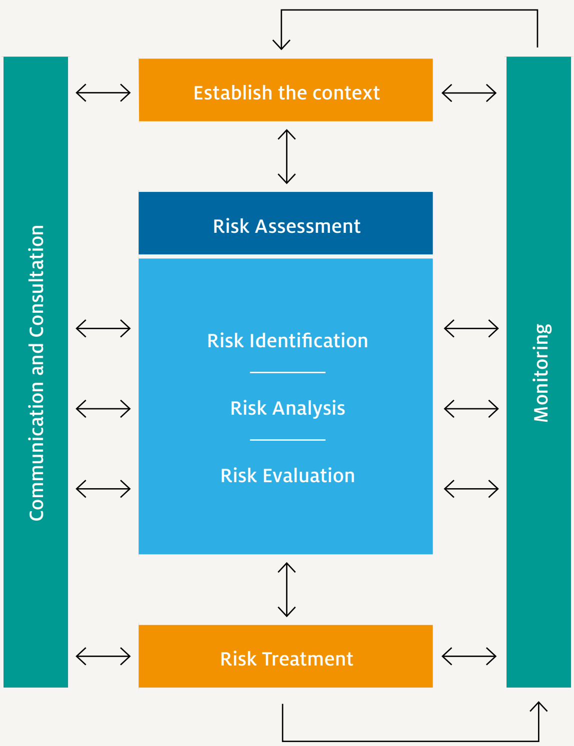
- **Portfolio:** Tapping into new markets and market segments beyond the traditional business with flavors and fragrances

Symrise aims to grow primarily organically. Where it is expedient and creates added value, the Group will make acquisitions or forge strategic alliances to ensure access to new technologies, new markets and customers or ensure that it can obtain sustainable, renewable raw materials.

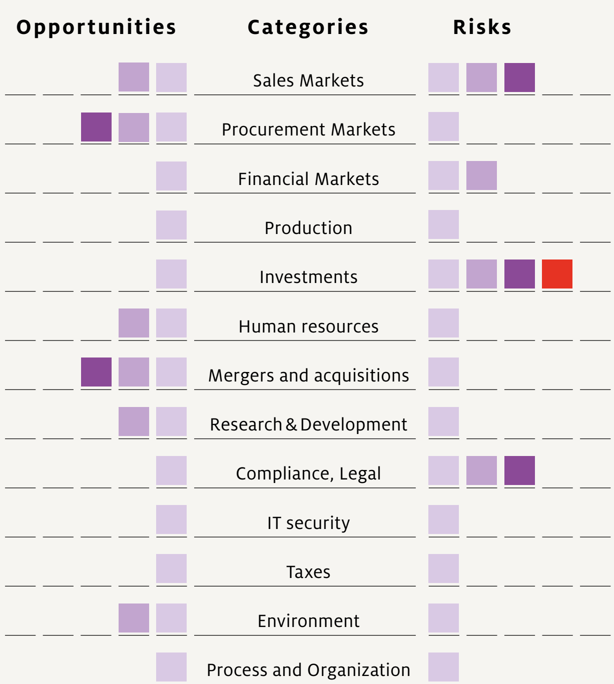
Opportunities and risk report

Risk management

Risk management steps



Overview opportunities and risks



- Very high opportunity & risk > € 80 million
- High opportunity & risk > € 60 – 80 million
- Medium opportunity & risk > € 40 – 60 million
- Low opportunity & risk > € 20 – 40 million
- Very low opportunity & risk up to € 20 milllion

MANAGEMENT OF OPPORTUNITIES AND RISKS

The Symrise Group's business activities offer a range of opportunities and, at the same time, are continually exposed to a number of risks.

Opportunities relate to future developments or events that could lead to business performance exceeding the company's set forecasts or goals. Correspondingly, risks relate to future developments or events that could lead to business performance not achieving the company's set forecasts or goals. Seizing opportunities, as well as recognizing and avoiding risks at an early stage, continues to be of key importance for the further development of Symrise in view of the increased size and complexity of the Group stemming from the acquisitions of the past years. In taking advantage of opportunities, it is important that an acceptable risk profile is maintained. By means of appropriate guidelines, Symrise ensures that risk assessments are taken into account in the Executive Board's decision-making processes from the very beginning. Symrise uses its own guidelines and models to regulate the processes of risk management and provide employees with a firm foundation for dealing with risks.

As part of risk management, the heads of the business units periodically assess their risks. The risk report documents these risks and includes their evaluation, the probability of occurrence and the measures to reduce or eliminate the risk. To minimize the financial effects of remaining risks, Symrise acquires insurance if this is deemed economically expedient.

The Symrise corporate culture attaches importance to entrepreneurial thinking and acting. Symrise values a high degree of responsibility in its employees. Therefore, the company encourages all its employees, also beyond the Executive Board, regardless of their area and scope of responsibility, to continuously identify and leverage opportunities. The heads of the business units of the Group are urged to identify opportunities on an operational level which, for example, arise within the framework of operational activities or due to improved market conditions, and to realize these opportunities with the aim of achieving results that go beyond the scope of planning. Strategic opportunities are recorded in all segments and in the Corporate Center. They are evaluated and plans are made to leverage them. The Executive Board of Symrise is also responsible for discussing strategic opportunities on a regular basis. With the established risk and rewards management system, the rewards observed in the various segments of the Group and integrated into strategic actions are systematically analyzed alongside the company risks.

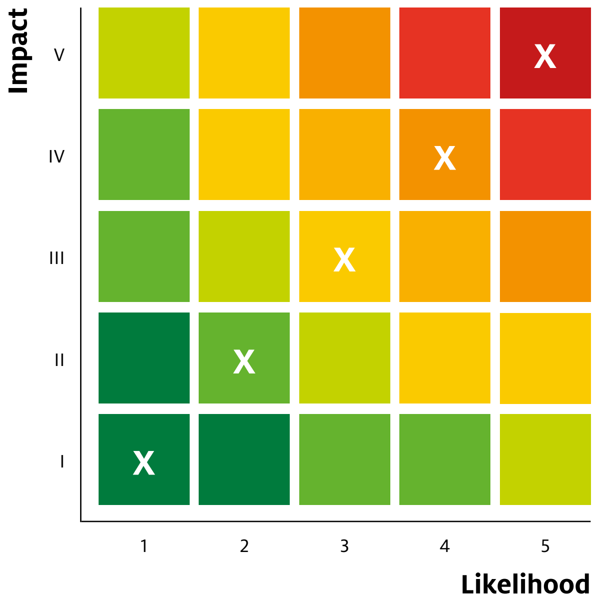
APPROACH TO EVALUATING RISKS

The risk management system at Symrise is based on the framework of generally recognized standards (ISO 31000) and extends across all Group companies and organizational units.

The Group-wide coordination of risk assessment occurs in the Corporate Center within the Risk Management department. Risk reports are prepared at segment and Corporate Function level. These are then combined at the Group level to provide an up-to-date overview of the risk situation. This Group risk report is submitted and presented to the Executive Board and the Auditing Committee of the Supervisory Board of Symrise AG twice a year, most recently in October 2023. The Chairman of the Auditing Committee then reports to the full Supervisory Board. In the Group risk report, potential risks are identified and classified according to their effect on profit (net method) as well as the likelihood of their occurrence.

The result of the impact on earnings and the likelihood of occurrence assigned to the risk determines the level of the respective risk. The chart shows how risks are ultimately classified depending on the combination of their impact and likelihood. For example, combinations with relatively low EBIT impact and low likelihood tend to be at the lower left; combinations of a relatively high product of both variables are found at the upper right of the chart and thus describe a greater risk.

Furthermore, the risk profile includes adequate measures to avoid or minimize risks. As a result, it also forms the basis for managing risks, which is also something examined by Corporate Internal Audit. The Executive Board informs the Supervisory Board or the Auditing Committee of the Supervisory Board and decides on additional measures for handling risks.



Impact (on Group EBIT)

I	very low	up to € 20 million
II	low	> € 20 – 40 million
III	medium	> € 40–60 million
IV	high	> € 60–80 million
V	very high	> € 80 million

Likelihood (probability of occurrence)

1	very low	0–20 %
2	low	21–40 %
3	medium	41–60 %
4	high	61–80 %
5	very high	81–100 %

The reporting thresholds for risks are oriented toward the financial effects on the Group as well as the likelihood of the risk occurring. If a risk exceeds a certain reporting threshold, the Executive Board is informed immediately. The following describes the opportunities and risks that could have a material impact on the Symrise Group's net assets, financial position and results of operations in greater detail. If no segment of the Group is addressed individually, the opportunities and risks presented affect all corporate segments equally. The individual opportunities and risks are then aggregated in the risk categories applied by Symrise.

OPPORTUNITIES AND RISKS IN DETAIL

SALES MARKETS

There is fierce competition in the industries served by Symrise. It is possible that the trend toward consolidation among the customers for Symrise products will continue. Therefore, there is a risk that Symrise could lose customers and thus market share. Symrise reacts to this, in particular, with increased marketing of the innovations and products from its divisions that offer added benefits compared to competitors' products.

Symrise is countering the increased volatility of the global economic environment and in particular the development of a number of larger economies (such as Brazil, China, Russia, Turkey, Argentina, Indonesia, Colombia) with a timely analysis of the effects on its operational business and with possible rapid corrections to the respective business model or local market presence.

Due to the global positioning of Symrise, with production facilities on all continents, possible trade restrictions not only entail risks but often also opportunities. This is particularly true with regard to the trade triangle of the USA, China and the EU. However, negative effects cannot be ruled out in the short term. In certain countries, the possible risk of politically related default is continually observed. A dialog with banks and customers serves to limit this risk. Political risks that arise in export countries, which mainly relate to losses of receivables, are countered through corresponding financial controls.

Political unrest in countries and regions in which Symrise operates is observed very closely, particularly to protect the safety of the staff employed there. Nevertheless, a temporary loss of production and thus sales can occur in unfavorable cases.

Given the fast-moving conflict situation in Ukraine and the parties involved in it, the business operations of Symrise may be affected by a possible complete trade embargo or any further sanctions that the EU may impose on Russia and Belarus. There is also a risk that a further continuation of the conflict will affect business operations in Ukraine.

In particular, decreasing inflation and the currently observed decline in energy prices might produce a situation in which Symrise's customers request sustained price reductions from the company. In turn, this scenario would result in the major distribution chains requiring lower prices to reflect consumer expectations and avoid losing market share to their competitors. If it is not possible to sustain current price levels, the respective product sales margins would decrease accordingly. A further risk could be that Symrise's competitors reduce their prices so that the company would lose market share if it were not possible to reduce its prices to the same level.

The dynamic conflict situation in the Red Sea region could impact Symrise's business activities if attacks on merchant vessels increase. The company is monitoring the situation continuously so that it can take suitable measures if necessary. At the present time, the business activities of the Symrise Group have been affected only marginally by the situation.

PROCUREMENT MARKETS

Symrise sources its raw materials on a global scale and must therefore also manage the opportunities and risks of sometimes complex value chains.

The sourcing of natural raw materials from various regions of the world includes the harvest risk, political and currency risks in the growing country as well as the global market risk for the respective raw material (for example, vanilla). Various intermediate products must also be sourced globally for chemical production.

A timely analysis as well as flexible and rapid action enable, for example, the exploitation of short-term opportunities or the avoidance of medium-term risks.

Dynamic demand and sourcing planning, taking into account the respective opportunity and risk profile, is one of the most important instruments of the Symrise supply chain.

Risks resulting from consolidation at the supplier level exist inasmuch as the loss of a supplier's business could threaten the availability of intermediate products or affect the profitability of end products.

The backward integration of some raw materials and the possibility of producing precursors for chemical products significantly reduce raw material market risks to Symrise in terms of availability and operating costs.

Additionally, a strategy for the partial or complete replacement of crucial raw materials is being applied within the framework of regulatory and olfactory possibilities, in close consultation with customers. In this specific case, too, opportunity and risk are closely related for Symrise. On the one hand, for example, there is the risk of a shortfall in supply on the part of Symrise to its customers; on the other hand, if backward integration is successful, Symrise can utilize earnings potential in a tight market.

Like sales markets, procurement markets are also subject to the fact that possible trade restrictions may not only result in risks but often also opportunities (triad of the USA, China and the EU) due to the global positioning of Symrise with production sites on all continents. However, negative effects cannot be ruled out in the short term.

In general, the situation on the global energy markets is continuing to ease, due especially to the significant reduction in gas and oil prices resulting from greater availability on the world's markets. With its primary strategy of closely monitoring the situation on the global markets, Symrise will be able to continue mastering the energy crisis in the current fiscal year. The currently low energy prices are viewed as an opportunity and we are already conducting price hedging to secure these low prices for the periods ahead. Other opportunities are harbored by the current discussion and announcement by the German government concerning the introduction of an industrial electricity price in Germany, which could have a positive impact for Symrise.

The inflation-curbing measures taken by central banks around the world are now taking effect, with the result that global raw material purchase prices are now largely stable or in some cases declining slightly. This is primarily attributable to the decrease in energy prices. Symrise is now facing the risk that B2B customers, having been required by the major supermarket purchasing cooperatives to reduce their prices, could attempt to cut their purchase prices for Symrise products. If Symrise fails to reduce the purchase prices charged by its suppliers, this could have a negative impact on the company's margins.

FINANCIAL MARKETS

Symrise uses the international financial markets to finance its ongoing business operations and is therefore exposed to various risks. Liquidity risk describes the danger of Symrise not being in a position to fulfill financial obligations to third parties. In the case of a deterioration in business development, there is the additional risk of not being able to meet the obligations for existing credit commitments.

Symrise carries out continuous liquidity planning in order to recognize liquidity shortfalls early on. Parallel to this, the company possesses sufficient credit lines to cover payment claims. By continuously monitoring short- and medium-term liquidity, liquidity problems can be avoided while at the same time minimizing refinancing costs through proactive management of financing instruments. Symrise does not currently see a refinancing risk.

Currency risks are an inherent challenge of a globalized value chain. The risks are significantly reduced as a result of the many opposing payment flows in different currencies. Symrise also uses common currency hedging instruments to reduce the impact on its operating business as much as possible. Stringent and dynamic management of currency changes in operating business serves to reduce currency risks. This applies to purchasing markets as well as sales markets. As of the end of the reporting period, there were foreign currency forward contracts worth around € 261 million to hedge operating currency risks. In order to avoid fluctuations in the operating currency result due to changes in valuation, these currency transactions were classified as cash flow hedges and fair value hedges for hedge accounting purposes.

Interest risks arise because rising interest rates can increase interest expenditure in variable financial instruments contrary to planning and thus have an adverse effect on the Group's result of operations. Overall, the ratio of fixed-rate debt amounted to 80 % of overall debt as of December 31, 2023. Symrise counters the remaining risk stemming from interest rates by means of contracted interest hedges. Financial opportunities and risks associated with company pension commitments are limited at Symrise due to the long-term fixed parameters.

PRODUCTION

Technical disturbances can interrupt the Group's continuous operations and lead to a loss of income and corresponding return. The causes thereof can lie in the insufficient security of the energy supply, of the equipment and processes, of the IT systems, in fire safety, in the quality and safety of materials and in their correct classification as well as the qualifications of the operational personnel. In addition, increasing demands and new country-specific labor regulations and environmental regulations as well as natural disasters can lead to interruptions in operations. Symrise contains such risks through maintenance, investments, occupational health and safety measures, insurance and corresponding guidelines, instructions and training courses. Changes in country-specific environmental regulations can result in fines or the temporary closure of production sites. For this reason, Symrise continuously monitors regulatory developments in the countries in which it operates. Interruptions in operations can also arise due to errors in the course of operations, for example, due to foreign bodies that are contained in raw materials or that are introduced into intermediate or end products during processing as well as due to incidents resulting from the usage of work equipment. Symrise minimizes these kinds of risks through appropriate guidelines (for example, foreign body policy), robust procedures (Total Productive Maintenance), training courses, emergency plans, alternative production sites, exchange on best practices and continuous improvements to operational processes. Errors in the course of operations can also have a negative influence on follow-up stages and products. In the worst possible case, such errors could lead to Symrise products or those of its customers being recalled. The company is insured against these damages to an economically justifiable extent so that the economic repercussions of possibly occurring production risks can largely be contained.

Moreover, Symrise believes that symsafe, its global occupational safety initiative comprising monitoring, training and other measures, will enable the company to continuously improve employee safety and reduce the number of working days lost following accidents at work.

Hurricanes, which have occurred at regular intervals on the east coast of the USA in the past, are considered risks in risk reporting and increase operating risk. This type of storm has led to temporary work stoppages lasting several days over the past three years but did not endanger the existence of the affected Symrise Group companies in terms of their impact on income from operations. There are contingency plans within the Symrise Group for extreme cases which call for other Symrise companies to step in to ensure supplies.

The ongoing conflict in Ukraine and its extension to the territory of the Russian Federation is having different effects on the business activities of the two Symrise Group companies in Russia. Whereas operations have so far continued at the Rogovo plant near Moscow, in particular to enable Symrise to fulfill international supply agreements, the Shebekino plant close to the border with Ukraine has been impacted directly by the conflict. There has been fighting in this region in recent months, resulting in its evacuation by the government of the Russian Federation. The situation there has now stabilized, allowing production to resume. However, it is currently not possible to predict with any degree of certainty whether the restrictions on business operations at the Shebekino plant were just temporary or how the dynamic conflict could develop in the future. Symrise is monitoring the situation continuously.

The Symrise production facilities in Germany are highly dependent on gas and oil. Production would be unable to continue in some key areas if the supply or availability of gas to production processes were to be stopped due to a market shortage or government intervention, even though the company invested in oil as an alternative energy source during 2022 to ensure that parts of the production process and energy generation could be sustained. This scenario would affect Symrise's business operations accordingly.

INVESTMENTS

The implementation of growth projects with the help of investments in new production capacities involves the risk that implementation will not be possible within the set cost and time frame as well as the risk that the specified technology cannot be implemented according to plan.

The technical and financial planning process for larger projects is comprehensive and goes through several evaluation phases in a disciplined manner. Not only new risks are identified; possible opportunities can also be identified. These reviews also build on a systematic follow-up of previous projects.

As sanctions ratchet up, the government of the Russian Federation could decide to nationalize production sites within its own territory and thus permanently remove them from Symrise's portfolio of business assets.

The fair valuation of all Symrise's investments and shares in associated companies, including Swedencare, is subject to continuous monitoring. The impairment of an investment cannot be ruled out if it fails to deliver the business performance underlying the valuation or the measurement parameters change.

HUMAN RESOURCES

Symrise's employees are its most important resource and the company's ambitious corporate goals can only be achieved by ensuring that they are highly qualified – often in very specific fields – and highly motivated. In recent years, global employee recruitment and retention has become a growing challenge worldwide. The shortage of qualified employees and increasing competition for talents entail the risk that it will not always be possible to fill vacant positions in good time. Symrise is responding to this risk by introducing additional global initiatives and recruiting measures focused on attracting new talents for key positions and by implementing global employee development programs aimed at retaining employees. Failure to fill key positions in good time due to demographic factors or a lack of succession planning could result in a loss of know-how. For this reason, Symrise has established a global succession planning process to ensure the timely transfer of specialist knowledge.

Through talent management initiatives, the creation of transparent and market-oriented remuneration structures and a focus on promoting diversity, Symrise is building a corporate culture that fosters employee engagement. The introduction of a new personnel management tool in the coming year will significantly improve transparency and options for managing the company's human resources. The constant dialog with employee representatives serves the exchange of interests between employers and employees and also fosters a cooperative corporate culture. This helps to avoid strikes and related interruptions to operations.

MERGERS AND ACQUISITIONS

Active portfolio management has a high priority at Symrise and is an important instrument for implementing its strategy. Symrise has a systematic process in place to identify possible acquisition targets, assess possible transactions and implement the goals set after an acquisition has been made. The most important criteria are that the transaction fits the strategy, improves results and has future potential, on the one hand, and that it complies with legal, environmental and financial requirements on the other.

Despite thorough and intensive due diligence, unforeseen and unexpected obligations may arise following acquisitions. Even in the case of value-creating acquisitions and consistent estimates of future business development, integration processes may take longer and require more resources than originally planned.

In principle, all acquisitions involve the risk that the goals set cannot be achieved and that significant impairments will be necessary. The continuous monitoring of the implementation of the acquisition targets serves to identify potential problems in good time and enable necessary corrections to be made.

RESEARCH AND DEVELOPMENT

Opportunities for Symrise often arise from market-oriented research and development, which the company sees as one of the most important drivers of profitable growth. Symrise has a well-filled innovation pipeline with a balanced mix of short-, medium- and long-term projects. On the one hand, Symrise is continuously seeking process improvements to increase efficiency, and on the other hand, it is looking for new markets and technologies. The project portfolio is constantly reviewed with regard to the extent to which it conforms to the strategy. Likewise, aspects of digitalization are becoming ever more important (IBM research project for the development of fragrances with the help of artificial intelligence).

Symrise closely monitors megatrends, for example, the naturalness of food and body care products or sustainability along the entire value chain. In cooperation with its customers and suppliers, Symrise constantly works toward fulfilling requirements as well as achieving the goals the company has set itself. This may result in opportunities and risks such as higher costs due to using new raw materials or the exploitation of a competitive advantage based on a time-limited unique market position with a natural preservative for personal care products.

Opportunities and risks in the area of research and development are associated with the feasibility of planned product and process developments and their timely implementation. Symrise sees numerous further opportunities both in its existing product portfolio and in related areas.

COMPLIANCE, LAW AND REGULATORY FRAMEWORK

In its compliance management system, Symrise differentiates between technical compliance and legal compliance.

Technical compliance activities focus on quality, environmental protection, health, occupational safety, energy, product safety and food safety. In nearly all of these areas, the Symrise products are subject to strict government supervision worldwide. It is a matter of course for Symrise that its products and processes comply with local regulations around the world. Comprehensive expertise in product-related regulatory affairs also makes it possible for Symrise to support customers in their regulatory issues and sell additional services. Furthermore, this expertise – also in combination with artificial intelligence applications – opens up further opportunities in the area of recipe optimization and complexity reduction. Symrise is committed to meeting internationally recognized standards for product safety, health, occupational safety and the environment at all its sites. Compliance is regularly checked by internal and external experts. This also applies to suppliers as part of regular audits. The fragrances, flavorings and additives from Symrise are generally processed in products that end consumers eat as food or apply to their skin or hair. Therefore, there is a fundamental risk that Symrise products could have a negative effect on consumers' health. To minimize this risk, the tolerability of the products is continually tested as part of our quality management on the basis of scientific research as well as tests based on international standards and internal safety regulations.

Legal compliance activities concentrate on competition and antitrust law, anti-corruption and money laundering prevention efforts and export controls. Here, the focus of activity is on education and prevention. The implementation and further development of Group guidelines on these topics also fall into the category of legal compliance. Compliance with local laws and company guidelines is monitored via regular internal audits. Moreover, compliance with these requirements, which are based on international standards, is checked at regular intervals by external auditors. The initial training of new employees, together with subsequent further training, ensures that every employee observes corporate guidelines such as the

Code of Conduct. As early as 2008, the Symrise Group Compliance Office established an Integrity Hotline to ensure that Symrise employees can anonymously report violations of both legal regulations and internal company guidelines from anywhere in the world. Where necessary, investigations were carried out and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and internal Group regulations. These can include disciplinary measures under labor law.

In March 2023, the European Commission initiated antitrust investigation against Symrise and some of its competitors. The actual review of the documents identified and retained in March 2023 was performed by the Commission in June 2023. In Symrise's opinion, these documents contain no clear evidence that Symrise was involved in antitrust practices. In May 2023, Symrise lodged an appeal at the General Court of the European Union against the search conducted by the European Commission. The company considers the search to have been unlawful on the grounds of various points of law.

Moreover, Symrise does not believe that it is exposed to any legal risks that are not customary for the industry. These risks typically result from the areas of product liability, warranty claims and environmental law. To counter these risks in an appropriate way and early on, Symrise analyzes potential risks comprehensively and implements corresponding defensive measures by involving its legal department and, if necessary, by engaging external specialists. Despite these measures, the outcome of current or future legal proceedings cannot be predicted with certainty. At present, only a few Group companies are affected by ongoing legal proceedings.

IT SECURITY

A sophisticated and well-organized approach to IT security management plays an essential role in keeping our operations secure and protecting the company against incidents to ensure its long-term growth. It also has a vital role to play in ensuring a successful digital transformation. As data, systems and networks become more and more interconnected and expand into production, the attack surface of companies is growing. In order to realize and sustainably protect the opportunities and growth potential offered by digitalization, the Symrise IT and digitalization strategies place a high priority on IT and cybersecurity. The Symrise security strategy is reviewed on a continuous basis and adjusted to reflect the global threat situation for the entire industry.

The continuous improvement of global security standards plays a key role in the protection of IT and communication systems. The ongoing assessment of threat scenarios and technical developments and the alignment of security measures and resources with overarching business goals and regulatory requirements are key criteria for the continuous improvement of IT security. Based on this approach, the technologies, processes and organizational structures used by Symrise are evaluated on a regular basis and assessed by independent third parties to achieve a sustainable and reliable level of security.

To minimize the impact that an incident might have on operations, key operational and information assets are identified on an ongoing basis and appropriate contingency systems and procedures are updated. Implementing a comprehensive company-wide approach is also a critical ingredient in the effectiveness of security measures. This is achieved by streamlining governance structures and strengthening the global IT organization. Last but not least, employees are and always will be a significant security factor. That is why we regularly run training and awareness measures.

TAXES

Symrise gives the highest priority to complying with local and global regulations as well as legal requirements in the area of taxes. The optimization of the tax burden is a constant focus, without creating excessive complexity for operating business.

Given the complex business models and global reach of Symrise, there are ongoing income tax-related matters that have not yet been reviewed and conclusively assessed by the relevant local tax authorities. In some cases, provisions for these risks were made in preparation for possible additional tax obligations. On the whole, Symrise feels that the necessary precautions have been taken for all known tax risks.

ENVIRONMENT (SAFETY, HEALTH, ECOLOGY AND QUALITY)

Environmental opportunities and risks in the areas of climate, water and forests are analyzed and measured annually as part of reporting to the British nongovernmental organization CDP and reported publicly to customers and investors. Global challenges in the area of the environment such as climate change, water shortages, soil erosion or the loss of biodiversity can have a negative impact on the productivity and functionality of the ecosystems managed by Symrise or by its suppliers and subsuppliers. This in turn can lead to decreasing raw material availability or increasing raw material prices within the portfolio. Systematically analyzing and measuring relevant environmental risks and consistently taking these into consideration in research, product development, purchasing and supply chain management allows Symrise to initiate measures to minimize risks early on. This ranges from developing substitute solutions for crucial raw materials through to the reformulation of recipes in cooperation with customers and the identification of alternative suppliers and sourcing countries.

As in the previous year, Symrise considers itself well prepared with regard to the disclosure rules under the new EU taxonomy that were expanded in the reporting year. The company does not expect any additional risks or any key opportunities. The disclosure requirements for this fiscal year include the disclosure of sales and investments for the EU environmental objectives of climate change mitigation and climate change adaptation with regard to taxonomy eligibility (meets taxonomy classification criteria) and taxonomy alignment (additional compliance with technical screening criteria without compromising other environmental targets while meeting minimum social standards), as well as the disclosure of sales and investments for the EU environmental objectives of sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems with regard to taxonomy eligibility. With its specific business operations, Symrise is largely unaffected by the EU taxonomy since the taxonomy primarily focuses on companies from sectors that generate the most CO_2 emissions. Symrise does not belong to any of these sectors. Nevertheless, Symrise tries to manage its economic activities to the extent of its ability and thus makes efforts to help reduce greenhouse gas emissions in industry. Symrise aims to invest sustainably as well. To this end, the company will be including sustainability as a key element of the investment process from the start on the basis of system-side integration and employee training. All Symrise activities identified as taxonomy eligible or aligned in the 2023 fiscal year support the environmental objectives of climate change mitigation and pollution prevention and control. The associated share of taxonomy-aligned sales is 2 % (2 % taxonomy-eligible); the associated share of investments is 3 % (9 % taxonomy-eligible). For a detailed report on the EU taxonomy, please see the Symrise Sustainability Report 2023.

https://symrise.com/corporatereport/2023/company/sustainability-record/index.html.

Symrise has a complex supply chain and obtains products from more than 100 countries around the world. In connection with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which came into force in 2023, Symrise prioritizes the development of responsible and transparent supply chains. The goal is to identify human rights and sustainability risks at an early stage and to work with business partners to implement preventive and remedial action. Symrise expects its business partners to comply with the requirements of the Symrise Responsible Sourcing Policy and Supplier Code of Conduct, which applies to all suppliers. To support the implementation of its own due diligence obligations, Symrise established the Responsible Sourcing Steering Committee (RSSC) back in 2021. This decision-making body is made up of representatives from the segments and from Corporate Sustainability. It defines the strategy for compliance with due diligence obligations and the processes for its implementation. The strategic elements developed by the RSSC include the company's Human Rights Policy, which also incorporates a complaints mechanism for business partners and their employees. In 2022, Symrise also created the position of Human Rights Officer within the Corporate Sustainability department, reporting directly to the Chief Sustainability Officer (CSO).

PROCESS AND ORGANIZATIONAL RISKS

Symrise sells a wide variety of products with different business models in numerous geographical markets. The dynamics of the sales and procurement markets may also require adjustments to internal processes or the organizational structure. The possible adjustments to internal structures can entail various opportunities and risks. In addition to efficiency gains through leaner structures or faster decision-making, there is also the risk that the intended improvement cannot be implemented technically or that the structural change may have a negative effect on the motivation of the workforce. Symrise is constantly striving to improve the efficiency of its organization and processes.

OVERALL ASSESSMENT OF OPPORTUNITY AND RISK SITUATION

In a volatile market environment with challenging political and economic conditions, the main risks to Symrise are in the procurement and sales markets; some of these risks may interact. The measures to fight and curb inflationary pressure taken by central banks worldwide had a negative impact on global economic growth and private consumption because of rising interest rates. Although an easing of global energy markets can be observed, this – combined with declining inflationary pressure resulting from central bank action – could affect selling and procurement prices worldwide and, depending on further development, could influence Symrise's business success.

However, the Symrise business model is characterized by above-average potential for opportunity compared to other sectors of industry and companies. Demand for Symrise products is driven in particular by rising global private consumption and growing prosperity. Many products serve to fulfill various basic human needs and desires, such as health and youthful appearance, which exist in every part of the world. Symrise's dynamic growth and high profitability show that these opportunities have been leveraged successfully. The acquisitions of recent years have broadened the company's category and technology base and increased backward integration. Above-average growth, good profitability and additional innovations are the result of the Group's expanded footprint. Symrise will continue to follow this strategy in the future. Symrise is convinced that proactive and systematic monitoring of potential risks and opportunities is an important component of successful corporate governance.

Essential features of the internal control and risk management system

MAIN FEATURES AND OBJECTIVES

In accordance with the German Accounting Law Modernization Act (BilMoG), capital market-oriented corporations are obliged to describe the essential features of their internal accounting-related control and risk management system in the management report section of the annual report. In addition, the introduction of the Financial Market Integrity Strengthening Act (FISG) made it mandatory for capital market-oriented corporations to establish an adequate and effective internal control system and risk management system. The Executive Board and the Supervisory Board are responsible for monitoring the adequacy and efficacy of the internal control system and risk management.

The amendments to the German Corporate Governance Code (DCGK) of June 27, 2022, included a recommendation to describe the other key features of the internal control and risk management system and to assess the appropriateness and effectiveness of these systems. In this context, Symrise has had other internal control and risk management systems in place for years alongside the accounting-related internal control system (ICS). These include systems used in the areas of compliance management and IT and cyber security as well as the areas of data protection and the European General Data Protection Regulation (GDPR).

The accounting-related internal control system (ICS) guarantees proper and reliable financial reporting. By means of the accounting-related risk management system, measures are taken to identify and evaluate risks in order to ensure the preparation of consolidated financial statements in accordance with the regulations. The system includes the documentation and monitoring of possible risks and underlying processes as well as constant auditing of the processes. Opportunities are also documented within the framework of corporate planning. To guarantee that the ICS is adequate and effective, the Group-wide control mechanisms are constantly analyzed at the level of the individual companies and the Group for suitability and functionality. To achieve this, the Corporate Internal Audit department examines how effectively those responsible adhered to the planned control mechanisms at both the decentralized and centralized level. The efficiency of the ICS can be limited by unforeseen changes in the control environment, criminal activities or human error.

To define existing control processes in the company and to expand them where necessary, Symrise has established a process to support documentation and analysis in the Group's organizational units and companies. The principles of the internal control system and the risk management system define requirements, document the process landscape and business processes, and regulate controls to be carried out. Additionally, employee training courses and collegial exchange help ensure that measures can be constantly adjusted to the changing risk environment.

ORGANIZATION AND PROCESS

The ICS in the Symrise Group comprises both centralized and decentralized areas of the company. It is geared to ISO 31000 and based on the COSO II Framework. An aggregate Group risk report based on reports issued by the Group's organizational units and companies is presented to the Executive Board twice a year. The Executive Board discusses the adequacy and efficacy of the ICS with the Supervisory Board or with the Auditing Committee of the Supervisory Board, as appropriate.

The ICS is constantly monitored with respect to the up-to-dateness of the documentation and the suitability and functionality of the controls. In addition, any weaknesses in the control system are identified, evaluated and addressed through follow-up measures. The Auditing Committee discusses the ICS as well as the compliance and risk management system in detail at the annual system meeting in order to monitor and ensure the adequacy and effectiveness of the systems.

- **Accounting-related risk management:** Using a risk-oriented approach, the companies and processes which are essential for accounting are first identified. On the basis of the results, specific minimum requirements and objectives are defined to counteract the risks of financial reporting. The result is a centralized risk catalog that relates to financial reporting and that is simultaneously the basis of work for employees involved in financial reporting.

- **Accounting-related internal control system:** First, existing control activities in the essential companies are documented and updated. The controls defined by the accounting-related ICS should guarantee adherence to global Group accounting guidelines, the accounting guidelines of the individual companies as well as the procedures and schedules of the individual accounting processes. The control mechanisms are regularly analyzed for their adequacy and effectiveness in preventing risks through continual audits by Corporate Internal Audit, among other things. Whenever deficiencies have been documented, the potential risks for the consolidated financial statements stemming from the reports from the Group's units and companies are evaluated. In another step, the individual risks are consolidated at the company level. The risks and their corresponding effects on financial reporting are reported to the Executive Board. These reports form the basis for reporting vis-à-vis the Supervisory Board's Auditing Committee. If control deficiencies are identified, appropriate measures for improvement are developed and executed. The adequacy and efficacy of the new control mechanisms are then analyzed in the next audit cycle.

- The compliance management systems cover legal compliance, technical compliance, the tax compliance management system and treasury compliance.

- The role of Legal Compliance is to guide and advise the operational and administrative areas of Symrise with regard to compliance with the relevant national legal regulations. Hints submitted through the Integrity Hotline are carefully reviewed and investigated consistently if there is suspicion of wrongdoing.

- Technical compliance focuses on regulatory affairs, quality control and certifications. The role of Regulatory Affairs is to continuously monitor and ensure compliance with the requirements of national supervisory authorities, customer requirements and the requirements imposed by associations. Quality control ensures the consistency of the raw materials used in the production process and the consistently high quality of Symrise's end products. Symrise strives to improve on a continuous basis and is taking action to ensure compliance with the requirements of an ever-increasing number of international certification programs from a wide range of specialist areas, including the areas of sustainability and food security.

- The tax compliance management system implemented by the company ensures that we are in compliance with financial due diligence and monitoring obligations and contributes to legal certainty related to adjustments pursuant to Section 153 of the German Fiscal Code (AO) by being considered an indication of the absence of intent or recklessness.

- Treasury compliance primarily involves monitoring compliance with the global treasury guideline as the basis for all treasury activities, with a particular focus on the management of powers of attorney and bank accounts. This system monitors compliance with the dual-control principle that applies for all payment transactions by Symrise and the relevant subsidiaries.

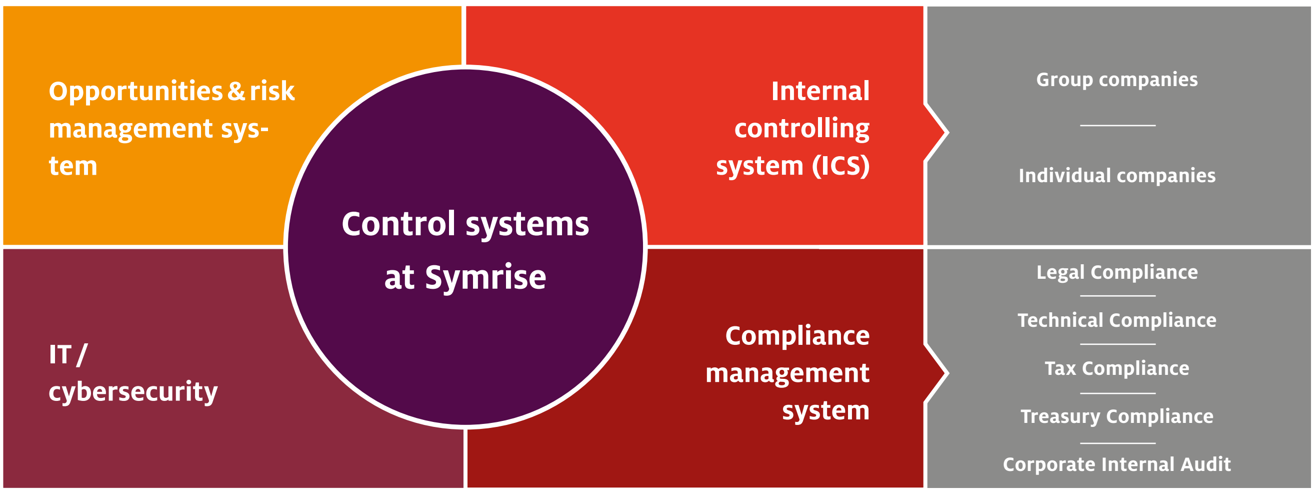
- A large number of IT and cybersecurity measures have been implemented in recent years that have improved IT security across the Group. Additional measures for continuing the improvement in IT security are already being planned and will be implemented on an ongoing basis. Symrise is provided with advice on the topic of data protection and GDPR by a renowned law firm. This law firm reviews data protection-related agreements and documentation and conducts training sessions for relevant Symrise employees with regard to data protection and GDPR.

- Ongoing audits by the Corporate Internal Audit department and external auditors and consultants are used to analyze the control and monitoring mechanisms implemented by the compliance management systems and in the area of IT and cybersecurity to make sure that they are adequate and effective from a risk perspective, along with the measures related to compliance with the GDPR and data protection requirements. Any deficiency that is identified is assessed based on the severity of the control and/or monitoring gap. The resulting risks are also analyzed. In a subsequent step, the individual compliance and IT security risks are aggregated at Group level. These risks are reported to the Executive Board along with information about their impact on the compliance management systems and how they relate to IT security, GDPR and data protection. These reports form the basis for reporting vis-à-vis the Supervisory Board's Auditing Committee. If control deficiencies are identified, appropriate measures for improvement are developed and executed. The adequacy and efficacy of the new control mechanisms are then analyzed in Corporate Internal Audit's next audit cycle and through the use of external auditors.

General statement on the adequacy and efficacy of the control systems at Symrise

Symrise has a comprehensive system of controls that the Executive Board regularly reviews and develops further. In one of its annual focus meetings, the Auditing Committee delegated by the Supervisory Board of Symrise AG looks into the control systems implemented at Symrise to ensure their adequacy and efficacy. The Executive Board is satisfied that the control systems implemented at Symrise are adequate and effective in their entirety.

Control systems at Symrise
Overview



Disclosures pursuant to section 315a of the German Commercial Code (HGB)

- The share capital of Symrise AG amounts to € 139,772,054. It is divided into no-par-value bearer shares with a nominal value of € 1. The associated rights and duties are set forth in the relevant provisions of the German Stock Corporation Act (AktG). There are no different types of shares with different rights and obligations. Nor do any special rights or rights of control exist for any shareholders.

- The appointment and removal of members of the Executive Board is based on Sections 84 and 85 AktG. Amendments to the articles of incorporation are based on Sections 133 and 179 AktG.

- The Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the company until May 21, 2024, by up to € 25,000,000.00 through one or more issuances of new, no-par-value bearer shares against contributions in cash and/or in kind. The new shares may be underwritten by one or more financial institutions determined by the Executive Board in order for such shares to be offered to the shareholders (indirect subscription right). The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude the statutory subscription right of shareholders for an amount of up to 10 % of the company's current share capital in the following cases:

  1) In the case of capital increases in return for assets in kind to grant shares for the purpose of acquiring companies, parts of companies or share interests in companies;

  2) For the purpose of issuing a maximum number of 1,000,000 new shares to employees of the company and affiliated companies, within the constraints imposed by law;

  3) Insofar as this is necessary in order to grant holders of warrants and convertible bonds issued by the company or its subsidiaries a right to subscribe for new shares to the extent that they would be entitled to such a right when exercising the warrants or options or when meeting obligations arising from the warrants or options;

  4) To exclude fractional amounts from subscription rights;

  5) In the event of a capital increase against cash contribution, if, at the time of the final determination of the issue price by the Executive Board, the issue price of the new shares is not significantly lower – within the meaning of Section 203 (1) and (2) and Section 186 (3) Sentence 4 AktG – than the market price of shares already traded on the stock exchange and the aggregate amount of the new shares for which subscription rights are excluded does not exceed 10 % of the share capital neither at the time this authorization comes into force nor at the time this authorization is exercised. This restriction is to include shares that were sold or issued or will be issued without subscription rights during the period of validity of this authorization, up to the time of its exercise, by reason of other authorizations in direct or corresponding application of Section 186, (3) Sentence 4 AktG.

  The Executive Board is authorized, subject to the consent of the Supervisory Board, to determine the further particulars of the capital increase and its implementation including the scope of shareholder rights and the conditions for the issuing of shares.

- The company's share capital has been conditionally increased by up to € 15,650,000.00 through the issue of up to 15,650,000 new no-par value bearer shares (conditional capital 2019). The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds issued for cash or of warrants from option bonds issued for cash by the company or a Group company up until May 21, 2024, on the basis of the authorization granted to the Executive Board by the Annual General Meeting of May 22, 2019, exercise their option/conversion rights, or fulfill their obligations for exercising the option/conversion rights, or the company exercises its right to grant bondholders shares in the company in full or partial settlement of the cash amount that has become due, and as long as no other forms of settlement are used. The new shares shall participate in the profits from the start of the fiscal year in which they are issued.

  The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details regarding the implementation of the conditional capital increase. The Supervisory Board is authorized to amend Section 4 (6) of the articles of incorporation in accordance with the utilization of the conditional capital. The same applies if the authorization to issue convertible and/or option bonds is not exercised after the end of the authorization period and if the conditional capital is not utilized after the expiry of all conversion and option periods.

- The employment contracts for the members of the Executive Board at Symrise AG contain a change of control clause. The clause provides that Executive Board members who are recalled without serious cause or mutually agree to resign from their Executive Board positions after a change of control but before the end of their contract term are entitled to a settlement for the time remaining on their employment contracts or at least termination benefits amounting to three years' worth of remuneration. Severance and settlement must not exceed the overall limit of 150 % of the severance payment cap.

- A change of control resulting from a takeover bid could possibly have an impact on some of the long-term financing contracts of Symrise AG, which contain agreements on a change of control. These are standard change of control clauses, which may grant creditors the right to terminate their contracts prematurely in the event of a change of control.

- The company is authorized in accordance with Section 71 (1) lit. 8 AktG to purchase treasury shares up to a level of 10 % of the current share capital. The purchased shares together with other treasury shares that are held by the company or are attributed to it according to Section 71a et seqq. AktG may not at any time exceed 10 % of the share capital existing at a given time. The authorization must not be used for the trade of treasury shares.

- For one or more purposes, the authorization may be invoked by the company, or by third parties for the account of the company, in one total amount or in a number of partial amounts either singly or on several separate occasions. The authorization is valid until June 16, 2025.

  1) The Executive Board has the choice of making the acquisition either through the stock exchange or in the form of a published purchase offer, or respectively, in the form of a published request for tender of such an offer. If the acquisition of shares is made through the stock exchange, the consideration per share paid by the company (excluding ancillary acquisition costs) may not exceed or undercut the opening auction price quoted on the Xetra trading system (or a comparable replacement system) on the day of the stock exchange trading by more than 5 %.

  2) If the acquisition is made in the form of a published purchase offer, or in the form of a published request for tender of a purchase offer, the purchase price offered per share, or the limits of the purchase price spread per share (excluding ancillary acquisition costs), may not exceed or undercut the average closing price quoted on the XETRA trading system (or a comparable replacement system) on the last three stock exchange trading days before the date of publication of the offer, or respectively, the date of publication of a request for tender of a purchase offer, by more than 10 %. If, following publication of the purchase offer, or respectively, following publication of the request for tender of a purchase offer, significant fluctuations occur in the applicable reference price, then an adjustment may be made to the offer, or respectively, to the request for tender of such an offer. In such circumstances, reference will be made to the closing prices quoted on the XETRA trading system (or a comparable replacement system) on the three stock exchange trading days before the publication of a possible adjustment; the 10-percent threshold for exceeding or undercutting the price applies to this amount. The purchase offer or request for tender of such an offer may include further conditions. Inasmuch as the offer is oversubscribed, or respectively, in the case of a request for tender of an offer of multiple offers of the same value due to a restriction in volume, inasmuch as not all equivalent offers can be accepted, then acceptance occurs according to the ratio of the offered shares. Preferential acceptance of small quantities of up to 100 shares on offer per shareholder is permissible. A commercial rounding to avoid fractions of shares can also be arranged. To this extent, any right to tender by shareholders is excluded.

- The Executive Board is authorized to use company shares that are acquired on the basis of this authorization for all permitted legal purposes but especially for the following purposes:

  1) The shares may be redeemed without the necessity of the redemption or its execution being authorized by a further resolution of a general meeting of shareholders. In a simplified procedure, they may be redeemed without a formal reduction in capital by adjustment of the proportional amount applicable to the remaining no-par-value shares making up the company's share capital. The redemption may be limited to only a portion of the shares acquired. The authorization for redemption of shares may be invoked repeatedly. If the redemption is performed

using the simplified procedure, then the Executive Board is authorized to adjust the number of no-par-value shares contained in the company's articles of incorporation.

2) The shares may also be sold by means other than through the stock exchange or an offer to the shareholders if the shares are disposed of against payment in cash at a price that is not significantly less than the quoted stock exchange price at the time of disposal for shares of the same type. In the process, the subscription rights of shareholders are excluded. This authorization is restricted to the sale of shares representing a total proportional amount of at most 10 percent of the share capital at the time this authorization takes effect or – if this value is lower – at the time this authorization is exercised. This upper limit of 10 percent of share capital takes into account the proportional amount of the share capital that accrues to shares of the company issued or sold during the term of this authorization without subscription rights in direct or corresponding application of Section 186 (3) Sentence 4 AktG, and that accrues to shares of the company issued or to be issued during the term of this authorization to service option/convertible bonds, which in turn were issued during the term of this authorization without subscription rights in corresponding application of Section 186 (3) Sentence 4 AktG.

3) The shares may be sold in consideration for contributions in kind, particularly in connection with the acquisition of other entities, parts of entities or investments in entities as well as in connection with business mergers.

4) The shares can be used in connection with share-based payment or employee stock option plans of the company or affiliated companies and issued to individuals who have or had an employment relationship with the company or affiliated companies as well as to board members of affiliated companies. They can be offered, pledged and transferred to the aforementioned individuals and board members particularly in return for payment or free of charge, whereby a working, employment or board relationship must exist at the time of the offer, pledge or transfer.

- The Supervisory Board is authorized to use shares of the company acquired on the basis of this authorization to service obligations or rights to acquire Symrise shares that have been or will be agreed upon with members of the Executive Board of Symrise AG within the framework of rules for Executive Board remuneration. In particular, they can be offered, pledged and transferred to members of the Executive Board of Symrise AG, whereby an Executive Board employment or board relationship must exist at the time of the offer, pledge or transfer.

- The aforementioned authorizations also include the use of shares of the company that were repurchased on the basis of earlier stock buyback authorizations and those that were acquired on the basis of Section 71d Sentence 5 AktG or by an entity that is dependent on the company or by third parties for the account of the company or by third parties for the account of an entity that is dependent on the company or majority-owned by the company.

- The aforementioned authorizations may be used singly or repeatedly, wholly or partly, individually or jointly, by entities that are dependent on the company or by entities that are majority-owned by the company, or for their account or for the account of third parties acting on behalf of the company.

- The subscription rights of shareholders to these treasury shares may be excluded if the shares are to be used in accordance with the aforementioned authorizations.

- The Supervisory Board may prescribe that measures taken by the Executive Board based on this resolution by the Annual General Meeting of the shareholders may only be executed with its permission.

No further disclosure requirements exist pursuant to Section 315a of the German Commercial Code (HGB).

Corporate Governance Statement

The Corporate Governance Statement has been made available on the Symrise AG website at: **https://www.symrise.com/corporate-governance-statement**

02

Consolidated Financial Statements

SYMRISE AG, HOLZMINDEN

JANUARY 1 TO DECEMBER 31, 2023

CONSOLIDATED FINANCIAL STATEMENTS 2023

Consolidated Income Statement

€ thousand	Notes	2022	2023
Sales	4	4,618,476	4,730,187
Cost of goods sold	5	– 2,916,399	– 3,037,616
Gross profit		**1,702,077**	**1,692,571**
Selling and marketing expenses	7	– 680,623	– 675,828
Research and development expenses	8	– 254,487	– 265,705
Administration expenses	9	– 257,915	– 275,794
Other operating income	10	113,947	79,685
Other operating expenses		– 5,754	– 4,798
Result of companies accounted for using the equity method	21	12,858	9,231
Impairment loss on investments accounted for using the equity method	21	– 126,126	0
Income from operations/EBIT		**503,977**	**559,362**
Financial income		8,727	14,957
Financial expenses		– 81,591	– 109,370
Financial result	**11**	**– 72,864**	**– 94,413**
Earnings before income taxes		**431,113**	**464,949**
Income taxes	12	– 140,417	– 120,005
Consolidated net income		**290,696**	**344,944**
of which attributable to shareholders of Symrise AG		280,007	340,473
of which attributable to non-controlling interests		10,689	4,471
Earnings per share (€)			
diluted and basic	14	2.00	2.44

Consolidated Statement of Comprehensive Income

€ thousand	Notes	2022	2023
Consolidated net income		**290,696**	**344,944**
of which attributable to shareholders of Symrise AG		280,007	340,473
of which attributable to non-controlling interests		10,689	4,471
Items that may be reclassified subsequently to the consolidated income statement			
Exchange rate differences resulting from the translation of foreign operations			
Exchange rate differences that occurred during the fiscal year	30	138,582	– 92,098
Gains/losses from net investments		7,005	3,441
Cash flow hedge (currency hedges)	30		
Gains/losses recorded during the fiscal year		486	55
Reclassification to the consolidated income statement		1,171	– 81
Share of other comprehensive income of companies accounted for using the equity method	21, 30	39,254	– 3,445
Income taxes payable on these components	12	– 4,288	– 3,172
Items that will not be reclassified to the consolidated income statement			
Remeasurement of defined benefit pension plans and similar obligations	29	166,750	– 24,601
Change in the fair value of financial instruments measured through other comprehensive income	33	– 67,663	– 651
Income taxes payable on these components	12	– 46,607	6,760
Other comprehensive income		**234,690**	**– 113,792**
Total comprehensive income		**525,386**	**231,152**
of which attributable to shareholders of Symrise AG		516,294	228,017
of which attributable to non-controlling interests		9,092	3,135

Consolidated Statement of Financial Position

€ thousand	Notes	December 31, 2022	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	15	314,857	393,026
Trade receivables	16	856,035	868,305
Inventories	17	1,327,559	1,255,845
Other assets and receivables	18	137,570	131,256
Income tax assets	12	47,820	53,743
		2,683,841	**2,702,175**
Non-current assets			
Intangible assets	19	2,900,001	2,772,407
Property, plant and equipment	20	1,565,887	1,669,009
Other assets and receivables	18	54,699	56,650
Investments in companies accounted for using the equity method	21	521,025	582,416
Deferred tax assets	22	57,510	62,956
		5,099,122	**5,143,438**
TOTAL ASSETS		**7,782,963**	**7,845,613**

Consolidated Statement of Financial Position

€ thousand	Notes	December 31, 2022	December 31, 2023
LIABILITIES			
Current liabilities			
Trade payables	23	529,605	489,324
Borrowings	24	27,040	30,100
Lease liabilities	25	27,167	32,830
Other provisions	27	14,636	7,056
Other liabilities	4, 26	274,813	259,222
Income tax liabilities	12	98,055	118,049
		971,316	**936,581**
Non-current liabilities			
Borrowings	24	2,365,598	2,343,495
Lease liabilities	25	127,610	152,247
Other provisions	27	29,118	28,464
Provisions for pensions and similar obligations	29	459,446	499,920
Other liabilities	26	6,567	6,588
Deferred tax liabilities	22	212,877	192,118
		3,201,216	**3,222,832**
TOTAL LIABILITIES		**4,172,532**	**4,159,413**
EQUITY	**30**		
Share capital		139,772	139,772
Capital reserve		2,180,722	2,180,722
Reserve for remeasurements (pensions)		– 92,444	– 110,285
Cumulative translation differences		– 67,477	– 161,900
Retained earnings		1,388,368	1,581,019
Other reserves		2,431	1,944
Symrise AG shareholders’ equity		**3,551,372**	**3,631,272**
Non-controlling interests		59,059	54,928
TOTAL EQUITY		**3,610,431**	**3,686,200**
LIABILITIES AND EQUITY		**7,782,963**	**7,845,613**

Consolidated Statement of Cash Flows

€ thousand	Notes	2022 1)	2023
Consolidated net income		**290,696**	**344,944**
Result of companies accounted for using the equity method	21	– 12,858	– 9,231
Income taxes	12	140,417	120,005
Interest result	11	51,118	80,106
Depreciation, amortization and impairment of non-current assets	19, 20	291,439	292,291
Impairment loss on investments accounted for using the equity method	21	126,126	0
Gains (–)/losses (+) from the disposal of property, plant and equipment and intangible assets		– 720	272
Dividends from companies accounted for using the equity method	21	5,354	3,975
Other non-cash expenses and income		– 13,379	33,056
Increase (–)/decrease (+) in trade receivables		– 94,851	– 34,340
Increase (–)/decrease (+) in inventories		– 307,580	45,012
Increase (–)/decrease (+) in other assets		– 35,272	6,558
Increase (+)/decrease (–) in trade payables		99,571	– 34,842
Increase (+)/decrease (–) in other liabilities		1,108	16,041
Increase (+)/decrease (–) in provisions for pensions		– 2,247	– 8,989
Income taxes paid		– 178,813	– 135,351
Cash flow from operating activities		**360,109**	**719,507**
Payments for business combinations, minus acquired cash equivalents, for subsequent contingent purchase price components as well as for investments in companies accounted for using the equity method	32	– 579,216	– 89,895
Payments for investing in intangible assets		– 20,367	– 21,334
Payments for investing in property, plant and equipment		– 229,802	– 248,868
Payments for investing in non-current financial assets		– 161,668	– 1,939
Proceeds from the disposal of non-current assets		6,215	3,747
Cash flow from investing activities		**– 984,838**	**– 358,289**
Proceeds from bank and other borrowings	24	1,063,838	285
Redemption of bank and other borrowings	24	– 350,574	– 21,392
Interest paid		– 41,066	– 65,316
Interest received		1,567	5,543
Dividends paid by Symrise AG		– 142,567	– 146,761
Dividends paid to non-controlling interests		– 3,727	– 6,409
Acquisition of non-controlling interests		– 19,311	– 2,480
Principal portion of lease payments		– 26,641	– 27,691
Cash flow from financing activities		**481,519**	**– 264,221**
Net change in cash and cash equivalents		– 143,210	96,997
Effects of changes in exchange rates		16,494	– 3,012
Loss on the net monetary position		– 12,235	– 15,816
Total changes		**– 138,951**	**78,169**
Cash and cash equivalents as of January 1		453,808	314,857
Cash and cash equivalents as of December 31	15	**314,857**	**393,026**

1) Please refer to note 32 regarding the details of the adjustment.

The consolidated statement of cash flows is explained in note 32.

Consolidated Statement of Changes in Equity

€ thousand	Share capital	Capital reserve	Reserve for remeasurements (pensions)	Cumulative translation differences	Retained earnings	Other reserves	Symrise AG shareholders' equity	Non-controlling interests	Total equity
January 1, 2022	139,772	2,180,722	– 212,006	– 248,569	1,286,247	41,982	3,188,148	64,356	3,252,504
Consolidated net income	–	–	–	–	280,007	–	280,007	10,689	290,696
Other comprehensive income	–	–	119,562	181,942	–	– 65,217	236,287	– 1,597	234,690
Total comprehensive income	**–**	**–**	**119,562**	**181,942**	**280,007**	**– 65,217**	**516,294**	**9,092**	**525,386**
Dividends paid	–	–	–	–	– 142,567	–	– 142,567	– 3,727	– 146,294
Reclassification of valuation effects[1]	–	–	–	–	– 25,666	25,666	–	–	–
Other changes	–	–	–	– 850	– 9,653	–	– 10,503	– 10,662	– 21,165
December 31, 2022	**139,772**	**2,180,722**	**– 92,444**	**– 67,477**	**1,388,368**	**2,431**	**3,551,372**	**59,059**	**3,610,431**

1) The reclassification of valuation effects relates to the transfer of valuation losses to retained earnings due to a change in status from equity instruments measured at fair value through other comprehensive income to investments accounted for using the equity method.

€ thousand	Share capital	Capital reserve	Reserve for remeasurements (pensions)	Cumulative translation differences	Retained earnings	Other reserves	Symrise AG shareholders' equity	Non-controlling interests	Total equity
January 1, 2023	139,772	2,180,722	– 92,444	– 67,477	1,388,368	2,431	3,551,372	59,059	3,610,431
Consolidated net income	–	–	–	–	340,473	–	340,473	4,471	344,944
Other comprehensive income	–	–	– 17,841	– 94,128	–	– 487	– 112,456	– 1,336	– 113,792
Total comprehensive income	**–**	**–**	**– 17,841**	**– 94,128**	**340,473**	**– 487**	**228,017**	**3,135**	**231,152**
Dividends paid	–	–	–	–	– 146,761	–	– 146,761	– 6,409	– 153,170
Other changes	–	–	–	–295	– 1,061	–	– 1,356	– 857	– 2,213
December 31, 2023	**139,772**	**2,180,722**	**– 110,285**	**– 161,900**	**1,581,019**	**1,944**	**3,631,272**	**54,928**	**3,686,200**

Equity developments are explained in note 30.

Notes

1. GENERAL INFORMATION

Symrise Aktiengesellschaft (Symrise AG, hereinafter also referred to as "Symrise") is a stock corporation under German law and the parent company of the Symrise Group, with its registered office in 37603 Holzminden, Mühlenfeldstraße 1, Germany, and registered in the Commercial Register of the Local Court of Hildesheim under the registration number HRB 200436. Symrise is a global supplier of fragrances, flavorings, cosmetic active ingredients and raw materials, as well as functional ingredients. The shares of Symrise AG are authorized for trading on the stock exchange in the regulated market of the Frankfurt Securities Exchange in the Prime Standard segment. They are listed in the DAX®.

The consolidated financial statements and the Group management report of Symrise AG for the fiscal year ending December 31, 2023, were prepared by the Executive Board on February 14, 2024, and subsequently submitted to the Supervisory Board's Audit Committee for review and approval.

The consolidated financial statements and the Group management report of Symrise AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union and the supplementary commercial law provisions of Section 315e (1) of the German Commercial Code (HGB or "Handelsgesetzbuch") that were valid at the end of the reporting period. The following explanations include those disclosures and comments that are to be provided as notes to the consolidated financial statements in accordance with IFRS in addition to the information contained in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows and the consolidated statement of changes in equity. They thus represent an essential component of these consolidated financial statements.

For the purposes of a clearer presentation, some reporting line items included in the consolidated income statement and the consolidated statement of financial position group together individual items. Supplementary information relating to such items is presented separately in the notes. The consolidated income statement has been prepared using the cost of sales method.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The consolidated financial statements are prepared on the basis of historical cost with the exception of derivative financial instruments, cash equivalents, securities and selected equity instruments, which are measured at fair value through profit or loss.

The consolidated financial statements are presented in Euros, and amounts are rounded to the nearest thousand Euros (€ thousand); in this process, rounding differences may arise. Deviations from this method are explicitly indicated. The separate financial statements of the consolidated companies and of those accounted for using the equity method were prepared as of the reporting date of the consolidated financial statements.

2.2 Changes to accounting policies

The accounting policies adopted are generally consistent with those applied in the previous year.

The following amendments to be applied as of the 2023 fiscal year did not have a material effect on the consolidated financial statements:

- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates

- Amendments to IAS 12 “Income Taxes”: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Adoption of IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Insurance Contracts”: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

The amendments to IAS 12 “Income Taxes”: International Tax Reform – Pillar Two Model Rules published by the IASB in May 2023 and adopted by the European Commission in November 2023 have an impact on the consolidated financial statements of Symrise:

The amendments to IAS 12 were developed in response to the Pillar Two model rules on reforming international corporate taxation published by the OECD. These amendments to IAS 12 introduce the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules and the following new disclosure requirements:

- The fact that the mandatory exception has been used
- The actual tax expense (or income) in connection with Pillar Two income taxes
- Qualitative and quantitative disclosures of the Group’s expected exposure to Pillar Two income taxes

The following new or revised standards are mandatory from the 2024 fiscal year onward:

- Amendments to IAS 1 “Presentation of Financial Statements”: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”: Supplier Finance Arrangements (endorsement pending)
- Amendments to IFRS 16: “Leases”: Lease Liability in a Sale and Leaseback

The following amendments must be applied from the 2025 fiscal year onward following endorsement by the European Commission:

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability

The standards and interpretations taking effect as of the 2024 fiscal year and – subject to their endorsement by the European Commission – the 2025 fiscal year are not being applied early by Symrise. No material impacts are expected.

2.3 Estimates and assumptions

Preparation of the consolidated financial statements in accordance with IFRS makes it necessary for the Executive Board to make estimates and assumptions that influence the application of accounting policies, the amounts at which assets and liabilities are recognized, and the manner in which contingent assets and liabilities are disclosed at the end of the reporting period, as well as income and expenses. Estimates and assumptions are based on historical information and planning data, as well as information on economic conditions in the industries and regions where Symrise or its customers actively operate. Changes to these factors could adversely impact estimates and assumptions, which is why they are regularly reviewed. Although Symrise believes estimates of future developments to be reasonable in consideration of the underlying uncertainties, actual results can vary from the estimates and assumptions provided. Any changes in value that result from such a review are recognized in the reporting period in which the corresponding change is made and in any other future reporting periods that are impacted.

Significant estimates and assumptions were made in particular in the following accounting policies as presented in note 2.5: testing goodwill and investments for impairment; determining the useful life of intangible assets and property, plant and equipment; determining the lease terms in the event of extension, termination and purchase options; recognition and measurement of internally generated intangible assets from development activities; recognition and measurement of inventories and trade receivables; recognition and measurement of current income taxes and deferred taxes, pension obligations, other long-term remuneration arising from employment contracts and termination benefits. Assumptions and estimates are also necessary for the measurement of other contingent liabilities, other provisions (including provisions for litigation) and derivatives, as well as for determining fair value for purchase price allocation from business combinations.

In individual cases, the actual values can vary from the assumptions and estimates made, meaning that material adjustments to the carrying amounts of the affected assets or liabilities may need to be made as a result.

2.4 Consolidation principles and scope of consolidation

PRINCIPLES DETERMINING THE INCLUSION OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

Full consolidation

All subsidiaries are generally included in the consolidated financial statements and fully consolidated. Subsidiaries are those companies in which Symrise holds an actual or de facto majority of voting rights and over which it exercises power over business and financial policies in order to benefit from their activities and therefore possesses the opportunity for control. Symrise is also exposed to variable returns from its involvement with the investee or has rights to these companies and has the potential to affect the returns.

The financial statements of the parent company Symrise AG and those of its subsidiaries are prepared as of the end of the reporting period using uniform accounting policies in the course of full consolidation. Adjustments are made to compensate for any differences in recognition and measurement deriving from local accounting policies. All internal balances, transactions and unrealized gains deriving from internal transactions are eliminated. Unrealized losses deriving from internal transactions are also eliminated unless Group costs cannot be recovered in the future. Subsidiaries are fully consolidated from the date of acquisition, i.e., from the date on which Symrise gains a controlling interest. Inclusion in the consolidated financial statements ceases on the date when the controlling influence ends.

Assets, liabilities and contingent liabilities deriving from business combinations are generally recognized at fair value at the time of acquisition (purchase method). In circumstances where the acquisition cost relating to the business combination exceeds the proportionate share of the newly measured net asset value of the acquired object, the amount of such difference is recognized as goodwill. If the purchase price of an investment is found to be less than the net amount of the identified assets and liabilities following a detailed assessment, the difference is recognized in income in the year of acquisition. Non-controlling interests can be measured on admission at fair value or at the proportionate share of the identifiable net assets of the business acquired. Symrise uses the latter method. The expenses and income of any subsidiaries that are acquired are included in the consolidated income statement starting on the acquisition date. Costs incurred in connection with the business combination are recognized as expenses.

One company, Bio-Actives Synergio Ltd., Jerusalem, Israel, is not included since it is of minor importance for the presentation of the Group's net assets, financial position and results of operations in the current fiscal year.

Applying the equity method

Joint ventures and investments in associated companies are accounted for using the equity method. A joint venture is an agreement through which Symrise exercises joint control, whereby Symrise has rights to the net assets of the agreement instead of rights to its assets and obligations arising from its liabilities. Associated companies are companies over which Symrise exercises significant influence but not control or joint control over financial and operating policies.

Investments are initially recognized at cost, including transaction costs. After initial recognition, the carrying amount is increased or decreased by the share of total comprehensive income, dividends paid and other changes in equity. In addition, it should be determined at the end of each reporting period whether any objective indications exist that the investments in joint ventures and associated companies could be impaired. If such indications exist, the impairment amount is determined by calculating the difference between the recoverable amount of the investment in the joint venture or associated company and its carrying amount. The impairment loss is to be recognized through profit or loss.

Upon losing joint control of the joint venture or significant influence over an associated company, the Group measures any retained investment in the former joint venture or associated company at its fair value. Any differences between the carrying amount of the investment in the joint venture or associated company at this point in time and fair value of the retained investment and proceeds from disposal are recognized in the consolidated income statement.

Scope of consolidation
In the 2023 fiscal year, the scope of consolidation developed as follows:

	December 31, 2022	Additions	Disposals	December 31, 2023
Fully consolidated subsidiaries				
Domestic	8	–	–	8
Foreign	101	3	4	100
Joint ventures accounted for using the equity method				
Foreign	2	–	–	2
Associated companies accounted for using the equity method				
Foreign	8	1	2	7
Total	119	4	6	117

In the 2023 fiscal year, two newly established companies were added to the scope of consolidation. In addition, shares were acquired in VIDEKA, LLC, Kalamazoo, USA, a company that was previously an associated company accounted for using the equity method. This resulted in a change in status meaning that VIDEKA, LLC, Kalamazoo, USA, is now included in the Group's consolidated financial statements as a fully consolidated subsidiary. The acquisition cost of the acquired shares totaled USD 7.8 million. Videka offers customized natural solutions for pet food and is assigned to the Taste, Nutrition & Health segment. For reasons of materiality, no separate disclosure was made. Three companies left the scope of consolidation due to mergers; one company was liquidated.

Business combinations – prior-year transactions

ACQUISITION OF SCHAFFELAARBOS B.V., NETHERLANDS

With the contract dated January 6, 2022, Symrise entered into a purchase agreement to acquire all the shares in InterMay B.V., Barneveld, Netherlands, as the parent of the operating company Schaffelaarbos B.V., Barneveld, Netherlands. The closing of this transaction and the acquisition of control occurred on January 11, 2022.

The final acquisition cost totaled € 158.1 million. The consideration paid at the time of acquisition consisted of an underlying component, which was adjusted at the time of acquisition by contractually fixed short-term items in the statement of financial position. At the time of payment, preliminary figures were used as a basis for the amount. The slight reduction in the purchase price was based on the final figures. A partial payment of € 4.0 million was already made from a fiduciary account in the 2023 fiscal year. As of the reporting date of December 31, 2023, there are no outstanding payments, with the exception of a partial amount of € 4.0 million held in a fiduciary account. This amount will be released to the seller at the latest four years after the transaction, provided that a contractually defined level of performance is achieved.

ACQUISITION OF GROUPE NÉROLI AND ROMANI, FRANCE

On April 20, 2022, Symrise concluded a purchase agreement for the acquisition of all shares in Neroli Invest DL (Groupe Néroli) and Essence Ciel with the subsidiary SFA Romani (Romani). The acquired companies are domiciled in Saint-Cézaire-sur-Siagne, France. The closing of these transactions and the resulting acquisition of control occurred on April 20, 2022.

The purchase price allocation was finalized over the course of the reporting year, resulting in no adjustments compared with the information reported in the previous year. The acquisition cost of the shares totaled € 137.4 million. The consideration paid at the time of acquisition consisted of an underlying component, which was adjusted at the time of acquisition by contractually fixed short-term items in the statement of financial position. A contingent consideration was agreed with the seller as part of the purchase price agreement and shall be payable upon achievement of a contractually defined level of performance. This level of performance was achieved after finalization of the purchase price allocation and resulted in a payment of € 10.2 million, which differed slightly from the provisional estimate of € 9.8 million.

ACQUISITION OF WING BIOTECHNOLOGY CO., LTD., CHINA

On February 23, 2022, Symrise signed a purchase agreement for the acquisition of Wing Biotechnology Co., Ltd., headquartered in Shanghai, China. The company is a leading Chinese manufacturer of flavor solutions for pet food. The closing of this transaction occurred on July 1, 2022.

The acquisition cost of the shares totaled CNY 1,075.3 million (€ 153.7 million). The consideration paid at the time of acquisition consisted of an underlying component, which was adjusted at the time of acquisition by contractually fixed short-term items in the statement of financial position. As of the reporting date of December 31, 2023, there are no outstanding payments, with the exception of a partial amount of CNY 5.0 million (€ 0.6 million). A partial payment of CNY 55.0 million (€ 7.0 million) was already made in the 2023 fiscal year. The outstanding amount will go to the seller following the expiration of a 60-month guarantee and warranty period. The purchase price allocation was finalized over the course of the reporting year, resulting in no adjustments compared with the information reported in the previous year.

2.5 Summary of significant accounting policies

FOREIGN CURRENCY TRANSLATION

The subsidiaries of Symrise AG maintain their accounting records in the respective functional currency. The functional currency is the currency that is predominantly used or generated as cash. As Group companies conduct their business independently for financial, commercial and organizational purposes, the functional currency is generally the local currency or, in two exceptional cases, the US Dollar. Assets and liabilities of foreign subsidiaries whose functional currency is not the Euro are translated into Euros at the applicable closing rates. Expenses and income are translated at the average rate for the fiscal year. Any translation differences deriving from this process are recognized directly in equity as “cumulative translation differences.”

Insofar as the settlement of a monetary item representing an outstanding account receivable from or account payable to a foreign business operation is neither planned nor probable in the foreseeable future, such an item represents part of a net investment in this foreign business operation. Any translation differences resulting from such items are recognized directly in equity as “cumulative translation differences” and reclassified from other comprehensive income to the consolidated income statement at the time of the disposal or redemption of the net investment.

Equity components are translated at the historical exchange rates effective at the time they were treated as an addition from a Group perspective. Any translation differences resulting from this process are recognized directly in equity as “cumulative translation differences.” When Group companies are removed from the scope of consolidation, the “cumulative translation differences,” which had been recognized directly in other comprehensive income, will be reclassified to the consolidated income statement in the same period.

Transactions designated in foreign currencies are translated into the respective functional currency of subsidiaries at the exchange rate valid on the day of the transaction. Monetary assets and liabilities designated in foreign currencies are measured using the closing rate. Non-monetary line items that were measured on the basis of historical cost in a foreign currency are translated at the exchange rate from the day on which the business transaction took place. Any currency translation effects resulting from operational activities are recorded within the cost of goods sold, whereas any impacts resulting from financing activities are recorded within the financial result.

The following table shows the changes in exchange rates against the Euro for the most important currencies relevant to the Symrise Group:

Currency		Closing rate = € 1		Average rate = € 1	
		December 31, 2022	December 31, 2023	2022	2023
Brazilian Real	BRL	5.635	5.366	5.440	5.400
Canadian Dollar	CAD	1.446	1.457	1.370	1.459
Chinese Renminbi	CNY	7.419	7.834	7.080	7.661
British Pound	GBP	0.887	0.867	0.853	0.870
Japanese Yen	JPY	140.818	155.734	138.049	152.003
Mexican Peso	MXN	20.798	18.707	21.201	19.180
US Dollar	USD	1.067	1.105	1.053	1.081

ACCOUNTING PRACTICES IN COUNTRIES WITH HYPERINFLATION

The financial statements of foreign subsidiaries whose functional currency is one of a country with hyperinflation are adjusted for the change in purchasing power arising from the inflation before conversion to Euros and before consolidation. Non-monetary line items on the statement of financial position, measured using acquisition cost or amortized cost, as well as those amounts recognized in the consolidated income statement, are accounted for according to a general price index from the time of their initial recognition in the financial statements. Monetary items are not adjusted. All components of equity are corrected from the time of their allocation according to a general price index. An adjustment of the previous year's figures in the consolidated financial statements is not required pursuant to IAS 21.42 (b). All line items on the statement of financial position and the amounts recognized in the consolidated income statement are translated based on the closing rate.

RECOGNITION OF SALES REVENUE

Revenue from the sale of merchandise and products to customers is recognized at the fair value of the amount received or expected to be received, less any returns, trade discounts and rebates, as well as accruals for core list payments. Sales revenue is recognized when the customer obtains control over the goods and products and is, therefore, able to determine their use and to derive benefit from them (transfer of control), and the amount of the realizable sales revenue can be measured reliably. The point at which control is transferred is determined in accordance with the applicable INCOTERMs and concretized with the aid of transit days that are reviewed regularly on the basis of actual transactions. The transaction prices, and, thus, the amount of sales revenue, are determined on the basis of the individual sale prices, taking into account the aforementioned variable considerations. No sales revenue is recognized if significant risks exist relating to the receipt of a consideration or relating to possible return of the goods. Reductions in revenue are measured using the most likely amount method on the basis of prior experience, pricing information and anticipated sales growth rates. They are only recognized if it is highly unlikely that these components will be reversed in a later reporting period. Core list payments are recognized in profit or loss over the term of the core list agreement. With regard to a remaining performance obligation, Symrise makes use of the exemption in accordance with IFRS 15.121 (a) as permissible for practical reasons, with an expected original contract term of a maximum of twelve months, and refrains from disclosing the transaction price that will be allocated to these unfulfilled performance obligations. Furthermore, Symrise applies the practical expedient according to IFRS 15.63 and refrains from considering a significant financing component, as the expected period between transfer of control and payment is a maximum of one year.

As the overwhelming majority of the Symrise Group's sales are generated on the basis of sales transactions with a simple structure, Symrise is generally entitled to payment after the performance obligation is met. The payment terms agreed with customers normally range between 30 and 90 days.

GOVERNMENT GRANTS

Government grants are only recorded when reasonable certainty exists that the conditions attached to them will be complied with and that the grants will be received. Grants are recognized as other operating income in the period in which the expenses occur for which the grant is meant to compensate.

INCOME TAXES

Income taxes comprise both current and deferred taxes. Income taxes are recognized in the consolidated income statement unless the expense relates to items that are recognized in other comprehensive income in equity or directly in equity.

Current taxes are taxes expected to be payable on taxable profits of the current fiscal year, measured using the tax rate applicable as of the end of the reporting period. Additionally, any adjustments to tax expense for previous years that may arise, for example, as a result of audits, are also included here.

Due to the international nature of Symrise's business activities, sales are generated in numerous countries outside of Germany and, therefore, are subject to the changing tax laws of the respective legal systems. The ordinary business also consists of transactions where the final tax effects are uncertain, for example, regarding transfer prices and cost allocation contracts between Group companies. Furthermore, the income taxes paid by Symrise are inherently the object of ongoing audits by domestic and foreign tax authorities. For this reason, discretionary judgment is needed to determine its global income tax provisions. Symrise has reasonably estimated the development of uncertain taxation assessments based on interpretations of current tax laws. These discretionary judgments can substantially impact income tax expense, income tax provisions and profit after tax.

Deferred taxes result from temporally divergent valuation methods between the carrying amounts of assets and liabilities in the IFRS consolidated financial statements and their tax base, from tax loss carry forwards and from unutilized tax credits. They are calculated using the comprehensive balance sheet method and are based on the application of the tax rates expected in the individual countries at the time of realization. These are generally based on the legal regulations applicable at the end of the reporting period. No deferred taxes are recognized on differences arising from the initial recognition of goodwill, nor are they recognized on assets and liabilities of transactions that do not result from business combinations, do not affect consolidated income or the taxable result, and do not result in deductible temporary differences in the same amount. Deferred taxes in connection with Pillar Two income taxes are also not recognized. Deferred taxes are recognized for all taxable temporary differences involving holdings in subsidiaries (known as "outside basis differences") except for the amount for which Symrise is able to manage the chronological course of the reversal of the temporary differences and in the case that it is likely that the temporary differences will not reverse in the foreseeable future. The effects of changes in tax rates on deferred taxes are recognized in the reporting period in which the legislative procedures for the tax changes are largely completed.

Current or deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current taxes receivable and payable, and they relate to income taxes levied by the same tax authority on a company. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available in the future against which deductible temporary differences, unutilized tax loss carry forwards or unutilized tax credits can be offset. If an assessment of probability is not possible, deferred tax assets are diminished. This requires Symrise to make estimates, judgments and assumptions about the tax gains of every Group company. In determining the ability to use deferred tax assets, Symrise considers all available information, including taxable income generated in the past and forecast taxable income in the periods in which the deferred tax assets will likely be realized. In determining future taxable income, the expected market conditions, as well as other facts and circumstances, are considered. Every change to these underlying facts or to estimates and assumptions can result in an adjustment to the balance of deferred tax assets.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to the holders of the parent's ordinary shares by the weighted average number of ordinary shares outstanding during the fiscal year.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method. In general, this comprises the recognition of identifiable assets (including intangible assets that were not previously accounted for) and liabilities (including contingent liabilities but not giving consideration to any future restructuring measures) of the acquired business operations at fair value.

Goodwill deriving from a business combination represents the excess fair value of the consideration transferred at the acquisition date of the business combination over the Group's share in the fair value of the identifiable assets and liabilities acquired. Contingent considerations are measured and recognized at fair value. If the purchase price of an investment is less than the net amount of the identified assets and liabilities, the difference is recognized in income in the year of acquisition. The goodwill is not subject to a scheduled amortization. An impairment test is performed at least once per year to determine whether an impairment is needed. Any acquired goodwill is allocated at the acquisition date to the cash-generating units that are expected to benefit from the synergies deriving from the business combination. Acquisition-related costs incurred are recognized with effect on profit or loss.

OTHER INTANGIBLE ASSETS

Intangible assets are measured at cost at initial recognition. The cost of an intangible asset from a business combination corresponds to its fair value at the acquisition date. Internally generated intangible assets are recognized as assets at cost. Generation costs of an internally generated intangible asset comprise all directly attributable costs that are needed to design, manufacture and process the asset so that it is ready for use according to the purposes management intended.

For intangible assets, it must be determined whether they have a definite or indefinite useful life. This assessment is discretionary since the period of time in which the asset will likely provide economic value is estimated. The amortization period affects the expenses for amortization recognized in the individual periods. Intangible assets with indefinite useful lives are not subject to amortization but rather are subject to an annual impairment test. As of the end of the reporting period, the Symrise Group holds no intangible assets with an indefinite useful life apart from goodwill. For intangible assets with a definite useful life, the cost is amortized in the consolidated income statement on a straight-line basis over the term of useful life:

Intangible assets	Useful life
Trademarks	5–40 years
Customer relationships	6–20 years
Recipes and technologies	5–25 years
Software	2–10 years
Other rights	1–40 years

The useful lives and amortization methods for intangible assets are reviewed annually for suitability and prospectively adjusted if necessary. In addition, the carrying amount of capitalized development costs is tested for impairment once per year if the asset is not yet in use or more frequently if indications for impairment arise during the course of the year. Intangible assets with a definite useful life are recognized at cost less accumulated amortization and impairment losses. Profits and losses deriving from the disposal of an intangible asset are recognized at the time of disposal as the difference between the proceeds from disposal and the carrying amount of the intangible asset in the consolidated income statement.

RESEARCH AND DEVELOPMENT EXPENSES

Research entails an independent and systematic search with the intention of gaining new scientific or technical knowledge. Expenses for research activities are recognized as expenses at their full amount. Development is the application of research results or other knowledge to a plan or design for the production of new and significantly improved materials, devices, products, processes, systems or services. Expenses for development activities are capitalized when certain precise requirements are fulfilled: Capitalization is always required if the development costs can be reliably determined, if the product is both technically and financially feasible and if future financial benefits that would cover the corresponding development costs are probable. In addition, Symrise must have the intention, as well as sufficient resources, to complete the development process and to use or sell the asset generated. Since internal development projects are often subject to government approval procedures and other unforeseeable circumstances, the conditions for capitalization are generally only met at the conclusion of a project. This means that a majority of the development costs incurred are recognized with effect on profit or loss, and the amount of capitalized costs is relatively small. Subsequent reclassification of expenses already recognized through profit or loss is not permitted.

The decision as to whether activities are to be considered research or development activities and whether the conditions for classification as an intangible asset have been met is associated with significant discretion. This requires assumptions regarding market conditions, customer demand and other future developments. The assessment of whether the intangible asset can be used or sold falls to management, who must make the decision based on assumptions of the amounts of future cash flows from assets, the applicable interest rates and the period of inflow from expected future cash flows.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. If the cost of components for property, plant and equipment are material (in comparison to the total cost), then these components are recognized by Symrise as separate items, and are depreciated separately. Depreciation occurs on a straight-line basis in the consolidated income statement based on the following useful lives:

Property, plant and equipment	Useful life
Buildings	3–50 years
Plants and machinery	3–25 years
Equipment	2–30 years

The determination of useful life is discretionary since the period of time in which the asset will likely provide economic value is estimated. The depreciation period affects the expenses for depreciation recognized in the individual periods.

Land is not depreciated on a scheduled basis. Depreciation of leasehold improvements is determined based on their useful lives or the term of the lease, whichever is shorter. In determining the depreciation period applied, any lease extension options are considered if it is probable that they will be exercised. Gains and losses deriving from the disposal of property, plant and equipment are recognized in the consolidated income statement at the time of disposal as the difference between the proceeds from disposal and the carrying amount of the asset.

LEASES

According to IFRS 16, a lease exists when a contract entitles the right to control the use of an identified asset for a specific period in exchange for a consideration. With IFRS 16, accounting for lessees is based on a right-of-use model. In the statement of financial position, the lessee is to recognize right-of-use assets for the leased asset and liabilities for the payment obligations incurred. These payment obligations include fixed payments less any lease incentives, in-substance fixed payments, variable payments depending on an index or interest rate, payments based on residual value guarantees, the price of purchase options deemed reasonably certain to be exercised and any premature termination penalties. As the interest rate underlying the lease is usually not known, lease payments are generally discounted at the incremental borrowing rate of the respective Group company. Its determination is based on a maturity-equivalent base rate. At Symrise, this is determined based on yield curves of government bonds (or comparable bonds from public institutions) of the respective country. If such information is not available, the corresponding base rate is derived individually using recognized financial models. In addition, the incremental borrowing rate includes a credit risk premium based on the Group’s financing situation. Asset-specific adjustments, however, are not included at Symrise in light of the current financing structure. Right-of-use assets are valued at amortized cost. The initial recognition includes the amount resulting from the initial measurement of the lease obligation. In addition, lease payments made on or before preparation, less lease incentives, initial direct costs and dismantling obligations are taken into account. The right-of-use asset is depreciated on a straight-line basis, whereby the depreciation period is the shorter period from the lease term and the economic life of the underlying leased asset. The right-of-use assets are recognized under property, plant and equipment. The exemption from accounting for leases that expire within twelve months from the date of first use and those from low-value assets is being exercised so that payments are instead recognized as straight-line expenses in the consolidated income statement. Separate lease components must be recognized and measured separately, and the option to apply the portfolio approach is not being exercised. The option to separate lease components from non-lease components is being exercised only for real estate and vehicle lease contracts. A number of leases include extension and termination options to provide the Group with maximum operational flexibility. In order to determine the lease term, consideration is given to all facts and circumstances that determine the economic incentive to exercise or not exercise options. Term changes are only considered if they are reasonably certain. The option to also apply IFRS 16 to intangible assets or rights to use such assets is not being exercised.

FINANCIAL INSTRUMENTS

General information

A financial instrument is a contract that simultaneously gives rise to a financial asset for one contractual partner and a financial liability or an equity instrument for the other contractual partner. Financial instruments are accounted for as of the settlement date in the case of market-standard purchases and sales.

Financial assets particularly include cash and cash equivalents, trade receivables, loans receivable and equity instruments in another company, as well as derivative financial instruments with a positive market value. They are recognized in the consolidated statement of financial position if the reporting company has a contractual right to receive cash or other financial assets from another party. Financial assets are initially recognized at fair value plus transaction costs. Transaction costs arising in connection with the acquisition of financial assets at fair value through profit or loss are immediately recognized in the income statement. Non-interest-bearing receivables or receivables subject to lower interest rates are initially recognized at the present value of expected future cash flows. Income and expenses, as well as gains and losses from financial assets contain impairments and reversals, interest income and expenses and dividends, as well as gains and losses from the disposal of such assets. Dividend income is recognized when earned. Interest income is recognized using the effective interest method. With the disposal of an asset, neither dividends nor interest income are included in the calculation of the net gain or loss.

Financial liabilities generally give rise to an obligation to return cash or another form of financial asset or an obligation to make an adverse exchange and comprise primary financial liabilities and the negative fair values of derivative financial instruments. Primary financial liabilities particularly comprise bank borrowings, liabilities toward institutional and private investors and trade payables. They are recognized in the consolidated statement of financial position if the reporting company has a contractual obligation to transfer cash or other financial assets to another party. Primary financial liabilities are initially recognized at fair value minus transaction costs incurred, if applicable.

Under IFRS 9, financial instruments are classified into the categories “measured at amortized cost (FAAC/FLAC),” “measured at fair value through other comprehensive income (FVOCI)” or “measured at fair value through profit or loss (FVTPL).” For a financial asset to meet the criteria for measurement at amortized cost or FVOCI, it must generate cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is made at the level of the financial instrument. The classification depends on the business model under which the financial asset is held. The business model reflects how the reporting company manages its financial assets to generate cash flows. Depending on the business model, cash flows arise from the collection of contractual cash flows, the sale of financial assets or both.

Symrise generally does not make use of the option to classify financial assets and liabilities that are, in principle, to be measured at amortized cost as at fair value through profit or loss on initial recognition (conditional fair value option).

The subsequent measurement of financial assets and liabilities is made in accordance with the category to which they have been assigned: at amortized cost, at fair value through profit or loss or through other comprehensive income. Financial assets are derecognized if the contractual rights regarding payments from financial assets no longer exist or the financial assets are transferred with all of their fundamental rewards and risks or the financial assets are unrecoverable. Financial liabilities are derecognized if the contractual obligations are settled, canceled or expired.

Derivative financial instruments

Symrise holds derivative financial instruments to hedge against currency and interest risks. These can include currency risks from business combinations. Derivative financial instruments are neither held nor issued for speculative purposes. Derivative financial instruments are recognized at fair value and are initially recorded at the time when the contract for the derivative financial instrument is entered into. As part of the subsequent measurement, derivatives are measured at fair value. The resulting changes are recognized in the Group income statement if the requirements of cash flow hedge accounting are not fulfilled.

Cash flow hedge

Symrise designates specific derivatives as hedging instruments to hedge exchange rate-related fluctuations in cash flows that are associated with anticipated transactions which are highly likely to occur. The hedging of currency risk occurs on a rolling basis over a period of up to 18 months up to a maximum hedging ratio of 75 % of the open currency items of a company.

Insofar as the requirements of IFRS 9 for the application of cash flow hedge accounting are fulfilled, the cumulative measurement gains/losses will be initially recognized in the cash flow hedge reserve under other reserves and then reclassified to the consolidated income statement in the period in which the hedged item affects the net profit or loss for the period. Measurement gains/losses from the derivative financial instrument will be reclassified to cost of goods sold depending on the hedged item (trade payables or receivables in foreign currency). There they will be balanced out with the actual currency gains and losses from operating business. Measurement gains/losses are recognized in the financial result insofar as currency risk hedges are used to hedge financing activities. If Symrise initiates the hedging measure with the economic goal of acquiring a business, then this counts as non-financial circumstances. Upon conclusion of the acquisition, the valuation effects that have been accruing in other comprehensive income up to this point are generally offset against goodwill.

Cash flow hedges are applied to mitigate the impact of exchange rate effects. The requirements of IFRS 9 for application of hedge accounting are met by Symrise as follows: When hedging measures are begun, both the relationship between the hedging instrument employed and the hedged item as well as the objective and strategy surrounding the hedge are documented. This includes both the concrete allocation of the hedging instrument to the expected foreign currency receivable/liability as well as the estimation of the degree of hedge effectiveness of the instrument implemented. The effectiveness of existing hedging measures is continuously monitored using the cumulative dollar offset method. When hedge relationships become ineffective, they are immediately reversed through profit or loss.

Even though some forward contracts are not presented as cash flow hedge accounting, these also represent a currency fluctuation hedge from a financial point of view. In such cases, the measurement effects of the derivative financial instrument balance out with the effects from the measurement of the foreign currency receivable or liability within the cost of goods sold or within the financial result.

Symrise uses interest rate swaps in certain cases to reduce interest rate risks. Gains or losses from the effective portion of an interest rate swap used to hedge variable rate borrowings are recognized as part of the financial expenses for the period in which the interest expense for the hedged loans is incurred.

Trade receivables

A receivable is recorded if there is an unconditional entitlement to consideration toward the customer. Trade and other receivables are measured, where applicable, by applying the effective interest method, with their fair value at the date they arose less any impairment amount. Other non-current receivables are measured by applying the effective interest method at amortized cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, balances on hand with banks and short-term liquid investments with residual terms of less than three months and only insignificant fluctuations in value. Cash is principally measured at amortized cost and cash equivalents, depending on their classification, at amortized cost or at fair value through profit or loss. The main contractual partners for cash and capital investments are national and international banks that have a credit rating from one of the globally active rating agencies in the investment grade range. Therefore, the default risk here can be assessed as very low. In the case of the other contractual partners, Symrise also considers its cash and short-term deposits to be low risk on the basis of external credit ratings of the respective counterparties.

Other financial assets

Debt instruments are measured at amortized cost if they are held as part of a business model whose objective is to hold assets in order to collect contractual cash flows, provided that the debt instrument also meets the cash flow condition. The cash flow condition is fulfilled if the cash flows represent solely payments of principal and interest on the principal amount outstanding. Debt instruments are measured at fair value through other comprehensive income (FVOCI) if they are held as part of a business model whose objective is to collect contractual cash flows and sell financial assets. The cash flow requirement must also be fulfilled. IFRS 9 requires debt instruments to be measured at fair value through profit or loss (FVTPL) if they are neither held as part of a business model whose objective is to hold assets in order to collect contractual cash flows nor as part of a business model whose objective is achieved when contractual cash flows are collected, and financial assets are sold.

Equity instruments do not meet the cash flow conditions, as the cash flows resulting from such instruments do not exclusively represent payments of principal and interest on the principal amount outstanding. They are, therefore, principally measured at fair value through profit or loss. Changes in fair value are recognized in net income (FVTPL). In the case of selected strategic investments, equity instruments are categorized as "measured at fair value through other comprehensive income" at initial recognition. The changes in valuation are then recognized in other comprehensive income (FVOCI option).

Other financial assets are recognized as either current or non-current assets according to their expected realization or settlement date.

Compound financial instruments

The components of a compound instrument issued by the company (convertible bond) are recognized separately as borrowings and equity instruments, in accordance with the economic content of the agreement and the definitions. At the time of issue, the fair value of the liability component is determined using the market interest rates applicable for comparable, non-convertible instruments. This amount is accounted as a financial liability based on amortized cost using the effective interest method until the conversion or maturity of the instrument. The conversion option classified as equity is determined by subtracting the fair value of the liability component from the total value of the convertible bond. The resulting value, less income tax effects, is recognized as part of equity and is not subsequently subject to any valuation. No gains or losses are incurred as a result of the exercise or expiration of the conversion option. Transaction costs related to the instrument are allocated to the liability and equity component in relation to the distribution of the net revenue. The transaction costs attributable to the equity component are recognized directly in equity, taking into account any taxes incurred. The transaction costs attributable to the liability component are included in the carrying amount of the liability and are amortized over the term of the convertible bond using the effective interest method.

ASSETS HELD FOR SALE

"Assets held for sale" consist of non-current assets and disposal groups of a company that are classified as "held for sale" in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". These are recognized at the lower of their carrying amount or fair value minus costs to sell. Insofar as liabilities are identified as relating to corresponding disposal groups, then these are also classified as "held for sale."

INVENTORIES

Inventories are measured at the lower of cost or net realizable value. Net realizable value is determined as the estimated selling price less any estimated cost of completion and any necessary selling and marketing expenses. Cost includes the cost of procuring the inventories, the manufacturing cost or the conversion cost and any other costs incurred to bring the inventories to their existing location and condition. Raw materials are measured at cost using the weighted average procurement cost. Finished goods, work in progress and services are measured using the cost of direct materials, direct labor and other direct costs and a reasonable proportion of manufacturing and material overheads, based on the normal capacity utilization of production facilities, excluding borrowing costs.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The companies within the Group have various pension schemes set up in accordance with the regulations and practices of the countries in which they operate. Additionally, agreements exist to provide additional post-employment healthcare benefits.

For pension plans, a distinction is made between defined contribution and defined benefit plans. A defined contribution plan is a plan under whose terms a company pays fixed contributions to other entities until the termination of the employment relationship and has no further legal or constructive obligation to pay additional amounts. Obligations for contributions to defined contribution plans are recognized under the affected functional area in the consolidated income statement as they become due. Defined benefit plans comprise all pension plans other than defined contribution plans. Claims relating to defined benefit plans are calculated separately for each plan with the actuarially calculated present value of the earned benefit entitlement. This is done by estimating the future pension benefit amount that employees have become entitled to in return for their service in the current and prior periods; the amount of this pension benefit is discounted to determine its present value. The computation is performed annually by an actuary using the projected unit credit method.

The actuarial valuation is made on the basis of assumptions pertaining to discount rates, future wage and salary increases, mortality rates, future pension increases and the medical cost trend rate and is therefore associated with significant discretion. The discounting factors are to be based on the yields that could be obtained at the end of the reporting period for high-quality corporate bonds with a corresponding term and in the corresponding currency. If such yield information is not available, the discounting factors are based on market yields for government bonds. As a result of the fluctuating market and economic situation, the actual developments may differ from the underlying assumptions, which may have a significant impact on pension and other post-employment benefit obligations. Due to the long-term nature of such plans, these estimates are subject to great uncertainty.

If claim entitlements are covered by plan assets, the fair value of these assets is offset with the present value. The net amount is recognized as either a pension liability or asset. If the plan assets exceed the corresponding obligation from pensions, the excess amount would be recognized in other receivables pursuant to the asset ceiling provision. Changes in the present value of a defined benefit obligation resulting from work performed (service cost) are recognized immediately through profit or loss in the operating result. Expenses from interest accrued on pension liabilities, as well as the income from plan assets based on the discount rate, are recognized in the financial result. Remeasurements of obligations include actuarial gains and losses resulting from changes in actuarial assumptions or differences between previous actuarial assumptions and actual developments, changes in the return on plan assets and changes in the asset ceiling. They are recognized in other comprehensive income and disclosed in equity in the reserve for remeasurements (pensions).

LONG-TERM REMUNERATION PROGRAMS

Symrise guarantees long-term remuneration programs with cash settlement for the members of the Executive Board. The 2015 Executive Board remuneration system was replaced by the 2022 Executive Board remuneration system in the 2022 fiscal year. The long-term remuneration programs in both Executive Board remuneration systems will continue to run in parallel until December 31, 2023.

As part of the 2015 Executive Board remuneration system, Symrise provided long-term share-oriented remuneration programs with cash settlement on the basis of a performance cash plan and a three-year performance period. The programs are accounted for in accordance with IAS 19 “Employee Benefits”. In measuring these share-oriented programs, assumptions are made that are in part related to the expected volatility of a future stock index composed of comparable companies in the fragrance and flavor industry as well as suppliers and companies in the food and cosmetics industry. Furthermore, the amount of the final payout for these remuneration programs depends on the price of the Symrise share in comparison to this stock index as of the set target date. The assumptions impact the value of the obligation and, therefore, the amount and distribution of the expenses for long-term remuneration programs over the performance period. Changes to these factors can significantly influence estimates of expenses and future payments. Further information is available in the 2023 remuneration report.

In the 2022 Executive Board remuneration system, the long-term remuneration program now corresponds to a performance share plan. This program is accounted for on the basis of IFRS 2 “Share-based Payment”. This is based on the granting of virtual performance shares with a forward-looking performance period of four years. The absolute share price performance of Symrise determines the value of the performance shares, while the number of performance shares is determined on the basis of the degree to which targets are achieved. This is measured on the basis of a number of different indicators. In addition to earnings per share (EPS) and a selection of sustainability objectives, these indicators include relative total shareholder return compared to a group of comparable companies in the fragrance and flavor industry, as well as suppliers and companies in the food and cosmetics industries. The total payout of the long-term remuneration program is limited to 200 % of the contractually defined target amount.

A liability provision is recognized with effect on profit or loss in the amount of the fair value of the share-based payment on a pro rata basis corresponding to the period already completed. Fair value is determined upon initial recognition and at each reporting date and settlement date; changes in fair value are recognized through profit or loss. When determining the fair values using a Monte Carlo simulation, which includes discounting at the end of the reporting period, the risk of the share-based remuneration is taken into account. The fair value reflects the future target achievement, and, thus, also the future payout. Assumptions are made about correlations, risk-free interest, the volatility of the Symrise share price and the volatility of a future share index.

The assumptions involved in the Monte Carlo simulation impact the fair value and, therefore, the expenses for long-term remuneration programs. Changes to these assumptions can significantly influence fair value estimates and future payments. At the end of the four-year performance period, the payout is equivalent to the number of prescribed performance shares multiplied by the average price of the Symrise share calculated at the end of the plan, plus the dividends allotted during the performance period. Further information is available in the 2023 remuneration report.

OTHER PROVISIONS

A provision is recognized when it is more likely than not that a present legal or constructive obligation due to a past event exists that makes it probable that an outflow of resources embodying economic benefits will be required and when a reliable estimate of the amount of the obligation is possible. The size of the provision is regularly adjusted if new knowledge becomes available or new conditions arise. The determination of provisions is associated with estimates to a substantial degree.

Symrise is confronted with legal action in various jurisdictions and regulatory suits. These suits can lead to criminal or civil sanctions, fines or disgorgements for Symrise. Symrise monitors the status of every case on an ongoing basis and determines the potential financial and business risk. It requires significant judgment to determine whether a provision for legal proceedings is necessary and, if so, how large it should be or whether it is necessary to declare a contingent liability. Due to the uncertainty relating to these cases, provisions are based on the best possible information available at the time.

If the interest rate effect has a material impact, non-current provisions are recognized at the present value of the expected obligation amounts as of the end of the reporting period. Additions to provisions are generally recognized through profit or loss in the respective expense category of the affected functions. A positive or negative difference that resulted from the fulfillment of the obligation is recognized at its carrying amount under the corresponding functional expense. Where positive differences not relating to the period under review are concerned, these are recognized under other operating income.

IMPAIRMENTS

Trade receivables

Symrise chose the simplified accounting for trade receivables, in which impairment is calculated based on the lifetime expected credit loss. The first stage in the process of analyzing the impairment of trade receivables involves considering the financial situation of individual customers. Impairment losses for individual customer balances are recognized if it is probable that the contractually agreed receivable will not be paid. Following this, impairment losses for trade receivables based on homogeneous receivable classes are recognized that correspond to the associated risk of default, past receivable defaults, as well as general market conditions such as trade embargoes and natural disasters. General bad debt allowances (portfolio-related impairments) are created when payment is more than 90 days past due under the assumption that the age of the receivables represents an indicator for a possible loss.

Information used to determine an objectively verifiable impairment includes information on a debtor's considerable financial difficulties, breaches of contract, concessions to customers due to economic or legal reasons in connection with the debtor's financial difficulties, a (probable) insolvency or the need for a major restructuring of the debtor. Indications through observable data show that there is a measurable decrease in expected future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with an individual financial asset in the group (general bad debt allowance).

Impairments are recognized under selling and marketing expenses. If, in subsequent periods, the reasons for impairment no longer exist, a reversal will be recognized through profit or loss. If a receivable becomes classified as unrecoverable, it will be derecognized accordingly as a result. Determining the likelihood of collecting receivables involves making estimates and judgments regarding whether a default will occur and what the default amount might be. Past receivable defaults are not necessarily representative. Changes to the estimates in relation to the valuation allowances on doubtful receivables can have a considerable impact on the assets and expenses recognized in the consolidated financial statements.

Other financial assets

Financial assets measured at amortized cost or at fair value in other comprehensive income are measured at each reporting date to determine whether there is an objective basis for increasing the default risk. This also applies to short-term deposits with a maturity of up to three months.

According to the general approach, an allowance for expected credit losses must be recorded based on two steps: For financial instruments whose credit risk has not increased significantly since their initial recognition, an allowance for credit losses expected to occur within the next twelve months must be recognized. For financial instruments for which the credit risk has increased significantly since initial recognition, an allowance for credit losses in the amount of the lifetime expected credit losses must be recognized. This is independent of when the default event occurs. An increase in credit risk exists when there are objective indications that one or more events could have a negative influence on future cash flows deriving from the asset. An impairment loss for financial assets recognized at amortized cost or at fair value in other comprehensive income is determined as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. An impairment loss for financial assets measured at fair value through profit or loss is not recognized separately but as part of the subsequent measurement at fair value. Individually significant financial assets are tested for possible impairment on an individual basis. All other financial assets are collected in groups that share similar default risk profiles and then measured.

Investments in companies accounted for using the equity method and non-financial assets

At the end of each reporting period, Symrise assesses whether indications exist that a non-financial asset is impaired. The carrying amount of the asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset is no longer covered by its recoverable amount. If such indications exist and a test for impairment of an asset needs to be made, the recoverable amount is estimated. The recoverable amount of an asset is the higher of the fair value of the asset, less any costs to sell it (Level 3) and its value in use. The recoverable amount must be determined for each individual asset unless the asset itself does not generate any cash inflows that are largely independent of those generated by other assets or groups of assets. If the carrying amount of the asset exceeds its recoverable amount, the asset is considered to be impaired, and an impairment loss is recorded, which means the asset is reduced to its recoverable amount. In order to determine the value in use, estimated future cash flows expected to be derived from the asset are discounted to their present value using a post-tax discounting factor. Impairment losses are recorded in the expense categories that reflect the function of the impaired asset.

At the end of each reporting period, a review is made to check whether any indications exist that any impairment loss recognized in an earlier reporting period is no longer required or could be reduced. If such an indication exists, the recoverable amount of the asset is estimated. Any previously recognized impairment loss is reversed if the asset's recoverable amount now exceeds its carrying amount as a result of a change in its estimated value since the time when the impairment loss was originally recognized. The reversal of the impairment loss must not result in a carrying amount that exceeds the amortized cost of the asset that would have resulted if no impairment loss had been recognized in previous years. Such reversals are to be recognized directly in the net income for the period. Following the reversal of an impairment loss, the amortization or depreciation for future periods is adjusted as necessary in order to systematically spread the adjusted carrying amount of the asset less any expected future residual value over its remaining useful life.

Goodwill

In accordance with IAS 36, goodwill is tested for impairment at least once per year. Symrise normally carries out its annual impairment test for goodwill on September 30. If events or changes in circumstances indicate that an impairment loss may need to be recognized, then tests are carried out more frequently. For impairment tests, goodwill is to be allocated upon addition to the cash-generating unit within the Group that is intended to benefit from the synergies of the business combination. Every unit with goodwill allocated to it represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is not larger than an operating segment as defined by IFRS 8. Two reportable segments and cash-generating units were identified within the Symrise Group for allocation of goodwill: Taste, Nutrition & Health and Scent & Care.

Any impairment loss is ascertained by determining the recoverable amount attributable to the cash-generating unit to which the goodwill relates. The recoverable amount of a cash-generating unit is the higher of the fair value, less any costs to sell (Level 3) and its value in use. Both values are based on discounted cash flow methods. If one of the two values exceeds the carrying amount, it is not necessary to determine both values. For Symrise, the determined value in use was higher than the carrying amount, so the fair value, less costs to sell, was not determined. The cash flows are derived from corporate planning. They cover a planning period of five years, before transitioning into perpetual annuity (terminal value). The basis for this is the one-year detailed operational plan approved by the Executive Board and Supervisory Board, which is prepared in a bottom-up process. The projections for the estimated cash flows for the following four years are taken from the medium-term planning. The medium-term planning is prepared as top-down planning for the segments (CGUs), taking into account future market expectations, targeted growth initiatives and general cost and price developments. The cash flows are mainly based on assumptions relating to future selling prices and/or sales volumes and costs while taking into account any changes in economic and environmental circumstances. Net cash inflows outside of the planning period are determined on the basis of long-term business expectations using individual growth rates derived from the respective market information. Detailed planning calls for reasonable sales growth as well as an EBITDA margin that is customary for the Group's business.

Symrise believes it will grow faster than the relevant market again and will achieve the long-term growth and profitability goals described in the Group management report. Symrise expects long-term organic sales growth of 5 to 7 % per year, and the company is aiming for an average EBITDA margin of 20 to 23 %. A growth rate of 1 % was once again used as the basis for the measurement of the perpetual annuity. The cash flows determined in this manner were discounted with a sales-based country-weighted average cost of capital factor (WACC) after taxes of 9.74 % for Taste, Nutrition & Health and 8.50 % for Scent & Care (2022: 8.89 % for Taste, Nutrition & Health and 8.25 % for Scent & Care). The corresponding WACC before taxes was 12.72 % for Taste, Nutrition & Health as well as 11.42 % for Scent & Care (2022: 11.65 % for Taste, Nutrition & Health as well as 11.17 % for Scent & Care). Cost of equity and borrowing costs were weighted with a capital structure based on a group of comparable companies. Capital market data and data from comparable companies were used in determining the cost of equity and borrowing costs. For this reason, different assumptions and estimates of future cash flows are used, which are of a complex nature and are associated with considerable discretionary judgments and assumptions regarding future developments. Actual cash flows and values can, therefore, widely vary from the forecast future cash flows and values that were determined by means of the discounted cash flows. Although Symrise believes that assumptions and estimates made in the past were reasonable, differing assumptions and estimates could substantially impact the Group's net assets, financial position and results of operations. Additionally, the results of the impairment tests for goodwill are influenced by the allocation of this goodwill to cash-generating units.

If the recoverable amount attributable to the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses on goodwill must not be reversed in future periods.

In performing the impairment test, Symrise carried out various sensitivity analyses for possible changes to the WACC or projected sales deemed to be reasonable. These variations in the measurement parameters also did not result in any required impairment of goodwill as it is currently recognized.

DETERMINING FAIR VALUE

Many accounting policies require the measurement of fair value for financial and non-financial assets and liabilities. The fair values have been measured using the methods described below. Further information regarding the assumptions used to determine fair value is contained in the notes to the consolidated financial statements that are specific to the particular asset or liability (see note 33).

Financial instruments – general principles

The input factors for determining the fair value are classified into three levels pursuant to IFRS 13 "Fair Value Measurement":

- Input factors of Level 1 are (unadjusted) quoted prices for identical assets or liabilities in active markets that the company can access at the measurement date. A market is considered to be active if transactions involving the asset or liability occur frequently enough in a sufficient volume for price information to be continuously available.
- Input factors of Level 2 are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Input factors of Level 3 are unobservable inputs for the asset or liability.

The best reference for the fair value of a financial instrument at its initial recognition is typically the transaction price, i.e., the fair value of the consideration transferred or received.

Property, plant and equipment

The fair value for property, plant and equipment recognized as a result of a business combination is based on market values. The market value for real estate is based on the estimated value at which the real estate could be sold on the day of measurement under the presumption that this would represent a transaction between a willing buyer and a willing seller under the terms of which both parties operate knowledgeably, prudently and without compulsion and the transaction is preceded by adequate marketing activities. The market values for plants and machinery and equipment are based on quoted prices for similar items.

Intangible assets

The fair value of intangible assets, such as customer relationships and trademarks, recipes and technologies, acquired as a result of a business combination is based on the discounted estimated royalty payments that were avoided as a result of the recipes and technologies or trademarks becoming owned or is based on the discounted cash flows that are expected to derive from the use of these assets.

Inventories

The fair value for inventories resulting from a business combination is determined on the basis of the estimated sale price over the normal course of business minus estimated manufacturing costs and costs to sell, as well as appropriate profit margins based on the required efforts for manufacturing and selling the inventories.

3. SEGMENT INFORMATION

DESCRIPTION OF OPERATING SEGMENTS

For internal reporting purposes, Symrise presents business activities mainly based on segments and geographical regions. Based on this reporting information, the Executive Board, which carries responsibility as chief operating decision-maker for the success of the various segments and the allocation of resources, assesses the business activities from a number of angles. The two operating segments are divided into divisions. The organization of these two reportable segments, Taste, Nutrition & Health and Scent & Care, is then product-based. The Taste, Nutrition & Health segment uses its combined expertise and scientific research to offer customers and partners solutions in the areas of taste, nutrition and health that are unique, sustainable and based on natural ingredients. The segment serves the markets of the food and beverage industry as well as manufacturers of pet food and fish food. The Scent & Care segment develops, produces and sells fragrance ingredients and compositions, cosmetic ingredients and mint flavors, as well as specific application processes for such substances. The products and application processes developed by Symrise in the Scent & Care segment are used by customers in manufacturing perfumes, personal care and cosmetic products, cleaning products, detergents, air fresheners and oral care products. The segment reporting by region is aligned with the location of assets. Sales to customers are reported in the geographical region in which the customer is located. Countries are grouped together for internal accounting and reporting purposes into the regions EAME (Europe, Africa, Middle East), North America, Asia/Pacific and Latin America.

MEASUREMENT CRITERIA FOR THE SEGMENTS

Internal reporting in the Symrise Group is based on the IFRS accounting principles detailed in note 2.5. Transactions are only conducted between the segments to an immaterial extent. These are settled at market prices and have not been separately disclosed for materiality reasons. External sales represent the sales of the two segments to third parties, and thus, their sum equals consolidated sales of the Symrise Group. The revenue and expenditure of the Symrise Group's central units and functions are completely included in the two segments, Taste, Nutrition & Health and Scent & Care, based on performance-related, or utilization-related, criteria. The result-related determining factor for the management of the segments is the earnings before interest, taxes, depreciation and amortization (EBITDA). The depreciation and amortization charges that can be directly attributed to each segment are included in determining the segment contribution. The financial result is not included as the segments are mainly centrally financed. This is the reason why financial income and expenses are disclosed below at Group level and combined together in the form of the financial result. Taxes are treated in a similar manner so that net profit is reported combined to give the consolidated earnings. Investments made by a segment comprise all expenditure incurred during the reporting period for the purpose of acquiring intangible assets and property, plant and equipment as well as additions from leases in the fiscal year. The Executive Board, which is the chief operating decision-maker, receives all information with respect to segment assets and liabilities in an aggregated form. The allocation of goodwill to segments is disclosed in note 19.

SEGMENT RESULTS

2022 € thousand	Taste, Nutrition & Health	Scent & Care	Segment total = Group total
External sales	2,912,970	1,705,506	**4,618,476**
Cost of goods sold	– 1,854,712	– 1,061,687	**– 2,916,399**
Gross profit	**1,058,258**	**643,819**	**1,702,077**
Selling and marketing expenses	– 416,677	– 263,946	**– 680,623**
Research and development expenses	– 127,754	– 126,733	**– 254,487**
Administration expenses	– 174,494	– 83,421	**– 257,915**
Other operating income	84,326	29,621	**113,947**
Other operating expenses	– 4,701	– 1,053	**– 5,754**
Result of companies accounted for using the equity method	11,235	1,623	**12,858**
Impairment loss on investments accounted for using the equity method	– 126,126	0	**– 126,126**
Income from operations/EBIT	**304,067**	**199,910**	**503,977**
Amortization and impairment of intangible assets	95,345	31,455	**126,800**
Depreciation and impairment of property, plant and equipment	104,970	59,669	**164,639**
EBITDA	**504,382**	**291,034**	**795,416**
Financial result			**– 72,864**
Earnings before income taxes			**431,113**
Income taxes			**– 140,417**
Consolidated net income			**290,696**
Other segment information			
Investments[1]			
Intangible assets	15,455	8,117	**23,572**
Property, plant and equipment	205,173	102,830	**308,003**
of which from leases	27,441	33,994	**61,435**

1) Without additions from business combinations; for further information please see note 2.4.

2023 € thousand	Taste, Nutrition & Health	Scent & Care	Segment total = Group total
External sales	2,978,338	1,751,849	**4,730,187**
Cost of goods sold	– 1,884,632	– 1,152,984	**– 3,037,616**
Gross profit	**1,093,706**	**598,865**	**1,692,571**
Selling and marketing expenses	– 404,576	– 271,252	**– 675,828**
Research and development expenses	– 131,126	– 134,579	**– 265,705**
Administration expenses	– 183,812	– 91,982	**– 275,794**
Other operating income	51,487	28,198	**79,685**
Other operating expenses	– 4,053	– 745	**– 4,798**
Result of companies accounted for using the equity method	7,180	2,051	**9,231**
Income from operations/EBIT	**428,806**	**130,556**	**559,362**
Amortization and impairment of intangible assets	89,808	26,533	**116,341**
Depreciation and impairment of property, plant and equipment	110,624	65,326	**175,950**
EBITDA	**629,238**	**222,415**	**851,653**
Financial result			**– 94,413**
Earnings before income taxes			**464,949**
Income taxes			**– 120,005**
Consolidated net income			**344,944**
Other segment information			
Investments 1)			
Intangible assets	15,202	7,531	**22,733**
Property, plant and equipment	167,514	140,784	**308,298**
of which from leases	31,668	29,399	**61,067**

1) Excluding additions from business combinations; for further information please see note 2.4.

No single customer accounted for more than 10 % of Group sales either in the reporting year or previous year.

RESULT BY REGION

€ thousand	Sales by region (point of delivery) 2022	Sales by region (point of delivery) 2023	Investments 1) 2022	Investments 1) 2023
EAME	1,716,209	1,881,376	124,114	120,665
North America	1,325,955	1,250,791	133,164	129,825
Asia/Pacific	981,139	979,109	25,170	36,017
Latin America	595,173	618,911	49,127	44,524
Total	**4,618,476**	**4,730,187**	**331,575**	**331,031**

1) Without additions from business combinations; for further information please see note 2.4.

Sales are generated in various countries; Germany accounts for € 385.4 million (2022: € 250.5 million). Sales in North America were mainly generated in the USA (€ 1,153.4 million; 2022: € 1,250.6 million).

Investments in property, plant and equipment include effects from leases amounting to € 61.1 million (2022: € 61.4 million). These consisted of € 9.8 million in EAME (2022: € 17.7 million), € 38.2 million in North America (2022: € 37.0 million), € 10.3 million in Asia/Pacific (2022: € 4.3 million) and € 2.7 million in Latin America (2022: € 2.4 million). Of the non-current assets – excluding deferred tax assets, financial instruments, and investments in companies accounted for using the equity method – amounting to € 4,456.8 million (December 31, 2022: € 4,488.9 million), € 594.5 million (December 31, 2022: € 604.6 million) are accounted for by companies located in Germany.

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

4. SALES

The customers of Symrise include large multinational groups in addition to important regional and local manufacturers of food, beverages, pet food, perfumes, cosmetics, personal care products, cleaning products and laundry detergents, as well as the pharmaceutical industry.

Symrise breaks down and reports sales growth by segment – based on the previous year's sales – as the components "organic growth," "portfolio effects" and "exchange rate differences." Comparable exchange rates are used as the basis to determine organic growth for the sales of the reporting year and the previous year. Portfolio effects include the impact of additions to and disposals from the scope of consolidation for a period of twelve months after acquisition or disposal. The remaining change is due to exchange rate movements.

The following table shows these components for the two segments:

€ thousand	Taste, Nutrition & Health	Scent & Care
Sales 2021	**2,334,742**	**1,490,949**
Organic growth	357,667	76,648
Portfolio effects	98,891	55,319
Exchange rate differences	121,670	82,590
Sales 2022	**2,912,970**	**1,705,506**

€ thousand	Taste, Nutrition & Health	Scent & Care
Sales 2022	**2,912,970**	**1,705,506**
Organic growth	271,826	94,769
Portfolio effects	20,783	14,516
Exchange rate differences	– 227,241	– 62,942
Sales 2023	**2,978,338**	**1,751,849**

Sales are recognized at a specific point in time, and the resulting receivables are due within one year.

The other liabilities include contract liabilities (€ 4.7 million) – payments from customers received prior to the contractual performance – and refund obligations (€ 45.6 million) – mainly sales deductions. The contract liabilities of € 5.5 million existing as of January 1, 2023, were almost fully utilized in the fiscal year. Of the refund obligations of € 42.8 million existing as of January 1, 2023, a total of € 14.8 million was actually refunded in the 2023 fiscal year.

For a breakdown of sales by segments and regions, please see the segment reporting under note 3 of the notes to the consolidated financial statements, as well as the explanations in the Group management report.

5. COSTS OF GOODS SOLD

Cost of goods sold consists of expenses for raw materials (€ 2,188.8 million; 2022: € 2,102.1 million), production costs including amortization of recipes, technologies and other production-related intellectual property (€ 830.1 million; 2022: € 806.5 million) and exchange rate effects from operating activities (€ 18.7 million; 2022: € 7.8 million). Please refer to the segment reporting information for a presentation of the cost of goods sold by segment (see note 3).

6. PERSONNEL EXPENSES

€ thousand	2022	2023
Wages and salaries	– 725,960	– 756,364
Social security expenses	– 155,129	– 168,329
Pension expenses (excluding interest expenses)	– 13,517	– 9,042
Other personnel expenses	– 12,155	– 8,583
Total	**– 906,761**	**– 942,318**

The increase in wages and salaries, as well as social security expenses, compared to the previous year is primarily due to a higher number of employees as well as regular salary adjustments. Social security expenses include social security contributions that the company is required to make by law. These include defined contribution plan benefits of € 28.2 million (2022: € 28.2 million). Pension expense (excluding interest expense) includes the service cost of defined benefit plans (see note 29). Other personnel expenses include expenses for severance payments, expenses for multi-year performance-related compensation for selected employees and the Executive Board under the Executive Board Compensation System 2015, and expenses for multi-year share-based payment of the Executive Board under the Executive Board Compensation System 2022 (see note 28). The annual bonuses and bonuses for other employees are recognized in wages and salaries.

The average number of employees employed within the Symrise Group amounts to the following:

Full-time equivalents (FTE)	2022	2023
Manufacturing & Technology	5,848	6,163
Sales & Marketing	2,515	2,584
Research & Development	1,803	1,864
Administration	1,073	1,249
Service companies	472	471
Number of employees	**11,711**	**12,331**
Apprentices and trainees	199	211
Total	**11,910**	**12,542**

7. SELLING AND MARKETING EXPENSES

Selling and marketing expenses from the period mainly include expenses for advertising and customer service as well as distribution and storage for finished products. They also contain transportation costs, expenses for commissions and licenses, and amortization of customer relationships and trademarks recognized as assets. Selling and marketing expenses during the reporting year decreased slightly due to a decline in freight-out costs resulting from the normalization of global logistics chains. Please refer to the segment reporting information for a presentation of selling and marketing expenses by segment (see note 3).

8. RESEARCH AND DEVELOPMENT EXPENSES

Besides basic research, research and development expenses include the development of products to generate sales revenue as well as new or improved processes to reduce the cost of goods sold. Such costs cannot be capitalized. Please refer to the segment reporting information for a presentation of research and development expenses by segment (see note 3).

9. ADMINISTRATION EXPENSES

Administration expenses mainly contain expenses for information technology, communications, finance, human resources and legal, as well as for factory security, occupational safety and administration buildings. In the reporting year, administration expenses increased as a result of higher information technology expenditure, as well as additional legal and consulting fees in connection with an antitrust investigation.

10. OTHER OPERATING INCOME

Other operating income includes items not related to the sale of products. This includes, for example, income from service companies (logistics, engineering, safety and environment) and income from research, development and other services provided to third parties (€ 22.6 million; 2022: € 22.9 million), which are not covered by IFRS 15 "Revenue from Contracts with Customers." This item also includes income from government grants, which are mainly awarded to support research projects (€ 7.9 million; 2022: € 11.8 million), income from insurance reimbursements (€ 14.3 million; 2022: € 12.3 million) and income from the reversal of provisions and liabilities that are no longer expected to be utilized or for which this is certain (€ 9.0 million; 2022: € 11.8 million). The remaining other income includes gains from the disposal of non-current assets, other reimbursements, and other non-periodic income. In the previous year, this item included one-time effects from the sale of the Velcorin® business (2022: € 18.0 million), as well as from the partial sale of the celery business (2022: € 18.2 million).

11. FINANCIAL RESULT

€ thousand	2022	2023
Interest income from bank deposits	5,038	11,040
Other interest income	2,759	3,573
Interest income	**7,797**	**14,613**
Other financial income	930	344
Financial income	**8,727**	**14,957**
Interest expenses from bank borrowings	– 10,006	– 22,983
Interest expenses from other borrowings	– 30,899	– 37,747
Other interest expenses	– 18,010	– 33,989
Interest expenses	**– 58,915**	**– 94,719**
Other financial expenses	– 22,676	– 14,651
Financial expenses	**– 81,591**	**– 109,370**
Financial result	**– 72,864**	**– 94,413**
of which interest result	– 51,118	– 80,106
of which other financial result	– 21,746	– 14,307

Please see note 24 regarding the development of bank loans and other borrowings and the corresponding interest expenses. Other interest expenses mainly comprise the compounding of provisions for pensions (see note 29) and interest expenses for lease liabilities (see note 32).

Other financial expense includes net losses from hyperinflationary adjustments (€ 15.8 million; 2022: € 12.2 million) and positive foreign exchange rate effects of € 3.1 million (2022: negative effects of € 8.2 million). Due to the very volatile nature of some currencies, there are regularly substantial changes in this position.

12. INCOME TAXES

Current taxes paid or owed in individual countries and deferred taxes are recognized as income taxes.

€ thousand	2022	2023
Current income taxes	**– 166,360**	**– 131,822**
Deferred tax expense/income from losses carried forward	– 3,982	– 1,242
Deferred tax expense/income from temporary differences	29,925	13,059
Deferred tax expense/income	**25,943**	**11,817**
Income taxes	**– 140,417**	**– 120,005**

In the reporting year, income taxes decreased by € 20.4 million to € 120.0 million. The tax rate declined in the reporting year compared with the previous year, amounting to 25.8 % (2022: 32.6 %). The tax rate for the previous year was influenced by the impairment of the investment in Swedencare AB, Malmö, Sweden, which was not tax-deductible. Excluding this effect, the tax rate for 2022 was 25.2 %.

The year-on-year decrease in current income taxes of € 34.5 million to € 131.8 million is mainly attributable to the previous year's tax-neutral one-time effect from the impairment of the investment in Swedencare AB, Malmö, Sweden, and the simultaneous increase in net income before taxes. The change to the deferred tax result is mainly due to the scheduled amortization and depreciation of assets and the utilization of losses carried forward.

On November 10, 2023, the German Parliament enacted the legal regulations pertaining to the Minimum Tax Law with effect from January 1, 2024. Pursuant to this law and corresponding regulations in other countries in which subsidiaries of Symrise AG are domiciled, Symrise in Germany or other countries will have to pay an additional tax on the profits of Group companies if these are taxed at an effective tax rate that is lower than the statutory minimum tax rate. As of December 31, 2023, around 21.3 % of consolidated net income could be subject to the tax. At present, these profits would be taxed at an average effective tax rate of 11.7 %. This information is based on the profits and tax expenses that were identified in the course of preparing the 2023 consolidated financial statements, giving consideration only to material adjustments that would have been necessary had the regulations been applied. The potential impact was analyzed for all Group companies on the basis of the country-by-country reporting in 2023. As not all the adjustments that would have been necessary due to the legislation were actually made, there may be a significant difference to the actual effects that the Minimum Tax Law would have had on the Group's earnings had it come into effect as of the fiscal year that ended on December 31, 2023.

The Group will continue to examine the effects of the Minimum Tax Law on its future tax position.

RECONCILIATION OF EXPECTED TO ACTUAL TAX EXPENSE

Income taxes disclosed in the reporting year, amounting to € 120.0 million (2022: € 140.4 million), can be derived as set out below from an expected income tax expense that would have arisen if the statutory tax rates had been applied to net income before income taxes in accordance with IFRS:

€ thousand	2022	2023
Earnings before income taxes	**431,113**	**464,949**
Expected tax expense at local tax rates	– 91,840	– 101,203
Tax effect from previous periods	– 5,918	– 3,593
Tax effect from tax-free income	14,430	19,955
Tax effect from non-deductible expenses	– 48,612	– 21,889
Non-recoverable withholding tax	– 9,966	– 6,645
Tax effect from value adjustments to deferred tax assets	– 4,578	– 7,683
Tax effect from change in tax rate	– 38	– 629
Other tax effects	6,105	1,682
Income tax expense	**– 140,417**	**– 120,005**

The resulting theoretical expected tax expense increased in absolute terms compared with the previous year, while the tax rate decreased. This results particularly from the previous year's impairment of the investment in Swedencare AB, Malmö, Sweden. The tax effect from previous years is largely a result of tax arrears and tax risk. In the previous year, the tax effect from non-deductible expenses was mainly influenced by the impairment of the investment in Swedencare AB. The main factors influencing other tax effects are changes in temporary differences and hyperinflation adjustments. The dividend proposed for the 2023 fiscal year (see note 30) will not have any income tax consequences for Symrise. Future income and withholding taxes resulting from planned distributions of Group companies are recognized under deferred tax liabilities.

The amount of income taxes directly charged or credited to other comprehensive income breaks down as follows:

			2022			2023
€ thousand	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Exchange rate differences resulting from the translation of foreign operations	145,587	– 3,865	141,722	– 88,657	– 3,164	– 91,821
Change in the fair value of financial instruments measured through other comprehensive income	– 67,663	581	– 67,082	– 651	0	– 651
Cash flow hedge (currency hedges)	1,657	– 423	1,234	– 26	– 8	– 34
Remeasurement of defined benefit pension plans and similar obligations	166,750	– 47,188	119,562	– 24,601	6,760	– 17,841
Share of other comprehensive income of companies accounted for using the equity method	39,254	–	39,254	– 3,445	–	– 3,445
Other comprehensive income	**285,585**	**– 50,895**	**234,690**	**– 117,380**	**3,588**	**– 113,792**
of which current taxes		– 2,026			– 1,278	
of which deferred taxes		– 48,869			4,866	

13. AMORTIZATION AND DEPRECIATION

Amortization of intangible assets and depreciation of property, plant and equipment are shown in the movement summary in notes 19 and 20.

14. EARNINGS PER SHARE

	Unit	2022	2023
Consolidated net income attributable to shareholders of Symrise AG	**€ thousand**	**280,007**	**340,473**
Weighted average number of ordinary shares	shares	139,772,054	139,772,054
Earnings per share diluted and basic	**€**	**2.00**	**2.44**

As no circumstances existed in the 2022 and 2023 fiscal years that resulted in dilutive effects on the number of shares, diluted earnings per share are equal to basic earnings per share.

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

€ thousand	December 31, 2022	December 31, 2023
Cash	278,082	354,753
Cash equivalents	36,775	38,273
Total	**314,857**	**393,026**

The much lower working capital compared to the previous year resulted in an increase in cash and cash equivalents. The acquisition of additional shares (see note 32) and the payment of the dividend were financed from the cash flow from operating activities. Moreover, repayments of loan principals were made.

16. TRADE RECEIVABLES

€ thousand	December 31, 2022	December 31, 2023
Trade receivables	870,616	882,888
Allowance	– 14,581	– 14,583
Total	**856,035**	**868,305**

Trade receivables are not insured. Symrise, therefore, bears the risk of receivable defaults. So far, the Group has experienced only insignificant cases of default.

The gross carrying amount of trade receivables includes € 782.8 million in receivables that are not overdue and with no allowance set up (December 31, 2022: € 755.2 million), € 6.0 million in receivables that are not overdue but have partial allowances set up (December 31, 2022: € 15.0 million), and € 94.1 million in receivables that are overdue and have no allowance set up, have a partial allowance set up, or have a full allowance set up (December 31, 2022: € 100.4 million). The impairment losses of € 14.6 million (December 31, 2022: € 14.6 million) recognized in the reporting year can be divided into a specific bad debt allowance of € 3.5 million (December 31, 2022: € 3.9 million) as well as a general bad debt allowance of € 11.1 million (December 31, 2022: € 10.7 million).

The companies grant credit terms that are customary within the industry and the countries in which they operate.

Allowances for trade receivables during the reporting year developed as follows:

€ thousand	2022	2023
January 1	**9,757**	**14,581**
Change to the scope of consolidation	4,914	0
Allowances set up	7,965	8,682
Utilized in the reporting year	– 2,624	– 2,507
Reversals	– 5,627	– 5,958
Exchange rate differences	196	– 215
December 31	**14,581**	**14,583**

The risk of default for trade receivables is limited due to the large number of customers and their widely diversified activities in different markets.

17. INVENTORIES

€ thousand	December 31, 2022	December 31, 2023
Raw materials	522,129	450,662
Unfinished products	357,242	335,880
Finished products	448,188	469,303
Total	**1,327,559**	**1,255,845**

The decrease in inventories in the 2023 fiscal year resulted from the operational reduction in inventories, from remeasurements due to changes in raw material prices, and from currency translation effects. Overall, valuation allowances amounting to € 39.9 million (December 31, 2022: € 32.6 million) are recognized.

18. OTHER ASSETS AND RECEIVABLES

The other current assets and receivables mainly include sales tax receivables (€ 58.4 million; December 31, 2022: € 55.9 million) and various accruals (€ 30.8 million; December 31, 2022: € 28.6 million). In addition, this position includes capitalized contract costs of € 2.0 million (December 31, 2022: € 10.0 million).

Of the other assets and receivables, € 55.8 million (December 31, 2022: € 57.3 million) were classified as financial receivables and assets and € 132.1 million (December 31, 2022: € 135.0 million) as non-financial receivables and assets.

19. INTANGIBLE ASSETS

€ thousand	Goodwill	Customer relationships and trademarks	Other intangible assets[1)]	Capitalized development costs	Advance payments and intangible assets in development	Total
Costs						
January 1, 2022	**1,646,934**	**1,169,002**	**970,857**	**17,675**	**40,995**	**3,845,463**
Change to the scope of consolidation	270,909	97,033	78,170	0	0	**446,112**
Additions from acquisitions	0	433	3,707	0	18,483	**22,623**
Additions from internal development	0	0	0	246	703	**949**
Disposals	0	0	– 1,669	0	0	**– 1,669**
Transfers	0	0	4,268	156	– 4,424	**0**
Exchange rate differences	29,949	21,120	22,161	– 650	– 125	**72,455**
December 31, 2022	**1,947,792**	**1,287,588**	**1,077,494**	**17,427**	**55,632**	**4,385,933**
Accumulated amortization and impairment losses						
January 1, 2022	**– 44,472**	**– 498,683**	**– 780,507**	**– 14,130**	**0**	**– 1,337,792**
Amortization for the fiscal year	0	– 85,060	– 40,646	– 1,094	0	**– 126,800**
Disposals	0	0	1,286	0	0	**1,286**
Exchange rate differences	– 1,243	– 6,948	– 14,886	451	0	**– 22,626**
December 31, 2022	**– 45,715**	**– 590,691**	**– 834,753**	**– 14,773**	**0**	**– 1,485,932**
Carrying amounts						
January 1, 2022	1,602,462	670,319	190,350	3,545	40,995	**2,507,671**
December 31, 2022	**1,902,077**	**696,897**	**242,741**	**2,654**	**55,632**	**2,900,001**

1) The other intangible assets mainly include advantageous supplier contracts, recipes and technologies, as well as software and proprietary IT developments.

€ thousand	Goodwill	Customer relationships and trademarks	Other intangible assets[1]	Capitalized development costs	Advance payments and intangible assets in development	Total
Costs						
January 1, 2023	**1,947,792**	**1,287,588**	**1,077,494**	**17,427**	**55,632**	**4,385,933**
Change to the scope of consolidation	5,804	0	0	0	0	**5,804**
Additions from acquisitions	0	301	4,736	0	15,763	**20,800**
Additions from internal development	0	0	0	599	1,334	**1,933**
Disposals	0	– 14	– 7,836	– 359	– 2,292	**– 10,501**
Transfers	0	2,320	41,038	227	– 43,585	**0**
Exchange rate differences	– 26,310	– 17,389	– 10,798	8	– 172	**– 54,661**
December 31, 2023	**1,927,286**	**1,272,806**	**1,104,634**	**17,902**	**26,680**	**4,349,308**
Accumulated amortization and impairment losses						
January 1, 2023	**– 45,715**	**– 590,691**	**– 834,753**	**– 14,773**	**0**	**– 1,485,932**
Amortization for the fiscal year	0	– 84,260	– 28,899	– 890	0	**– 114,049**
Impairment	0	0	0	0	– 2,292	**– 2,292**
Disposals	0	13	7,830	358	2,292	**10,493**
Exchange rate differences	1,045	6,896	6,953	– 15	0	**14,879**
December 31, 2023	**– 44,670**	**– 668,042**	**– 848,869**	**– 15,320**	**0**	**– 1,576,901**
Carrying amounts						
January 1, 2023	1,902,077	696,897	242,741	2,654	55,632	**2,900,001**
December 31, 2023	**1,882,616**	**604,764**	**255,765**	**2,582**	**26,680**	**2,772,407**

1) The other intangible assets mainly include advantageous supplier contracts, recipes and technologies, as well as software and proprietary IT developments.

As of the end of the reporting period, the Symrise Group holds no intangible assets with an indefinite useful life apart from goodwill.

Please refer to note 2.4 regarding the change to the scope of consolidation. Additions from acquisitions mainly relate to advance payments for software, primarily ERP system applications.

Capitalized development costs, including those currently in progress, amounted to € 5.0 million as of the end of the reporting period (December 31, 2022: € 4.0 million).

Amortization of advantageous supplier relationships and of recipes and technologies is included in cost of goods sold. Selling and marketing expenses include amortization of customer relationships and trademark rights. The amortization of other intangible assets is generally allocated to the relevant functional area in the consolidated income statement.

GOODWILL ACCORDING TO SEGMENT

€ thousand	December 31, 2022	December 31, 2023
Taste, Nutrition & Health	1,577,627	1,640,592
Scent & Care	324,450	242,024
Total	**1,902,077**	**1,882,616**

20. PROPERTY, PLANT AND EQUIPMENT

€ thousand	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2022	**870,511**	**1,208,080**	**323,910**	**146,176**	**2,548,677**
Change to the scope of consolidation	25,334	21,492	4,922	5,306	**57,054**
Additions	42,787	30,580	41,670	192,966	**308,003**
Disposals	– 5,548	– 7,166	– 9,305	– 361	**– 22,380**
Transfers	21,198	71,216	14,687	– 107,101	**0**
Exchange rate differences	19,447	38,289	8,288	7,084	**73,108**
December 31, 2022	**973,729**	**1,362,491**	**384,172**	**244,070**	**2,964,462**
Accumulated depreciation and impairment losses					
January 1, 2022	**– 351,384**	**– 652,684**	**– 220,055**	**– 1,029**	**– 1,225,152**
Depreciation for the fiscal year	– 47,981	– 82,942	– 32,744	0	**– 163,667**
Impairment	0	0	0	– 972	**– 972**
Disposals	5,028	6,909	8,673	0	**20,610**
Exchange rate differences	– 6,099	– 17,869	– 5,372	– 54	**– 29,394**
December 31, 2022	**– 400,436**	**– 746,586**	**– 249,498**	**– 2,055**	**– 1,398,575**
Carrying amounts					
January 1, 2022	519,127	555,396	103,855	145,147	**1,323,525**
December 31, 2022	**573,293**	**615,905**	**134,674**	**242,015**	**1,565,887**

€ thousand	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2023	**973,729**	**1,362,491**	**384,172**	**244,070**	**2,964,462**
Change to the scope of consolidation	132	571	10	0	**713**
Additions	63,257	54,491	27,410	163,140	**308,298**
Disposals	– 5,691	– 7,803	– 12,939	– 349	**– 26,782**
Transfers	70,260	75,540	21,671	– 167,471	**0**
Exchange rate differences	– 17,033	– 26,761	– 5,738	229	**– 49,303**
December 31, 2023	**1,084,654**	**1,458,529**	**414,586**	**239,619**	**3,197,388**
Accumulated depreciation and impairment losses					
January 1, 2023	**– 400,436**	**– 746,586**	**– 249,498**	**– 2,055**	**– 1,398,575**
Depreciation for the fiscal year	– 50,785	– 89,255	– 35,010	0	**– 175,050**
Impairment	– 1,016	– 816	0	– 15	**– 1,847**
Reversals	0	0	0	947	**947**
Disposals	5,597	5,913	12,302	0	**23,812**
Exchange rate differences	6,541	12,840	2,903	50	**22,334**
December 31, 2023	**– 440,099**	**– 817,904**	**– 269,303**	**– 1,073**	**– 1,528,379**
Carrying amounts					
January 1, 2023	573,293	615,905	134,674	242,015	1,565,887
December 31, 2023	**644,555**	**640,625**	**145,283**	**238,546**	**1,669,009**

Additions include capacity expansions in the Pet Food (Netherlands, China and USA), Food & Beverage (France, USA and China), Fragrance and Aroma Molecules (both Mexico and Spain) divisions, as well as the construction of new Pet Food sites in Mexico and Brazil, which were completed in 2023, and of a new production site for the Cosmetic Ingredients division in Spain.

Additions contain capitalized borrowing costs amounting to € 1.9 million (December 31, 2022: € 2.2 million). The underlying weighted average capitalization rate amounts to 3.50 % (2022: 5.28 %).

The following table shows the leases recognized in property, plant and equipment as right-of-use assets:

€ thousand	Land and buildings	Plants and machinery	Equipment	Total
Carrying amounts January 1, 2022	93,568	915	10,638	**105,121**
Change to the scope of consolidation	9,119	296	2,853	**12,268**
Additions	38,715	208	22,512	**61,435**
Depreciation	– 19,008	– 497	– 7,364	**– 26,869**
Carrying amounts December 31, 2022	**125,497**	**945**	**28,657**	**155,099**

€ thousand	Land and buildings	Plants and machinery	Equipment	Total
Carrying amounts January 1, 2023	125,497	945	28,657	**155,099**
Change to the scope of consolidation	132	0	0	**132**
Additions	49,515	1,492	10,060	**61,067**
Depreciation	– 21,179	– 750	– 8,251	**– 30,180**
Carrying amounts December 31, 2023	**151,316**	**1,630**	**29,665**	**182,611**

Within real estate, Symrise mainly leases warehouses and office buildings as well as land with hereditary building rights. Equipment includes items such as the leased vehicle fleet. Leases can include extension and termination options, in rare cases, also purchase options. Since contract terms are negotiated individually, there are a large number of variations.

Disclosures in regard to the corresponding lease liabilities can be found in note 25.

21. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The carrying amount of investments accounted for using the equity method relates mainly to the joint venture Food Ingredients Technology Company, L.L.C., Springfield, USA (€ 92.4 million; December 31, 2022: € 97.0 million), and the associated company Swedencare AB, Malmö, Sweden (€ 436.4 million; December 31, 2022: € 395.2 million). Additionally, Symrise holds shares in a range of joint ventures and associated companies that are not material on an individual basis.

€ thousand	Food Ingredients Technology Company, L.L.C. 2022	2023	Swedencare AB 2022	2023
Carrying amount January 1	**86,978**	**96,996**	**0**	**395,234**
Reclassifications due to a change in status	0	0	320,326	0
Additions	0	0	159,407	42,073
Total comprehensive income	7,885	2,055	44,432	– 295
of which proportionate net income for the period	7,885	2,055	3,460	2,479
of which proportionate other comprehensive income	0	0	40,972	– 2,774
Impairment	0	0	– 126,126	0
Dividends	– 4,458	– 2,923	– 848	– 936
Exchange rate effects	6,591	– 3,702	– 1,957	328
Carrying amount December 31	**96,996**	**92,426**	**395,234**	**436,404**
Share in %	**50.0**	**50.0**	**29.7**	**35.9**

The total carrying amounts of the individually immaterial joint ventures and associated companies accounted for using the equity method amounted to € 53.6 million as of December 31, 2023 (December 31, 2022: € 28.8 million). The share of total comprehensive income for these companies amounts to € 1.8 million (December 31, 2022: € 1.5 million).

FOOD INGREDIENTS TECHNOLOGY COMPANY, L.L.C.

Food Ingredients Technology Company, L.L.C., Springfield, USA, is a supplier of high-quality poultry-based ingredients for use by human and pet food manufacturers; it is assigned to the Taste, Nutrition & Health segment. The following table contains summarized financial information of the joint venture (100 %):

€ thousand	December 31, 2022	December 31, 2023
Current assets	**43,155**	**46,809**
of which cash and cash equivalents	7,563	7,909
of which other current assets	35,592	38,900
Non-current assets	**69,340**	**62,728**
Current liabilities	**4,030**	**6,445**
of which borrowings	126	175
of which other current liabilities	3,904	6,270
Net assets	108,465	103,092
Proportionate share of net assets	**54,233**	**51,546**
Goodwill	42,763	40,880
Carrying amount of the interest	**96,996**	**92,426**

€ thousand	2022	2023
Sales	110,930	83,969
Amortization and depreciation	– 5,955	– 5,713
Profit/loss from continuing operations	15,770	4,110
Total comprehensive income	15,770	4,110

SWEDENCARE AB

The following table contains summarized financial information of the associated company Swedencare AB, Malmö, Sweden (100 %) hereinafter Swedencare:

€ thousand	2022 [1]
December 31	
Current assets	90,538
Non-current assets	809,145
Current liabilities	27,877
Non-current liabilities	200,895
Net assets	670,911
Proportionate share of net assets as of December 31	**199,261**
Goodwill	322,099
Impairment	– 126,126
Carrying amount of the interest as of December 31	**395,234**

€ thousand	2022 [1]
Sales	173,402
Profit/loss from continuing operations	8,889
Other comprehensive income	85,572
Total comprehensive income	94,461

€ thousand	2023 [1]
September 30	
Current assets	91,389
Non-current assets	797,792
Current liabilities	25,829
Non-current liabilities	180,613
Net assets	682,739
Proportionate share of net assets as of September 30	**245,103**
Goodwill	191,301
Carrying amount of the interest as of December 31	**436,404**

€ thousand	2023 [1]
Sales	148,887
Profit/loss from continuing operations	6,237
Other comprehensive income	30,995
Total comprehensive income	37,233

1) At the time the consolidated financial statements were prepared, the financial report as of December 31, 2023 of the listed company Swedencare, was not yet available. For this reason, the financial information as of September 30 is used. This is analogous to the approach in the previous year. The previous year's figures in these consolidated financial statements were adjusted as of December 31, 2022, following publication of Swedencare's financial information.

Since July 2021, Symrise has successively acquired shares in the listed company Swedencare. The shares of Swedencare are listed on the Nasdaq First North Growth Market in Stockholm. Swedencare is a supplier of premium, care and health products for pets. With this strategic investment, Symrise is strengthening its leading position as a provider of innovative solutions and applications for the Pet Food division.

The fair value of the investment in Swedencare is based on the market price as of December 31, 2023, and amounts to € 311.7 million (December 31, 2022: € 130.0 million). In the context of continuously monitoring the impairment of the investment in Swedencare, an impairment test was performed again as of December 31, 2023, by discounting the estimated future cash flows. The calculation of the value in use is based on assumptions and estimates that, as in the previous year, relate to the following parameters: discount rate (WACC), development of sales growth and sustainable growth rate, and development of the forecast EBITDA margin. The WACC amounts to 7.78 % (December 31, 2022: 7.62 %) and represents an after-tax figure. It was determined on the basis of revenue-based, country-weighted WACCs for peer companies. Swedencare is a young company that is in a phase of overproportionate growth as a result of various transactions. In planning its cash flows, the sales growth rates of the first three years were determined in detail. For the subsequent seven years of the convergence phase, annual sales growth was assumed to decline moderately. It was assumed that the perpetual annuity would start in the eleventh planning year, resulting in a stabilized condition based on a growth rate of 2.1 % (December 31, 2022: 2.1 %). The forecast EBITDA margin is based on expectations of future results, taking into account past experience and acquisitions. In the future, it is expected that an offer and sale of additional products (cross-selling), an overarching development and sales partnership, and the optimized production and logistics of Swedencare will lead to a stabilization of the EBITDA margin, which has been diluted as a result of the acquisition. The three-year detailed plan is therefore based on an annual increase in the EBITDA margin. An EBITDA margin of 29.0 % (December 31, 2022: 29.5 %) is forecast for the subsequent seven-year convergence phase and the perpetual annuity. This is slightly below the expectations of Swedencare's management and thus represents a more moderate estimate. Another factor used to determine the value in use relates to the synergies that Swedencare will be able to realize in collaboration with Symrise, including market analyses, product innovations and concepts that have been fully tested and are market-ready. Synergies have only been included to a lesser extent in the underlying value in use calculation. Restructuring and future capital expenditures were not considered when determining the value in use of Swedencare. On the basis of this calculation, Symrise came to the conclusion that the investment in Swedencare was valued fairly as of the reporting date.

22. DEFERRED TAX ASSETS/LIABILITIES

	December 31, 2022			December 31, 2023		
€ thousand	Tax assets	Tax liabilities	Income (+)/ Expenses (–)	Tax assets	Tax liabilities	Income (+)/ Expenses (–)
Intangible assets	24,086	198,439	18,390	24,648	188,325	5,365
Property, plant and equipment	11,366	144,347	– 23,437	16,183	156,728	– 7,564
Financial assets	1,291	11	1,494	215	990	– 2,055
Inventories	27,736	53	5,829	40,849	11,846	1,320
Trade receivables, prepayments and other assets	2,930	3,920	5,094	6,481	5,839	– 2,920
Provisions for pensions	51,324	0	3,022	59,909	0	3,565
Other provisions and other liabilities	65,659	3,004	19,233	82,500	5,023	14,948
Interests in subsidiaries	0	3,200	300	0	2,800	400
Losses carried forward	13,215	0	– 3,982	11,604	0	– 1,242
Subtotal	**197,607**	**352,974**	**25,943**	**242,389**	**371,551**	**11,817**
Offsetting	– 140,097	– 140,097	0	– 179,433	– 179,433	0
Total	**57,510**	**212,877**	**25,943**	**62,956**	**192,118**	**11,817**

Deferred tax income amounted to € 11.8 million in the reporting year compared to a deferred tax income of € 25.9 million in the 2022 fiscal year. The change to the deferred tax result is mainly due to the scheduled amortization and depreciation of assets and the utilization of losses carried forward. Deferred tax income relating to trade receivables, prepayments and other assets is influenced by the valuation of receivables and foreign currencies. With regard to the change in provisions for pensions and the related change in deferred taxes, please see note 12. Overall, corporate tax losses carried forward amounting to € 98.5 million (December 31, 2022: € 94.8 million) existed as of the end of the reporting period; deferred tax assets on corporate tax losses carried forward amounting to € 11.6 million (December 31, 2022: € 13.2 million) were recognized. The increase in tax losses carried forward compared to the previous year did not lead to an increase in deferred tax income due to allowances. The use of tax losses carried forward and, therefore, the measurement of the corresponding deferred tax assets are substantiated through tax planning. The change in the nonrecognition of deferred tax assets as of December 31, 2023, amounts to € 6.1 million (December 31, 2022: € 2.5 million). These losses carried forward can generally be used for an unlimited period.

The calculation of foreign income taxes is based on the particular country's legal regulations. As in the previous year, the tax rates of the individual companies range between 0 % and 34 %.

Pursuant to IAS 12 "Income Taxes," deferred tax liabilities are to be recognized on the difference between a subsidiary's proportional equity as recognized in the consolidated statement of financial position and the carrying amount of the investment in the subsidiary as recognized in the parent's tax accounts (so-called outside-basis difference) if realization is to be expected. The cause of these differences is mainly retained earnings from domestic and foreign subsidiaries. No deferred tax liabilities were recognized on these temporary differences of € 938.5 million in the 2023 fiscal year and € 911.4 million in the previous year since they will be reinvested for indefinite periods or are not subject to taxation. In the case of distributions from subsidiaries, these were subject to a dividend tax of 5 %. Distributions from foreign countries could trigger withholding taxes. Therefore, as of December 31, 2023, € 2.8 million (December 31, 2022: € 3.2 million) in deferred tax liabilities from shares in subsidiaries have been recognized for planned dividend payments. Symrise AG applied the temporary exemption from the accounting regulations for deferred taxes contained in IAS 12 that was published by the IASB in May 2023. Accordingly, the Group did not recognize any deferred tax assets and liabilities in connection with income taxes within the meaning of global minimum taxation.

23. TRADE PAYABLES

Trade payables are due within one year, as in the previous year.

24. CURRENT AND NON-CURRENT BORROWINGS

	December 31, 2022			December 31, 2023		
€ thousand	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	12,839	305,234	**318,073**	15,649	281,142	**296,791**
Other borrowings	248	2,060,362	**2,060,610**	97	2,062,351	**2,062,448**
Accrued interest	13,953	2	**13,955**	14,354	2	**14,356**
Total	**27,040**	**2,365,598**	**2,392,638**	**30,100**	**2,343,495**	**2,373,595**

The decrease in bank borrowings is mainly due to the planned repayment of the bilateral CAD loan.

Other borrowings mainly include liabilities from the Eurobonds issued in the 2019 and 2020 fiscal years and the promissory note loans from 2015, 2019 and 2022.

Bilateral credit lines exist with various banks to cover short-term payment requirements. As of December 31, 2023, Symrise had undrawn credit lines amounting to a nominal € 512.8 million (December 31, 2022: € 512.8 million), USD 10.0 million (December 31, 2022: USD 10.0 million), BRL 1.0 million (December 31, 2022: BRL 1.0 million), MGA 57.0 billion (December 31, 2022: MGA 38.3 billion), INR 200.0 million (December 31, 2022: INR 200.0 million), COP 1.0 billion (December 31, 2022: COP 1.0 billion) and ARS 19.8 million (December 31, 2022: ARS 25.0 million). The volume of the revolving credit facility is € 500.0 million. To date, no use has been made of the option to increase the volume to € 700.0 million.

Borrowings contain carrying amounts in foreign currencies totaling € 290.2 million (December 31, 2022: € 309.5 million).

December 31, 2022	Maturity date	Nominal interest rate		Nominal volume in issue currency thousand
Symrise AG, Holzminden				
Eurobond 2020	July 2027	1.38 %	fixed	500,000 EUR
Eurobond 2019	November 2025	1.25 %	fixed	500,000 EUR
Promissory note loan 2015 (10 years)	December 2025	1.96 %	fixed	67,500 EUR
Promissory note loan 2015 (10 years)	December 2025	3.51 %	Euribor + 1.10 %	10,000 EUR
Promissory note loan 2019 (5 years)	March 2024	0.68 %	fixed	16,000 EUR
Promissory note loan 2019 (7 years)	March 2026	1.02 %	fixed	144,000 EUR
Promissory note loan 2019 (10 years)	March 2029	1.45 %	fixed	80,000 EUR
Promissory note loan 2022 (4 years)	April 2026	1.51 %	fixed	134,500 EUR
Promissory note loan 2022 (4 years)	April 2026	3.20 %	Euribor + 0.45 %	90,000 EUR
Promissory note loan 2022 (7 years)	April 2029	1.90 %	fixed	331,500 EUR
Promissory note loan 2022 (7 years)	April 2029	3.45 %	Euribor + 0.70 %	106,000 EUR
Promissory note loan 2022 (10 years)	April 2032	2.17 %	fixed	88,000 EUR
Giraffe Foods Inc., Canada				
Term loan	January 2025	5.36 %	CDOR + 0.80 %	400,000 CAD
SPF Do Brasil Indústria e Comércio Ltda, Brazil				
Term loan	January 2025	7.10 %	fixed	20,000 BRL
Term loan	June 2025	8.10 %	fixed	50,000 BRL
Term loan	June 2025	8.10 %	fixed	50,000 BRL
Origines S.a.r.L., Madagascar				
Bank overdrafts	indefinite	7.00 %	fixed	30,637,185 MGA
Symrise S.a.r.L., Madagascar				
Bank overdrafts	indefinite	7.00 %	fixed	19,058,539 MGA
Neroli Invest DL SAS, France				
Term loan	October 2025	1.59 %	fixed	3,000 EUR
Term loan	October 2031	1.01 %	fixed	2,000 EUR
Other borrowings				20,893 EUR

December 31, 2023	Maturity date	Nominal interest rate		Nominal volume in issue currency thousand
Symrise AG, Holzminden				
Eurobond 2020	July 2027	1.38 %	fixed	500,000 EUR
Eurobond 2019	November 2025	1.25 %	fixed	500,000 EUR
Promissory note loan 2015 (10 years)	December 2025	1.96 %	fixed	67,500 EUR
Promissory note loan 2015 (10 years)	December 2025	4.82 %	Euribor + 1.10 %	10,000 EUR
Promissory note loan 2019 (5 years)	March 2024	0.68 %	fixed	16,000 EUR
Promissory note loan 2019 (7 years)	March 2026	1.02 %	fixed	144,000 EUR
Promissory note loan 2019 (10 years)	March 2029	1.45 %	fixed	80,000 EUR
Promissory note loan 2022 (4 years)	April 2026	1.51 %	fixed	134,500 EUR
Promissory note loan 2022 (4 years)	April 2026	4.32 %	Euribor + 0.45 %	90,000 EUR
Promissory note loan 2022 (7 years)	April 2029	1.90 %	fixed	331,500 EUR
Promissory note loan 2022 (7 years)	April 2029	4.57 %	Euribor + 0.70 %	106,000 EUR
Promissory note loan 2022 (10 years)	April 2032	2.17 %	fixed	88,000 EUR
Giraffe Foods Inc., Canada				
Term loan	January 2025	6.38 %	CDOR + 0.80 %	390,000 CAD
SPF Do Brasil Indústria e Comércio Ltda, Brazil				
Term loan	January 2025	7.10 %	fixed	20,000 BRL
Term loan	June 2025	8.10 %	fixed	50,000 BRL
Term loan	June 2025	8.10 %	fixed	50,000 BRL
Symrise SAS, France [1]				
Term loan	October 2025	1.59 %	fixed	2,250 EUR
Term loan	October 2031	1.01 %	fixed	2,000 EUR
Other borrowings				18,095 EUR

1) Formerly Neroli Invest DL SAS, France; merged with Symrise SAS in the 2023 fiscal year.

25. LEASES

With a few exceptions, Symrise acts as lessee in the lease contracts concluded. In accordance with the regulations of IFRS 16, a right-of-use asset must be capitalized and a lease liability recognized for each identified lease.

The total cash outflows for leases amount to € 41.0 million (2022: € 37.2 million) and include cash outflows for lease liabilities and short-term leases, as well as for leases of low-value assets and variable lease payments. In the 2023 reporting year, the following expenses are recognized directly in the income from operations of the consolidated income statement:

€ thousand	2022	2023
Expenses for short-term leases	2,990	3,996
Expenses for leases of low-value assets	1,965	2,468
Expenses for variable lease payments	1,574	1,866

As of the end of the reporting period, there are obligations for future payments amounting to € 2.8 million from the leases concluded and classified as short-term (December 31, 2022: € 2.7 million).

Symrise has no significant future cash outflows from variable lease payments, extension and termination options, residual value guarantees or signed but not commenced leases that are not considered when measuring the lease liability.

For information on the effects of leases on property, plant and equipment and the rights to use recognized herein, please see note 20, and on liabilities from leases, note 32.

26. OTHER LIABILITIES

€ thousand	December 31, 2022	December 31, 2023
Employee-related liabilities	116,754	117,566
Liabilities to customers	48,344	50,316
Value added tax and other taxes	29,428	28,623
Taxes on wages/salaries, social security contributions and other social benefits	20,524	21,491
Miscellaneous other liabilities	66,330	47,814
Total	**281,380**	**265,810**

Employee-related liabilities mainly contain annual bonuses and other bonuses, as well as accruals for unused vacation time. Liabilities to customers take into account advance payments from customers as well as contract and refund obligations to customers. For an explanation, please refer to note 4. Miscellaneous other current liabilities derive from diverse administration, selling and marketing expenses that arise during the normal course of operations and also include derivative financial liabilities of € 0.9 million (December 31, 2022: € 2.4 million). In total, this position includes financial liabilities amounting to € 49.8 million (December 31, 2022: € 29.2 million).

27. OTHER CURRENT AND NON-CURRENT PROVISIONS

€ thousand	Personnel provisions	Provisions for restoration obligations	Provisions for litigation	Miscellaneous other provisions	Total
January 1, 2022	**28,766**	**6,454**	**8,490**	**3,591**	**47,301**
of which non-current	19,864	6,454	7,646	1,198	**35,162**
Change to the scope of consolidation	0	0	2,097	0	**2,097**
Increases	6,801	14	985	33	**7,833**
Utilization	– 5,662	0	– 1,758	– 152	**– 7,572**
Reversals	– 4,108	0	– 1,024	– 2,463	**– 7,595**
Interest expenses	225	13	7	5	**250**
Exchange rate differences	397	182	700	161	**1,440**
December 31, 2022	**26,419**	**6,663**	**9,497**	**1,175**	**43,754**
of which non-current	15,355	6,650	6,800	313	**29,118**

€ thousand	Personnel provisions	Provisions for restoration obligations	Provisions for litigation	Miscellaneous other provisions	Total
January 1, 2023	**26,419**	**6,663**	**9,497**	**1,175**	**43,754**
of which non-current	15,355	6,650	6,800	313	**29,118**
Increases	4,900	0	397	46	**5,343**
Utilization	– 8,397	197	– 3,544	– 33	**– 11,777**
Reversals	– 1,596	– 103	– 708	0	**– 2,407**
Interest expenses	401	13	232	11	**657**
Exchange rate differences	– 875	– 140	996	– 31	**– 50**
December 31, 2023	**20,852**	**6,630**	**6,870**	**1,168**	**35,520**
of which non-current	15,213	6,617	6,242	392	**28,464**

The personnel provisions mainly comprise those for jubilees (€ 11.7 million; December 31, 2022: € 11.1 million), for multi-year performance-based remuneration (€ 3.7 million; December 31, 2022: € 4.7 million) and for termination benefits (€ 3.5 million; December 31, 2022: € 5.7 million). The jubilee obligations were discounted using an interest rate of 3.42 % p.a. in the reporting year compared to 3.90 % p.a. in the previous year.

Provisions for restoration obligations comprise liabilities to lessors to restore leased objects to their condition before commencement of the lease. The present value of restoration obligations is recognized in the period in which the obligations were incurred. Symrise generally assumes that the corresponding cash outflow is due at the time of the termination of the respective lease contract, though the end of the lease and the amount due are estimates.

The provisions for litigation exist for pending proceedings, mainly in Brazil. Every single legal dispute has no significant influence on the Group's economic situation.

Miscellaneous other provisions do not contain any material items, which is why a separate disclosure was not provided. Symrise expects that the cash outflow for all current provisions will take place within the next few months and by the end of the year 2024 at the very latest.

28. SHARE-BASED REMUNERATION PROGRAM WITH CASH SETTLEMENT

In the 2022 fiscal year, a long-term variable compensation plan (LTIP) in the form of a performance share plan with a forward-looking four-year performance period was adopted for the members of the Executive Board. This is based on the granting of virtual performance shares with a performance period of four years. The absolute share price performance of Symrise determines the value of the performance shares, while the number of performance shares is determined on the basis of the degree of target achievement over the four-year term. The degree of target achievement is measured using various market and non-market criteria.

A liability provision was recognized with effect on profit or loss in the amount of the fair value of the share-based payment on a pro rata basis corresponding to the period already earned. Fair value is determined upon initial recognition and at each reporting date and settlement date; changes in fair value are also recognized through profit or loss. When determining the fair values using a Monte Carlo simulation, the risk of the share-based remuneration is taken into account. The fair value reflects the future target achievement, taking into account discounting on the reporting date and thus also the future payout.

Significant information regarding the accounting for the plan, including the valuation assumptions as of December 31, 2023, for the performance periods that have already started, is presented in the following table:

	Unit	Tranche January 1, 2022, to December 31, 2025	Tranche January 1, 2023, to December 31, 2026
Risk-free rate	%	2.45	2.33
Annualized volatility	%	26.57	24.09
Number of performance shares granted	shares	21,013	37,236
Fair value as of the grant date	€	2,878,200	3,721,398
Average share price as of the grant date	€	123.73	104.29
Number of performance shares earned at the end of the reporting period	€	23,618	31,725
Intrinsic value at the end of the reporting period	€	2,337,889	3,111,473
Carrying amount of the obligation as of December 31, 2022	€	577,177	–
Carrying amount of the obligation as of December 31, 2023	€	1,013,913	791,293
Expense for the period	€	436,736	791,293
Applied model		Monte Carlo	Monte Carlo

Expected volatility is based on the assumption that historical volatility is comparable to volatility over the four-year performance period.

29. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Individual companies have established pension plans that are either financed through provisions or by making contributions to external investment fund companies outside the Group. The manner in which these benefits are provided to employees varies depending on the legal regulations and the fiscal and economic environments in the respective countries involved. In addition, in some cases, the Group has agreed to provide additional post-employment healthcare benefits to its employees. Retirement benefits and healthcare benefits are generally measured based on the wages or salaries of the employees and their respective years of service. The obligations relate to both existing retirees and also to the entitlements of future retirees.

With the pension plans, Symrise is not subject to any of the risks beyond standard actuarial risks such as longevity risks, interest rate risks and currency risks, or capital market risks usually associated with plan assets. No further obligations arise from the defined contribution plans.

The characteristics of the core plans offered by Symrise are described below:

GERMANY

In Germany, Symrise grants pension benefits via benefit plans with employer-financed prior commitments (defined benefit plans) and various plans with deferred compensation (defined contribution and defined benefit plans).

The active participation of employees of the former Haarmann & Reimer GmbH, Germany, in the Bayer mutual pension fund VVaG was terminated with effect from March 31, 2003. The employees of Haarmann & Reimer GmbH who had already acquired pension rights as of this date automatically became passive members of the pension fund from April 1, 2003, onward. Active members, who had unvested rights as of March 31, 2003, had the option to have their pension entitlement (excluding employer contributions) paid out at this date in the form of a capital sum and from that point in time ceased to be members of the Bayer pension fund. For all individuals in the Bayer pension fund who were active members as of March 31, 2003, a benefit scheme was introduced in Germany with effect from April 1, 2003, in the form of a direct benefit promise, which is financed through a deferred gross compensation arrangement (3 % up to the respective maximum income threshold for assessment of contributions as defined by the German State Pension Authority West). For those people with components of remuneration that exceed the respective income threshold for assessment of contributions, employer-financed retirement benefits up to a maximum amount are provided based on a benefit scheme. At the time that the new benefit scheme was introduced, the former

Haarmann & Reimer GmbH employees were guaranteed that their benefits under the company retirement benefit scheme would not worsen as a result of the business combination. The benefits have to be maintained at the same level that existed before the business combination took place. This is assured under the new benefit scheme. As a consequence of this guarantee, the company has also offered those former Haarmann & Reimer GmbH employees – whose earnings are regulated by tariff agreement – a further voluntary deferred compensation scheme in the form of a direct benefit promise. The employee contribution and the employer top-up contribution taken together are limited to a maximum of 4 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West.

Former Dragoco employees who joined the organization before December 31, 1981, are the subject of an employer-financed retirement benefit scheme. The pension payments under this scheme are dependent upon the employee's length of service and their final monthly gross remuneration level.

All employees who did not belong to a retirement benefit scheme as of April 1, 2003, had the opportunity from this date onward to participate in a retirement benefit scheme that was provided in the form of a direct benefit promise through deferral of compensation. This benefit scheme was closed effective as of December 31, 2010. The employee contribution and the employer top-up contribution taken together were limited to a maximum of 4 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West.

From January 1, 2010, onward, all new Symrise employees with unlimited employment contracts at German locations are obliged to join the RPK ("Rheinische Pensionskasse" – an external German pension fund) from the seventh month of their employment onward. Under the terms of this arrangement, the employee pays 2 % of their remuneration in the form of deferred gross compensation to the RPK (mandatory contribution), limited to 2 % of the income threshold for assessment of contributions as defined by the German State Pension Authority West. The organization makes a top-up contribution of the same amount, also limited to a maximum of 2 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West. Higher voluntary employee contributions are possible up to a maximum of 6 % of the income threshold for the assessment of contributions as defined by the German State Pension Authority West. The employer top-up contribution is, however, limited to 2 %, so that the employee contribution and the employer top-up contribution are limited to a maximum of 8 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West. Effective as of January 1, 2011, individuals who were already employed in the organization but who – unlike the former Haarmann & Reimer employees or employees of Dragoco who joined before December 31, 1981 – did not belong to a benefit scheme were able to request membership of the RPK scheme on a voluntary basis up to September 30, 2010.

Furthermore, all non-tariff employees and managers have the possibility to build up additional retirement benefit components on a voluntary basis in the form of a direct benefit promise involving deferral of remuneration. There is no additional employer top-up contribution involved in connection with this "deferred compensation" arrangement.

The pension plan through RPK as an external benefit provider is classified as a defined contribution plan, and therefore no provisions for pensions have been established. All other obligations from benefit commitments are recognized as defined benefit plans and therefore accounted for in provisions for pensions. No plan assets exist for these provisions.

USA

In the USA, Symrise grants pension benefits through a defined benefit plan, known as the Empower Plan, as well as medical benefits. Both plans have been frozen, meaning that the plans have been closed for new entries as well as for further entitlements since 2012 and 2003, respectively. The amount of the benefits from the Empower Plan is determined by the average final salary as well as years of service to the company. The plan assets held for this benefit plan are retained in pooled separate accounts at an asset management company that invests the assets in a diversified manner so as to minimize concentrations of risk. The investment decisions are made by an investment committee, the Benefit Oversight Committee, which is also responsible for the legal management and has fiduciary responsibility. It is composed of six Symrise employees. The legal and regulatory framework of both plans is based on the U.S. Employee Retirement Income Security Act (ERISA). It stipulates the minimum financing level, which is based on an annual measurement. Plan participants do not make payments into the plan assets.

The net defined benefit liability recognized as provisions for pensions and similar obligations can be derived as follows:

€ thousand	2022	2023
Present value of defined benefit obligations		
January 1	**672,803**	**505,651**
Change to the scope of consolidation	886	0
Recognized in income statement		
Current service cost	13,517	9,042
Interest expenses (+)	10,419	27,088
Recognized in other comprehensive income		
Actuarial gains (–)/losses (+)		
arising from changes in demographic assumptions	979	– 112
arising from changes in financial assumptions	– 221,448	29,652
arising from experience-based adjustments	41,827	– 1,564
Exchange rate differences	5,270	– 2,503
Other		
Benefits paid	– 18,602	– 21,086
December 31	**505,651**	**546,168**
of which pension plans	496,851	538,295
of which post-employment healthcare benefits	8,800	7,873
Fair value of plan assets		
January 1	**– 56,490**	**– 47,381**
Change to the scope of consolidation	– 498	0
Recognized in income statement		
Interest income (–)	– 1,638	– 2,035
Recognized in other comprehensive income		
Gains (-)/losses (+) on plan assets excluding amounts already recognized as interest income	11,521	– 3,553
Exchange rate differences	– 3,110	2,420
Other		
Employer contributions	– 336	– 271
Benefits paid	3,170	3,326
December 31	**– 47,381**	**– 47,494**
of which pension plans	– 47,381	– 47,494
Consideration of the effect of asset ceiling for plan assets		
January 1	**870**	**1,176**
Recognized in income statement		
Interest expense (+)/interest income (–)	3	9
Recognized in other comprehensive income		
Additions (+)/disposals (–)	371	178
Exchange rate differences	– 68	– 117
December 31	**1,176**	**1,246**
of which pension plans	1,176	1,246
Net defined benefit liability		
January 1	617,183	459,446
December 31	**459,446**	**499,920**
of which pension plans	450,646	492,047
of which post-employment healthcare benefits	8,800	7,873

As of the end of the reporting period, the entire present value of the defined benefit obligation contains € 257,803 thousand for active employees (December 31, 2022: € 243,770 thousand), € 47,487 thousand for former employees with vested claim entitlements (December 31, 2022: € 42,103 thousand) and € 240,878 thousand for retirees and their dependents (December 31, 2022: € 219,778 thousand). From this entire present value of the defined benefit obligation, € 532,145 thousand (December 31, 2022: € 493,542 thousand) is allocated to vested claims, while the remaining € 14,023 thousand (December 31, 2022: € 12,109 thousand) relates to unvested claims.

The average weighted term for the present value of the defined benefit obligation from defined benefit plans amounts to a total of 15.4 years (December 31, 2022: 14.7 years). It breaks down as 19.5 years (December 31, 2022: 19.4 years) for active employees, 19.3 years (December 31, 2022: 19.0 years) for former employees with vested claim entitlements and 9.9 years (December 31, 2022: 10.1 years) for retirees and their surviving dependents.

The defined benefit plans are not covered by plan assets except for the pension schemes in the USA (Empower Plan), Japan and India. Plan assets secure a present value of the defined benefit obligation of € 50,490 thousand (December 31, 2022: € 55,022 thousand). Financing for the obligations not covered by plan assets is made through the cash flow from operating activities of Symrise AG and its subsidiaries.

Plan assets amounting to € 47,494 thousand (December 31, 2022: € 47,381 thousand) are mainly used for provisions for pensions in the USA (€ 43,244 thousand; December 31, 2022: € 41,875 thousand) and are invested in what are known as pooled separate accounts at an asset management company. Shares in fund assets are held in these accounts, which are invested in money market instruments and bonds as well as special growth and value-oriented securities. Price quotes for these shares are derived from active markets (Level 2). Plan assets also exist in Japan (€ 3,755 thousand; December 31, 2022: € 4,525 thousand). They are invested in a fund held by an asset management company that continued to invest the assets in Japanese and foreign bonds and shares as of the end of 2023 – the prices of which were also derivable from active markets. They exceed the present value of the defined benefit obligation and were limited to the asset ceiling. The remaining plan assets of € 495 thousand (December 31, 2022: € 981 thousand) are invested in accordance with country-specific requirements.

The net defined benefit liability breaks down according to region as follows:

€ thousand	December 31, 2022	December 31, 2023
EAME	433,514	479,104
North America	17,087	11,626
Latin America	7,670	7,963
Asia/Pacific	1,175	1,227
Total	**459,446**	**499,920**

The actuarial measurements are based on the following assumptions:

%	2022	2023
Discount rate		
Germany	3.90	3.42
USA	4.91	5.20
Other countries	5.33	5.66
Salary trends		
Germany	2.75	2.75
Other countries	4.15	4.03
Pension trends		
Germany	2.00	2.00
Other countries	2.57	2.65
Medical cost trend rate		
USA	4.69	6.50
Other countries	9.86	10.00

The actuarial assumptions for pension and salary increases take current economic developments into account. The assumptions relating to mortality rates are based on published mortality tables. For the provisions for pensions established in Germany, the mortality rate is based on the reference tables 2018G by Prof. Dr. Klaus Heubeck. The Empower Plan in the USA is calculated on the basis of the 2021 IRS 417(e) Mortality Tables. All other actuarial measurements outside of Germany are based on country-specific mortality tables.

The present value of the defined benefit obligation depends on the previously mentioned actuarial assumptions. The following table shows what the present value as of the end of the corresponding reporting period would have been if the actuarial assumptions had changed by one percentage point each:

	Change in present value of the defined benefit obligation			
	Increase		Decrease	
€ thousand	2022	2023	2022	2023
Discount rate	– 64,859	– 71,376	81,641	89,981
Salary trends	3,326	3,910	– 3,512	– 4,130
Pension trends	39,364	50,937	– 38,467	– 42,536
Medical cost trend rate	941	768	– 799	– 655

In order to determine the sensitivity regarding life expectancy, the mortality rate for the beneficiaries covered by the plans was increased or reduced by 10.0 %. The reduction of the mortality rate results in an increase in life expectancy and depends on the ages of the individual beneficiaries. The increase in the mortality probability by 10.0 % leads to a reduction in the present value of the defined benefit obligation of € 14,615 thousand (December 31, 2022: € 13,052 thousand) for the pension commitments made by Symrise. In comparison, a 10.0 % reduction results in an increase of the present value of the defined benefit obligation by € 16,261 thousand (December 31, 2022: € 14,466 thousand).

A change of 1.0 percentage point in the assumption made for medical cost trend rates would have the following effect on current service costs:

	Change in current service costs			
	Increase		Decrease	
€ thousand	2022	2023	2022	2023
Medical cost trend rate	48	60	– 39	– 32

The calculation of the sensitivity of the present value of the defined benefit obligation was performed using the same method used to determine the present value of the obligations from the pension provision commitments (projected unit credit method). Increases or decreases in the discount rate, salary and pension trends, as well as mortality rates, lead to other absolute figures, particularly due to the effect of compound interest on determining the present value of the defined benefit obligation. If multiple assumptions are changed simultaneously, the result would not necessarily be the sum of the previous individual effects shown. The sensitivities only apply for the respective specific magnitude of the change to the assumption (for example, 1.0 percentage point for the discount rate). If the assumptions change in a manner other than those listed, the effect on the present value of the defined benefit obligation cannot be adopted directly.

For the 2024 fiscal year, Symrise expects current service costs and payments into the plan assets totaling € 8,089 thousand (December 31, 2022: € 13,716 thousand) as well as benefits to be paid totaling € 19,601 thousand (December 31, 2022: € 19,199 thousand).

30. EQUITY

SHARE CAPITAL

The share capital of Symrise AG amounts to € 139,772,054 (December 31, 2022: € 139,772,054) and is fully paid in. It is divided into 139,772,054 no-par-value bearer shares, each with a calculated nominal share value of € 1.00 per share.

AUTHORIZED CAPITAL

The Annual General Meeting on May 22, 2019, authorized the Executive Board, subject to the consent of the Supervisory Board, to increase the share capital of the company up until May 21, 2024, by up to € 25,000,000 through one or more issuances of new, no-par-value bearer shares against contributions in cash and/or in kind.

ACQUISITION OF TREASURY STOCK

The Executive Board is authorized until June 16, 2025, under certain conditions to purchase treasury shares amounting to up to 10 % of the share capital. The purchased shares together with other treasury shares that are held by the company or are attributed to it according to Section 71a et seqq. of the German Stock Corporation Act (AktG) may not at any time exceed 10 % of the share capital existing at a given time. The authorization must not be used for the trade of treasury shares.

CONDITIONAL CAPITAL

At the Annual General Meeting on May 22, 2019, conditional capital for issuing option/convertible bonds amounting to € 15,650,000 was authorized. The authorization to issue bonds with warrants and/or convertible bonds with or without term restrictions is limited to a nominal amount of € 1,500.0 million and expires on May 21, 2024 (“Conditional Capital 2019”). The early termination of a convertible bond and the associated exercise of conversion rights in September 2021 led to a reduction in conditional capital of € 4,345,444 to € 11,304,556.

CAPITAL RESERVE AND OTHER RESERVES

The capital reserve mainly comprises the share premium that arose as part of the initial public offering as well as several capital increases, two of which were performed in the 2014 fiscal year and one in the 2019 fiscal year. In addition, the equity component from the issuance of the convertible bond in the 2017 fiscal year and the early exercise of conversion rights in the 2021 fiscal year have been taken into account.

Included in the reserve for remeasurements (pensions) are actuarial gains and losses from the change in the present value of the net defined benefit liability, the return on plan assets excluding amounts included in net interest and effects from the asset ceiling.

Cumulative translation differences include exchange rate gains and losses from the currency translation of foreign subsidiaries at the beginning and end of the respective reporting period. In the 2023 fiscal year, there were significant effects from the translation of US Dollars into Euros. The adjustment to the financial statements required by IAS 29 “Financial Reporting in Hyperinflationary Economies” for companies whose functional currency is one from a country with hyperinflation is also included in cumulative translation differences. In the Symrise Group, the subsidiaries in Venezuela, Argentina and Turkey are specifically affected by the adjustments pursuant to IAS 29. The financial statements for these companies are mainly based on the concept of historical cost. Due to changes in the general purchasing power of the functional currency, these financial statements had to be adjusted and are reported in the measuring unit applicable as of the end of the reporting period. For Venezuela, Symrise prepared the consolidated financial statements using the most recently available information on the change in general purchasing power, which is 192.8 % (2022: 147.0 %; 2021: 692.5 %). Since the development of the hyperinflation rate in Argentina for the month of December was not yet known at the time the consolidated financial statements were being prepared, a rate of 210.0 % (2022: 94.6 %; 2021: 50.1 % or 51.1 %) was assumed for this purpose. The general price index used for Turkish entities is the consumer price index, which is published monthly by the Turkish government. As of December 31, 2023, this was 64.8 % (2022: 64.3 %; 2021: 36.1 %). For reasons of materiality, the financial statements of the Iranian subsidiary do not include an adjustment for hyperinflation.

Other reserves include the revaluation reserve, the cash flow hedge reserve and the FVOCI reserve. The revaluation reserve results from acquisitions in stages made in the past. The cash flow hedge reserve contains the effective part of the fair value changes from derivative financial instruments held for hedging currency risks. Reclassifications of ineffective parts from cash flow hedges into the net income for the period did not occur in the 2023 fiscal year. Symrise recognizes changes in the fair value of certain investments in equity instruments in other comprehensive income in the FVOCI reserve. The amounts are transferred from other reserves to retained earnings when the relevant equity instruments are derecognized.

RECONCILIATION OF EQUITY COMPONENTS AFFECTED BY OTHER COMPREHENSIVE INCOME

2022 € thousand	Reserve for remeasurements (pensions)	Cumulative translation differences	Other reserves	Total other comprehensive income of Symrise AG shareholders	Non-controlling interests	Total other comprehensive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	137,896	–	**137,896**	−966	**136,930**
Gains/losses from net investments	–	4,792	–	**4,792**	–	**4,792**
Change in the fair value of financial instruments measured through other comprehensive income	–	–	– 66,451	**– 66,451**	– 631	**– 67,082**
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	359	**359**	4	**363**
Reclassification to the consolidated income statement	–	–	875	**875**	– 4	**871**
Remeasurement of defined benefit pension plans and similar obligations	119,562	–	–	**119,562**	–	**119,562**
Share of other comprehensive income of companies accounted for using the equity method	–	39,254	–	**39,254**	–	**39,254**
Other comprehensive income	**119,562**	**181,942**	**– 65,217**	**236,287**	**– 1,597**	**234,690**

2023 € thousand	Reserve for remeasurements (pensions)	Cumulative translation differences	Other reserves	Total other comprehensive income of Symrise AG shareholders	Non-controlling interests	Total other comprehensive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	– 93,021	–	**– 93,021**	– 1,138	**– 94,159**
Gains/losses from net investments	–	2,338	–	**2,338**	–	**2,338**
Change in the fair value of financial instruments measured through other comprehensive income	–	–	– 453	**– 453**	– 198	**– 651**
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	72	**72**	–	**72**
Reclassification to the consolidated income statement	–	–	– 106	**– 106**	–	**– 106**
Remeasurement of defined benefit pension plans and similar obligations	– 17,841	–	–	**– 17,841**	–	**– 17,841**
Share of other comprehensive income of companies accounted for using the equity method	–	– 3,445	–	**– 3,445**	–	**– 3,445**
Other comprehensive income	**– 17,841**	**– 94,128**	**– 487**	**– 112,456**	**– 1,336**	**– 113,792**

DIVIDENDS

In accordance with the German Stock Corporation Act (AktG), the distributable dividend for shareholders of Symrise AG is to be determined with reference to the accumulated profit as it is calculated in accordance with the rules of the German Commercial Code (HGB) and presented in the annual financial statements of Symrise AG. At the Annual General Meeting held on May 10, 2023, a resolution was passed to distribute a dividend for the 2022 fiscal year of € 1.05 for each ordinary share with a dividend entitlement (for 2021: € 1.02).

The Executive Board and the Supervisory Board will recommend a dividend of € 1.10 per share at the Annual General Meeting based on Symrise AG's accumulated profit under commercial law as of December 31, 2023.

NON-CONTROLLING INTERESTS

The non-controlling interests mainly relate to the Probi group. According to the published consolidated financial statements as of December 31, 2023, Probi has assets of € 133.9 million (December 31, 2022: € 141.2 million), mainly comprising intangible assets (€ 61.2 million; December 31, 2022: € 66.2 million) and cash and cash equivalents (€ 29.6 million; December 31, 2022: € 29.1 million). Equity amounts to € 123.0 million (December 31, 2022: € 126.8 million). Sales amount to € 54.7 million (2022: € 58.2 million), consolidated net income amounts to € 1.5 million (2022: € 3.8 million). The shares of Probi AB, Lund, Sweden, are listed for trading on the Swedish Nasdaq Stockholm. Transactions with minority shareholders are reported in other changes within the consolidated statement of changes in equity.

31. DISCLOSURES ON CAPITAL MANAGEMENT

The capital situation is monitored through the use of a number of key indicators. The relationship between net debt (including provisions for pensions and similar obligations) to EBITDA and the equity ratio are important key indicators for this purpose. The objectives, methods and processes in this regard have not changed from the previous year as of the end of the reporting period on December 31, 2023.

With an equity ratio (equity attributable to shareholders of Symrise AG in relation to total equity and liabilities) of 46.3 % (December 31, 2022: 45.6 %), Symrise has a solid capital structure. One of the fundamental principles of Symrise is to maintain a strong capital basis in order to retain the confidence of investors, creditors and the market and to be able to drive future business development forward in a sustainable manner.

Net debt is determined as follows:

€ thousand	December 31, 2022	December 31, 2023
Borrowings	2,392,638	2,373,595
Lease liabilities	154,777	185,077
Cash and cash equivalents	– 314,857	– 393,026
Net debt	**2,232,558**	**2,165,646**
Provisions for pensions and similar obligations	459,446	499,920
Net debt including provisions for pensions and similar obligations	**2,692,004**	**2,665,566**

In order to calculate the key figure net debt/EBITDA, the net debt is applied to the EBITDA, or the normalized EBITDA if reported, of the past twelve months, either with or without provisions for pensions. Based on normalized EBITDA (€ 903.5 million), the net debt ratio as of December 31, 2023, amounts to 2.4 and 3.0, respectively, including provisions for pensions and similar obligations. For information on the normalized EBITDA, please refer to the Group management report.

Symrise focuses on a capital structure that allows it to cover its future potential financing needs at reasonable conditions by way of the capital markets. This provides Symrise with a guaranteed high level of independence, security and financial flexibility. The attractive dividend policy will be continued, and shareholders will continue to receive an appropriate share in the company's success. Furthermore, it should be ensured that acquisition opportunities are carried out through a solid financing structure.

The average interest rate for liabilities (including provisions for pensions and similar obligations) was 2.8 % p.a. (2022: 1.7 % p.a.). The increase in the average interest rate is primarily attributable to the higher interest expense in respect of pension obligations and the variable interest rate of the CAD loan.

32. ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTMENT TO THE PRESENTATION OF THE STATEMENT OF CASH FLOWS

Business free cash flow is one of the control variables used in performance assessment by the Symrise Group. The development of the business free cash flow is presented in the Group management report. Its previous disclosure as part of the cash flow from operating activities in the consolidated statement of cash flows does not permit direct reconciliation to the business free cash flow in the Group management report. Therefore, the presentation was adjusted to ensure greater transparency. The reconciliation to the previous year's figures is as follows:

2022 published	€ thousand	Reconciliation	€ thousand	2022 adjusted
Consolidated net income	**290,696**		**290,696**	**Consolidated net income**
Increase (–)/decrease (+) in trade receivables and other current assets	– 119,281	24,430	– 94,851	Increase (–)/decrease (+) in trade receivables
Increase (–)/decrease (+) in non-current assets	– 10,842	– 24,430	– 35,272	Increase (–)/decrease (+) in other assets
Increase (+)/decrease (–) in trade payables and other current liabilities	103,858	– 4,287	99,571	Increase (+)/decrease (–) in trade payables
Increase (+)/decrease (–) in non-current liabilities	– 5,426	6,534	1,108	Increase (+)/decrease (–) in other liabilities
—	—	– 2,247	– 2,247	Increase (+)/decrease (–) in provisions for pensions
Cash flow from operating activities	**360,109**	**0**	**360,109**	**Cash flow from operating activities**

The payments for investing in intangible assets and property, plant and equipment and in non-current financial assets that are recognized in the cash flow from operating activities include only the cash and cash equivalents that have actually been paid out, whereas the company's business free cash flow indicator takes account of non-cash additions (€ 0.1 million; 2022: € 19.8 million).

EXPLANATION OF THE STATEMENT OF CASH FLOWS

In accordance with IAS 7 "Statement of Cash Flows," the consolidated statement of cash flows for the reporting year and the previous year show the development of cash flows separated into cash inflows and outflows deriving from operating, investing and financing activities. Cash flows from operating activities are calculated using the indirect method.

As in the previous year, the balance of cash and cash equivalents comprises cash balances, balances on hand with banks and short-term liquid assets with terms no longer than three months that can be converted into a fixed amount at any time and are only subject to insignificant fluctuations in value. It is equivalent to the line item "cash and cash equivalents."

Payments for business combinations within the cash flow from investing activities mainly comprise the payments for the subsequent acquisition of further shares in Swedencare AB, Malmö, Sweden (€ 42.1 million), which is accounted for using the equity method, and in Kobo Products Inc, South Plainfield, NJ, USA (€ 23.9 million). In addition, the remaining shares in VIDEKA, LLC, Kalamazoo, USA, which was previously accounted for using the equity method, were acquired (€ 3.6 million less acquired cash and cash equivalents of € 0.9 million). This item also comprises the payments for the acquisition of shares in the non-consolidated subsidiary Bio-Actives Synergio Ltd., Jerusalem, Israel (€ 3.0 million), and for the acquisition of shares in Yuniko Yumurta Ürünleri Sanayi İthalat İhracat ve Ticaret A.Ş., Ankara, Turkey (€ 1.0 million), which is accounted for using the equity method. Moreover, the item includes payments for the subsequent purchase price adjustments for the acquisition of the Néroli and Romani groups, Saint-Cézaire-sur-Siagne, France (€ 10.2 million), and for the acquisition of Wing Biotechnology Co., Ltd., Shanghai, China (€ 7.0 million). For information on business combinations, please refer to note 2.4. In the previous year, a total of € 419.8 million was paid for business combinations with acquisition of control.

A reconciliation between opening balance and closing balance for liabilities from financing activities is presented below:

€ thousand	Current borrowings	Non-current borrowings	Lease liabilities	Total liabilities from financing activities
January 1, 2022	**353,743**	**1,342,124**	**104,860**	**1,800,727**
Cash-effective change	– 369,168	1,048,022	– 30,574	**648,280**
Non-cash-effective change	42,465	– 24,548	80,491	**98,408**
Change to the scope of consolidation	1,998	– 12,721	10,553	**– 170**
Transfers	1,589	– 1,589	0	**0**
Accrued interest	40,004	2,327	4,452	**46,783**
Other changes[1]	0	0	60,816	**60,816**
Exchange rate differences	– 1,126	– 12,565	4,670	**– 9,021**
of which with effect on other comprehensive income	– 1,126	– 12,565	3,799	**– 9,892**
of which with effect on profit or loss (financial result)	0	0	871	**871**
December 31, 2022	**27,040**	**2,365,598**	**154,777**	**2,547,415**

1) Other changes include additions, remeasurements and modifications.

€ thousand	Current borrowings	Non-current borrowings	Lease liabilities	Total liabilities from financing activities
January 1, 2023	**27,040**	**2,365,598**	**154,777**	**2,547,415**
Cash-effective change	– 79,713	– 675	– 32,689	**– 113,077**
Non-cash-effective change	82,773	– 21,428	62,989	**124,334**
Change to the scope of consolidation	228	0	132	**360**
Transfers	22,431	– 22,431	0	**0**
Accrued interest	60,021	2,278	5,239	**67,538**
Other changes[1]	0	0	60,684	**60,684**
Exchange rate differences	93	– 1,275	– 3,066	**– 4,248**
of which with effect on other comprehensive income	102	– 1,016	– 3,262	**– 4,176**
of which with effect on profit or loss (financial result)	– 9	– 259	196	**– 72**
December 31, 2023	**30,100**	**2,343,495**	**185,077**	**2,558,672**

1) Other changes include additions, remeasurements and modifications.

For changes in borrowings, please also refer to note 24.

33. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS AND THE MEASUREMENT OF FAIR VALUE

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

December 31, 2022 € thousand	Carrying amount	Value recognized under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Fair value
ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,188,560**	**1,188,560**	**–**	**–**	**1,188,560**
Cash	278,082	278,082	–	–	278,082
Cash equivalents	27,268	27,268	–	–	27,268
Trade receivables	856,035	856,035	–	–	856,035
Other financial assets	27,175	27,175	–	–	27,175
Financial assets measured at fair value through other comprehensive income (FVOCI)	**2,471**	**–**	**2,471**	**–**	**2,471**
Equity instruments	2,471	–	2,471	–	2,471
Financial assets measured at fair value through profit or loss (FVTPL)	**24,461**	**–**	**–**	**24,461**	**24,461**
Cash equivalents	9,507	–	–	9,507	9,507
Securities	593	–	–	593	593
Equity instruments	13,025	–	–	13,025	13,025
Derivative financial instruments without hedge relationship	1,336	–	–	1,336	1,336
Derivative financial instruments with hedge relationship (n.a.)	**2,661**	**–**	**2,661**	**–**	**2,661**
LIABILITIES					
Financial liabilities measured at amortized cost (FLAC)[1)]	**2,930,091**	**2,930,091**	**–**	**–**	**2,562,437**
Trade payables	529,605	529,605	–	–	529,605
Borrowings	2,392,638	2,392,638	–	–	2,024,984
Other financial liabilities	7,848	7,848	–	–	7,848
Financial liabilities measured at fair value through profit or loss (FVTPL)	**21,197**	**–**	**–**	**21,197**	**21,197**
Derivative financial instruments without hedge relationship	2,338	–	–	2,338	2,338
Other financial liabilities	18,859	–	–	18,859	18,859
Derivative financial instruments with hedge relationship (n.a.)	**187**	**–**	**187**	**-**	**187**

1) Without lease liabilities (see note 34)

December 31, 2023 € thousand	Carrying amount	Value recognized under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Fair value
ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,272,881**	**1,272,881**	**–**	**–**	**1,272,881**
Cash	354,753	354,753	–	–	354,753
Cash equivalents	23,743	23,743	–	–	23,743
Trade receivables	868,305	868,305	–	–	868,305
Other financial assets	26,080	26,080	–	–	26,080
Financial assets measured at fair value through other comprehensive income (FVOCI)	**1,798**	**–**	**1,798**	**–**	**1,798**
Equity instruments[1]	1,798	–	1,798	–	1,798
Financial instruments measured at fair value through profit or loss (FVTPL)	**31,212**	**–**	**–**	**31,212**	**31,212**
Cash equivalents	14,530	–	–	14,530	14,530
Securities	790	–	–	790	790
Equity instruments[1]	14,585	–	–	14,585	14,585
Derivative financial instruments without hedge relationship	1,307	–	–	1,307	1,307
Derivative financial instruments with hedge relationship (n.a.)	**6,287**	**–**	**6,287**	**–**	**6,287**
LIABILITIES					
Financial liabilities measured at amortized cost (FLAC)[2]	**2,910,722**	**2,910,722**	**–**	**–**	**2,740,008**
Trade payables	489,324	489,324	–	–	489,324
Borrowings	2,373,595	2,373,595	–	–	2,202,881
Other financial liabilities	47,803	47,803	–	–	47,803
Financial liabilities measured at fair value through profit or loss (FVTPL)	**1,444**	**–**	**–**	**1,444**	**1,444**
Derivative financial instruments without hedge relationship	347	–	–	347	347
Other financial liabilities	1,097	–	–	1,097	1,097
Derivative financial instruments with hedge relationship (n.a.)	**586**	**–**	**586**	**–**	**586**

1) Without non-consolidated subsidiaries
2) Without lease liabilities (see note 34)

The following describes the hierarchy levels pursuant to IFRS 13 for financial instruments that are measured at fair value on a recurring basis. The individual levels of this hierarchy are explained in note 2.5.

In the reporting period, equity instruments classified at fair value through other comprehensive income included only the listed investment in Blis Technologies Limited, Dunedin, New Zealand (€ 1.8 million), which was allocated to Level 1.

The cash equivalents and securities classified at fair value through profit or loss are assigned to Level 1 and the equity instruments to Level 3. Equity instruments comprise various investments, of which one investment with acquisition costs totaling € 1.8 million was added in the fiscal year. The valuation and thus the present value of the expected benefit of the investments measured at fair value through profit or loss in Level 3 are generally based on a discounted cash flow calculation. Equity instruments are measured primarily using the relevant corporate planning and individual discount rates. For two investments, the valuation in Level 3 is based on a venture capital method.

Other financial liabilities measured at fair value through profit or loss allocated to Level 3 include contingent purchase price obligations from the acquisition of (further) shares in companies. Unchanged from the previous year, an obligation from the subsequent acquisition of further shares in Octopepper SAS, Bordeaux, France (now merged into Spécialités Pet Food SAS, Elven, France), based on the increase in members of an online platform, has been taken into account. The valuation is based on the assumption that the target defined in the purchase contract will be reached. In addition, such obligations from the acquisition of Wing Biotechnology Co. Ltd, Shanghai, China, made in the 2022 fiscal year are shown. The obligation from the acquisition of Groupe Néroli and Romani, Saint-Cézaire-sur-Siagne, France (December 31, 2022: € 9.8 million), resulted in a payment of € 10.2 million in the reporting year (see note 2.4). Subsequent measurement gains and losses on contingent purchase price obligations are recognized in other operating income and expenses from the date of finalization of the purchase price allocation relating to the business combination. Fair value changes arising as effects of interest accrued are recognized in the financial result.

The valid forward exchange rates are used as the valuation rates for the mark-to-market valuation of currency forward contracts in Level 2 for currency forwards. These are established by the interest difference of the currencies involved while accounting for term duration. The fair values were not adjusted for the components of counterparty-specific risk (credit valuation adjustment – CVA/debt valuation adjustment – DVA) and the liquidity premium for the respective foreign currency (cross currency basis spread – CCBS) for reasons of materiality. The determination of fair values for forward exchange contracts is unchanged. The fair value of interest rate swaps in Level 2 is determined as the present value of the estimated future cash flows. Estimates of future cash flows from variable interest payments are based on quoted swap rates, future prices and interbank interest rates. The estimated cash flows are discounted using an adequate yield curve. The fair value estimate is adjusted for credit risk, which reflects the Group's and the counterparty's credit risk; this is calculated based on credit spreads derived from credit default swaps or bond prices. There were no transfers between Levels 1 and 2 during the reporting period.

The fair values of borrowings are determined as the present values of future payments relating to these financial liabilities based on the corresponding valid reference interest rates and are adjusted by a corresponding credit spread (risk premium). The determination of the fair values of other financial instruments is unchanged. This did not cause any considerable deviations between their carrying amount and fair value.

NET GAINS AND LOSSES ACCORDING TO VALUATION CATEGORY

€ thousand	2022	2023
Financial assets measured at amortized cost (FAAC)	462	– 2,770
Financial instruments measured at fair value through other comprehensive income (FVOCI)	– 67,663	651
Financial instruments measured at fair value through profit or loss (FVTPL)	4,448	14,744
Financial liabilities measured at amortized cost (FLAC)	– 63,528	– 84,055

The net gains and losses in the fiscal year are mainly attributable to interest rate effects and currency translation effects. In the previous year, the fair value adjustments to financial instruments measured at fair value through other comprehensive income of € – 65.7 million related to the investment in Swedencare AB, Malmö, Sweden, which was reclassified to investments in associated companies in February 2022 due to share purchases.

The net gains from the financial instruments measured at fair value through profit or loss contain € 7.6 million from the targeted use of forward exchange contracts relating to the hedging of currency risks and € 7.1 million in interest income from short-term liquid investments.

Net income from financial assets measured at amortized cost includes interest income of € 5.7 million (2022: € 3.9 million) in addition to currency translation effects. Interest expenses for financial liabilities (including lease liabilities) measured at amortized cost amounted to € 67.4 million in the reporting year (2022: € 46.0 million). The remaining loss results from currency translation effects.

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities, which are subject to a legally enforceable master netting agreement or a similar agreement, only arose with derivative financial instruments in the form of International Swaps and Derivatives Association (ISDA) master netting agreements or comparable agreements.

The ISDA agreements do not fulfill the criteria for offsetting in the statement of financial position. This is due to the fact that the Group currently does not have any legal right to offset the amounts reported since the right to an offset only exists with the occurrence of future events, such as a default on a bank loan or other credit events.

34. DISCLOSURES RELATING TO FINANCIAL INSTRUMENT RISK MANAGEMENT

Fluctuations in exchange and interest rates can result in significant risks to earnings and cash flows. For this reason, Symrise monitors these risks centrally and manages them proactively and occasionally with derivative financial instruments.

The management of interest rate and currency risks is based on Group-wide guidelines in which objectives, principles, responsibilities and competencies are defined. These are monitored on a regular basis and adjusted to current market and production developments. Financial risk management has remained unchanged from the previous year. The Executive Board oversees financial risk management and has set up a separate currency risk management committee that is responsible for complying with and further developing the Group's currency risk management guidelines. The committee reports regularly to the Executive Board on its activities.

The Group's financial risk management guidelines have been implemented to identify and analyze the Group's risks in order to monitor risk development and compliance with the guidelines. The financial risk management guidelines and the financial risk management system are regularly reviewed to address changes in market conditions and the Group's activities.

The Audit Committee oversees both the Executive Board's compliance with the Group's risk management guidelines and processes as well as the effectiveness of the risk management system with regard to the risks to which the Group is exposed. Corporate Internal Audit supports the Audit Committee in its supervisory tasks. For this reason, Corporate Internal Audit regularly performs audits of risk management controls and procedures. The results are reported directly to the Audit Committee.

The IBOR reform, meaning the replacement of the reference interest rates by the end of 2021, also affected the revolving credit lines. The documentation of the new revolving credit line took this into account by including detailed provisions on the transition to the new base interest rates in the loan agreements. The EURIBOR remains essentially unchanged as a baseline for transactions in EUR. This will continue to be determined and published. Changes will occur regarding USD and GBP. The USD LIBOR was calculated for the last time on June 30, 2023. It was then replaced with the compounded reference rate. The compounded interest rate is defined every RFR banking day as the sum of (i) daily non-cumulative compounded RFR rate and (ii) the applicable credit adjustment spread. For transactions in GBP, this regulation will be applied immediately because the LIBOR is no longer available for GBP.

INTEREST RISK

Interest risks exist due to potential changes to the market interest rate and can lead to a change in the fair value of fixed-rate financial instruments and fluctuations in interest payments for variable interest rate financial instruments. Since the overwhelming portion of financial instruments measured at amortized cost has fixed rates, there is no notable interest risk.

Market interest rate changes for borrowings with variable interest rate components have an effect on the net interest result, as the following table shows:

2022	Nominal	of which fixed	of which variable	of which unhedged	1.0 percentage point increase
€ thousand	2,091,853	1,884,098	207,755	207,755	2,078
CAD thousand	400,723	0	400,723	300,542	3,005

2023	Nominal	of which fixed	of which variable	of which unhedged	1.0 percentage point increase
€ thousand	2,089,601	1,877,144	212,457	212,457	2,125
CAD thousand	390,345	0	390,345	290,345	2,903

An increase to all relevant interest rates of one percentage point would have resulted in € 4,118 thousand less consolidated net income as of December 31, 2023 (December 31, 2022: € 4,166 thousand). For disclosures on interest rates, please refer to note 24. The changes in interest rates from financial instruments have no material impact on equity.

CURRENCY RISK

Due to its global activities, Symrise is exposed to two types of currency risk. Translation risk describes the risk of changes in reporting items in the statement of financial position as well as the income statement of a subsidiary due to currency fluctuations when translating the local separate financial statements into the Group reporting currency. Changes deriving from the translation of items recognized in the statement of financial position of these companies that are caused by currency fluctuations are recognized directly in Group equity. The resulting risks are not hedged.

Transaction risk arises in the separate financial statements of Group companies through changes in future cash flows denoted in foreign currencies due to exchange rate fluctuations.

The Symrise Group's global positioning results in supply relationships and payment flows in foreign currencies. These currency risks are systematically recorded and reported to the Group's headquarters. Currency forward contracts are used to hedge currency risks resulting from primary financial instruments and from planned transactions.

Symrise established an in-house bank to increase transparency and better manage the currency risks arising from internal supply relationships. Affiliated companies are given accounts with the in-house bank in their functional currency. This frees them from currency risks; in these cases, only the in-house bank maintains balances in foreign currency. These are hedged centrally via currency forward contracts.

The presentation of the existing currency risk as of the end of the reporting period is done in accordance with IFRS 7 using a sensitivity analysis. The foreign currency sensitivity is determined from the aggregation of all financial assets and liabilities that are denominated in a currency that is not the functional currency of the respective reporting company. The foreign currency risk determined by this analysis is measured at the closing rate and at a sensitivity rate that represents a 10 % appreciation/depreciation of the functional currency as compared to the foreign currency. The difference from this hypothetical measurement represents the effect on earnings before income taxes and on other comprehensive income before taxes. This sensitivity analysis is based on the assumption that all variables other than a change in the foreign currency exchange rate remain constant. In the sensitivity analysis, currency risks from internal monetary items were included as far as they result in translation gains or losses that are not eliminated as part of consolidation. Effects from the currency translation of subsidiaries whose functional currency is not the same as that of the Symrise Group do not affect the cash flows in the local currency and are therefore not included in the sensitivity analysis.

A significant currency risk for the Symrise Group in the reporting year resulted primarily in relation to the Japanese Yen, Chinese Renminbi, Brazilian Real, US Dollar and Canadian Dollar. As of the end of the reporting period, the foreign currency risk before hedging transactions amounted to JPY 2,459.8 million (December 31, 2022: JPY 2,641.4 million), CNY 525.9 million (December 31, 2022: CNY 714.0 million), MXN 306.6 million (December 31, 2022: MXN 103.2 million), BRL 187.9 million (December 31, 2022: BRL 158.9 million), USD 109.0 million (December 31, 2022: USD 2.8 million) and CAD 43.7 million (December 31, 2022: CAD 25.8 million). The changes mainly result from a higher or lower balance of the internal Group liquidation settlement with the in-house bank in this currency, which was largely secured via currency forward contracts. The currency risk in respect of the Chinese CNY and Brazilian Real mainly results from intercompany loans and trade receivables in these currencies. The risk of these currencies was also hedged mainly by currency forward contracts.

Derivative financial instruments were used to reduce currency risk. The following overview demonstrates the sensitivities from an upward or downward revaluation after hedging:

€ thousand	2022	2023
Sensitivity from a value increase/decrease in the EUR as compared to the USD of +/– 10%		
Impact on earnings before income taxes	+/– 1,994	+/– 3,336
Impact on other comprehensive income before income taxes	–/+ 814	–/+ 1,553
Total	**+/– 1,180**	**+/– 1,783**
Sensitivity from a value increase/decrease in the EUR as compared to the MXN of +/– 10%		
Impact on earnings before income taxes	+/– 1,282	+/– 1,732
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 1,282**	**+/– 1,732**
Sensitivity from a value increase/decrease in the EUR as compared to the BRL of +/– 10%		
Impact on earnings before income taxes	+/– 67	+/– 1,043
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 67**	**+/– 1,043**
Sensitivity from a value increase/decrease in the EUR as compared to the CNY of +/– 10%		
Impact on earnings before income taxes	+/– 399	+/– 729
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 399**	**+/– 729**
Sensitivity from a value increase/decrease in the EUR as compared to the CAD of +/– 10%		
Impact on earnings before income taxes	+/– 71	+/– 131
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 71**	**+/– 131**
Sensitivity from a value increase/decrease in the EUR as compared to the JPY of +/– 10%		
Impact on earnings before income taxes	+/– 68	+/– 51
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 68**	**+/– 51**

Currency forward contracts with positive market values amounted to € 6,589 thousand as of the end of the reporting period (December 31, 2022: € 2,586 thousand), while currency forward contracts with negative market values totaled € 933 thousand (December 31, 2022: € 2,525 thousand).

Further information on the positive and negative fair values for currency forward contracts with and without hedge relationships can be found in the table on financial instruments in note 33 as well as in the notes on liquidity risk.

LIQUIDITY RISK

The risk that Symrise is unable to meet its financial obligations is mitigated by creating the necessary financial flexibility within the existing financing arrangements and through effective cash management. Symrise manages the liquidity risk through the use of a twelve-month rolling financial plan. This makes it possible to finance deficits that can be forecast under normal market conditions at normal market terms. Based on current planning, no liquidity risks are foreseen at the moment. As of the reporting date, Symrise had access to credit lines that are explained in greater detail in note 24. Loan covenants that Symrise has entered into with external contractual partners have no effect on the maturity of financial liabilities.

The following summary shows the contractually agreed interest and redemption payments for current and non-current non-derivative financial liabilities, including estimated interest payments for variable interest:

December 31, 2022 € thousand	Carrying amount	Expected outgoing payments	Maturity dates for expected payments up to 1 year	over 1 year up to 5 years	over 5 years
Borrowings	2,392,638	2,566,686	58,229	1,881,927	626,529
Trade payables	529,605	529,605	529,605	0	0
Lease liabilities	154,777	180,506	27,554	77,912	75,040
Other non-derivative financial obligations	26,707	26,724	25,752	972	0

December 31, 2023 € thousand	Carrying amount	Expected outgoing payments	Maturity dates for expected payments up to 1 year	over 1 year up to 5 years	over 5 years
Borrowings	2,373,595	2,523,638	75,574	1,834,221	613,843
Trade payables	489,324	489,324	489,324	0	0
Lease liabilities	185,077	222,826	33,354	95,658	93,814
Other non-derivative financial obligations	48,899	48,947	47,184	1,763	0

The expected outgoing payments over one year and up to five years are distributed within this range and are attributable to ongoing refinancing and not to a concentration of risk.

The fair value and the expected incoming and outgoing payments from derivative financial assets and liabilities are presented in the following table. The average term of the currency forward contracts existing on December 31, 2023, is three months (2022: five months).

€ thousand	December 31, 2022	December 31, 2023
Currency forward contracts		
Assets	2,586	6,589
Liabilities	2,525	933
Expected incoming payments	376,051	331,428
Expected outgoing payments	375,990	325,677
Interest rate swaps		
Assets	1,411	1,005
Expected incoming payments	1,411	1,005
Expected outgoing payments	–	–

Future cash flows from derivative financial instruments may differ from the amounts shown in the table because interest rates and exchange rates or the relevant conditions are subject to change.

DEFAULT AND CREDITWORTHINESS RISK

A credit risk is the unexpected loss of cash or income. This occurs when a customer is not able to meet its obligations as these become due. Receivables management, which employs guidelines that are globally valid, coupled with regular analysis of the aging structure of trade receivables, ensures that the risks are permanently monitored and mitigated. In this way, cases of default on receivables are minimized. Symrise does not require securities for trade receivables and other receivables. Due to the Symrise Group's wide-ranging business structure, there is no particular concentration of credit risks either in relation to customers or in relation to individual countries.

Financial contracts for cash investments are only entered into with banks with an investment grade, which are consistently monitored. The Symrise Group is exposed to credit risks related to derivative financial instruments, which would arise from the contractual partner not fulfilling their obligations. This credit risk is minimized in that transactions are only entered into with contract partners whose credit standing is regularly evaluated by independent rating agencies and constantly monitored. The carrying amounts of all financial assets represent the maximum credit risk.

Impairment losses on financial assets recognized in the consolidated income statement are almost entirely accounted for in trade receivables (see note 16).

35. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

Contingent liabilities relate to potential future events that, upon occurring, would result in an obligation. As of the end of the reporting period, these are seen as unlikely but cannot be completely ruled out.

Symrise is confronted with lawsuits and legal proceedings as a result of its normal business activities, which generally relate to the areas of labor law, product liability, warranty claims, tax law and intellectual property. Symrise sets up provisions for such cases when it is probable that an obligation arises from past events, when the amount of the obligation can be measured with sufficient reliability and the settlement of which is expected to result in an outflow of resources embodying economic benefits. For all currently pending legal proceedings, Symrise has set up provisions of € 6.9 million (December 31, 2022: € 9.5 million; see note 27). The results of present and future proceedings are not foreseeable, meaning that legal or official decisions or settlement agreements could lead to expenses that are not or not completely covered by insurance services and that could therefore have material effects on the business and its results.

OTHER FINANCIAL OBLIGATIONS

As of December 31, 2023, the Group had obligations to purchase property, plant and equipment amounting to € 83.1 million (December 31, 2022: € 67.9 million). This mainly relates to production facilities and laboratory and office equipment. These obligations will mostly come due during the course of 2024. Other obligations amounting to € 209.9 million (December 31, 2022: € 341.0 million) exist from not yet fulfilled commitments for purchases of goods.

Symrise AG has service contracts with various providers regarding the outsourcing of its IT. Some of these already existed in previous years. The remaining total obligation toward these service providers amounts to € 11.8 million (December 31, 2022: € 20.6 million), accounting for extraordinary termination rights. Miscellaneous other financial obligations amounted to € 22.0 million as of December 31, 2023 (December 31, 2022: € 22.7 million) and are mostly obligations from consulting, service and cooperation contracts (€ 15.7 million; December 31, 2022: € 15.9 million).

36. TRANSACTIONS WITH RELATED PARTIES

Consolidated companies, joint ventures and associated companies, the members of the Executive Board and Supervisory Board and their close relatives are considered related parties. The sales and purchases from related companies were completed under the same terms and conditions as though they had been transacted with third parties. As in the previous year, only a small amount of goods was purchased from joint ventures and associated companies in 2023.

In addition to fixed remuneration and one-year variable remuneration, the members of the Executive Board also receive variable remuneration over several years (long-term incentive plan, LTIP). As part of the 2015 Executive Board remuneration system, Symrise provided long-term share-oriented remuneration programs with cash settlement on the basis of a performance cash plan and a three-year performance period. A provision of € 1.9 million (December 31, 2022: € 1.2 million) was recognized as a liability for the share-oriented payment under the 2015 Executive Board remuneration system, which will be paid out for the last time in 2024. For information on share-oriented remuneration, please refer to note 2.5.

Since the 2022 fiscal year, the multi-year variable remuneration has taken the form of a 2022 performance share plan and a four-year performance period. A provision of € 1.8 million (December 31, 2022: € 0.6 million) was recognized as a liability for the share-based payment under the 2022 Executive Board remuneration system. For information on the share-based payment, please refer to note 28. The individual remuneration components are explained in more detail in the 2023 remuneration report. The following table provides an overview of the remuneration of the members of the Executive Board and Supervisory Board pursuant to IAS 24 section 17:

€ thousand	2022 Executive Board	2022 Supervisory Board	2022 Total	2023 Executive Board	2023 Supervisory Board	2023 Total
Short-term benefits[1]	4,886	1,100	**5,986**	6,105	1,360	**7,465**
Post-employment benefits	122	0	**122**	0	0	**0**
Other long-term benefits	686	0	**686**	0	0	**0**
Share-based payment	577	0	**577**	1,228	0	**1,228**
Total	**6,271**	**1,100**	**7,371**	**7,333**	**1,360**	**8,693**

1) For his work on the Supervisory Board of Probi AB, Lund, Sweden, Dr. Andreas received remuneration of SEK 320,000 in 2023. This amount is not included in the short-term benefits.

As in the previous year, there were no post-employment benefits for members of the Executive Board and Supervisory Board.

The supplemental disclosures pursuant to Section 315e of the German Commercial Code (HGB) are as follows:

€ thousand	2022	2023
Total remuneration for active members		
Executive Board[1]	9,333	11,041
Supervisory Board	1,100	1,360
Total remuneration for former members and their surviving dependents		
Executive Board	819	559

1) For his work on the Supervisory Board of Probi AB, Lund, Sweden, Dr. Andreas received remuneration of SEK 320,000 in 2023. This amount is not included in the total remuneration for active members of the Executive Board.

Provisions for current pensions and pension entitlements contain contributions of € 12.0 million (December 31, 2022: € 10.8 million) for former members of the Executive Board and € 3.6 million (December 31, 2022: € 2.9 million) for current members of the Executive Board.

For the number of performance shares granted and the fair value of the other share-based payment of the Executive Board members on the grant date, please refer to note 28.

The individualized remuneration for members of the Executive Board and Supervisory Board is also disclosed in the 2023 remuneration report.

37. EXECUTIVE BOARD AND SUPERVISORY BOARD SHAREHOLDINGS

The total direct or indirect shareholdings of all members of the Executive Board and Supervisory Board of Symrise AG amounted to less than 1 % as of December 31, 2023.

38. LONG-TERM OBJECTIVES AND METHODS FOR MANAGING FINANCIAL RISK

In the long term, Symrise wants to strengthen its market position and ensure its independence. At the same time, Symrise recognizes its responsibility toward the environment, its employees and society at large. Symrise aims to increase sustainability with regard to its footprint, innovation, sourcing and care, and thereby minimize risk for the company and promote continued economic success.

See note 34 regarding financial risk management methods.

39. AUDIT OF FINANCIAL STATEMENTS

The Annual General Meeting of Symrise AG, held on May 10, 2023, appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditor for the 2023 fiscal year.

The following table provides an overview of the fees paid to the auditors:

€ thousand	2022	2023
Audit of financial statements	1,103	1,033
Other audit assurance services	29	37
Total	**1,132**	**1,070**

A total of € 3.6 million (2022: € 3.7 million) was incurred worldwide in connection with the audit of the financial statements. The other audit assurance services mainly contain the fee for the audit of the remuneration report.

40. LIST OF INTERESTS IN ENTITIES

Regarding the changes to the scope of consolidation in 2023, please see note 2.4.

Fully consolidated subsidiaries as of December 31, 2023

Name and registered office of the entity	December 31, 2022	December 31, 2023
Germany		
Busiris Vermögensverwaltung GmbH, Holzminden	100.00%	100.00%
DrinkStar GmbH, Rosenheim	100.00%	100.00%
Haarmann & Reimer Unterstützungskasse Gesellschaft mit beschränkter Haftung, Holzminden	100.00%	100.00%
Schimmel & Co. Gesellschaft mit beschränkter Haftung, Holzminden	100.00%	100.00%
Symotion GmbH, Holzminden	100.00%	100.00%
Symrise Beteiligungs GmbH, Holzminden	100.00%	100.00%
Symrise Financial Services GmbH, Holzminden	100.00%	100.00%
Tesium GmbH, Holzminden	100.00%	100.00%
France		
Arôme de Chacé SAS, Chacé	100.00%	100.00%
Diana Food SAS, Antrain	100.00%	100.00%
Diana SAS, Saint Nolff	100.00%	100.00%
Diana Trans SAS, Saint Nolff	100.00%	100.00%
Essence Ciel SAS, Saint-Cézaire-sur-Siagne 1)	100.00%	–
Neroli France SAS, Saint-Cézaire-sur-Siagne	100.00%	100.00%
Neroli Invest DL SAS, Saint-Cézaire-sur-Siagne 1)	100.00%	–
SFA Romani SAS, Saint-Cézaire-sur-Siagne	100.00%	100.00%
Société de Protéines Industrielles SAS, Berric	100.00%	100.00%
Spécialités Pet Food SAS, Elven	100.00%	100.00%
Lautier SAS, Saint-Cézaire-sur-Siagne 2)	100.00%	100.00%
Symrise SAS, Clichy	100.00%	100.00%
Symrise US Investments FR SAS, Rennes	100.00%	100.00%
Villers SAS, Villers Les Pôts	100.00%	100.00%
Rest of Europe		
Cobell Limited, Exeter, United Kingdom 3)	100.00%	–
Diana Food Limited, Spalding, United Kingdom	100.00%	100.00%
InterMay B.V., Barneveld, Netherlands	100.00%	100.00%
OOO “Symrise Rogovo,” Rogovo, Russia	100.00%	100.00%
Probi AB, Lund, Sweden	67.60%	69.56%
Scelta Umami B.V., Venlo, Netherlands	60.00%	60.00%
Schaffelaarbos B.V., Barneveld, Netherlands	100.00%	100.00%
Schaffelaarbos UK Ltd., Hitchin, United Kingdom	100.00%	100.00%
SPF Diana España SLU, Lleida, Spain	100.00%	100.00%
SPF Hungary Kft, Beled, Hungary	100.00%	100.00%
SPF RUS, Shebekino, Russia	100.00%	100.00%
SPF UK Ltd, Doncaster, United Kingdom	60.00%	60.00%
Symrise Granada S.A.U., Granada, Spain	100.00%	100.00%
Symrise Group Finance Holding 1 BVBA, Brussels, Belgium	100.00%	100.00%
Symrise Iberica S.L., Parets del Vallès, Spain	100.00%	100.00%
Symrise Group Finance and IP-Holding Comm. V., Brussels, Belgium	100.00%	100.00%
Symrise Kimya Sanayi Ticaret Ltd., Sirketi, Turkey	100.00%	100.00%
Symrise Limited, Marlow, Bucks, United Kingdom	100.00%	100.00%

1) Merged with Symrise SAS in the 2023 fiscal year.
2) SymNeroli SAS renamed Lautier SAS in the 2023 fiscal year.
3) Liquidated in the 2023 fiscal year.

Rest of Europe (continued)	December 31, 2022	December 31, 2023
Symrise Pet Food Holding BV, Barneveld, Netherlands	100.00%	100.00%
Symrise Spółka z ograniczoną odpowiedzialnością, Warsaw, Poland	100.00%	100.00%
Symrise S.r.l., Milan, Italy	100.00%	100.00%
Symrise US Holding BV, Halle, Netherlands	100.00%	100.00%
Symrise US Investments NL BV, Barneveld, Netherlands	100.00%	100.00%
Symrise Vertriebs GmbH, Vienna, Austria	100.00%	100.00%
THG Trading Limited, Marlow, Bucks, United Kingdom[1)]	–	100.00%
North America		
American Dehydrated Foods Inc., Springfield, USA	100.00%	100.00%
Califormulations LLC, Columbus, USA[2)]	100.00%	–
Diana Food Canada Inc., Champlain (Québec), Canada	100.00%	100.00%
Diana Food Inc., Silverton, USA	100.00%	100.00%
Giraffe Foods Inc., Toronto, Canada	100.00%	100.00%
International Dehydrated Foods Inc., Springfield, USA	100.00%	100.00%
IsoNova Technologies LLC, Springfield, USA	100.00%	100.00%
Probi USA Inc., Redmond, USA	67.60%	69.56%
SPF Canada – Groupe Diana Inc, Chemin (Québec), Canada	100.00%	100.00%
SPF North America Inc., South Washington, USA	100.00%	100.00%
SPF USA Inc., Wilmington, USA	100.00%	100.00%
Symrise Holding Inc., Wilmington, USA	100.00%	100.00%
Symrise Holding II Inc., Wilmington, USA	100.00%	100.00%
Symrise Inc., Teterboro, USA	100.00%	100.00%
Symrise Re Inc., Burlington, USA	100.00%	100.00%
Symrise US LLC, Teterboro, USA	100.00%	100.00%
VIDEKA, LLC, Kalamazoo, USA[3)]	49.00%	100.00%
Latin America		
Aquasea Costa Rica, Canas, Costa Rica	100.00%	100.00%
Diana Food Ecuador SA, Machala, Ecuador	100.00%	100.00%
Diana Food Chile SpA, Buin, Chile	100.00%	100.00%
Diana Pet Food Colombia S.A.S., Tocancipá, Colombia	100.00%	100.00%
Proteinas Del Ecuador Ecuaprotein SA, Durán, Ecuador	92.70%	92.70%
Specialites Pet Food S.A. de C.V., El Marqués Querétaro, Mexico	100.00%	100.00%
SPF Argentina, Buenos Aires, Argentina	100.00%	100.00%
SPF Do Brasil Indústria e Comércio Ltda, São Paulo, Brazil	100.00%	100.00%
Symrise Aromas e Fragrâncias Ltda., São Paulo, Brazil	100.00%	100.00%
Symrise C.A., Caracas, Venezuela	100.00%	100.00%
Symrise Guatemala C.A., Guatemala City, Guatemala	100.00%	100.00%
Symrise Ltda., Bogotá, Colombia	100.00%	100.00%
Symrise S. de R.L. de C.V., San Nicolás de los Garza, Mexico	100.00%	100.00%
Symrise S.A., Santiago de Chile, Chile	100.00%	100.00%
Symrise S.R.L., Tortuguitas, Argentina	100.00%	100.00%
Asia and Pacific		
Diana Group Pte (Singapore) Ltd, Singapore, Singapore	100.00%	100.00%
Diana Petfood (Chuzhou) Company Limited, Chuzhou, China	100.00%	100.00%
Jiangsu Wing Biotechnology Co., Ltd., Jiangsu, China	100.00%	100.00%
Jiangxi Ovo Biotechnology Co., Ltd., Jiangxi, China[4)]	–	80.00%
Jiangxi Wing Biotechnology Co., Ltd., Jiangxi, China	100.00%	100.00%
Neroli Group China, Shanghai, China	100.00%	100.00%

1) Established in the 2023 fiscal year.
2) Merged with Symrise Inc. in the 2023 fiscal year.
3) Reported in associated companies as of December 31, 2022.
4) Established in the 2023 fiscal year.

Asia and Pacific (continued)	December 31, 2022	December 31, 2023
P.T. Symrise, Jakarta, Indonesia	100.00%	100.00%
Probi Asia-Pacific Pte Ltd, Singapore, Singapore	67.60%	69.56%
Shanghai Wing Biotechnology Co., Ltd., Shanghai, China	100.00%	100.00%
SPF (Chuzhou) Pet Food Co., Ltd, Chuzhou, China	100.00%	100.00%
SPF Thailand, Bangkok, Thailand	51.00%	51.00%
SPF Diana Australia Pty Ltd, Beresfield, Australia	100.00%	100.00%
Symrise (China) Investment Co. Ltd., Nantong, China	100.00%	100.00%
Symrise Asia Pacific Pte. Ltd., Singapore, Singapore	100.00%	100.00%
Symrise Flavors & Fragrances (Nantong) Co. Ltd., Nantong, China	100.00%	100.00%
Symrise Holding Pte. Limited, Singapore, Singapore	100.00%	100.00%
Symrise, Inc., Manila, Philippines	100.00%	100.00%
Symrise K.K., Tokyo, Japan	100.00%	100.00%
Symrise Ltd., Bangkok, Thailand	100.00%	100.00%
Symrise Private Limited, Chennai, India	100.00%	100.00%
Symrise Pty. Ltd., Dee Why, Australia	100.00%	100.00%
Symrise SDN BHD, Petaling, Malaysia	100.00%	100.00%
Symrise Shanghai Limited, Shanghai, China	100.00%	100.00%
Africa and Middle East		
Neroli Fragrance LLC Sharja, Sharjah, United Arab Emirates	100.00%	100.00%
Origines S.a.r.L., Antananarivo, Madagascar	100.00%	100.00%
Specialities Pet Food South Africa, Cape Town, South Africa	100.00%	100.00%
Symrise (Pty) Ltd., Isando, South Africa	100.00%	100.00%
Symrise Middle East Ltd, Dubai, United Arab Emirates	100.00%	100.00%
Symrise Middle East FZ-LLC, Dubai, United Arab Emirates	100.00%	100.00%
Symrise Nigeria Limited, Lagos, Nigeria	100.00%	100.00%
Symrise Parsian, Tehran, Iran	100.00%	100.00%
Symrise S.A.E., 6th of October City, Egypt	100.00%	100.00%
Symrise S.a.r.L., Antananarivo, Madagascar	100.00%	100.00%

Joint ventures as of December 31, 2023

Name and registered office of the entity	December 31, 2022	December 31, 2023
Food Ingredients Technology Company, L.L.C., Springfield, USA	50.00%	50.00%
Maison d'Essence SAS, Saint-Cézaire-sur-Siagne, France	50.00%	50.00%

Associated companies as of December 31, 2023

Name and registered office of the entity	December 31, 2022	December 31, 2023
7905122 Canada Inc., Boucherville, Québec, Canada	40.00%	40.00%
Florusin-M, Moscow, Russia	44.00%	44.00%
Kobo Products Inc., South Plainfield, NJ, USA[1)]	25.00%	49.00%
Laboratoires Blücare Inc., Boucherville, Québec, Canada	40.00%	40.00%
Mako B.V., Barneveld, Netherlands[2)]	30.00%	–
Swedencare AB, Malmö, Sweden	29.68%	35.86%
Therapeutic Peptides Inc., Baton Rouge, USA	20.00%	20.00%
Yuniko Yumurta Ürünleri Sanayi İthalat İhracat ve Ticaret A.Ş., Ankara, Turkey[3)]	–	30.00%

Non-consolidated subsidiaries of minor importance as of December 31, 2023

Name and registered office of the entity	December 31, 2022	December 31, 2023
Bio-Actives Synergio Ltd., Jerusalem, Israel[4)]	–	20.70%

1) Acquisition of further shares in the 2023 fiscal year.
2) Disposal of shares in the 2023 fiscal year.
3) Acquisition of shares in the 2023 fiscal year.
4) Acquisition of shares in the 2023 fiscal year.

41. EXEMPTION FROM THE OBLIGATION TO PREPARE ANNUAL FINANCIAL STATEMENTS PURSUANT TO SECTION 264 (3) OF THE GERMAN COMMERCIAL CODE (HGB)

The following companies are included in the consolidated financial statements of Symrise AG in accordance with the provision applicable for corporate entities and have taken advantage of the exemption provisions covering the preparation, audit and publication of statutory annual financial statements pursuant to Section 264 (3) of the German Commercial Code (HGB): Busiris Vermögensverwaltung GmbH, Symrise Financial Services GmbH, Symotion GmbH, Symrise Beteiligungs GmbH and Tesium GmbH (all headquartered in Holzminden), as well as DrinkStar GmbH (headquartered in Rosenheim).

42. CORPORATE GOVERNANCE

The Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) has been submitted for 2023 and has been made permanently available to shareholders through the website www.symrise.com.

43. EVENTS AFTER THE REPORTING DATE

INVESTMENT IN SWEDENCARE AB, MALMÖ, SWEDEN

Since the reporting date, Symrise has acquired further shares in the listed company Swedencare AB, Malmö, Sweden, for a purchase price of € 48.0 million. As a result, Symrise held a total 41.13 % of the shares in Swedencare on the day the consolidated financial statements were prepared (December 31, 2023: 35.86 %). The investment is still accounted for as an associated company using the equity method.

Holzminden, Germany, February 14, 2024

Symrise AG

The Executive Board

Dr. Heinz-Jürgen Bertram   Olaf Klinger   Dr. Jean-Yves Parisot

Dr. Jörn Andreas   Dr. Stephanie Coßmann

Statement of the Executive Board

To the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Holzminden, Germany, February 14, 2024

Symrise AG

The Executive Board

Dr. Heinz-Jürgen Bertram Olaf Klinger Dr. Jean-Yves Parisot

Dr. Jörn Andreas Dr. Stephanie Coßmann

Independent auditor's report

To Symrise AG

Report on the audit of the consolidated financial statements and of the group management report

OPINIONS

We have audited the consolidated financial statements of Symrise AG, Holzminden, and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the fiscal year from 1 January 2023 to 31 December 2023, and the consolidated statement of financial position as at 31 December 2023, consolidated statement of cash flows, consolidated statement of changes in equity for the fiscal year from 1 January 2023 to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Symrise AG for the fiscal year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the parts of the group management report listed in the appendix.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the fiscal year from 1 January 2023 to 31 December 2023, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the parts of the group management report listed in the appendix.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January 2023 to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1) IMPAIRMENT TESTING OF GOODWILL

Reasons why the matter was determined to be a key audit matter

As a result of acquisitions in the past, the Symrise Group presents significant amounts of goodwill in its consolidated statement of financial position. The Group is operated with the segments “Scent & Care” and “Taste, Nutrition & Health” and the goodwill is allocated accordingly. This is in line with internal management and the current distribution of responsibilities within the Executive Board.

The result of the impairment tests performed as of 30 September 2023 to determine whether an impairment loss has to be recognized on goodwill is highly dependent on how the executive directors of Symrise AG estimate future cash flows as well as the respective discount rates and growth rates used.

In light of the materiality of goodwill in relation to total assets, the complexity of the valuation and the judgment exercised during valuation, the goodwill impairment test was a key audit matter.

Auditor’s response

During our audit, among other things, we obtained an understanding of the methods used to carry out the impairment tests including an examination of the suitability of the procedure for performing an impairment test in accordance with IAS 36. Furthermore, we analyzed the planning process and tested the operating effectiveness of selected controls implemented therein. We discussed the significant planning assumptions with the executive directors of Symrise AG and compared these with the results and cash inflows realized in the past.

With respect to the rollforward of the medium to the long-term plan, we examined in particular the assumptions on the growth rate and the margin in the perpetual annuity. Our assessment of the results of the impairment tests as of 30 September 2023 was based, among other things, on a comparison with general and industry-specific market expectations underlying the expected cash inflows. Based on our understanding that even relatively small changes in the discount rates used can at times have significant effects on the amount of the business value calculated, we analyzed the inputs used to determine the discount rates and reperformed the calculation with regard to the relevant requirements of IAS 36. We also performed sensitivity analyses in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our procedures did not lead to any reservations relating to the valuation of goodwill.

Reference to related disclosures
With regard to the recognition and measurement policies applied for goodwill, refer to the disclosure on impairments in section "2.5 Summary of significant accounting policies" of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to the disclosures in section "2.3 Estimates and assumptions" and in note 19 "Intangible assets" in the "Additional disclosures on the consolidated statement of financial position" section of the notes to the consolidated financial statements.

2) IMPAIRMENT OF SHARES IN THE ASSOCIATE SWEDENCARE AB (PUBL), MALMÖ, SWEDEN

Reasons why the matter was determined to be a key audit matter
In light of the fact that the market price of the shares in Swedencare AB (publ), Malmö, Sweden, presented under "Investments in companies accounted for using the equity method" was lower than the average carrying amount per share as of the reporting date, the executive directors of Symrise AG tested the shares for impairment as of the reporting date by determining their value in use.

The result of this valuation is highly dependent on how the executive directors of Symrise AG estimate future cash flows and the respective discount rates used. The derivation of future cash flows is based on the estimates of Symrise AG's executive directors regarding future sales revenue and margin developments, which are adjusted based on assumptions about, for example, long-term growth rates, in order to reflect a sustainable condition ("perpetual annuity").

In light of the materiality of the amount recognized for the shares and the extensive judgment exercised in valuation, the fair valuation of the shares in the associate Swedencare AB (publ), Malmö, Sweden, was a key audit matter.

Auditor's response
During our audit procedures, among other things, we assessed the methods used to carry out the impairment tests including an examination of the suitability of the procedure for performing an impairment test in accordance with IAS 28 and IAS 36 and for providing objective indications of impairment. As part of our audit procedures, we particularly scrutinized and assessed the methods and calculations of the valuation model used to determine the value in use.

We analyzed the estimates of the executive directors of Symrise AG relating to margins in the perpetual annuity by comparing them with the results actually achieved in the past and the current development of business figures and projections. We obtained an understanding of and assessed the significant assumptions on business development and growth as well as any synergy potential by comparing them, among other things, with publicly available information, including existing analyst assessments, discussing them with the executive directors of Symrise AG and including general and industry-specific market expectations in the analysis of the plans.

Based on our understanding that even small changes in the discount rate used can at times have significant effects on value, we assessed the derivation of the discount rate used, with the assistance of our internal valuation specialists, by scrutinizing the peer companies selected to determine the beta factors and comparing the market data used with external evidence.

With the aid of sensitivity analyses, we estimated impairment risks arising when significant valuation assumptions change, such as changes in the discount rate and EBITDA margin.

Our procedures did not lead to any reservations relating to the assessment of the fair valuation of the shares in Swedencare AB (publ), Malmö, Sweden, presented under "Investments in companies accounted for using the equity method."

Reference to related disclosures
The Company's disclosures on investments accounted for using the equity method are presented in "2.5 Summary of significant accounting policies" of the notes to the consolidated financial statements and in the section "Additional disclosures on the consolidated statement of financial position" and "Investments in companies accounted for using the equity method" in note 21 of the notes to the consolidated financial statements.

3) RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

Reasons why the matter was determined to be a key audit matter
Revenue from the sale of products is recognized in the consolidated financial statements of Symrise AG when control over the goods sold has been transferred to the customers. Revenue recognition depends, among other things, on the transit days defined for the Incoterms.

The Symrise Group has a large number of customers and an extensive product range. This entails a large number of different contractual arrangements, calling for particular care in order to properly account for transactions, especially with regard to the correct application of the accrual basis accounting. In this light, revenue recognition was a key audit matter.

Auditor's response
The executive directors of Symrise AG have prepared detailed recognition and measurement policies and implemented processes for recognizing revenue from product sales. During our audit, we considered, based on the criteria defined in IFRS 15, the recognition and measurement requirements applied in the consolidated financial statements of Symrise AG for the recognition of revenue. Our response included an examination of whether the delivery times used match the actual transit period and whether control passed to the buyers upon the sale of the products. We analyzed the processes implemented by the executive directors of Symrise AG. We tested the operating effectiveness of some of the controls relating to revenue recognition and the correct cut-off of revenue. To substantiate the existence of revenue, we examined whether it led to trade receivables and, in turn, if payments were received in settlement of these receivables. In addition, based on analytical audit procedures and additional substantive audit procedures defined group-wide, we analyzed whether the revenue for fiscal year 2023 was recognized on an accrual basis. We analyzed the recognition of revenue based on the contractual arrangements on a sample basis with regard to the requirements of IFRS 15 for revenue recognition. We also obtained balance confirmations for trade receivables from customers.

Our procedures did not lead to any reservations relating to the recognition of revenue from the sale of products.

Reference to related disclosures
With regard to the recognition and measurement policies applied for the recognition of revenue from the sale of products, refer to the disclosure on the recognition of revenue in section "2.5 Summary of significant accounting policies" of the notes to the consolidated financial statements.

OTHER INFORMATION

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the Corporate Governance Statement. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report 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 these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion
We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in Symrise_AG_KA+KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2023 to 31 December 2023 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion
We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents
The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the Annual General Meeting on 10 May 2023. We were engaged by the Supervisory Board on 9 October 2023. We have been the group auditor of Symrise AG without interruption since fiscal year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Tjark Eickhoff.

Hanover, 15 February 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Keller	Eickhoff
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Appendix to the auditor's report:

1) PARTS OF THE GROUP MANAGEMENT REPORT WHOSE CONTENT IS UNAUDITED

We have not audited the content of the following parts of the group management report:

- The Corporate Governance Statement which is published on the website stated in the group management report and is part of the group management report.

Furthermore, we have not audited the content of the following disclosures extraneous to management reports. Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB or Secs. 315b to 315d HGB or German Accounting Standard No. 20 (GAS 20):

- The second paragraph beginning with "Symrise considers itself" contained in the chapter "Opportunities and risk report," in section "Opportunities and risks in detail" and sub-section "Environment (safety, health, ecology and quality)."

- The remaining paragraphs beginning with "The compliance management systems" contained in the chapter "Essential features of the accounting-related internal control and risk management system" in the section "Organization and process."

- The "Overall assessment of the appropriateness and effectiveness of the control systems in place at Symrise."

2) ADDITIONAL OTHER INFORMATION

The other information comprises the following part of the annual report, of which we obtained a version of prior to issuing this auditor's report:

- The separate non-financial report.

The other information also comprises other parts of the annual report, of which we obtained a copy prior to issuing this auditor's report, in particular the sections:

- Report of the Supervisory Board

- Statement of the Executive Board

- The chapter "Corporate Governance" and

- The chapters "Our company" and "Magazine"

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

03

Corporate Governance

Corporate Governance Statement pursuant to Sections 289f, 315d of the German Commercial Code (HGB) and Corporate Governance Report

The actions of Symrise AG's management and oversight bodies are determined by the principles of good and responsible corporate governance and the associated Group companies. With the Corporate Governance Statement, the company also provides information on the key elements of the corporate governance structures at Symrise AG in accordance with Sections 289f and 315d of the German Commercial Code ("HGB") for Symrise AG and the Symrise Group (hereinafter jointly referred to as "Symrise"). The Corporate Governance Statement includes the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act ("AktG"), relevant disclosures on corporate governance practices, a description of the working methods of the Executive Board and the Supervisory Board, as well as the composition and working methods of their Committees, the target figures for the proportion of women in the Executive Board and for the two management levels below the Executive Board, together with deadlines for implementation, the status of implementation and a description of the diversity concept with regard to the composition of the Executive Board and Supervisory Board.

In accordance with Principle 23 of the currently applicable version of the German Corporate Governance Code from April 28, 2022 ("DCGK 2022") published in the official section of the Federal Gazette by the German Federal Ministry of Justice and Consumer Protection on June 27, 2022, the Supervisory Board and Executive Board report annually on the corporate governance of the respective company in the Corporate Governance Statement. Due to the similarity of the contents of the Corporate Governance Report and the Corporate Governance Statement to each other, Symrise has integrated the Corporate Governance Report into the Corporate Governance Statement in previous years, thus making it easier for readers to follow.

The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code has been made publicly available on the Symrise website. It can be found at

https://www.symrise.com/corporate-governance-statement

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT ON THE GERMAN CORPORATE GOVERNANCE CODE

Under Section 161 of the German Stock Corporation Act, the Executive Board and the Supervisory Board of a listed company must issue an annual declaration detailing whether the company was and is in compliance with the German Corporate Governance Code and providing its reasoning regarding any recommendations of the Code that have not been applied.

WORDING OF THE DECLARATION

On the basis of their deliberations, the Executive Board and the Supervisory Board of Symrise AG issued a new declaration of compliance on November 29, 2023, pursuant to Section 161 of the German Stock Corporation Act. The declaration is worded as follows:

"In accordance with Section 161 of the German Stock Corporation Act, the Executive and Supervisory Boards of Symrise AG state that:

Since June 27, 2022, Symrise AG has complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: April 28, 2022) ("DCGK 2022") published by the German Federal Ministry of Justice and Consumer Protection on June 27, 2022, in the official part of the Federal Gazette (Bundesanzeiger) and intends to continue to do so in the future."

The Declaration of Compliance has been made publicly available on Symrise AG's website. The previous Declarations of Compliance are also published there. It can be found at

https://www.symrise.com/investors/corporate-governance/declaration-of-compliance

RELEVANT INFORMATION ON COMPANY PRACTICES

This part of the Corporate Governance Statement provides relevant information on corporate governance practices beyond the scope of the legal requirements.

OUR CODE OF CONDUCT

Our Code of Conduct at Symrise is a set of legally binding ethical guidelines that apply to every employee, regardless of position, location or task and irrespective of any personal characteristics such as age, gender, language or culture. Our Code of Conduct provides the framework for interactions with the key stakeholders of our company: employees and colleagues, customers and suppliers, shareholders and investors, neighbors and society, national and local governments as well as government agencies, the media and the public. Our stakeholders are all those that have a legitimate interest in our company, including its activities and services, and with whom we interact on a regular basis. The Code of Conduct is based on our values and principles. By following it, we guarantee that every person is treated fairly and with respect while ensuring that our behavior and business activities remain transparent, honest and consistent throughout the world. Our Code of Conduct applies to all Symrise Group companies. Every Group company must also comply with national laws when implementing the Code of Conduct. In certain countries, it is possible that more restrictive or more comprehensive laws or regulations than those in our Code of Conduct may apply. In such cases, the stricter regulations always apply.

All employees are required to know the basic laws, regulations and internal corporate rules that apply to their areas of responsibility. Additionally, every manager needs to ensure that their staff are familiar with the Code of Conduct and that they work in compliance with its provisions. This is a mandatory requirement. We also expect our business partners to accept and respect the principles contained in our Code of Conduct. Through our Code of Conduct, we have established a fundamental and widely visible principle for uniform and exemplary action and behavior. Our Code of Conduct defines minimum standards and sets out behavior enabling all Symrise employees to cooperate in meeting these standards. The Code of Conduct helps in overcoming ethical and legal challenges in daily work. It provides concrete guidance for any conflict situations. In the interest of all employees and the Group, possible non-compliance with standards will be investigated and addressed, and the causes will be remedied. This means that misconduct will be consistently prosecuted in accordance with local laws.

The Code of Conduct is a core element of our compliance management system. This also includes advising employees on questions regarding the Code of Conduct and regular training on the primary topics of our Code of Conduct. These key topics regulate behavior in the workplace, conduct in business and the handling of information to ensure confidentiality and data protection.

Honesty, respect and fairness in our behavior and communication with one another are absolutely vital. Our employees are hired, trained and promoted based on these principles. We have committed to providing our employees with a safe and healthy working environment, and every employee can also contribute to the overall level of health and safety at work. We therefore encourage our employees to do just that. Safety is also an essential aspect for our products, as our customers and consumers expect safe, high-quality products from us at all times. The health of all employees is just as important to us as workplace safety. We are therefore committed to a work environment free of drugs and alcohol. The use of information technology is indispensable in our day-to-day operations. Just as important are the measures ensuring data security. Failure to observe these security measures can have serious consequences. Our guidelines help in avoiding such incidents.

We advocate fair competition everywhere and at all times. In this regard, we have adopted specific principles that every employee who is entrusted with issues involving contact with competitors must be familiar with. This includes local competition regulations of the respective countries in which our employees work on behalf of Symrise. A decision that serves the interest of Symrise may stand in conflict with the personal, professional or financial interests of employees. Our Code of Conduct contains specific principles and guidance on how to deal with such conflicts of interest so that business decisions can be made impartially and in the best interest of the company. We do not tolerate any form of corruption at Symrise. Accepting or providing money or services of any kind in an attempt to obtain a competitive advantage is prohibited. Strict rules apply to accepting or granting gifts or hospitality. There must be no associated quid pro quo or consideration. Donations and sponsorships are an expression of our societal commitment. We promote the areas of health, education and science, art and culture and social welfare projects. Having earned this reputation, we are approached by various organizations, institutions and associations with requests for support. We have set for ourselves strict rules for dealing with such requests, with absolute transparency being the top priority.

As a publicly traded company, we are required to observe numerous capital market laws and national and international accounting regulations. A wide range of information is also dealt with on a regular basis. In this context, it is essential to ensure their confidentiality and to comply with the data protection regulations that apply worldwide. We also expect all of our employees to handle information and data of any kind carefully and responsibly. As with every publicly traded company, Symrise is subject to the strict rules of the capital markets and to monitoring by various supervisory bodies. This requires very sensitive handling of insider information, meaning internal information that is not publicly known and that would likely have a significant impact on our share price if it became public. A major portion of our success is due to products and solutions that have been developed in our company – creative breakthroughs that we also seek to protect through patents. We know just how important these ideas and breakthroughs are. We therefore respect and protect intellectual property of every kind, regardless of whether it was developed by one of our companies or by third parties, and regardless of its commercial value.

Our Code of Conduct has been made permanently available on the Symrise website. It can be found at

https://www.symrise.com/code-of-conduct

OUR COMPLIANCE MANAGEMENT SYSTEM

INTRODUCTION

At Symrise, we understand "compliance" as an integrated organizational model ensuring adherence to legal regulations as well as intercompany guidelines and the corresponding processes and systems. This is considered an important management and monitoring task. Symrise has an integrated compliance management system that combines sustainable, risk- and value-oriented, and legal and ethical aspects and rules; we have made this into a fundamental principle for everything we do in business. We act on the basis of our understanding and conviction that adherence to these fundamental rules is an inalienable and non-negotiable component of our Symrise identity. Only a clearly defined and transparent framework of what type of conduct is allowed and what type of conduct is not allowed guarantees the success and sustainability of our business. At Symrise, compliance is a matter of course. Compliance concerns the attitude of each individual at Symrise. Our principle is clear and applies to all countries: "Any business that cannot align with our fundamental principles is not business for Symrise."

The Group Compliance Officer reports directly to the Executive Board Member with responsibility for Human Resources & Legal. Internal Auditing reports directly to the CFO. This ensures the independence and authority of these functions. The Group Compliance Officer and Internal Auditing report to the Auditing Committee of the Supervisory Board regularly at each of the committee's meetings.

TECHNICAL COMPLIANCE AND LEGAL COMPLIANCE

In addition to tax compliance, treasury compliance and internal audit, our compliance management system differentiates in particular between what is known as technical compliance and legal compliance. Technical compliance activities focus on quality, environmental protection, health, occupational safety, energy, product safety and food safety. In nearly all of these areas, the Symrise products are subject to strict government supervision worldwide. It is a matter of course for us that our products and processes comply with local regulations around the world. Legal compliance activities concentrate on competition and antitrust law, anti-corruption and money laundering prevention efforts and export controls. Here, the focus of activity is on education and prevention. The implementation and further development of Group guidelines on these topics also fall into this category.

The results and insights from every area of compliance are collected by the Group Compliance Officer and reported to the Executive Board and the Auditing Committee of the Supervisory Board. As a result, any measures that may arise will now be coordinated efficiently. Possible compliance violations are immediately remedied and their causes are identified, with corrective measures implemented if necessary.

The Executive Board of Symrise has explicitly expressed – in both internal and external contexts – its refusal to accept any form of compliance infringement. Such violations will not be tolerated at Symrise. Sanctions will be imposed upon involved employees wherever necessary and legally possible.

OUR INTEGRITY HOTLINE

The Integrity Hotline set up by the Group Compliance Office ensures that Symrise employees can anonymously report violations of both legal regulations and internal company guidelines from anywhere in the world. By means of this hotline, all our employees are able to contact the Group Compliance office using toll-free telephone numbers that have been specially set up in the individual countries. An intermediary service operator ensures that employees can retain anonymity where required and communicate in their native language. They receive a unique individual incident number that enables them to call the Integrity Hotline back later and listen to the answer left for them by the Group Compliance office. This procedure can be repeated and continued as desired. In this way it enables intensive communication between the Group Compliance office and the person providing the information while preserving the latter's anonymity. At the same time, targeted queries can prevent abuse and denunciations by other employees, and additional information can be requested. In addition, employees can contact the Group Compliance office staff anonymously via the online Symrise Integrity Hotline service. This service makes it possible for them to submit messages in writing and upload any documents electronically.

It is therefore not absolutely necessary to communicate with the Group Compliance office over the phone. Of course, all employees can also contact the Group Compliance office directly and personally at any time.

In the 2023 fiscal year, three cases per month on average worldwide were reported to the Compliance Office via the Integrity Hotline. In all cases, investigations were initiated and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and Group-internal regulations. In four cases, labor law sanctions were imposed. No material damage to third parties or to our company resulted from these cases.

TRAINING COURSES ON COMPLIANCE ISSUES

In order to ensure observance of all compliance requirements on an ongoing basis, the need for training is regularly identified and suitable training courses are held in the areas of "Technical Compliance," "Legal Compliance" and "Tax Compliance." In addition to training courses where employees are present on-site, internet-based online training is also offered. This allows us to reach more employees in a shorter period of time. It also gives employees greater flexibility in terms of where and when they complete their training. Subsequent tests confirm not only that a training course has been completed, but also that its content has been understood.

In addition to the requirements specific to their positions, new Symrise employees are given comprehensive training on the fundamental principles of our Code of Conduct when they join the company. All employees then take part in rolling training courses based on predefined schedules. Depending on whether they are basic, refresher, or specialized training courses, these schedules cover a period of between one and four years.

POLITICAL ENGAGEMENT

Dialogue with politicians and participation in public discourse are important foundations and drivers for the future-oriented plans of our company. This exchange must take place with integrity and transparency for all parties involved. We explicitly prohibit the corrupt gaining of advantage through political influence. We take care to comply with the applicable legal standards and legal framework. Symrise participates in political and social dialogue through events and personal contact with decision-makers as well as through media channels. In exchanges with relevant stakeholders, we express our interest, share our views and raise awareness of specific issues in the political discourse and regulatory environment. Symrise is a member of selected associations and initiatives in order to represent the interests of the industry together with other stakeholders and to promote sustainability topics. Before joining an organization, we evaluate whether membership is compatible with our values and our Code of Conduct. Symrise is neutral in terms of party politics and does not engage in political activities on behalf of the company. Accordingly, we as a company made no donations to political parties, politicians or candidates for political office in the reporting year. Our complete declaration on political engagement is published on the Symrise website. It can be found at

https://www.symrise.com/statement-on-political-involvement

CORPORATE GOVERNANCE

Corporate governance at Symrise is based on the German Corporate Governance Code 2022, which is now considered the guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever before that good corporate governance is a prerequisite and indispensable basis for the success of a company. This success depends especially on the trust of our business partners, financial markets, investors, employees and the public. Confirming and further strengthening this trust is a prioritized objective at Symrise. Achieving this objective calls for responsible leadership along with corporate management and control focused on creating sustainable value.

In the past, we have oriented ourselves toward internationally and nationally acknowledged standards of good and responsible corporate governance and will continue to do so in the future. In the 2023 fiscal year, the Executive Board and Supervisory Board also dealt intensively with corporate governance issues across all divisions. The Chairperson of the Supervisory Board regularly engages in dialogue with major shareholders and proxies in the spirit of commitment to corporate governance.

DESCRIPTION OF THE WORKING METHODS OF THE EXECUTIVE AND SUPERVISORY BOARDS

This part of the Corporate Governance Statement focuses on the working methods of the Executive Board, the Supervisory Board and the committees formed by the Supervisory Board. The composition of these committees will also be briefly discussed. The Executive Board has not formed any committees.

DUAL MANAGEMENT SYSTEM

Symrise AG is a stock corporation under German law, on which the German Corporate Governance Code 2022 is also based. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Executive Board and the Supervisory Board, each of which is entrusted with independent competencies. In the management and oversight of the company, Symrise AG's Executive Board and Supervisory Board cooperate closely and always in a spirit of trust. They manage the company on the basis of a jointly developed, transparent strategy that is understandable for everyone and geared toward the long-term success of our company. This strategy is always in line with the applicable laws and our ethical standards. Corporate management practices that go beyond this strategy are derived from our common values and relate to every stage of the value chain. The essential guidelines relevant in this regard are primarily grounded in our corporate guidelines. Our risk management system and our compliance management system serve to fulfill the organizational and supervisory duties of the Executive Board and the Supervisory Board.

EXECUTIVE BOARD

As of the end of the reporting period (December 31, 2023), the Executive Board had five members. All members of the Executive Board are appointed by the Supervisory Board. The Executive Board is responsible for managing the company's business operations in the interest of the company with a view to creating sustainable value. In determining the composition of the Executive Board, the Supervisory Board bases its decisions on the relevant professional knowledge and personal suitability of each individual while also taking aspects such as age, gender, and educational and professional background into account. With a view to other aspects of the composition of the Executive Board, the Supervisory Board strives for diversity. Without basing selection decisions on this in individual cases, the Supervisory Board aims to ensure that age groups are appropriately represented on the Executive Board, taking into account the experience required for a position on the Executive Board. The international activities of the company should be appropriately reflected in the composition of the Executive Board. Therefore, the aim is for members of different nationalities or with an international background (such as extensive professional experience abroad or in providing support for business activities) to belong to the Executive Board. As of the end of the reporting period, one member of the Executive Board has a nationality other than German. All board members have extensive professional experience abroad. In addition to the specialist knowledge and management and leadership experience required for the respective task, the members of the Executive Board should cover the widest possible spectrum of knowledge, experience and educational and professional background. All members of the Executive Board currently meet these criteria The stated goals are included in the decision regarding how to fill Executive Board positions. With this concept for the composition of the Executive Board, the Supervisory Board is pursuing the goal of incorporating as many diverse perspectives as possible into the management of the company through a balanced, diverse composition of the Executive Board as well as the highest possible individual suitability of the individual members.

The current members of the Executive Board are:

Dr. Heinz-Jürgen Bertram, CEO, and also President of the Scent & Care segment until January 31, 2023. Dr. Bertram has been a member of the Executive Board since October 2006. In July 2009, he was appointed CEO. His current contract ends at the end of March 31, 2024. Dr. Bertram is also a member of the Board of Directors of Swedencare AB, which is listed in Sweden and headquartered in Malmö, Sweden.

Dr. Jörn Andreas, Head of Scent & Care segment. Dr. Andreas has been a member of the Executive Board since February 1, 2023. His current contract ends on January 31, 2026. Dr. Andreas is a member of the Board of Directors of Probi AB, which is listed in Sweden and headquartered in Lund, Sweden. Probi AB is a Symrise Group company.

Dr. Stephanie Coßmann, Head of Human Resources & Legal and Labor Director. Dr. Coßmann has been a member of the Executive Board since February 1, 2023. Her current contract ends on January 31, 2026.

Mr. Olaf Klinger, Chief Financial Officer. Mr. Klinger has been a member of the Executive Board since January 2016. His current contract ends on January 31, 2028.

Dr. Jean-Yves Parisot, Head of the Taste, Nutrition & Health segment. Dr. Parisot has been a member of the Executive Board since October 2016 and has been responsible for the Taste, Nutrition & Health segment since April 2021. His current contract ends on September 30, 2028. Dr. Parisot is Chairperson of the Board of Directors of Probi AB, which is listed in Sweden and headquartered in Lund, Sweden. Probi AB is a Symrise Group company. Dr. Parisot is also Chairperson of the Board of Directors of VetAgroSup based in Lyon, France, and a member of the Board of Directors of Swedencare AB, which is listed in Sweden and headquartered in Malmö, Sweden.

The Executive Board develops the company's strategic direction, approves it with the Supervisory Board and is responsible for its implementation. The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant issues of corporate planning and strategic development, on company performance, on the status of the Group, including a risk profile, and on risk management. The reporting of the Executive Board also covers the compliance management system, that is, the measures for adherence to legal regulations and internal corporate guidelines. The rules of procedure for the Executive Board specify reservations of consent of the Supervisory Board for significant business transactions. As part of the succession planning for Executive Board positions, the Executive Board regularly informs the Supervisory Board of candidates it has identified as having potential for assuming Executive Board positions. When developing the subordinate management levels, the same diversity criteria are used as when filling Executive Board positions. The candidates identified present at least one presentation to the Supervisory Board or its committees. For each member of the Executive Board, at least one substitute member has to be identified who could replace a member of the Executive Board at short notice and take over their duties if necessary. For the selection and succession planning, the Executive Board and Supervisory Board regularly enlist the support of personnel consulting firms.

In accordance with Recommendation B 5 of the German Corporate Governance Code 2022, there is an age limit for members of the Executive Board. Anyone who has reached the age of 65 at the time of appointment may no longer be appointed as a member of the Executive Board. This age limit is specified in Section 1 (5) of the rules of procedure for the Executive Board and has been in place since December 2009. As of the end of the reporting period on December 31, 2023, the ages of the members of the Executive Board ranged from 43 to 65 years. The rules of procedure for the Executive Board are available to the public at

https://www.symrise.com/rules-of-procedure-executive-board

The Act on the Equal Participation of Women and Men in Executive Positions in the Public and Private Sectors ("FüPoG I"), which went into force on May 1, 2015, has the aim of increasing the share of female executives holding upper management positions at companies and largely achieving gender equality. Symrise is a globally managed company, so senior management positions below the Executive Board also exist outside of Germany. The basis for the Symrise-specific quota for women is therefore the global management structure of Symrise AG. In 2023, the proportion of women on the first management level below the Executive Board was 13.5 %, after 16 % in the previous year, and at the second management level it was 45.5 %, after 37 % in the previous year. This means that Symrise has met early its target to increase the proportion of women on the second management level to 45 % in 2025. The decline to below the level previously achieved for the proportion of women on the first management level is a largely technical effect, resulting from the reorganization of the segments carrying the business and the redistribution of the Executive Board positions due to the Board's enlargement from three to five members. Given the encouraging development of the proportion of women on the second management level, Symrise is maintaining its target to increase the proportion of women on the first management level to 30 % in 2025.

On August 12, 2021, the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Executive Positions in the Public and Private Sector ("FüPoG II") went into force. Accordingly, the Executive Board of a listed company to which, among other things, the Codetermination Act (MitbestG) applies and which consists of more than three people must be composed of at least one man and at least one woman. Companies had a transitional period until August 1, 2022, to implement the legal requirement. Executive Board memberships existing at that time may be continued until their scheduled end. As a result of this legal requirement, the Supervisory Board is no longer obligated to set further targets and implementation deadlines for the composition of the Executive Board.

Symrise AG pursued the long-term goal of having at least one woman on the Executive Board even before FüPoG II went into force. In light of this, the Supervisory Board resolved to set a target for the proportion of women on the Executive Board, with the target being the appointment of at least one woman. This goal has been met since February 1, 2023.

SUPERVISORY BOARD

The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company. The Chairperson of the Supervisory Board coordinates the work on the Supervisory Board, chairs its meetings and externally represents the concerns of the body. An extraordinary Supervisory Board meeting may be convened if required when events of particular relevance occur. The representatives of the shareholders and the employees can meet separately to prepare the meetings. If necessary, any meeting of the full Supervisory Board may be held even if no member of the Executive Board is present. The same is true for those specific topics about which the auditor reports to the Supervisory Board and is available to answer questions. In the 2023 fiscal year, the Supervisory Board held five ordinary meetings, two of which focused on specific topics. The first meeting on a specific topic centered around the company's strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2024. In addition, there was one extraordinary meeting due to the Executive Board’s enlargement from three to five members. The Supervisory Board has given itself rules of procedure, which also apply to the committees of the Supervisory Board. This is available at

https://www.symrise.com/rules-of-procedure-supervisory-board

In accordance with Recommendation D 12 of the German Corporate Governance Code 2022, the Supervisory Board regularly assesses its effectiveness in fulfilling the tasks of the Supervisory Board and its committees. The last self-assessment occurred in the fall of 2020. It is carried out on the basis of resources such as an anonymous questionnaire completed by all members of the Supervisory Board. The results of the survey are presented and discussed at the full Supervisory Board meetings. These questionnaires were designed with external assistance. The next self-assessment is planned for fiscal year 2024.

COMPOSITION OF THE SUPERVISORY BOARD

Pursuant to Section 8 (1) of the company’s articles of incorporation in conjunction with Section 96 (1) of the German Stock Corporation Act and Section 7 (1) (1) (1) of the German Codetermination Act 1976 (“MitbestG”), the Supervisory Board consists of twelve members. In accordance with the provisions of the Codetermination Act, six members are elected by the Annual General Meeting and six by the company’s employees.

For listed companies subject to the Codetermination Act, Section 96 (2) (1) of the German Stock Corporation Act stipulates, inter alia, that the Supervisory Board must comprise at least 30% women and at least 30% men. In order to comply with this minimum gender distribution requirement, at least four seats on the company’s Supervisory Board must be held by women and four seats by men. This minimum distribution is to be met by the Supervisory Board in total (what is known as total compliance), unless the shareholder or employee representatives on the Supervisory Board object to this by way of a resolution (Section 96 (2) (3) of the German Stock Corporation Act (AktG)). Total compliance with this requirement was rejected by the representatives of both the shareholders and the employees in accordance with Section 96 (2) (3) AktG. The group of shareholder representatives and the group of employee representatives on the Supervisory Board are each therefore required to comply with the minimum distribution of 30 % for their group, so the six representatives of each group include at least two women and men in each case.

At present, the following shareholder representatives have been elected to the Supervisory Board for the period until the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2024: Ms. Ursula Buck, Managing Director of BC BuckConsult, Possenhofen; Mr. Bernd Hirsch, CFO of COFRA Holding AG, Gütersloh; Mr. Michael König, Chief Executive Officer of Nobian Industrial Chemicals B.V., Iserlohn, Prof. Andrea Pfeifer, CEO of AC Immune S. A., St. Légier, Switzerland; Mr. Peter Vanacker, CEO of LyondellBasell Industries N.V., Houston, Texas, USA; and Mr. Jan Zijderveld, professional supervisory board member, London, UK.

The following five employee representatives have been elected to the Supervisory Board from among the German staff in compliance with the legally prescribed election process for the period until the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2025: Ms. Jeannette Chiarlitti, IG BCE General Secretary of the Northern District, Salzgitter; Mr. Harald Feist, Chairperson of the Works Council and the General Works Council of Symrise AG, Holzminden; Mr. André Kirchhoff, full-time member of the Works Council of Symrise AG, Bevern; Dr. Jakob Ley, Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health at Symrise AG, Holzminden; and Ms. Andrea Püttcher, Deputy Chairperson of the Works Council and Vice Chairperson of the General Works Council of Symrise AG, Holzminden. As directed by the Local Court of Hildesheim on June 13, 2023, Mr. Malte Lückert, Secretary of the IGBCE Executive Board responsible for Economic, Sectoral and Collective Bargaining Policy and HR, Rodenberg, was appointed as a member of the Supervisory Board in accordance with Section 104 of the German Stock Corporation Act (AktG).

By supporting appropriate election proposals for the election of shareholder representatives by the Annual General Meeting and the election of employee representatives by the staff, the Supervisory Board will continue to work toward implementing the requirements of the law (“FüPoG I”) insofar as they relate to the composition of the Supervisory Board.

GOALS OF THE SUPERVISORY BOARD IN RELATION TO ITS COMPOSITION

In accordance with Recommendation C 1 of the German Corporate Governance Code 2022, the Supervisory Board is to specify concrete goals for its composition and develop a competence profile for the entire Board while paying attention to diversity. Taking account of the specific company situation, diversity is defined by factors including internationality, age, gender and educational and professional background. The Supervisory Board of a listed company to which, among other things, the Codetermination Act (MitbestG) applies must be composed of at least 30 % women and at least 30 % men. The Supervisory Board of Symrise AG complies with this legal requirement. The current Supervisory Board at Symrise AG includes four women: Ms. Buck, Ms. Chiarlitti, Prof. Pfeifer and Ms. Püttcher. As a result of this legal requirement, the Supervisory Board is no longer obligated to set further targets and implementation deadlines for its composition.

In terms of shareholder representatives, the Supervisory Board should include what it considers to be an appropriate number of independent members, taking into account the ownership structure. More than half of the shareholder representatives should be independent of the company and the Executive Board. A Supervisory Board member is independent of the company and its Executive Board if he or she has no personal or business relationship with the company or its Executive Board that could give rise to a material and not merely temporary conflict of interest.

Bernd Hirsch, who joined the Supervisory Board as a shareholder representative on May 16, 2018, is the first member to have previously been a member of the Executive Board. There was a period of two years, four months and 15 calendar days between the end of Mr. Hirsch's activity on the Executive Board and his election to the Supervisory Board. This satisfied the conditions of Section 100 (2) (4) of the German Stock Corporation Act (AktG) (the "cooling-off" period). Neutral and independent consulting and monitoring of the Executive Board continue to be ensured without restriction. With Mr. Hirsch and Mr. König, at least two independent members of the Supervisory Board and Auditing Committee also have expertise in the fields of auditing (Mr. Hirsch) and accounting (Mr. König).

Mr. Hirsch has around 20 years of professional experience as CFO at listed or capital market oriented companies with global business activities. As part of these activities, he worked regularly and intensively with auditors in Germany and abroad. Mr. König also has more than 20 years of professional experience at the management or board level of globally active companies in Germany and abroad. Most of these companies were also listed or capital market oriented. As part of these activities, Mr. König was regularly involved in tasks in the field of accounting according to national and international accounting standards.

In the future as well, more than half of the shareholder representatives should as a rule be independent of the company and the Executive Board. This goal is currently being met. No shareholder representative has any direct or indirect personal or business relationship with Symrise, a reportable shareholder, or a member of the Executive Board or Supervisory Board. That was also the case in the past and includes family members.

Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members that fulfill the internationality criterium does not fall below one-third. For Symrise AG, this means that nationality is not the only focus. Rather, the decisive factor is for at least one-third of Supervisory Board members to have substantial experience in globally active groups in Germany and abroad. This goal is also currently being met.

The term of office for a Supervisory Board member must end at the conclusion of the Annual General Meeting following the member's 70th birthday. The maximum limit for membership in the Supervisory Board is four terms of office. These two goals are currently being met. Concerning future nominations, the aim is to continue to fulfill the goals defined by the Supervisory Board.

THE COMPETENCE PROFILE OF THE SUPERVISORY BOARD

When nominating candidates for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required for the duties to be performed, as well as to the principle of diversity among the Supervisory Board's members. This ensures that the members of the Supervisory Board as a whole have the knowledge, skills and professional experience required to perform their duties properly. In accordance with Recommendation C 1 of the German Corporate Governance Code 2022, the Supervisory Board has prepared a competence profile for the entire Board. This profile was used for the Board's current composition and will be applied in future election proposals to the Annual General Meeting to ensure the competence profile of the entire Board. This competence profile for members of the Supervisory Board of Symrise consists of different parameters. Each of these parameters on its own is significant in the competence profile of the entire Board. However, it is only by interlocking and complementing all parameters that the competence profile of the entire Board, which is necessary to support the business success of Symrise, can be guaranteed. Skills are required in the areas of accounting, auditing, risk management, information technology, issues regarding the remuneration of the Executive Board and compliance. Furthermore, expertise in the fragrance and flavor industry is required. This comprises the production of flavors, food ingredients, fragrances and cosmetic ingredients. The required competencies also include experience in the chemical, consumer goods and food industries. Here, the focus is on knowledge of the respective markets, products, and customer and supplier relationships. Expertise in production, research and development as well as with regard to sustainability issues that are important for the company (ESG – Environmental, Social, Governance) are of paramount importance.

Other important parameters of the competence profile of the Symrise Supervisory Board are sufficient availability of time, a lack of conflicts of interest, the ability to work in a team, and management and development experience with regard to large organizations. This competence profile of the Symrise Supervisory Board is currently being fulfilled by the entire Board.

The competence profile of the Supervisory Board described above, the individual fields of expertise of each member of the Supervisory Board and the status of implementation are shown in detail in the following qualification matrix:

Supervisory Board

Competence matrix shareholder representatives

	Role				Competences													Diversity criteria		
					Industry	Functional									ESG					
	Independency	Initial election	End of term (AGM)	Overboarding[1]	Experience in Taste, Nutrition & Health, Scent & Care	Human Resources	General management	Production & raw materials	Financial expert	Quality / Regulatory / Risk management	International experience	Innovation / R & D management	Executive position	IT & IT security expertise	Environmental	Social / Safety at work / Health protection	Governance	Year of birth	Nationality	Gender[2]
Ursula Buck	Yes	2016	2025	No	√		√				√		√					1961	German	F
Jan Zijderveld	Yes	2023	2025	No	√		√				√		√				√	1964	Dutch	M
Bernd Hirsch	Yes	2018	2025	No	√		√		√		√		√	√				1970	German	M
Michael König (Chairman)	Yes	2020	2025	No			√		√		√		√				√	1963	German	M
Prof. Dr. Andrea Pfeifer	Yes	2011	2025	No		√	√			√	√	√	√					1957	Swiss + German	F
Peter Vanacker	Yes	2020	2025	No			√	√			√		√		√		√	1966	Belgian + German	M

Matrix in accordance with section C.1 of the German Corporate Governance Code 2022.
[1] In accordance with section C.4 & C.5 of the German Corporate Governance Code 2022.
[2] F = Female, M = Male.

Supervisory Board

Competence matrix employee representatives

	Role				Competences													Diversity criteria		
					Industry	Functional									ESG					
	Independency	Initial election	End of term (AGM)	Overboarding[1]	Experience in Taste, Nutrition & Health, Scent & Care	Human Resources	General management	Production & raw materials	Financial expert	Quality / Regulatory / Risk management	International experience	Innovation / R & D management	Executive position	IT & IT security expertise	Environmental	Social / Safety at work / Health protection	Governance	Year of birth	Nationality	Gender[2]
Jeannette Chiarlitti	No	2016	2026	No		√		√								√	√	1982	German	F
Harald Feist (Vice Chairman)	No	2013	2026	No	√	√		√		√					√	√	√	1962	German	M
André Kirchhoff	Yes	2016	2026	No	√	√		√								√	√	1965	German	M
Dr. Jakob Ley	No	2021	2026	No	√			√		√		√			√	√	√	1967	German	M
Andrea Püttcher	No	2018	2026	No	√	√		√								√	√	1977	German	F
Malte Lückert	Yes	2023	2026	No	√	√		√								√	√	1988	German	M

Matrix in accordance with section C.1 of the German Corporate Governance Code 2022.
[1] In accordance with section C.4 & C.5 of the German Corporate Governance Code 2022.
[2] F = Female, M = Male.

SUPERVISORY BOARD COMMITTEES

As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. Where legally permissible, the Supervisory Board delegates decision-making to its committees in individual cases. The Supervisory Board established a Personnel Committee, an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG) and a Nominations Committee as permanent committees. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the full meetings, the chairs of the committees report regularly and comprehensively on the content and results of the committee meetings.

The **Personnel Committee** is responsible for matters pertaining to the Executive Board. These matters include, in particular, making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of the employment contracts of Executive Board members. This also includes succession planning at Executive Board level in accordance with Recommendation B 2 of the German Corporate Governance Code 2022. The Personnel Committee addresses succession planning for members of the Executive Board at least once a year (most recently at the Personnel Committee meeting on November 29, 2023). In particular, the terms of existing employment contacts and the age structure of the Executive Board are taken into account. The Supervisory Board and Executive Board are committed to ensuring internal talent development for employees at levels below the Executive Board for all Executive Board positions. Skill sets and diversity criteria are taken into account here. The evaluation for these is carried out by means of internal assessments, as well as external assessments. In this process, candidates who have the potential to take over a position on the Executive Board undergo an assessment that leads directly from an individual analysis to an individual development plan. The aim is to always be able to fill positions on the Executive Board internally and on short notice when needed. The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements, and making corresponding recommendations at the full Supervisory Board meetings. In doing so, the Personnel Committee also takes into account the requirements of FüPoG II, which came into force on August 12, 2021. For this reason, when appointing new members to the Executive Board in the future, we will not only strive for diversity criteria, but also for appropriate consideration of women. The Personnel Committee currently has six members, of whom three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The Personnel Committee convened five times in the 2023 fiscal year. The members are Mr. Michael König (Chairperson), Ms. Jeannette Chiarlitti, Mr. Harald Feist, Dr. Jakob Ley, Prof. Andrea Pfeifer, and Mr. Jan Zijderveld. The Personnel Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

The **Auditing Committee** mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system, the audit of annual accounts and the compliance management system. The Auditing Committee also regularly deals in detail with issues relating to Group financing, liquidity planning and securing liquidity. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discusses the interim reports in detail and approves them before they are published. The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. Receipt of the report from Internal Auditing, the Group Compliance office and the risk report are also regular agenda items at Auditing Committee meetings. The Auditing Committee prepares the Supervisory Board's proposal to the Annual General Meeting to appoint an auditor for the new fiscal year. Furthermore, the Auditing Committee obtains the relevant statements of independence from the auditor, commissions the auditor and agrees with the auditor on key audit matters, i.e., those particular focal points of the audit on which the auditor must expressly state an opinion. In addition, the Auditing Committee determines further individual focal points of the audit for the following fiscal year. The basis for this is a risk-oriented audit approach. Furthermore, the Auditing Committee is responsible for preparing the decision of the Supervisory Board regarding auditing fees. The Auditing Committee currently has six members. Three members are commissioned by the shareholder representatives of the Supervisory Board and three members are commissioned by the employee representatives of the Supervisory Board. The Chairperson of the Auditing Committee must be independent and should not be the Chairperson of the Supervisory Board. One member must have expertise in the field of accounting (Mr. König). Another member must have expertise in the field of auditing (Mr. Hirsch). The Auditing Committee convened five times in the 2023 fiscal year. The current members are Mr. Bernd Hirsch (Chairperson), Ms. Ursula Buck, Mr. Harald Feist, Mr. Michael König, Mr. Malte Lückert, and Ms. Andrea Püttcher. The Auditing Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly. Additionally, the Auditing Committee drew up its own regulation regarding its specific procedure. If necessary, any meeting of the full Supervisory Board may be held even if no member of the Executive Board is present at the beginning of the meeting. The same is true for specific topics about which the auditor reports to the Auditing Committee and is available to answer questions.

Shareholders and employees are equally represented on the **Arbitration Committee** pursuant to Section 27 (3) of the Codetermination Act. In the event that the appointment of a member of the Executive Board is not approved by the two-thirds majority required by law, it is responsible for submitting an alternative proposal to the Supervisory Board. The Arbitration Committee has four members. The current members are Mr. Michael König (Chairperson), Ms. Ursula Buck, Mr. Harald Feist and Mr. André Kirchhoff. Once again, it was not necessary to convene the Arbitration Committee during the 2023 fiscal year. The Arbitration Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

In accordance with Recommendation D 4 of the German Corporate Governance Code 2022, the **Nominations Committee** consists exclusively of shareholder representatives from the Supervisory Board. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The Nominations Committee consists of three members. The current members are Mr. Michael König (Chairperson), Prof. Andrea Pfeifer, and Mr. Jan Zijderveld. It was not necessary to convene the Nominations Committee during the 2023 fiscal year. The Nomination Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

Section 162 of the German Stock Corporation Act, newly introduced with the Act Implementing the Second Shareholders' Rights Directive (ARUG II), requires a separate remuneration report under stock corporation law for the first time for fiscal years beginning after December 31, 2020. This replaces the previous remuneration report under commercial law prepared in accordance with Sections 289a (2) (1) and 315a (2) (1) of the German Commercial Code. The remuneration report under stock corporation law pursuant to Section 162 of the German Stock Corporation Act is therefore a separate report from the financial statements under commercial law. As a result, it is not part of the Corporate Governance Statement or the management report. It is submitted to the Annual General Meeting for approval each year. The remuneration report, including the auditor report, can be found on the Symrise website at

https://www.symrise.com/remuneration-report

In addition to the remuneration report, the applicable remuneration system for the Executive Board pursuant to Section 87a (1) and (2) (1) of the German Stock Corporation Act and the last resolution of the Annual General Meeting on the remuneration of the members of the Supervisory Board pursuant to Section 113 (3) of the German Stock Corporation Act are publicly accessible on the Symrise website.

TRANSPARENCY

Pursuant to the rules of the EU Market Abuse Directive, the members of the Executive and Supervisory Boards of Symrise AG as well as certain employees with management duties and persons with whom they have a close relationship must disclose the purchase or sale of Symrise shares and related financial instruments. This duty of disclosure applies if the value of the transactions undertaken by one of the aforementioned persons reaches or exceeds the sum of €20,000. Symrise immediately publishes disclosures on such transactions on its website and transmits this information to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht/BaFin) and the company register for retention. All of the reports received by Symrise AG as of December 31, 2023, are published on our website at **https://www.symrise.com/investors/voting-rights-directors-dealings**. This includes all such reports since the IPO in December 2006, including any persons who have meanwhile left the Executive Board or the Supervisory Board.

CONFLICTS OF INTEREST

As in the previous year, conflicts of interest involving members of the Executive Board, which must be disclosed to the Supervisory Board without delay, did not occur in fiscal year 2023. There were no consultant or service agreements or other exchange contracts between members of the Supervisory Board and the company in the 2023 fiscal year.

A summary of the respective mandates outside of the Symrise Group for the members of the Executive Board and the Supervisory Board can also be found on pages 177/178 of the 2023 Financial Report.

A report on relationships to related companies and parties can be found on pages 133/134 of the 2023 Financial Report.

SUSTAINABILITY

We believe that economic success, sustainability and social acceptance are inextricably linked. For this reason, sustainability is an integral component of our corporate strategy and our corporate governance. It is our goal is to permanently increase the value of the company and to minimize risks. For this reason, the Chief Executive Officer is directly responsible for all aspects of sustainability at Symrise. The Chief Sustainability Officer is responsible for the development and implementation of the sustainability agenda and defines the sustainability objectives. He reports directly to the Chief Executive Officer. Our Sustainability Board is a cross-divisional committee that, with representatives from the segments, helps translate our sustainability management into operational business. It also includes cross-divisional functions such as Human Resources, Investor Relations, and Corporate Communications. This Sustainability organization is supported by a network of more than 120 Sustainability Ambassadors worldwide who implement initiatives locally. In the process of implementation, we approach the topic of sustainability systematically and are guided by the 17 sustainability goals of the United Nations. We translate our ambitions into concrete targets. In the area of "Climate," we seek to minimize our environmental footprint. In the area of "Procurement," we pursue the maximization of sustainability in our supply chains. In the area of "Innovation," the goal is to maximize the environmental added value of our products. Finally, the "Employees/Society" area covers the creation of lasting value for all our stakeholders. We determined these topics and their weight by surveying all stakeholder groups, and we developed our Sustainability Materiality Matrix based on the feedback we received. More than 1300 people (employees, customers, suppliers, investors and experts) took part. This resulted in the four key topics of "Climate Protection/Climate Change," "Procurement/Supply Chains," "Raw Materials and Circular Economy," and "Environmental Protection and Biodiversity." We translated these key issues into a specific action plan. The implementation of the Supply Chain Due Diligence Act ("LkSG") also belongs here. You can find all the details on this in our Corporate Report 2023, which can be found on the Symrise website at

https://symrise.com/corporatereport/2023/index.html

Symrise meets the requirements of the non-financial statement in accordance with Sections 289b to 289e and 315b and 315c of the German Commercial Code (HGB). The relevant information on the non-financial statement in accordance with the Corporate Social Responsibility Directive Implementation Act ("CSR-RUG") is integrated into the management report. We use the GRI standards as a framework within the meaning of Section 289d HGB. The Supervisory Board has complied with its duty to examine the non-financial declaration pursuant to Sections 170 (1), 171 (1) AktG.

RISK MANAGEMENT

Responsibly dealing with risks of all kinds has the utmost importance for the success of a company. For this reason, a comprehensive risk management system is a mandatory element of suitable corporate governance. The Executive Board ensures appropriate risk management and risk control throughout the Group. The risk management system is constantly being developed and adapted to changing conditions. A survey, assessment and classification of potential risks take place on a Group-wide basis twice a year – performed by the officers assigned to each risk class. These surveys are consolidated at the Group level and integrated into the risk report, which is the subject of the Auditing Committee's deliberations twice a year and presented to the Supervisory Board in detail once a year. The risk management system at Symrise, as well as its security mechanisms, internal guidelines and monitoring instruments, is audited by the internal Group auditors without prior notice. Risks identified in this manner are immediately reported to the Executive Board.

The early recognition system for risk in accordance with Section 91 (2) of the German Stock Corporation Act is monitored by auditors in Germany and abroad. Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management systems implemented in accordance with Section 91 (3) of the German Stock Corporation Act. This system consists of the accounting-related internal control system (ICS), the risk management system, the compliance management system and the measures in the field of IT security and data protection. The ICS covers both the Group and its individual companies. The goal is to ensure proper and reliable external reporting (annual and consolidated financial statements and management reports). The accounting of the individual companies is of equal value. This supplements the financial reporting with the internal element, and this concept has proven itself over time. Risk management is part of Corporate Controlling at the Group parent company. The risk management system is used to record all relevant risks at the individual company level on a uniform basis throughout the Group.

These individual risks are consolidated in the defined risk categories at the Group level. Risks are qualified using monetary ranges. The relevant risk indicator is the EBIT impact, taking into account the probability of occurrence. The compliance management system also includes the elements legal compliance, technical compliance, tax compliance, internal audit and treasury compliance. This practice of task delegation has proven successful in our experience. Cooperation between the individual elements runs smoothly.

This overlapping mechanism allows risks to be identified and assessed early on. The Executive Board regularly and continuously informs the Supervisory Board and Auditing Committee of existing risks and their development via the risk report. To neutralize the identified risks, specific measures are proposed and implemented right from this early stage.

The Group's internal auditors also check on the implementation of these new measures, and the results are given a critical assessment. The risk profile is thereby constantly monitored, and measures necessary to mitigate risks are introduced. Specific staff members are assigned responsibility for this and held accountable.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Symrise shareholders exercise their codetermination and control rights at the Annual General Meeting, which takes place at least once each year. The Meeting makes decisions on all statutory matters that are binding for all shareholders and for the company. For every decision, each share is entitled to one vote.

All shareholders that register within the specified period are entitled to participate in the Annual General Meeting. Shareholders who are not able to attend the Meeting in person are entitled to have their voting rights exercised by a bank, a shareholder association, a voting proxy of Symrise who is bound by its instruments or another proxy of their own choosing, or by electronic absentee voting.

After the Annual General Meeting had had to be held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies in the 2020, 2021, and 2022 fiscal years because of restrictions on meetings due to the COVID-19 pandemic, the 2023 Annual General Meeting was held as a physical meeting in the usual format again. This format is to be retained in future. The contingency authorization to hold an Annual General Meeting as a virtual Annual General Meeting without the physical presence of the shareholders pursuant to Section 118aof the German Stock Corporation Act is in place merely to ensure the company is able to take action in case of future restrictions on meetings.

The invitation to the Annual General Meeting and the reports and information required for the decisions are published according to stock corporation law and made available on the Symrise website in German and English.

It is our intention to provide our shareholders with quick, comprehensive and effective information before and during the Annual General Meeting and to make it easy for them to exercise their rights. The Corporate Report, the Financial Report and the invitation to the Annual General Meeting provide shareholders with comprehensive information on the past fiscal year and the individual agenda items for the upcoming Annual General Meeting. All documents and information pertaining to the Annual General Meeting are available on our website. The registration and legitimation process for the Annual General Meeting is simple, with the end of the 22nd day before the Meeting representing the deadline for shareholder registration. Subsequent to the Annual General Meeting, we also publish the attendance figures and voting results on our website.

INFORMATION SERVICE FOR OUR SHAREHOLDERS

Corporate communication is undertaken with the objective of guaranteeing the greatest possible transparency and equality of opportunities by providing timely and equal information to all target groups. All major press and capital market releases by Symrise are also published on the company's website in German and in English. The articles of incorporation, as well as rules of procedure for the Executive and Supervisory Boards, the annual and consolidated financial statements and the interim quarterly results, can also be found on our website along with the annual and half-yearly financial reports.

We inform company shareholders, analysts, shareholder associations and the public of all important recurring dates through a financial calendar. This is published in the Corporate and Financial Report, the half-yearly financial report and the interim quarterly reports, as well as on the company's website. Regular meetings with analysts and institutional investors are part of our investor relations activities. This includes an annual analysts' conference as well as conference calls for analysts and investors coinciding with the publication of our interim half-yearly figures.

The most important presentations prepared for these and other events, such as the Annual General Meeting (**https://www.symrise.com/investors/annual-general-meeting**) and investor conferences, can also be viewed online. The locations and dates for investor conferences can be found on our website at

https://www.symrise.com/investors/financial-calendar-and-presentations

OUR AUDITOR

With regard to the consolidated financial statements and the interim reports at Symrise, our accounting in the 2023 fiscal year was again based on the International Financial Reporting Standards (IFRS) as applicable in the European Union. The legally prescribed individual accounts of Symrise AG that are decisive for the payment of dividends have been prepared in accordance with the regulations of the German Commercial Code. Here, the 2023 annual financial statements, management report, and consolidated annual financial statements of Symrise AG, as well as the 2023 Group management report, were audited by our auditors, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover. An agreement is also in place with the auditors to promptly notify the chairman of the Auditing Committee of any grounds for disqualification or prejudice that are identified during the audit, insofar as such circumstances cannot immediately be rectified.

Our auditors inform the Executive Board and the Supervisory Board or Auditing Committee without delay of all findings and events of importance for the duties of these two bodies that arise during the audit. A meeting between the Auditing Committee and the auditors is held specifically for this purpose around one month before the approval of the annual financial statements or approval of the consolidated financial statements by the Supervisory Board, during which the auditors present to the Auditing Committee any issues that could be of significance for the approval of the annual financial statements and consolidated financial statements by the Supervisory Board. Moreover, the auditors are required to notify the Supervisory Board or Auditing Committee and make a note in the audit report if circumstances are identified during the audit that are incompatible with the Declaration of Compliance issued by the Executive Board and Supervisory Board in accordance with Section 161 of the German Stock Corporation Act. The remuneration report required by stock corporation law to be prepared for the 2023 fiscal year in accordance with Section 162 of the German Stock Corporation Act was also subjected to a full content audit by our auditor and not just a formal completeness audit.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover, has audited the annual financial statements of Symrise AG and the consolidated financial statements of Symrise AG since the 2017 fiscal year. Since the 2021 fiscal year, the remuneration report to be prepared in accordance with Section 162 AktG has also been subject to a full audit. The German Public Auditor responsible for the audit was Dr. Christian Janze from 2017 up to and including the 2021 fiscal year. Dr. Janze had not previously acted as a consultant or auditor for Symrise. The German Public Auditor responsible for the audit since the 2022 fiscal year is Tjark Eickhoff. Mr. Eickhoff has also previously acted neither as a consultant nor as an auditor for Symrise.

DIVERSITY CONCEPT FOR THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Sections 289f (2) No. (6) and 315d of the German Commercial Code require Symrise to provide a description of the diversity concept that is pursued with regard to the composition of the Executive Board and Supervisory Board in terms of aspects such as age, gender, and educational and professional background, as well as the objectives of this diversity concept, the manner in which it is implemented and the results achieved in the respective fiscal year. Symrise already has such a diversity concept due to the mandatory statutory regulations already in force for Symrise and the fact that all related recommendations of the German Corporate Governance Code 2022 have been fully implemented. Consequently, Sections 289f (2) No. (6) and 315d of the German Commercial Code have no further independent significance for Symrise. To avoid repetition, we refer to the statements made in this Corporate Governance Statement.

Report of the Supervisory Board of Symrise AG

Dear Shareholders,

The global economic situation is strained. Ongoing geopolitical conflicts in Ukraine and the Middle East are causing uncertainty and harbor potential risks for globalized supply chains. Growing tensions between China and the USA are having a negative impact on world trade and the tight monetary policy adopted in response to record inflation has resulted in higher lending costs and lower investment. In January 2024, in light of these developments, the World Bank estimated that global economic growth was 2.6 % in the reporting year, which represented a decline of 0.4 percentage points compared to 2022. The volume of world trade, which had still recorded significant growth of 5.6 % in 2022, expanded by only 0.2 % in the reporting year. Crude oil prices decreased by an average of 16.7 % in 2023, while the prices of other key commodities fell by an average of 9.7 %.

Although global economic growth of 2.6 % is likely to be above the figure that was forecast in mid-2023, there is evidence of the negative effects caused by the monetary policy measures introduced to counter inflation. In the industrialized countries especially, economic growth is estimated to have declined significantly to 1.5 % (2022: 2.5 %). However, there are large differences between the individual industrialized countries. Whereas the U.S. economy proved to be very resilient and increased by 0.6 percentage points in the reporting year, growth in the eurozone decreased from 3.4 % previously to 0.4 % in 2023. According to the Federal Statistical Office, Germany in particular saw a strong contraction of economic growth from 1.8 % in 2022 to -0.1 % in 2023. Here, high prices continued to dampen the economy at all levels, with the additional impact of unfavorable financing conditions due to rising interest rates and lower demand from both the domestic and international markets. Japan's economic growth in 2023 was more positive but also very subdued at 1.8 %.

Symrise has a proven and stable business model with comparatively low risk content. The Group is broadly diversified across all stages of the value chain – from the procurement of raw materials on the basis of long-term agreements to on-site production in the sales markets and a global customer structure. Parts of the product portfolio serve to meet basic needs. Our company is, therefore, well-equipped to deal with the numerous risks currently affecting the environment and is in a position to quickly and systematically exploit business opportunities as they arise.

MICHAEL KÖNIG, Chairman of the Supervisory Board of Symrise AG

In this report, I would like to inform you about the key activities of the Supervisory Board. In the 2023 fiscal year, the Supervisory Board of Symrise AG again fulfilled its responsibilities under the law and according to the articles of incorporation with great care. We regularly provided consultation to the Executive Board and monitored the management of the company. We are convinced that the company's business complied with all legal and regulatory requirements. The Supervisory Board was directly and intensely involved in all decisions of fundamental significance to the company. In the meetings of the Supervisory Board and its committees, we again discussed and reached agreements on a number of matters and business transactions subject to our approval. The Executive Board comprehensively discussed and coordinated the strategic planning and orientation of the company with us. As in the previous fiscal years, the Supervisory and Executive Board held a separate meeting in the 2023 fiscal year to examine and evaluate the company's strategy.

Based on information received from the Executive Board, we discussed and advised intensively on all business transactions of significance to the company in our full Supervisory Board meetings. In this regard, the Executive Board provided us with regular, current and comprehensive reports in written and verbal form on all aspects important to the company. This includes, above all, the development of the business and financial situation, the employment situation, ongoing and planned investments, basic corporate strategy and planning issues, as well as the risk situation, risk management and the compliance management system. The Executive Board informed us of matters that, according to legal requirements and/or the articles of incorporation, are subject to our approval at an early stage and allowed us the time needed for making a decision. Wherever required by law or by the articles of incorporation, we submitted our vote on the reports and proposed resolutions of the Executive Board after thorough analysis and discussion. In urgent special cases, decisions were made in consultation with the Chairman of the Supervisory Board either by telephone or in writing.

The Executive Board provided us with a monthly report on all of the key financial figures. When there were any deviations in the course of business from the set plans and objectives, we received detailed explanations in written and verbal form, enabling us to discuss the reasons for the deviations and targeted correction measures with the Executive Board.

Additionally, outside the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board and the Chairman of the Auditing Committee, in particular, were in close and continuous dialogue with the Executive Board. As in the previous year, conflicts of interest affecting members of the Executive and Supervisory Boards, which must be disclosed to the Supervisory Board without delay and reported to the Annual General Meeting along with their underlying circumstances and a report of how they will be handled, did not occur in 2023.

FULL SUPERVISORY BOARD MEETINGS

Section 8 (1) of the company's articles of incorporation in conjunction with Section 96 (1) of the German Stock Corporation Act (**AktG**) and Section 7 (1) Sentence 1 Number 1 of the German Codetermination Act of May 4, 1976 (**MitbestG**), requires the Supervisory Board to consist of twelve members. Six members are elected by the Annual General Meeting and six by the company's employees in accordance with the provisions of the Codetermination Act. The current members of the Supervisory Board of Symrise AG are:

Michael König, Chief Executive Officer of Nobian Industrial Chemicals B.V., Amersfoort, Netherlands. Mr. König has been a member of the Supervisory Board since January 2020, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. König has been Chairman of the Supervisory Board since June 2020. Mr. König is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) Celanese Corporation, Irving/Texas, USA, Member of the Board of Directors (listed company)

Ursula Buck, Managing Director at BC BuckConsult. Ms. Buck has been a member of the Supervisory Board since May 2016 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Ms. Buck is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

Jeannette Chiarlitti, IG BCE regional manager for the South Lower Saxony region. Ms. Chiarlitti has been a member of the Supervisory Board since May 2016 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Ms. Chiarlitti is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of

a) amedes-group, Göttingen, Member of the Supervisory Board
b) none

Harald Feist, Chairman of the works council and Chairman of the general works council at Symrise AG. Mr. Feist has been a member of the Supervisory Board since July 2013 and the Vice-Chairman of the Supervisory Board since September 2018. He was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Mr. Feist is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

Bernd Hirsch, Chief Financial Officer (CFO) of COFRA Holding AG, Zug, Switzerland. Mr. Hirsch has been a member of the Supervisory Board since May 2018 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. Hirsch is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

André Kirchhoff, full-time member of the works council at Symrise AG. Mr. Kirchhoff has been a member of the Supervisory Board since May 2016, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Mr. Kirchhoff is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

Dr. Jakob Ley, Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health at Symrise AG. Dr. Ley has been a member of the Supervisory Board since May 2021, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Dr. Ley is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

Malte Lückert, Secretary of the IGBCE Executive Board responsible for Economic, Sectoral and Collective Bargaining Policy and HR. Mr. Lückert was appointed as a member of the Supervisory Board as directed by the Local Court of Hildesheim on June 13, 2023 in accordance with Section 104 of the German Stock Corporation Act (AktG). Mr. Lückert is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) Rain Carbon Germany GmbH, Castrop-Rauxel, Member of the Supervisory Board
b) none

Prof. Dr. Andrea Pfeifer, Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland. Prof. Dr. Pfeifer has been a member of the Supervisory Board since May 2011, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Prof. Dr. Pfeifer is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) Bio MedInvest AG, Basel, Switzerland, Chairwoman of the Board of Directors
AB2 Bio SA, Lausanne, Switzerland, Chairwoman of the Board of Directors

Andrea Püttcher, Vice Chairperson of the works council and Vice Chairperson of the general works council at Symrise AG. Ms. Püttcher has been a member of the Supervisory Board since September 2018 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Ms. Püttcher is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

Peter Vanacker, Chief Executive Officer of LyondellBasell Industries N.V., Houston, TX, USA. Mr. Vanacker has been a member of the Supervisory Board since June 2020 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. Vanacker is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) none

Jan Zijderveld, professional supervisory board member. Mr. Zijderveld has been a member of the Supervisory Board since May 2023, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. Zijderveld is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed under b) below:

a) none
b) Ahold Delhaize N.V., Netherlands, Member of the Supervisory Board
Pandora, Denmark, Member of the Board of Directors (non-executive)

In the 2023 reporting year, the members of the Supervisory Board took part in training measures on topics including investments in geopolitically difficult areas, the investor view of international investments, the impact of regional differences in inflation on global corporations, indicators of audit quality, sustainability reporting and the EU Taxonomy, implementation and measurement of ESG goals, cooperation between Supervisory Boards and auditors, the Supply Chain Act, demographic risk, risk-oriented financial statement analysis, and new developments in risk management.

TOPICS OF THE SUPERVISORY BOARD MEETINGS

Key focus areas of our work, which were discussed on a regular basis by the Supervisory Board, particularly included the impacts of geopolitical upheaval such as the war in Ukraine and the conflict between Israel and Hamas, as well as their effects on the price of energy and agricultural products. These conflicts also had a negative impact on global supply chains, leading to supply bottlenecks and delays in logistics, for example in Red Sea shipping traffic. The significant interest rate hikes imposed by leading central banks to counter rising inflation, and the impact of these on our business, were also an ongoing topic for the Supervisory Board.

In light of these matters, we discussed with the Executive Board in detail the measures it had enacted, as well as those planned for the future. Regular deliberations within the Supervisory Board also covered the development of sales, earnings and employment at Symrise and its two segments in the individual regions given the economic conditions present there. The Supervisory Board also discussed the company's financial and liquidity situation, as well as important investment projects and their development as measured against the planned objectives. In the 2023 fiscal year, the Supervisory Board held five ordinary meetings, two of which focused on specific topics. If necessary, any meeting of the full Supervisory Board may be held even if no member of the Executive Board is present. The same is true for those specific topics about which the auditor reports to the Supervisory Board and is available to answer questions. The first meeting on a specific topic centered around the company's strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2024. An extraordinary meeting was also held to discuss the expansion of the Executive Board from three to five members.

In our extraordinary **meeting on January 19, 2023**, we addressed the expansion of the Executive Board from three to five members in detail along with the resulting change to the distribution of responsibilities within the Executive Board. Dr. Coßmann and Dr. Andreas presented themselves to the Supervisory Board at this meeting. Based on the preliminary work of its Personnel Committee and renowned recruitment consultancies, the Supervisory Board appointed Dr. Coßmann and Dr. Andreas as members of the Executive Board, each with a three-year term starting on February 1, 2023. Dr. Coßmann has been given responsibility for Human Resources and Legal & Compliance. She has also been appointed as Labor Director. Dr. Andreas has taken over the management of the S&C segment.

At our **meeting on March 2, 2023**, we focused on the audit of the 2022 annual financial statements and consolidated financial statements. The auditor was present at this meeting. In addition to our own analysis and discussion, we received the detailed report from our auditors and discussed the respective financial statements in detail with them. As a result, we approved the 2022 annual financial statements and the 2022 consolidated financial statements. In addition, we had a detailed discussion about a major investment project in Spain for the S&C segment and issued our approval.

At this meeting, we also discussed in detail the audit conducted by DQS CFS GmbH on behalf of the Supervisory Board of the separate non-financial report in accordance with Section 289b of the German Commercial Code (HGB) and its results. Based on the audit, DQS CFS GmbH found that the separate non-financial report of Symrise AG fulfills the legal requirements in accordance with Section 289b of the German Commercial Code (HGB), and also meets the requirements of the "Comprehensive" GRI standard. The audit also revealed that the quantitative disclosures with regard to the aspects specified by the CSR Directive Implementation Act are correct overall and do not contradict other information and evidence provided by the company. The data and disclosures in the report are reliable. They provide a fair and correct picture of the relevance of all activities.

Together with the Executive Board, we also decided on the proposal to be submitted to the Annual General Meeting on the appropriation of accumulated profit, discussed and decided on the proposal to be submitted to the Annual General Meeting on the proposal of the Auditing Committee regarding the election of the auditor for the 2023 fiscal year, and discussed possible agenda items for the 2023 Annual General Meeting. At this meeting, we also discussed and approved the remuneration report prepared by the Executive Board and Supervisory Board in accordance with Section 162 of the German Stock Corporation Act (AktG) and submitted it for approval by the 2023 Annual General Meeting.

At our **meeting on May 9, 2023**, the Executive Board's report on the company's performance during the first three months of the 2023 fiscal year and its outlook for the rest of the year represented the main focus of our meeting. We also received the report from the Audit Committee and discussed developments in various crisis-hit regions of the world and the possible impact on our business in detail with the Executive Board. This included a discussion of possible responses to substantial changes in the general conditions facing our business. The Executive Board also informed us of the status of various acquisition projects and gave us an update on the upcoming Annual General Meeting.

Our **meeting on July 26, 2023** focused on a detailed discussion of the course of business over the first six months of the 2023 fiscal year. Issues discussed included inflation and rising energy prices, as well as how all of these factors are impacting the performance of Symrise and its profit margins. As part of this meeting, the Auditing Committee provided a report on its work, focusing on the review of the interim financial statements for the first half of 2023 by our auditor. The Executive Board informed us of the status of various acquisition projects and gave us detailed information on the status of the proceedings/requests for information initiated by various competition authorities in Europe and the United States.

At the **strategy meeting on September 13 and 14, 2023**, the Executive Board and the Supervisory Board intensively discussed the status of implementation and refinement of our corporate strategy. Both segments provided a detailed presentation of the strategic focus areas of their business plans. We assessed and verified the resilience of the strategy on the basis of what has been achieved so far. We also discussed the implementation of the strategy in future with the Executive Board, with a focus on the medium-term plan, the IT-related capital expenditure included in the medium-term plan and the magnitude of future investments relative to sales.

The **meeting on November 29, 2023**, was again devoted to the corporate planning for the upcoming 2024 fiscal year. The Supervisory Board approved the corporate planning for the 2024 fiscal year in this meeting. The Supervisory Board was updated by the Executive Board regarding the 2023 annual financial statements, and received and discussed the report of the Auditing Committee and the risk report. The Executive Board and Supervisory Board also jointly issued a Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act (AktG). The Supervisory Board also renewed and confirmed its goals regarding its composition and its competence profile in this context.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has formed a total of four committees to fulfill its responsibilities efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings.

To the extent that it was legally admissible, the Supervisory Board delegated decision-making to its committees in individual cases. The Supervisory Board has established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (Mitbestimmungsgesetz), a Personnel Committee and a Nominations Committee as permanent committees. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the Supervisory Board meetings, the chairmen of the committees report regularly and extensively on the content and results of the committee meetings. As a result, the Supervisory Board always has a comprehensive basis of information for its consultations.

The Auditing Committee met five times during the 2023 fiscal year. It mainly focused on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system, the audit of the financial statements and the compliance management system. The Auditing Committee also regularly dealt in detail with issues relating to Group financing, liquidity planning and securing liquidity. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discusses the interim reports in detail and approves them before they are published. The Auditing Committee also prepared the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it was responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. Receipt of the report from Internal Auditing, the Group Compliance office and the risk report were also regular agenda items at Auditing Committee meetings. The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to appoint an auditor for the new fiscal year. Furthermore, the Auditing Committee obtained the relevant statements of independence from the auditor, issued the audit engagement and agreed with the auditor on key audit matters, i.e., those particular focal points of the audit on which the auditor must expressly state an opinion. In addition, the Auditing Committee determined further individual focal points of the audit for the following fiscal year. The basis for this was a risk-oriented audit approach. The Auditing Committee was also responsible for preparing the decision of the Supervisory Board regarding auditing fees. As a rule, any meeting of the Auditing Committee could be held even if no member of the Executive Board was present. The same was true for those specific topics about which the auditor reports to the Auditing Committee and is available to answer questions. The Auditing Committee currently has six members. Three members are chosen by the shareholder representatives on the Supervisory Board and three members are chosen by the employee representatives on the Supervisory Board. The Chairperson of the Auditing Committee must be independent and should not be the Chairperson of the Supervisory Board. One member – Mr. Hirsch – has particular expertise in the field of auditing. Another member – Mr. König – has particular expertise in the field of accounting. Both Mr. Hirsch and Mr. König are independent from the company, its shareholders and its Boards and Committees. The current members of the Auditing Committee are:

- **Bernd Hirsch** has been a member and Chairman of the Auditing Committee since May 2018.
- **Ursula Buck** has been a member of the Auditing Committee since May 2016.
- **Malte Lückert** has been a member of the Auditing Committee since September 2023.
- **Harald Feist** has been a member of the Auditing Committee since May 2016.
- **Michael König** has been a member of the Auditing Committee since June 2020.
- **Andrea Püttcher** has been a member of the Auditing Committee since August 2021.

The **Personnel Committee** met five times during the 2023 fiscal year and is responsible for matters pertaining to the Executive Board. In particular, these matters include making resolution recommendations at full Supervisory Board meetings regarding the appointment of Executive Board members and components of Executive Board members' employment contracts. This also includes succession planning at the Executive Board level in accordance with Recommendation B 2 of the German Corporate Governance Code 2022. The Personnel Committee addresses succession planning for members of the Executive Board at least once a year (most recently at the Personnel Committee meeting on November 29, 2023). In particular, the terms of existing employment contacts and the age structure of the Executive Board are taken into account.

The Supervisory Board and Executive Board are committed to ensuring internal talent development for employees at levels below the Executive Board for all Executive Board positions. Skill sets and diversity criteria are taken into account here. The evaluation for these is carried out by means of internal assessments, as well as external assessments. In this process, candidates who have the potential to take over a position on the Executive Board undergo an assessment that leads directly from an individual analysis to an individual development plan. The aim is to always be able to fill positions on the Executive Board internally even at short notice. In doing so, the Personnel Committee also takes into account the requirements of the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Executive Positions in the Public and Private Sector ("FüPoG II"), which came into force on August 12, 2021. For this reason, when appointing new members to the Executive Board in the future, we will not only strive for diversity criteria, but also for appropriate consideration of women. The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements and making corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee currently has six members, of whom three members are chosen by the shareholder representatives and three are chosen by the employee representatives on the Supervisory Board. The current members of the Personnel Committee are:

- **Michael König** has been a member and Chairman of the Personnel Committee since June 2020.
- **Jeanette Chiarlitti** has been a member of the Personnel Committee since September 2023.
- **Harald Feist** has been a member of the Personnel Committee since August 2014.
- **Dr. Jakob Ley** has been a member of the Personnel Committee since August 2021.
- **Prof. Dr. Andrea Pfeifer** has been a member of the Personnel Committee since September 2012.
- **Jan Zijderveld** has been a member of the Personnel Committee since September 2023.

Shareholders and employees are equally represented on the **Arbitration Committee** pursuant to Section 27 (3) of the Codetermination Act (MitbestG). In the event that the appointment of a member of the Executive Board is not approved by the two-thirds majority required by law, the Arbitration Committee is responsible for submitting an alternative proposal to the Supervisory Board. The Arbitration Committee has four members. It was not necessary to convene the Arbitration Committee during the 2023 fiscal year. The current members are:

- **Michael König** has been a member and Chairman of the Arbitration Committee since June 2020.
- **Ursula Buck** has been a member of the Arbitration Committee since May 2016.
- **Harald Feist** has been a member of the Arbitration Committee since September 2018.
- **André Kirchhoff** has been a member of the Arbitration Committee since August 2021.

The **Nominations Committee** consists exclusively of shareholder representatives from the Supervisory Board in accordance with Recommendation D 4 of the German Corporate Governance Code 2022. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The Nominations Committee consists of three members. It was not necessary to convene the Nominations Committee during the 2023 fiscal year. The current members are:

- **Michael König** has been a member and Chairman of the Nominations Committee since June 2020.
- **Prof. Dr. Andrea Pfeifer** has been a member of the Nominations Committee since May 2011.
- **Jan Zijderveld** has been a member of the Personnel Committee since September 2023.

The members of the Supervisory Board and its Committees, the respective meeting dates of the Supervisory Board and its Committees, the format of the meeting and the individualized attendance of all members of the Supervisory Board and its Committees at the respective meetings of the Supervisory Board and its Committees are also shown in the following list:

LIST OF SUPERVISORY BOARD MEETINGS

Attendance at Supervisory Board meetings

Member name	January 19, 2023 (EM)	March 2, 2023	May 9, 2023	July 26, 2023	September 13, 2023	September 14, 23	November 29, 2023
Michael König (from January 15, 2020)	✓	✓	✓	✓	✓	✓	✓
Ursula Buck (from May 11, 2016)	✓	✓	✓	✓	✓	✓	✓
Harald Feist (from July 01, 2013)	✓	✓	✓	✓	✓	✓	✓
Horst-Otto Gerberding (until May 10, 2023)	✓	✓					
Jeannette Chiarlitti (from May 11, 2016)	✓			✓	✓	✓	✓
Bernd Hirsch (from May 16, 2018)	✓	✓	✓	✓	✓	✓	✓
André Kirchhoff (from May 11, 2016)	✓	✓	✓	✓	✓	✓	✓
Dr. Jakob Ley (from May 05, 2021)	✓	✓	✓	✓	✓	✓	✓
Malte Lückert (from June 13, 2023)				✓	✓	✓	✓
Prof. Dr. Andrea Pfeifer (May 18, 2011)	✓	✓	✓	✓	✓	✓	✓
Andrea Püttcher (from September 01, 2018)	✓	✓	✓	✓	✓	✓	✓
Peter Winkelmann (from May 14, 2014) (until 31.05.23)	✓	✓	✓				
Peter Vanacker (from June 17, 2020)	✓		✓	✓	✓	✓	✓
Jan Zijerderveld (from May 10, 2023)				✓	✓	✓	✓

Participation in the Arbitration Committee (No meetings in 2023)

Member name						
Michael König (Chairman) (from June 17, 2020)						
Ursula Buck (from May 11, 2016)						
Harald Feist (from September 20, 2018)						
André Kirchhoff (from August 03, 2021)						

Participation in the Personnel Committee

Member name	January 19, 2023 (EM)	March 2, 2023	May 9, 2023	September 13, 2023	November 29, 2023
Michael König (Chairman) (from June 17, 2020)	✓	✓	✓	✓	✓
Harald Feist (from August 06, 2014)	✓	✓	✓	✓	✓
Horst Otto Gerberding (until May 10, 2023)	✓	✓			
Dr. Jakob Ley (from August 03, 2021)	✓	✓	✓	✓	✓
Prof. Dr. Andrea Pfeifer (from September 20, 2012)	✓	✓	✓	✓	✓
Peter Winkelmann (from May 11, 2016) (until May 31, 2023)	✓	✓	✓		
Jeannette Chiarlitti (from September 14, 2023)				✓	✓
Jan Zijderveld (from September 14, 2023)				✓	✓

Participation in the Auditing Committee

Member name	February 8, 2023	March 13, 2023	April 24, 2023	July 26, 2023	October 23, 2023
Bernd Hirsch (Chairman) (from May 16, 2018)	✓	✓	✓	✓	✓
Ursula Buck (from May 11, 2016)	✓	✓	✓	✓	✓
Harald Feist (from May 11, 2016)	✓	✓	✓	✓	✓
Jeannette Chiarlitti (from September 20, 2018) (until September 13, 2023)	✓		✓	✓	
Michael König (from June 17, 2020)	✓	✓	✓	✓	✓
Andrea Püttcher (from August 03, 2021)	✓	✓	✓	✓	✓
Malte Lückert (from September 14, 2023)					✓

Participation in the Nominations Committee (No meetings in 2023)

Member name					
Michael König (Chairman) (from June 17, 2020)					
Horst-Otto Gerberding (until May 10, 2023) (until May 10, 2023)					
Prof. Dr. Andrea Pfeifer (from May 18, 2011)					
Jan Zijderveld (from September 14, 2023)					

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2023

The auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover, audited the annual financial statements for the fiscal year from January 1, 2023 to December 31, 2023, which were prepared by the Executive Board in accordance with the German Commercial Code (HGB), as well as the management report of Symrise AG. The Auditing Committee engaged the auditor to perform the audit in accordance with the May 10, 2023 resolution of the Annual General Meeting. It was agreed that the auditor would inform the Auditing Committee without delay of all findings and incidents of significance to the duties of the Auditing Committee identified during the audit, as well as any circumstances identified during the audit which would result in the declaration issued by the Executive Board and Supervisory Board in accordance with the German Corporate Governance Code being inaccurate. The auditor issued an unqualified audit opinion. The Symrise AG consolidated financial statements were prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor Ernst & Young also certified the consolidated financial statements and the Group management report without qualification.

The auditor's report on these financial statements, as well as additional auditing reports and documentation, were delivered to all members of the Supervisory Board in a timely manner. They were discussed thoroughly in the meetings of the Auditing Committee of February 8 and February 28, 2024, and in the full meeting of the Supervisory Board of February 29, 2024. The auditors participated in the deliberations on the annual and consolidated financial statements in both committees. Here, they reported on the key audit results and were available to the Auditing Committee and the Supervisory Board to answer any questions and provide additional information. Following our own review of the annual financial statements, the consolidated financial statements, the management report and the Group management report, we accepted the findings of the auditor. In our meeting of February 29, 2024, we approved the annual financial statements and the consolidated financial statements upon the recommendation of the Auditing Committee. The annual financial statements are thereby approved. After careful examination, we endorsed the Executive Board's proposal for the appropriation of accumulated profit. The Supervisory Board considers the proposal regarding the use of profits to be appropriate.

The content of the separate non-financial report prepared for the 2023 fiscal year was audited by DQS CFS GmbH. The audit did not lead to any reservations. The separate non-financial report is available on the Symrise website at:

https://symrise.com/corporatereport/2023/company/sustainability-record/index.html

CORPORATE GOVERNANCE

In accordance with Principle 23 of the currently applicable version of the German Corporate Governance Code from April 28, 2022 ("DCGK 2022") published in the official section of the Federal Gazette by the German Federal Ministry of Justice and Consumer Protection on June 27, 2022, the Supervisory Board and Executive Board report annually on the corporate governance of the respective company in the Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB).

The Corporate Governance Statement includes the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), relevant disclosures on corporate governance practices, a description of the working methods of the Executive Board and the Supervisory Board, as well as the composition and working methods of their Committees, the target figures for the proportion of women in the Executive Board and for the two management levels below the Executive Board, together with deadlines for implementation, the status of implementation and a description of the diversity concept with regard to the composition of the Executive Board and Supervisory Board.

Section 162 of the German Stock Corporation Act, newly introduced with the Act Implementing the Second Shareholders' Rights Directive (ARUG II), for the first time requires a separate remuneration report under stock corporation law for the fiscal years beginning after December 31, 2020. This replaced the previous remuneration report prepared in accordance with Sections 289a (2) Sentence 1, 315a (2) Sentence 1 of the German Commercial Code (HGB). The remuneration report under stock corporation law pursuant to Section 162 German Stock Corporation Act (AktG) is a separate report from the financial statements under commercial law. It is therefore neither part of the Corporate Governance Statement nor part of the management report. It is submitted to the Annual General Meeting for approval each year. The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code has been made publicly available on the Symrise website. It can be found at:

https://www.symrise.com/corporate-governance-statement

In 2023, we observed the refinement of corporate governance standards in Germany and abroad and will continue to do so in the future. The Chairperson of the Supervisory Board engages in regular dialogue with major shareholders and proxies as part of its commitment to corporate governance. The main topics covered in fiscal year 2023 were succession planning at Executive Board level, the expansion of the Executive Board from three to five members, risk management in the context of the many geopolitical challenges, and the diverse ESG topics pertaining to Symrise. On November 29, 2023, the Executive Board and the Supervisory Board submitted an updated Declaration of Compliance according to Section 161 of the German Stock Corporation Act (AktG) and made this permanently available to the shareholders on the company's website. It is also included in the Corporate Governance Statement. Symrise AG has complied with all recommendations of the German Corporate Governance Code 2022 since June 27, 2022, and intends to do so in the future.

Additional details and background information related to corporate governance at Symrise are provided in our FactBook, which is available to download from our website. It can be found at:

https://www.symrise.com/investors/factbook

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Changes to the Executive Board in fiscal year 2023:

Based on the preliminary work of its Personnel Committee and renowned recruitment consultancies, the Supervisory Board appointed Dr. Coßmann and Dr. Andreas as members of the Executive Board, each with a three-year term starting on February 1, 2023. Dr. Coßmann has been given responsibility for Human Resources and Legal & Compliance. She has also been appointed as Labor Director. Dr. Andreas has taken over the management of the S&C segment.

Changes to the Supervisory Board in fiscal year 2023:

Effective from the end of the Annual General Meeting on May 10, 2023, Mr. Horst Otto Gerberding, a shareholder representative, left the Supervisory Board. In his place, the Annual General Meeting on May 10, 2023 elected Mr. Jan Zijderveld as a member of the Supervisory Board.

Effective from the end of May 31, 2023, Mr. Peter Winkelmann, an employee representative, left the Supervisory Board. In his place, Mr. Malte Lückert was appointed as a member of the Supervisory Board as directed by the Local Court of Hildesheim on June 13, 2023 in accordance with Section 104 of the German Stock Corporation Act (AktG).

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board, as well as the employees and employee representatives of Symrise AG and all Group companies, for their hard work and dedication over the last fiscal year.

On behalf of the Supervisory Board

Holzminden, February 29, 2024

Michael König
Chairman of the Supervisory Board of Symrise AG

Bodies and Mandates – Executive Board and Supervisory Board

EXECUTIVE BOARD:

DR. HEINZ-JÜRGEN BERTRAM

Chief Executive Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)

- Swedencare AB, Malmoe, Sweden, Member of the Board of Directors

DR. JÖRN ANDREAS

Member of the Board for Scent & Care

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)

- Probi AB, Lund, Sweden, Member of the Board of Directors and Audit Committee

OLAF KLINGER

Chief Financial Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JEAN-YVES PARISOT

Member of the Board for Taste, Nutrition & Health

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)

- Probi AB, Lund, Sweden, Chairman of the Board of Directors
- VetAgroSup, Lyon, France, Chairman of the Board of Directors
- Swedencare AB, Malmoe, Sweden, Member of the Board of Directors

DR. STEPHANIE COSSMANN

Member of the Board and Labour Director

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

SUPERVISORY BOARD:

MICHAEL KÖNIG

Chief Executive Officer of Nobian Industrial Chemicals B.V., Amersfoort, Netherlands

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Celanese Corporation, Irving/Texas, USA, Member of the Board of Directors

URSULA BUCK

Managing Director at BC BuckConsult

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

JEANNETTE CHIARLITTI

Regional Head, IG BCE District South Lower Saxony

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- amedes-group GmbH Göttingen, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

HARALD FEIST

Chairman of the works council and Chairman of the general works council at Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Vice Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

BERND HIRSCH

Chief Financial Officer of COFRA Holding AG, Zug, Switzerland

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

ANDRÉ KIRCHHOFF

Independent member of the works council at Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JACOB LEY

Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health, Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

MALTE LÜCKERT

IGBCE Secretary of the Chairman of the Executive Board, Division 1 for Politics and Transformation

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- Member of the Supervisory Board, Rain Carbon Germany GmbH, Castrop-Rauxel

Membership in Comparable Supervisory Bodies (Domestic and International) None

PROF. DR. ANDREA PFEIFER

Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bio MedInvest AG, Basel, Switzerland, Chairperson of the Board of Directors
- AB2 Bio SA, Lausanne, Switzerland, Chairperson of the Board of Directors
- E.M.S. Electro Medicals System S.A., Member of the Supervisory Board

ANDREA PÜTTCHER

Vice Chairperson of the works council and Vice Chairperson of the general works council of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PETER VANACKER

Chief Executive Officer of LyondellBasell Industries N.V., Houston/USA und London/UK

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- LyondellBasell Industries N.V., Houston/USA and London/UK, Member of the Supervisory Board

JAN ZIJDERVELD

Professional Supervisory Board Member

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Ahold Delhaize N.V., Netherlands, Member of the Supervisory Board
- Pandora, Denmark, Member of the Board of Directors

Glossary

AFF
Aroma Molecules, Flavors & Fragrances

AKTG
Stock Corporation Act (Aktiengesetz)

BUSINESS FREE CASH FLOW
In order to strengthen the company's cash flow orientation, Symrise has introduced the Business Free Cash Flow as the primary internal control variable. The Business Free Cash Flow consists of EBITDA, investments (including cash effects from leasing) and changes in working capital.

BUSINESS FREE CASH FLOW MARGIN
The Business Free Cash Flow margin is a relative performance indicator which describes Business Free Cash Flow in relation to sales.

FLAVOR
A complex mix of flavors and/or fragrances often based on chemical compounds (flavoring substances), which can be aromatics themselves

GDP
Gross Domestic Product: A statistic used to measure the economic strength (goods and services) of a country

CAGR
Compound Annual Growth Rate/average annual growth rate of particular significance

COSO II
COSO (Committee of Sponsoring Organizations of the Treadway Commission) aims to improve financial reporting through ethical action, effective internal controls and good corporate governance. Published in 2004, COSO II is an expansion of the original control model

CSPI
Center of Science in the Public Interest Science-based consumer advocacy organization

EAME
Region comprising Europe, Africa and the Middle East

EBIT
EBIT stands for earnings before interest and taxes and describes a company's performance capability, excluding the effects of different international taxation systems and financing activities.

EBITDA
EBITDA stands for earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets. This performance indicator describes a company's operating earning power, irrespective of its capital structure and investment level. EBITDA is calculated on the basis of EBIT plus the depreciation and amortization of property, plant and equipment and intangible assets recognized through profit or loss during the reporting period.

EBITDA MARGIN/EBIT MARGIN
The EBITDA margin and EBIT margin are relative indicators used by Symrise for the internal and external comparison of operating earning power. The indicators are calculated on the basis of EBITDA or EBIT in relation to sales. Symrise uses these indicators in particular for the internal and external comparison of the cost structure and profitability of its businesses.

F & F
Flavors & Fragrances/Flavorings and fragrances

FISC
The four key pillars of the Symrise sustainability strategy:
F = Footprint; I = Innovation; S = Sourcing; C = Care

FLAC
Financial liabilities measured at amortized cost

GREEN CHEMISTRY
Sustainable chemistry that reduces environmental pollution, saves energy and produces in an environmentally friendly way

HGB
German Commercial Code (Handelsgesetzbuch)

IAL
Industrial and market research consultancy company

IFRA
International Fragrance Association; global representative body of the fragrance industry

IKS
Internal Controlling System

INCOTERMS
International Commercial Terms

INVESTMENT GRADE
Companies, institutions or securities with good to very good credit ratings

ISO 31000
A standard that defines the framework for a risk management system

LTIP
Long Term Incentive Plan/a remuneration plan for staff, especially for managerial staff

OPEN INNOVATION
Opening up of the innovation process of organizations and thus the active strategic use of the external world for the expansion of innovative potential. The open innovation concept describes the purposeful use of knowledge flowing into and out of the company, while making use of internal and external marketing channels in order to generate innovations

POLYPHENOLS
Secondary plant substances that are found in the outer layers of fruit, vegetables and grains. Polyphenols are chemical compounds that contain several aromatic rings (phenol)

CASH FLOW FROM OPERATING ACTIVITIES
Cash generated from the operations of a company, defined as the revenues minus operating expenses; an important indicator of a company's earning power

REACH
Chemicals directive for the registration, evaluation, authorization and restriction of chemicals

REVOLVING CREDIT FACILITY
Credit limits that the borrower can access at any time and over very flexible repayment options

SUPPLY CHAIN
Process chain from procurement to manufacturing and sale of a product. This therefore includes suppliers, producers and consumers

TERPENES
Volatile organic compounds that are obtained from numerous plants such as eucalyptus, peppermint, lemongrass, lemon tree and thyme. A number of terpenes, such as menthols, are alcohols; others are aldehydes

US PRIVATE PLACEMENT
Non-public sale of debt securities to US investors, which is regulated, however, by the SEC (United States Securities and Exchange Commission)

WORKING CAPITAL
Financial indicator derived by subtracting current operating liabilities from current operating assets

Imprint

Publisher
Symrise AG
Mühlenfeldstrasse 1
Konzernkommunikation
37603 Holzminden
Germany
T +49 55 31. 90 – 0
F +49 55 31. 90 – 16 49

Concept, Design and Realization
3st kommunikation GmbH, Mainz

Translation
EnglishBusiness AG, Hamburg

Typography
BG media design GmbH, Darmstadt

Printed by
AC medienhaus GmbH, Wiesbaden-Nordenstadt

Publication Date of the Report
March 6, 2024

Symrise online
www.symrise.com
www.symrise.com/corporatereport/2023/company/sustainability-record/index.html
www.symrise.com/investors
www.symrise.com/corporatereport/2023/index.html

Financial Calendar 2024

April 25, 2024
Trading Statement January – March 2024

May 15, 2024
Annual General Meeting

August 1, 2024
Interim Group Report January – June 2024

October 24, 2024
Trading Statement January – September 2024

The German version of this Financial Report is legally binding. German and English online versions are available on the Web at www.symrise.com.

The latest version of the Financial Report is available on our website.

Forward-Looking Statements
This Financial Report contains forward-looking statements that are based on current assumptions and forecasts by Symrise AG. The future course of business and the results actually achieved by Symrise AG and its affiliates are subject to a large number of risks and uncertainties and may therefore differ substantially from the forward-looking statements. Many of these factors are outside of Symrise AG's sphere of influence and cannot be assessed in detail ahead of events. They include, for example, unfavorable development of the global economy, a change in consumer behavior, and changes to laws, regulations and official guidelines. Should one of these uncertainty factors, named or otherwise, occur or should the assumptions on which the forward-looking statements are based prove to be incorrect, the actual results may differ significantly from the results anticipated. Symrise undertakes no obligation to update forward-looking statements continuously and to adjust them to future events or developments.