

02

Consolidated Financial Statements

SYMRISE AG, HOLZMINDEN
JANUARY 1 TO DECEMBER 31, 2023

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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 invest-

ment 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 Nérol) 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 pos-

sible 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)		Investments ¹⁾	
	2022	2023	2022	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:

€ thousand	2022			2023		
	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.		Swedencare AB	
	2022	2023	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

€ thousand	December 31, 2022			December 31, 2023		
	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

€ thousand	December 31, 2022			December 31, 2023		
	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, France¹⁾				
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:

€ thousand	Change in present value of the defined benefit obligation			
	Increase		Decrease	
	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:

€ thousand	Change in current service costs			
	Increase		Decrease	
	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 remeasure- ments (pensions)	Cumulative translation differences	Other reserves	Total other comprehen- sive income of Symrise AG shareholders	Non- controlling interests	Total other comprehen- sive 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 remeasure- ments (pensions)	Cumulative translation differences	Other reserves	Total other comprehen- sive income of Symrise AG shareholders	Non- controlling interests	Total other comprehen- sive 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			Fair value
		Amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	
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	Value recognized under IFRS 9				
	Carrying amount	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			2023		
	Executive Board	Supervisory Board	Total	Executive Board	Supervisory Board	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

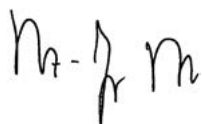
INVESTMENT IN SWEDENCARE AB, MALMÖ, SWEDEN

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

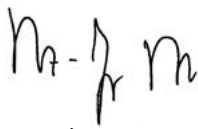
Statement of the Executive Board

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
Wirtschaftsprüfer
[German Public Auditor]

Eickhoff
Wirtschaftsprüfer
[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.