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symrise

2022

Financial Report 2022

Five-year financial overview

€ million		2018	2019	2020	2021	2022 [6]
Group – Results of operations						
Sales		3,154	3,408	3,520	3,826	4,618
EBITDA [1,2]		631	701	742	814	922
EBITDA margin [1,2]	in %	20.0	20.6	21.1	21.3	20.0
Net income [1,2]		275	296	307	375	406
Earnings per share [1,2]	in €	2.12	2.20	2.27	2.74	2.91
Dividends paid		122	129	131	143	147 [3]
Dividends per share	in €	0.90	0.95	0.97	1.02	1.05 [3]
Group – Financial position/net assets						
Cash flow from operating activities		442	547	636	522	360
Investments (without M & A)		226	182	159	174	270
Balance sheet total [2] (as of December 31)		4,920	5,953	5,940	6,673	7,783
Capital ratio [2] (as of December 31)	in %	39.5	41.3	39.8	48.7	46.4
Net debt (incl. provisions for pensions and similar obligations) (as of December 31)		1,893	2,222	2,029	1,964	2,692
Employees (as of December 31)	FTE [4]	9,647	10,264	10,531	11,151	12,043
Taste, Nutrition & Health						
Sales		1,830	1,989	2,151	2,335	2,913
EBITDA [5]		376	423	471	531	631
EBITDA margin [5]	in %	20.6	21.3	21.9	22.7	21.6
Scent & Care						
Sales		1,324	1,419	1,369	1,491	1,706
EBITDA		254	278	272	283	291
EBITDA margin	in %	19.2	19.6	19.8	19.0	17.1

1 Figures for 2019 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations
2 Figures for 2019 restated due to finalisation of purchase price allocation for ADF/IDF; Figures for 2021 adjusted for the final purchase price allocation for Giraffe Foods
3 Proposal
4 Not including apprentices and trainees; FTE = Full Time Equivalent
5 Figures for 2019 normalized for transaction and integration costs related to business combinations and restated due to finalisation of purchase price allocation for ADF/IDF
6 Excluding impairment of the associated company Swedencare

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ABOUT THIS REPORT

This 2022 financial report contains the complete consolidated financial statements, the Group management report and all other legally required elements. Supplementary to it, a separate corporate report provides a comprehensive depiction of Symrise's performance in 2022 – both from a business perspective as well as from a sustainability standpoint. The corporate report can be viewed electronically and ordered in print form at www.symrise.com/corporatereport/2022.

The Symrise 2022 financial report was published simultaneously with the 2022 corporate report on March 8, 2023, and is available in German and English. The publication date of the financial report for the 2023 fiscal year is March 2024. Additional information on our company's activities can be found at www.symrise.com.

Symrise at a glance

always inspiring more …

SEGMENTS

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

DIVISIONS

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

Dynamic sales growth
2006 – 2022 CAGR 8.6%

Highly profitable
EBITDA margin 2006 – 2022 between 19% and 22%

More than **12,000 employees**
in over 40 countries

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

SYMRISE'S VALUE CHAIN

Raw materials
- Natural ingredients
- Petro-based raw materials

Product development
- Natural extracts
- Functional ingredients
- Compositions

Manufacturing process
- Extraction
- Distillation
- Chemical processes
- Encapsulation technologies
- Mixes

Customers

Manufacturers of:
- Foods
- Beverages
- Perfumes
- Cosmetics
- Oral care products
- Household products
- Pet food
- Technical applications

Market size
€ 39.0 billion

Consumers

2022 Highlights

Double-digit organic sales growth

SALES BY SEGMENT

as % of Group sales and organic growth in %

Taste, Nutrition & Health € 2,913 million	63 % (+ 15.3 %)
Scent & Care € 1,706 million	37 % (+ 5.1 %)

SALES BY REGION

as % of Group sales and organic growth in %

EAME € 1,716 million	37 % (+9.4 %)
North America € 1,326 million	29 % (+ 8.0 %)
Asia/Pacific € 981 million	21 % (+ 10.4 %)
Latin America € 595 million	13 % (+ 24.7 %)

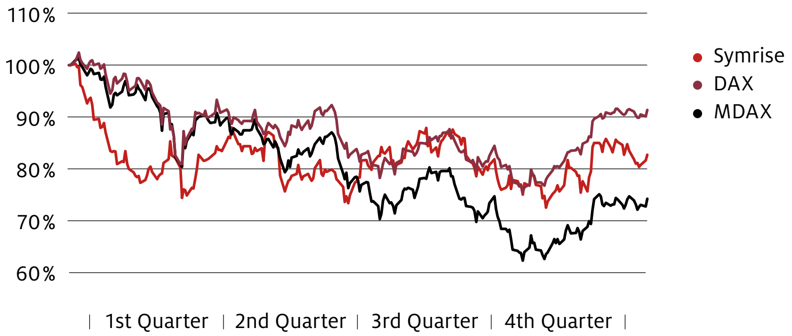
EBITDA[1] (MARGIN) SEGMENTS

in € million and as % of Group sales

Taste, Nutrition & Health € 631 million	21.6 %
Scent & Care € 291 million	17.1 %

SHARE PRICE DEVELOPMENT

of the Symrise stock in 2022



Sales
€ 4,618 million
Organic growth 11.4 %

EBITDA[1]
€ 922 million
EBITDA margin 20.0 %

EBIT[1]
€ 630 million
EBIT margin 13.6 %

Net income[1]
€ 406 million

Earnings per share[1]
€ 2.91

Proposed dividend
€ 1.05
per share

Market capitalization
€ 14.2 billion
at December 31, 2022

1 Excluding impairment of the associated company Swedencare

Group Management Report

SYMRISE AG, HOLZMINDEN
JANUARY 1 TO DECEMBER 31, 2022

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Basic information on the Symrise Group

STRATEGY

Vision

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

Efficiency
- Specific efficiency programs
- Optimization of raw materials portfolio

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

Sustainability

Values

GOALS

Financial goals

Sales growth
at local currency
5 – 7 % p.a. (CAGR)

EBITDA margin
20 – 23 % (until 2025)

Business Free Cash Flow:
> 14 %

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

Cross-divisional
connection of products
and technologies

Complementary operative goals

Sustainability

OUR SUSTAINABILITY AGENDA

FOOTPRINT

Minimize our environmental footprint along the value chain

INNOVATION

Maximize positive social & environmental impacts of our products

SOURCING

Maximize the sustainability of our supply chain and raw materials

CARE

Improve well-being in our stakeholder communities

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

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

With sales of € 4.6 billion in the 2022 fiscal year and a market share of around 12 %, Symrise is one of the leading global suppliers. Headquartered in Holzminden, Germany, the Group is represented in more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The roots of Symrise date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise shares have been listed in the Prime Standard segment of the German stock exchange in Frankfurt/Main. With a market capitalization of around € 14 million at the end of 2022, Symrise shares have been listed on the DAX® index since September 2021. Currently, about 95 % of the shares are in free float.

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

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

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

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

Symrise AG's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,584 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. Symrise has regional headquarters in Germany (Holzminden), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore. Important production facilities and development centers are located in Germany, France, Madagascar, Brazil, Mexico, Singapore, China, India, Japan and the USA. Symrise has sales branches in more than 40 countries.

Symrise sites 2022

● Global headquarters • Regional headquarters • Symrise sites

MANAGEMENT AND OVERSIGHT

Symrise is a German stock corporation with a dual management structure consisting of an Executive Board and a Supervisory Board.

As of the end of the reporting period (December 31, 2022), Symrise AG's Executive Board had three members: Dr. Heinz Jürgen Bertram (CEO), Olaf Klinger (CFO and IT) and Dr. Jean-Yves Parisot (President Taste, Nutrition & Health). With effect from February 1, 2023, the Executive Board was expanded to five members with the addition of Dr. Jörn Andreas (President Scent & Care) and Dr. Stephanie Cossmann (President HR and Legal).

The Executive Board is responsible for managing the company with the primary goal of increasing the company's value in a sustainable manner.

Symrise AG's Supervisory Board has twelve members. It oversees and advises the Executive Board in the management of the company and regularly discusses business development, planning, strategy and risks with the Executive Board. In compliance with the German Codetermination Act, the Symrise AG Supervisory Board has an equal number of shareholder and employee representatives. The Supervisory Board has formed four committees to increase the efficiency of its work.

Supervisory Board

Chairman: Michael König

CEO	President Scent & Care	President HR & Legal	Chief Financial Officer & IT	President Taste, Nutrition & Health
Dr. Heinz-Jürgen Bertram	Dr. Jörn Andreas	Dr. Stephanie Coßmann	Olaf Klinger	Dr. Jean-Yves Parisot

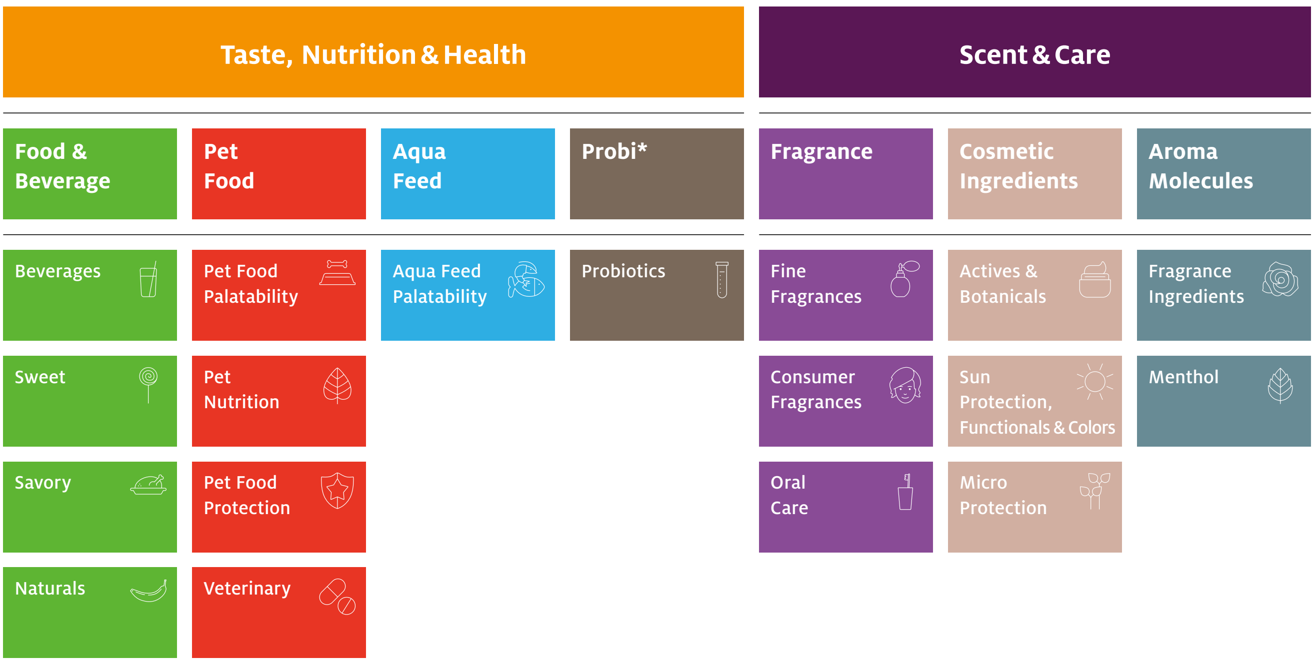
Details on cooperation between the Executive and Supervisory Boards as well as on corporate governance at Symrise can be found in the Supervisory Board and corporate governance statements.

BUSINESS ACTIVITIES AND PRODUCTS

Value chain of Symrise

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

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



* Majority shareholder in the Swedish company Probi AB

CORPORATE STRUCTURE

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

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

Taste, Nutrition & Health

The Taste, Nutrition & Health segment has sites in 40 countries and sells its nearly 19,000 products in 147 countries. Taste, Nutrition & Health aims to make life better and healthier. The segment uses its combined expertise and scientific research to offer customers and partners solutions in the areas of taste, nutrition and health that are sustainable and based on natural ingredients. Symrise offers responsibly sourced ingredients treated with gentle proprietary processes utilizing IP and differentiated technologies to create flavorful, nutritious and healthy products. With more than 100 sites in more than 40 countries, the segment serves the markets of the food and beverage industry as well as producers of pet and fish food.

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

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

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

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

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

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

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

Savory: The savory flavors developed by Symrise are used in two main categories – in Culinary for soups, sauces, ready meals, instant noodles and meat products and Snack Food with seasonings for snacks. In both categories, Symrise can rely on its core flavor expertise in meat and vegetables, which is characterized by modern food technology and research as well as sustainability. In addition, Symrise offers differentiated taste, nutrition and health solutions for the growing market segment of alternative protein products.

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

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

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

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

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

Scent & Care

The Scent & Care segment has sites in more than 30 countries and markets more than 16,000 products in 128 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in various areas:

Fragrance: The objective of the Fragrance division is to convey "a better life through fragrance." The division employs highly talented and respected perfumers of different nationalities who work at 13 creative centers around the world. They combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). The creative and composition business of Symrise comprises the three global business units Fine Fragrances, Consumer Fragrances and Oral Care:

Fine Fragrances: Modern perfumery is designed in the creative centers of the Fine Fragrances business unit in Paris, New York, Mexico City, Shanghai, Dubai, São Paulo, Barcelona, Singapore and Mumbai. Symrise is creating new, exciting fragrance experiences with a rich pipeline of its own fragrances. In 2022, Symrise also expanded its range of high-quality natural ingredients for fine fragrances under the Lautier brand.

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

Oral Care: The business unit Oral Care covers a wide range of products from toothpaste and mouthwashes to chewing gum. For this, Symrise offers the entire range of mint flavors and their intermediate products.

Cosmetic Ingredients: The portfolio of the Cosmetic Ingredients division includes active ingredients, modern solutions for product preservation, pioneering protection against solar radiation and negative environmental influences, innovative ingredients for hair care, inspiring plant extracts, high-performance functionals and tailor-made cosmetic colors. The division's unique approach is based on more than 100 years of experience in the development and marketing of cosmetic raw materials. In addition, the division is able to combine the best of nature, science and chemistry as well as skin and hair biology. Based on intensive consumer research, the division understands the needs of modern consumers. The research centers in Holzminden and in São Paulo, Brazil, work closely with the respective regional sales and application technology teams to offer customers and consumers tailor-made solutions and products for different regional requirements. The Cosmetic Ingredients division is a recognized innovation leader that has received 35 innovation awards for new substances over the past ten years. During the same period, 136 patent applications were filed, 26 of them in 2022 alone.

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

MARKET AND COMPETITION

MARKET STRUCTURE

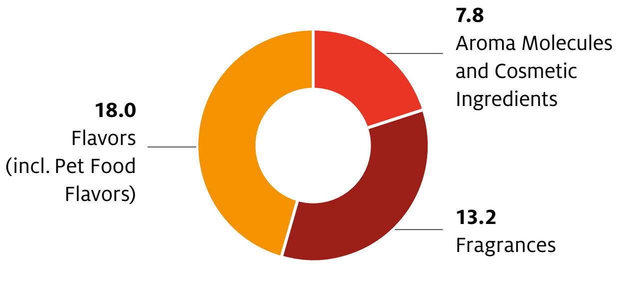
The Symrise Group is active in many different markets around the world. These include the traditional market for flavors and fragrances (F & F market), which grew from € 28.6 billion in 2021 to € 31.2 billion in 2022, according to calculations made by the IAL Consultants market research institute (13th Edition, September 2022). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which grew from € 7.5 billion in 2021 to € 7.8 billion in 2022, according to reports of IAL (3rd Edition, December 2022). Together, these markets are also referred to as the AFF market, which would have a volume of € 39.0 billion. This market will grow by around 3 % to 4 % in the long term. In 2022, the growth of this relevant market was around 8 %. However, this was due to inflation-related price effects at approximately the same level.

More than 500 companies worldwide are active in the market relevant for Symrise. The four largest providers, which include Symrise, together have a market share of 64 %.

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

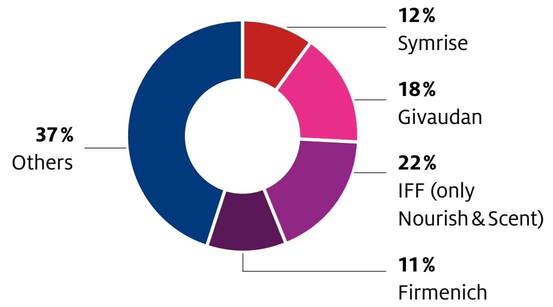
In addition to varying local taste preferences and consumer behaviors, there are other factors that also influence the demand for end products in which Symrise products are used. The population's increasing income in emerging markets is having a positive impact on the development of demand for products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

Relevant AFF Market Size 2022
in € billion (approx. € 39 billion overall)



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

AFF market share 2022
in % (market size approx. € 39 billion)



Source: Corporate data and internal estimates

THE MARKET POSITION OF SYMRISE

Symrise is one of the largest companies in the AFF industry. In relation to the relevant market of € 39 billion, the Symrise market share for 2022 is roughly 12 % in terms of sales. Symrise has expanded the traditional segments to include even more applications such as with cosmetic ingredients in Scent & Care and pet foods in Taste, Nutrition & Health. Greater value creation can be achieved on the basis of these more complex product solutions. In submarkets such as sun protection or other cosmetic ingredients, Symrise also competes with companies or product segments of these companies that do not belong to the traditional AFF industry.

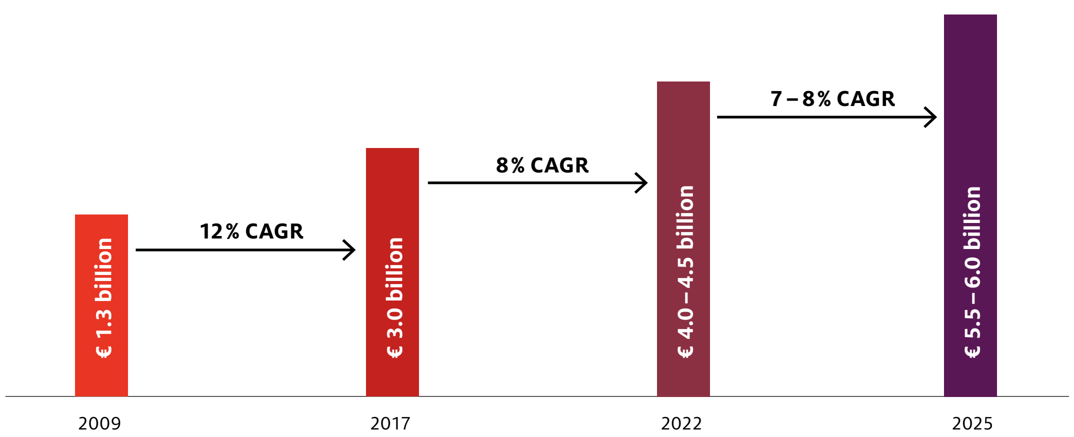
Symrise has leading positions in certain market segments worldwide, for example, in mint and vanilla flavor compositions. Furthermore, Symrise is one of the leading companies in the manufacturing of nature-identical L-menthol and also holds a leading position in the segment of UV sun protection filters,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

GOALS AND STRATEGY

TARGETS

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

Goals by 2025
Sales in € billion



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

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

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

STRATEGY

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

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

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

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

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

VALUE-ORIENTED MANAGEMENT

Different variables are at play within the framework of value-oriented management. The company is aiming for average organic sales growth of between 5 % and 7 % per year (CAGR)[1] in the long term. The EBITDA margin, for which Symrise has defined a strategic target of 20 % to 23 % (until 2025), serves as an indicator of the company's profitability. In addition, the company introduced business free cash flow in 2018 as the primary internal control variable to assess its performance in order to strengthen the Group's cash flow orientation. Symrise aims to continuously increase the business free cash flow, which consists of EBITDA, investments (including cash effects from leasing) and changes in working capital. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, Symrise attaches great importance to the Group's financial stability. Management's focus, therefore, is guided by these financial control parameters. Non-financial performance indicators in the areas of environment, procurement, employees and innovation are reported separately in the Corporate Report. Further information on the non-financial benchmarks can be found in the "Sustainability" chapter starting on page 24 and in the separate non-financial report pursuant to Section 289b of the German Commercial Code (HGB), which is published on the website of Symrise AG. It can be found at **https://symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.html**.

RESEARCH AND DEVELOPMENT

GUIDELINES

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

1 CAGR: Compound Annual Growth Rate

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

ORGANIZATION

From idea to marketable product, the innovation process at Symrise is organized around a uniform, stage gate process with decision filters, which has been implemented across the company. Here, more and more elements of agile project management are being used. In this context, a uniform project management system will be introduced for all business areas in the Taste, Nutrition & Health segment. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project at TN&H and S&C. The research and development projects are also regularly evaluated based on criteria from the four pillars of the sustainability strategy (FISC)[1] and prioritized accordingly. As part of this process in 2022, the area of fair use of biodiversity was further developed according to the provisions of the Nagoya Protocol. One future field is the utilization of legacy varieties of known agricultural raw materials in order to preserve and expand biodiversity. Symrise is also an active member of the OP2B consortium of various industrial companies. The two segments at Symrise each manage their own R & D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to all segments, in order to achieve synergies and improve resource efficiency. Multiple R & D centers around the world ensure that the regional activities of the segments are optimally supported. The research activities of the Scent & Care segment, especially the centers for development and application technologies, are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Chennai and Mumbai (India), Paris (France), Antananarivo (Madagascar), São Paulo (Brazil) and Cuautitlán (Mexico). In addition, there is a hair research center at the São Paulo site. Furthermore, the Cosmetic Ingredients division carries out basic skin biology research on innovative skin models, thereby driving forward the preclinical development of new cosmetic active ingredients. In the Taste, Nutrition & Health segment, R & D activities are organized according to the Food & Beverage and Pet Food divisions as well as the Business Incubation Group (BIG). The majority of this segment's R & D activities are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Paris (France), Rennes (France), Elven (France), São Paulo (Brazil), and Lund (Sweden).

EXTERNAL COOPERATIONS

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

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

1 Further information on the four pillars of the sustainability strategy can be found in the "Sustainability" chapter starting on page 24.

Significant research cooperations

Partners	Goal of the cooperation
CDL for Taste Research/University of Vienna	Systematic investigation of physicochemical and physiological properties of substances capable of influencing sweet taste
SweetTea (University of Bonn, Osnabrück University of Applied Sciences, Erfurt University of Applied Sciences)	Cultivation and breeding of plant raw materials for the field of sweet modulating taste and flavor solutions, supported by the BMEL
SustainVanil (including Osnabrück University of Applied Sciences and various partners)	Basics of indoor vanilla cultivation, understanding and optimization of the flowering process, biological control of harmful fungi and the diseases they cause in the vanilla plant (funded by the BMBF)
Optimization of protein composition/satiation	Investigation of the basis for optimization of the protein composition of potato and pea protein hydrolysates with regard to bitterness and regulation of satiation (AiF)
Extraction using NADES	Extraction of functional food ingredients using natural deep eutectic solvents (AiF)
SynBio4Flav (various partners, including the University of Greifswald)	Development of co-fermentation processes to obtain flavonoids (funded by the EU, Horizon 2020).
RapeQ (various partners, including the Technical University of Munich)	Improvement of the taste of rapeseed protein through breeding, processing and targeted masking (funded by the BMBF)
Potato protein	Identification and correction of off-flavors (AiF)
Protein soft drinks	Presentation of tasty protein soft drinks (AiF)
Taste optimization for meat substitutes (various partners, WUR)	Taste improvement of meat substitutes (funded by TKI [Top Consortium for Knowledge and Innovation], Netherlands; sector: TKI Agri&Food)
In4Food (various partners, MRI, Fraunhofer)	Testing of indoor farming systems for the production of plant-based raw materials for functional applications
Pulses (various partners, including Wageningen University & Research)	Improving the taste of legume proteins (funded by TKI [Top Consortium for Knowledge and Innovation], Netherlands; sector: TKI Agri&Food
Encap4HEalth (TU Berlin, various partners)	New materials and processes, as well as an innovation exchange in the field of the encapsulation of bioactive ingredients (funded by the EU, Horizon 2020 RISE program)
King's College, London, UK	Research into the regulation of glucose metabolism in humans by the apple extract polyphenol (Applin™) in collaboration with the Institute of Diabetes & Nutritional Sciences at King's College
Leibniz Institute for Catalysis (LIKAT), Rostock	Development of a bio-based variant of pentylene glycol (Hydrolite® 5) based on byproducts generated during sugar production from sugar cane
Charles Violette Institute, University of Lille, France	Investigation of the potential of fish hydrolysates for regulating the energetic balance of physiological body functions (homeostasis)
Booster working group (LEMAR, Institut Européen de la Mer, Nutrineuro, INRA, Abyss ingrédients and Chancerelle)	Development of bioactive substances from fish co-products for the healthy aging of humans and pets
ONIRIS Flaveur	Development of innovative analysis methods for volatile components to improve the acceptance of dog food
Institute for Food and Agricultural Research and Technology (IRTA), Barcelona, Spain	Research into the effect of dietary protein hydrolysates on the energy, fat and protein metabolism of European sea bass
Laval University/Institute of Nutrition & Functional Foods, Quebec, Canada	Study of the probiotic influence of polyphenols from fruits and vegetables, development of synergistic combinations of probiotic polyphenols and bacteria to modulate the biocenosis of the internal organs

FOCUS AREAS

In the Taste, Nutrition & Health segment, the research and technology strategy is implemented on the basis of various research platforms. A large number of key topics are being worked on with a special focus on sustainability aspects. In the Food & Beverage division, examples include the development and adaptation of new, gentle and environmentally friendly separation technologies (Selective Enrichment Technologies Flavors SETFlavors®) and the expansion and elaboration of raw material sources for sustainable and natural product solutions for the Symrise Code of Nature® platform, which are primarily used for healthy food concepts; the continuous development of natural and sustainable raw materials for flavor solutions that lead to the sensory-preferred reformulation of low-sugar, low-salt and low-fat food concepts; and the development of energy-efficient and low-solvent methods for concentration, beginning with plant-based raw materials. In 2022, a special focus was placed on the challenge of improving the taste of plant proteins as meat substitutes or for use in dairy products. Another focus is on reducing sugar in beverages and dairy products as well as in savory applications. In this context, the selection of varieties and new cultivation methods for a sustainable supply chain were developed and established for specific plant-based raw materials for the Taste Balancing product platform. Another focus of research in the Taste, Nutrition & Health segment is the development and application of modern digital tools for the rapid and targeted development of flavor solutions for selected food applications. The ProtiScan™ process – developed by Symrise for recording the flavor release from innovative food preparations with vegetable protein – is noteworthy in this context. This process enables a significant reduction in project development times and forms a solid foundation for IT-based development concepts. In addition, work is being carried out on the continuous improvement of product safety and the targeted optimization of the use of flavor solutions for application in reduced sugar and plant protein-based foods. In recent years, particular attention has been given to the development of digital prediction tools to support flavor development and creation. A significant portion of this work has been completed this year and grouped under the umbrella term PropheSY.

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

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

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

With regard to its R & D strategy, the Scent & Care segment focuses on raw materials and technologies in accordance with the strategic research fields of efficiency, sustainability & naturals and health & emotion. Green chemistry is also an important factor when it comes to perfumery. Products are produced based on natural renewable raw materials. For example, with the Garden Lab, a disruptive approach was taken using the SymTrap® process to make vegetable scents accessible for perfumery as well. The SymTrap® platform was also expanded with additional products in 2022. In the field of extraction from natural raw materials, new qualities were developed and included in the perfumery range. Supported by R & D, the range of natural raw materials will be expanded further with the launch of La Maison Lautier. New and sustainable captives have also been developed. Among them is Pearadise®, which is produced on the basis of biotechnologically derived raw materials and using green chemistry. With Flowerpool®, a captive was developed that smells of white blossoms and purity. Diviniris is an iris-scented captive with velvety notes. Research is also being carried out to find inexpensive raw materials for perfumery. Symrise has also added Natural Neofresh® to its Neofresh platform to meet customers' desire for sustainable products made from renewable raw materials. The addition of substance mixtures, especially for fine fragrances, makes it considerably more difficult for our competitors to analyze and replicate our perfume oils. The new Cryptosym® technology was very well received by some customers.

By combining the expertise of Symrise in fragrance development with that of Pet Food, the product category was further developed specifically for dogs and cats.

The marketing of Symcap BG® biodegradable capsules has generated a great deal of interest in fabric softeners from some customers. Research for capsules for fragrance oils is now heading to vegan capsules with improved efficacy for other areas of application as well.

In Oral Care, a new product was developed that combines biotechnological processes with knowledge of probiotic active ingredients. The research for new cooling agents for mouthwash, toothpaste and products for oral health was ramped up.

A total of five research platforms exist in the areas of cosmetic ingredients, encapsulation and release systems for perfumery, green chemistry for sustainable products, bad odor management and oral care. Supporting platforms in the areas of sensory and analytical research, raw materials and byproducts from sustainable sources, performance, and receptor research form the basis for the capabilities at Symrise and for a constant innovation process. Newly developed technologies support the understanding of perfume oils in terms of long-lasting fragrance experiences and blooming effects. In the Cosmetic Ingredients division, there is an interdisciplinary group of cell biologists, molecular biologists and microbiologists researching the human microbiome. The new research area is investigating the benefits and risks of interactions between humans and microorganisms, and is providing scientific and cross-divisional support in the development of new products for skin, scalp and oral care, or in the area of nutrition. The first products and product concepts have already been introduced to the market. In addition, in-depth analyses on healthy volunteers showed that neither multifunctional active ingredients nor modern UV filters have an effect on the microbiome. Furthermore, the portfolio of biotic ingredients was expanded to include the product SymFerment™. This is a postbiotic skincare ingredient with hydration boosting properties. It is made from a process involving the use of a by-product derived from the probiotic production of special lactobacilli that are rich in micronutrients.

PATENTS AND AWARDS

The number of patents filed (71 new applications in 2022) is used to measure innovation results and quality and to evaluate global coverage and competitive impact.

In 2022, as in previous years, Symrise research was recognized with awards for its high level of innovation. For example, Symrise received a European BSB Innovation Award for SymFerment™ as an innovative cosmetic raw material in the raw materials category (moisturization and barrier). This is a postbiotic, which is obtained from the byproduct of the probiotic production process and has been shown to improve skin hydration. The product was introduced to the market in 2022. SymHair® Thermo was also launched in 2022: This product combining carbohydrates of different chain lengths provides excellent protection for the hair against heat damage. In addition to the good activity data, the BSB Innovation Award

Core functions of research and development at Symrise

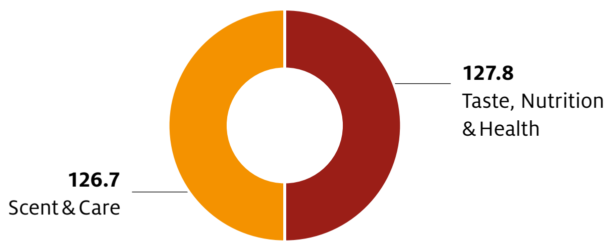
jury was also impressed by the composition of the product made with ingredients of natural origin and presented it with an award in the natural raw materials category within the Hair Care Actives segment. The product Hydrolite® 7 green launched in 2021 once again received an award for its innovative and sustainable technology: The BSB Innovation Award in the functionals section of the raw materials category. Hydrolite® 7 green is a multifunctional cosmetic raw material produced based on the principles of green chemistry. It is applicable in a wide range of products and characterized in particular by its properties of enhancing antioxidants and solubilizers as well as proving product protection.

RESEARCH AND DEVELOPMENT EXPENSES

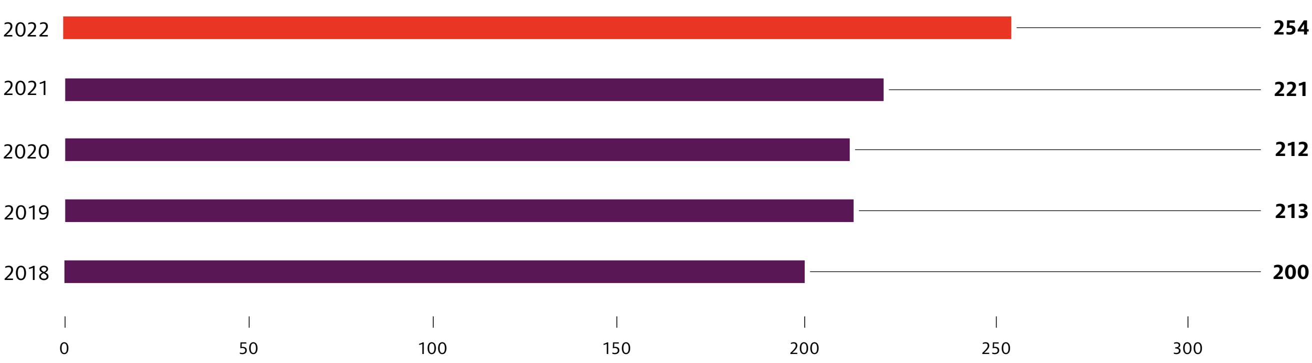
Total R & D expenditures amounted to € 254 million in the 2022 fiscal year (2021: € 221 million), comprising 5.5 % of sales (2021: 5.8 %). Compared to the previous year, R & D expenditure in the reporting year was 15.3 % above the level of the previous year and thus developed disproportionately to the originally planned sales. The positive sales trend has diluted the share of sales accordingly, however. Symrise aims to return the share of R & D expenditures of sales to the level of previous years in the future in order to further strengthen its innovative power.

The capitalization rate for research and development activities remained immaterial in 2022 as in the previous year because the conditions for capitalization are generally only met at the conclusion of a project. This meant that a majority of the development costs incurred were recognized with effect on profit or loss.

R & D Expenses 2022 according to segment, in € million



R & D expenses 2018–2022 in € million



EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2022, the Symrise Group employed 12,043 people worldwide (not including trainees and apprentices). In comparison to December 31, 2021 (11,151 employees), this represents an additional 892 employees. At 209, the number of apprentices and trainees was well above the previous year's figure of 125.

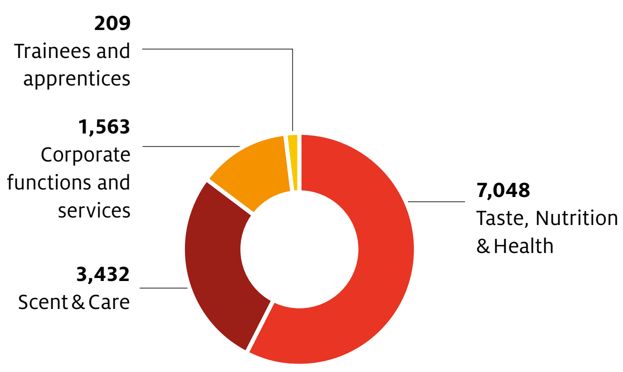
PERSONNEL STRATEGY

A sustainable HR strategy is part of our corporate strategy – it conveys goals and establishes common values. It includes the promotion of diversity in the workplace, supporting young families and enhancing the compatibility of professional and private life. The human resources department and its human capital strategy are responsible for developing and implementing our strategic HR policy objectives. We are currently developing further concepts to promote diversity in an even more targeted manner.

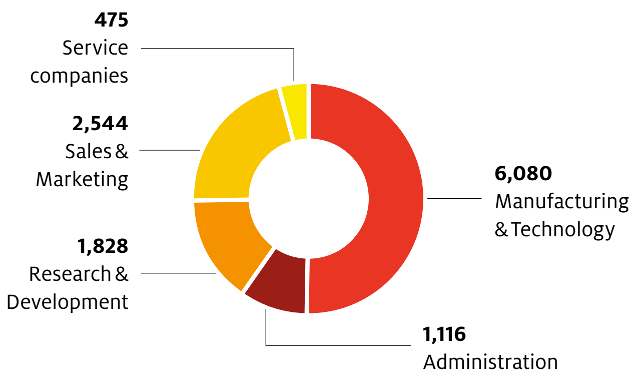
The demographic development trend in many countries toward an aging society, and a diversification of the population and thus the working workforce by people from other cultures and educational systems, are changing our living and working environments in many ways. People from over 60 nations work in the Symrise organization alone. For us as a global company, diversity is an added value of creative and innovative cooperation in diverse teams. Equal opportunities are more important than ever, and promoting diversity is central to the success of the company. Furthermore, promoting diversity is also essential so that employee recruitment is ensured now and in the future.

We put our commitment to diversity into practice with specific measures. These include supporting young families by providing kindergarten spots, expanding our global working from home policy, training, posting and integrating specialists from abroad to Germany, and initiatives for "unconscious bias" training.

Number of employees by segment



Number of employees by position



Group strategic development of senior executives and employees

Symrise has set up a global digital career development and succession planning process worldwide for the first two management levels as well as a wide range of focus groups, such as Flavorists and Key Account Managers. The aim of this cross-segment program is to sharpen and develop the job-related skills of the employees, to identify talent and prepare them to take on responsibility in key positions at Symrise. At the same time, the company uses talent development to ensure effective succession planning for business-crucial positions. Specifically, the process focuses on deriving company-wide training and development priorities, identifying talent and developing such talent through talent conferences with executives, along with succession planning for key business-crucial positions. This includes the:

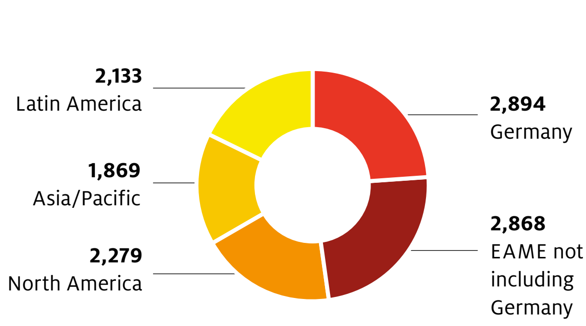
- Assessment of Group-wide competency development needs to achieve the strategic goals
- Identification of the top talents and their individual development measures
- Nomination of top talent for strategic development programs, such as the Leadership Accelerator Program
- Robust succession planning in business-critical positions.

In 2022, the focus was on continuing the discussions and development measures that had already begun. Succession planning discussions were held for the Board-1 and Board-2 levels. In addition, individual development plans continued to be available on the career platform.

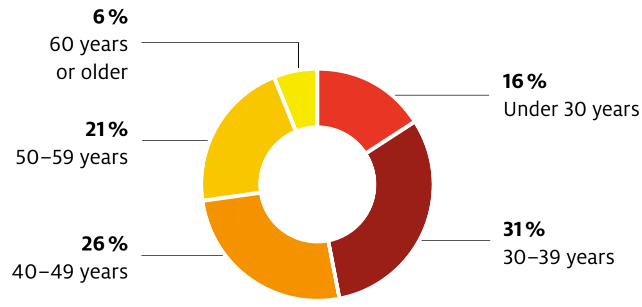
In the 2022 fiscal year, Symrise also expanded the topic area of "modern and digital learning" further. Employees were provided with a new, globally available "Learning Management System" (LMS) and a digital learning platform ("Skillsoft"). More than 2,600 learning hours have now been completed worldwide on the Skillsoft platform. The platform has been well received internationally. The focus was on topics such as leadership, creating a positive work culture and professional improvement.

After the end of the coronavirus pandemic, there was also increased demand for "face-to-face training" in 2022. In addition, greater use was made of internally developed e-learning courses.

Number of employees by region



Age structure of the workforce in %



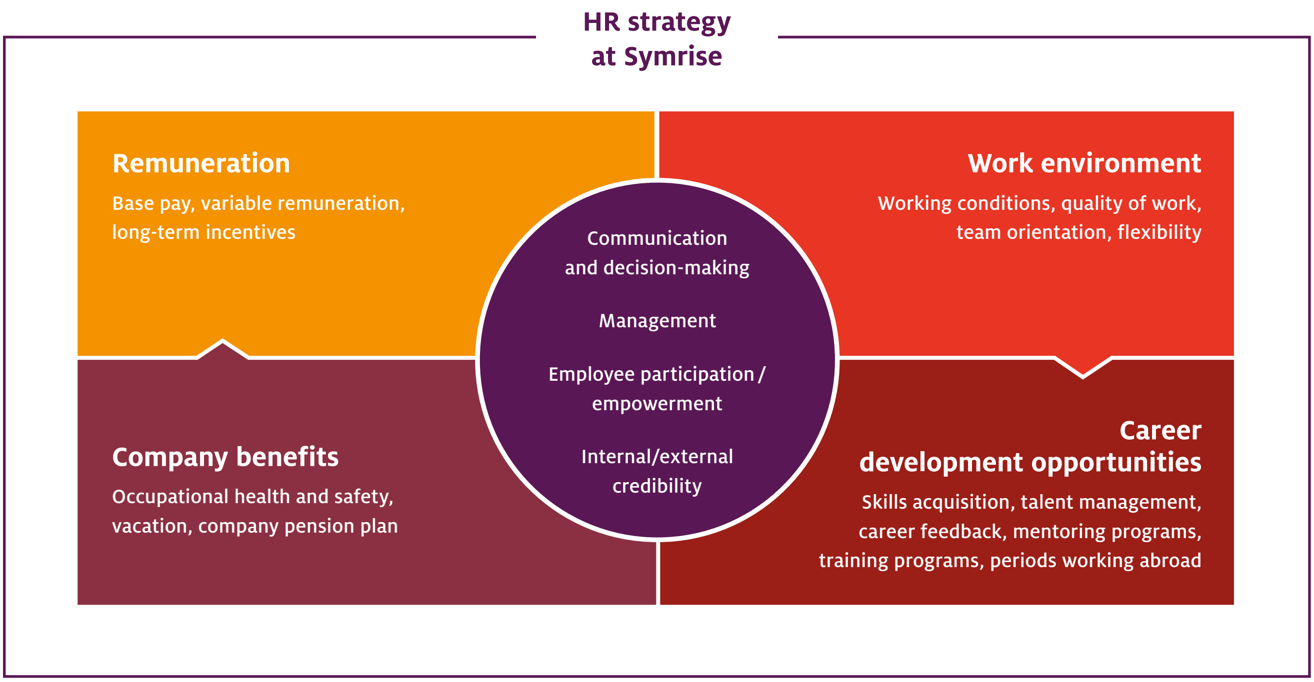
Group strategic development of female senior executives
In addition to increasing diversity with regard to other cultures, we also place great importance on employing the most competent women and men at all management levels. To date, there are still fewer women than men in management positions. Symrise has set ambitious goals for itself to change the situation in the long term. Symrise has therefore put a special focus on fostering the careers of women as part of its personnel strategy.

To better leverage the potential of women at Symrise, the company is pursuing a strategy to ensure that Symrise will be able to advance the careers of its female employees. In 2022, various successful development workshops for high-potential female staff were piloted in Germany and France with the aim of rolling them out worldwide. There are also plans to integrate these workshops as part of a Female Leadership Accelerator Program. This also included a mentoring program and the targeted recruitment of women with equal qualifications.

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

It was found that the average remuneration for women is not significantly different from the average remuneration for men. The unadjusted equal pay gap is 1.2 %. The remaining insignificant differences result from production-specific components of remuneration such as hardship allowances or activity-related wages such as foremen's or master craftsmen's allowances, or are prescribed by the various remuneration levels specified by wage agreements for commercial or technical professions.

The non-profit FPI Fair Pay Innovation Lab recognized Symrise for its fair pay in the 2021 reporting year. This award is valid for two years and will be presented again next year if requested.



Training and education

Educating young people is of particular importance at Symrise. This is evidenced by multiple awards in company comparisons over the past four years. First, Symrise recruits qualified young individuals who it specifically trains with the company's needs in mind. With this commitment, Symrise is fulfilling an obligation that society as a whole has toward the next generation.

As of December 31, 2022, a total of 126 apprentices and trainees were employed at the sites in Germany.

Depending on the occupation, training lasts two to three years. All trainees are taken on at least temporarily after completing their training if they meet the minimum requirements regarding the success of their training. With this investment in training, Symrise is meeting the demand for future specialists in chemical production and the laboratories as well as in commercial, marketing, IT and sales positions.

Symrise has structured its training capacity in a way that allows around 45 young people to begin their training at the company every year. Of these, 25 are trained in chemical-technical professions, another 10 in technical and logistics professions and 12 in the area of business management/information technology. Beyond initial training, Symrise opens up prospects through cooperative studies in business administration (five employees per year/a total of 15 on the path to a Bachelor of Business Administration). Due to what has now become a noticeable shortage of skilled workers, Symrise has added further professional fields to its range of vocational training. In Braunschweig, the third year of training as a Specialist for Food Technology began in 2022. Distillers are regularly trained in Nördlingen, and the IT specialist training program has been offered in Holzminden since 2022. Symrise is thus working consistently to mitigate the demographic shift in the company. In addition, Symrise and its partner Kreisvolkshochschule Holzminden, the district adult education center, are also preparing a second year of its training program for chemical production specialists, starting in August 2023, in order to fill positions at the mixing plants.

Symrise generally offers highly sophisticated training programs in all its regions. In 2022, the focus was on e-learning, which was managed using a 12-month Learning Nugget calendar. In addition to general training programs, Symrise also trains its employees via international assignments.

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

Remuneration and wage agreements

Symrise generally remunerates its employees on the basis of collective wage agreements concluded with the respective labor unions. For non-tariff employees, there is a job grade concept that classifies non-tariff roles and positions in accordance with clear principles and objective criteria. Each initial classification or later reclassification is subject to review by the works council. Through this double-checking, the Group ensures that gender plays no role in determining remuneration.

In Germany, Symrise takes guidance from the pay increases in the chemical industry.

The regularly scheduled collective bargaining on our collective wage agreements took place in 2022. As part of the successful negotiations, a collective wage agreement adapted to the economic challenges faced by companies and employees was concluded with a term of 1.5 years.

In May 2022, all full-time employees in Germany received a one-time payment of € 1,400. In December 2022, Symrise paid an inflation adjustment in the net amount of € 1,500 to all employees in Germany. Wage increases were also negotiated and will be implemented starting January 1 and July 1, 2023. A further inflation adjustment bonus of € 1,500 is planned for the end of 2023/early 2024.

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

For non-tariff employees, separate global performance bonus plans apply to our managers with global or regional responsibilities. These support the achievement of the set corporate goals through results- and performance-based variable remuneration. Our creative employees are also included in this management and incentive system.

SUSTAINABILITY

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

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

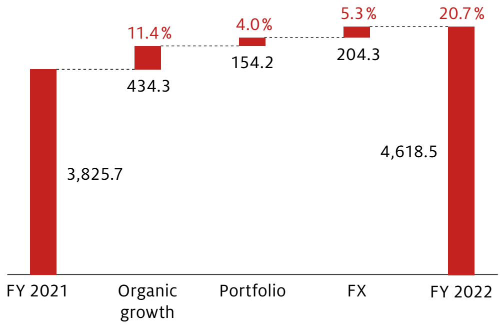
The successive, strategic integration of sustainability into the core and supporting processes is managed by a global cross-segment team – the Symrise Sustainability Board. It defines common goals and ensures both the development and implementation of issues and objectives relevant for sustainability across the entire extended value chain, as well as the consideration of the interests of key stakeholders. Symrise manages sustainability in corporate processes using an Integrated Management System. It is based on the international standards on quality (ISO 9001), environmental protection (ISO 14001), work safety (OHSAS 18001), sustainability (ISO 26000), energy (ISO 50001), social responsibility (SA 8000), the generally accepted audit standards of the Global Food Safety Initiative (GFSI) and other recognized local standards. In 2022, Symrise was again widely recognized by external entities for its commitment to sustainability and is considered one of the leading companies worldwide. This is shown in the current ranking of the renowned non-profit organization CDP (previously known as the Carbon Disclosure Project). CDP makes a yearly assessment of what participating companies do to fight climate change, protect water supplies and conserve forests. In 2022, Symrise achieved the best possible score again in all three categories: a spot on the A list. In its sustainability reporting, Symrise complies with the guidelines of the Global Reporting Initiative (GRI) as amended by the GRI Standards, and immediately adopted the newly added Water and Effluents (GRI 303) and Occupational Health and Safety (GRI 403) indicators to improve its performance in the area of Environment, Health and Safety. In doing so, Symrise conforms to the highest application level "In accordance – Comprehensive," which means that Symrise fully accounts for all material topics. All information has been externally audited in accordance with the AA1000 Assurance Standard. Further information can be found in the Corporate Report. The separate non-financial statement in accordance with Section 289b of the German Commercial Code (HGB) is published on the Symrise AG website. It can be found at **https://symrise.com/corporate-report/2022/en/sustainability-responsibility/sustainability-record.html**.

Our Sustainability Agenda

FOOTPRINT	INNOVATION	SOURCING	CARE
Minimize our environmental footprint along the value chain	Maximize positive social & environmental impacts of our products	Maximize the sustainability of our supply chain and raw materials	Improve well-being in our stakeholder communities

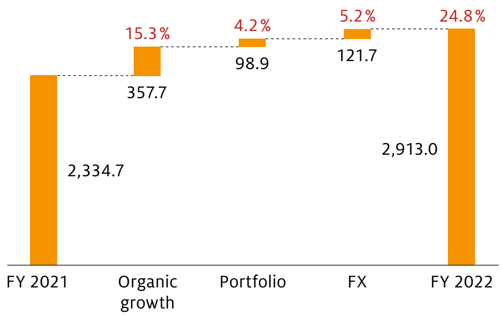
Economic report

GROUP sales in € million



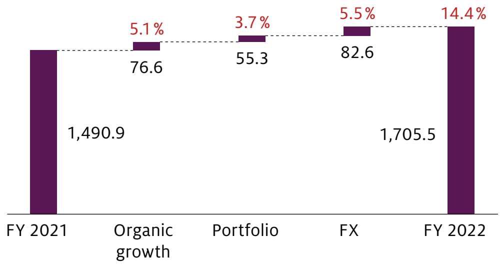
€ million		FY 2021	FY 2022[1]	Change in %
Gross profit		1,478.8	1,702.1	15.1
EBITDA		813.6	921.5	13.3
EBITDA margin	in %	21.3	20.0	
EBIT		559.0	630.1	12.7
EBIT margin	in %	14.6	13.6	
Depreciation		140.5	164.6	17.2
Amortization		114.1	126.8	11.1
Financial result		– 42.8	– 72.9	70.4
Earnings before income taxes		516.2	557.2	8.0
Net income[2]		374.9	406.1	8.3
Earnings per share[3]	in €	2.74	2.91	6.0
R & D expenses		220.7	254.5	15.3
Investments		173.7	270.1	55.5
Business Free Cash Flow in % of sales		12.7	6.5	

TASTE, NUTRITION & HEALTH sales in € million



€ million		FY 2021	FY 2022[1]	Change in %
EBITDA		531.1	630.5	18.7
EBITDA margin	in %	22.7	21.6	
EBIT		357.9	430.2	20.2
EBIT margin	in %	15.3	14.8	

SCENT & CARE sales in € million



€ million		FY 2021	FY 2022	Change in %
EBITDA		282.6	291.0	3.0
EBITDA margin	in %	19.0	17.1	
EBIT		201.1	199.9	– 0.6
EBIT margin	in %	13.5	11.7	

1 Excluding impairment of the associated company Swedencare
2 Attributable to shareholders of Symrise AG
3 Undiluted
Number of shares from 21 September onwards 139,772,054; weighted average full year 2021 at 136,663,677

GLOBAL ECONOMIC AND INDUSTRY-RELATED CONDITIONS

GLOBAL ECONOMIC CONDITIONS

Following the strong rebound from the pandemic-related recession in 2021, the global economy suffered another setback in 2022. In January 2023, the IMF estimated global economic growth in the reporting year at 3.4 %, which means that growth decreased by 2.8 percentage points. The overall economic environment continued to be difficult. After a good start to the year, the outbreak of war in Ukraine in February 2022 smothered economic growth. Rising energy prices and persistent supply bottlenecks placed a burden on the industry. At the same time, the high inflationary pressure slowed private consumption. The 2022 fiscal year was characterized by record inflation and the associated economic slump. The volume of world trade, which had still recorded significant growth of 10.4 % in 2021, was only 5.4 % in the reporting year. In addition to the effects of the war in Ukraine, the global economy is still facing the consequences of the coronavirus pandemic. Crude oil prices rose by an average of 39.8 % in 2022, while the prices of other key commodities increased by an average of 7.0 %.

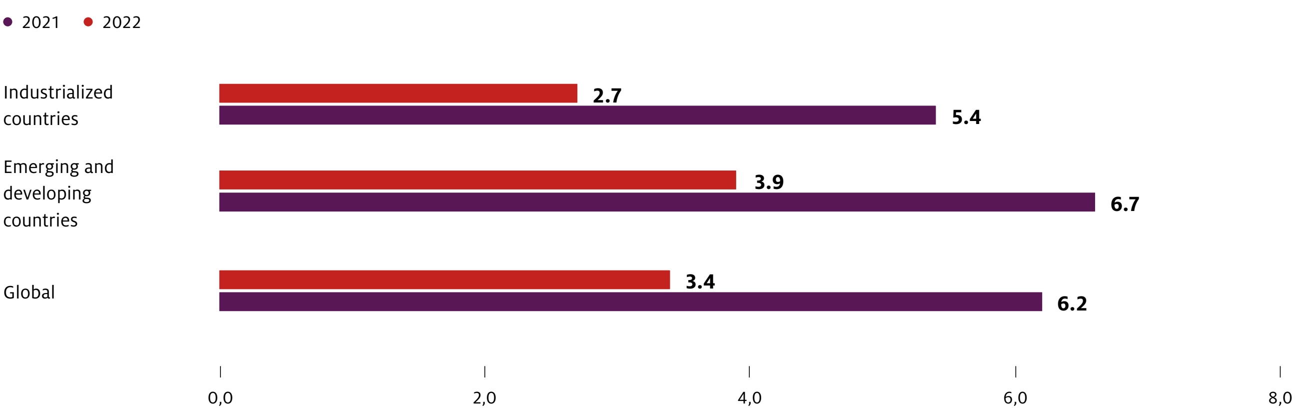
Economic growth in industrialized countries reached an estimated 2.7 % in 2022, which is half the growth of the previous year. In the USA, economic output grew by only 2.0 % due to high inflation and rising interest rates. In the eurozone, real GDP increased by an average of 3.5 % in 2022. The low growth can also be attributed to the high inflation fueled by the energy crisis as a result of the war in Ukraine. Japan's economic growth in 2022 was also quite subdued at 1.4 %.

Economic performance is estimated to have increased by an average of 3.9 % in the emerging and developing countries in the reporting year, a decline of almost three percentage points compared to 2021. Record inflation, rising interest rates and increasing indebtedness are making recovery difficult, especially in these countries. Economic growth in Asia was also below expectations. In China, the GDP growth rate amounted to 3.0 %, compared to 8.4 % in the previous year. Economic output in India contracted slightly. At 6.8 %, it was only 1.9 percentage points worse than in the previous year. Economic development was much more subdued in Africa, the Middle East and some Asian countries such as Indonesia, Thailand and Pakistan, as well as Brazil.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group had a global market size of € 39.0 billion in 2022 and is growing by about 3 % to 4 % annually over the long term according to own estimates. The year 2022 was characterized by further normalization of consumer behavior as the coronavirus pandemic subsided worldwide. After resuming in 2021, travel picked up again in 2022 with a continuously growing duty-free business and good sales opportunities for items like spirits and sweets. Since restrictions were also lifted for restaurants, this sector saw a sharp upswing. The beverage industry in particular recorded high growth for both alcoholic and non-alcoholic beverages. However, the demand for ready meals experienced a decline in the reporting period. This was attributable to the reinvigorated food service industry as well as the consumption of food that households stocked up on during the pandemic. Hygienic

GDP development 2021/ 2022 in %



products and household cleaners also experienced a similar trend, with decreased demand resulting from consumer stockpiling during the first years of the pandemic. Driven by ongoing rising inflation during the reporting year, consumers around the world were increasingly forced to switch from high-priced brand-name products to low-priced private label products. The cost-saving measures adopted by households also led to a decline in demand for cosmetics, especially in the second half of the year. In contrast, the pet food market continued to perform well with strong sales in 2022 as a result of the steady increase in the pet population since the beginning of the pandemic.

PRICE DEVELOPMENT AND AVAILABILITY OF RAW MATERIALS

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

In the reporting year, a large number of raw material markets showed a strong upward trend in procurement prices compared to the previous year. In 2022, the ongoing pandemic and associated lockdowns continued to create many supply and production bottlenecks, especially in China. This had a severe impact on the global availability of raw materials. The market for natural raw materials was also affected by negative weather conditions such as the heat waves and droughts in Europe, India and China. In particular, the markets for vegetable oils and grain were subject to considerable fluctuations because of the simultaneous halt of deliveries from both Ukraine and Russia. During the year, the increase in energy costs led to significant price increases for agricultural as well as processed and petroleum-based raw materials. Due to the gas supply shortage in Europe, these effects are quite pronounced there on a regional level.

New environmental regulations imposed by the government and power rationing have caused several Chinese producers to withdraw – in part following fires, accidents or forced production closures – from the raw materials market for perfume ingredients and their intermediate chemical products. Rising prices for gum turpentine – mainly as a result of lockdowns caused by the coronavirus – also affected prices for terpenes and subsequently also for citral-based fragrances. Symrise was largely able to cushion supply bottlenecks through backward integration as well as by having production sites in different regions of the world.

The REACH regulation for the EU continues to cause both lower availability and rising prices in part for a large number of chemical raw materials in the Fragrance division in Holzminden due to the scarcity and costs of tests and registrations to be carried out by producers.

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

GENERAL POLITICAL AND REGULATORY CONDITIONS

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

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

The import regulations for food products and flavorings containing ingredients of animal origin were changed in 2021 with the introduction of regulation (EU) 2019/625. As a result of extensive negotiations with EU authorities in 2022, flavorings were exempted from this regulation. This makes it considerably easier to import flavored foods into the EU market.

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

In the EAME region, the Regulatory Team of the Taste, Nutrition & Health segment closely followed developments regarding the safety assessment of flavoring substances by the European Food Safety Authority EFSA. As part of this process, internal and external stakeholders were regularly informed about current developments. A particular focus in 2022 was the revision of dossiers for the use of primary products for smoke flavorings (EU Regulation 2065/2003). Symrise submitted the dossier for the renewal of approval on time.

The Global Substance Registration Team focuses on the continuous changes in local and regional requirements in specific countries. For example, the entry into force of the Korean REACH regulation (K-REACH) required a large number of preregistrations to ensure that Symrise and its customers meet the requirements. Close cooperation between the divisions and regions ensured "built-in" compliance and the unrestricted supply of raw materials and oils. Timely substance registrations in the UK over the course of 2021 meant that Symrise had no difficulty supplying customers in the UK in 2022 after Brexit.

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

In the context of the substance approval of several cosmetic ingredients, Symrise filed a lawsuit at the European Court of Justice (ECJ) against the European Chemicals Agency (ECHA) to challenge what Symrise considers to be unjustified claims of animal testing of cosmetic product ingredients. In 2022, there were further hearings on the issue at the ECJ.

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

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

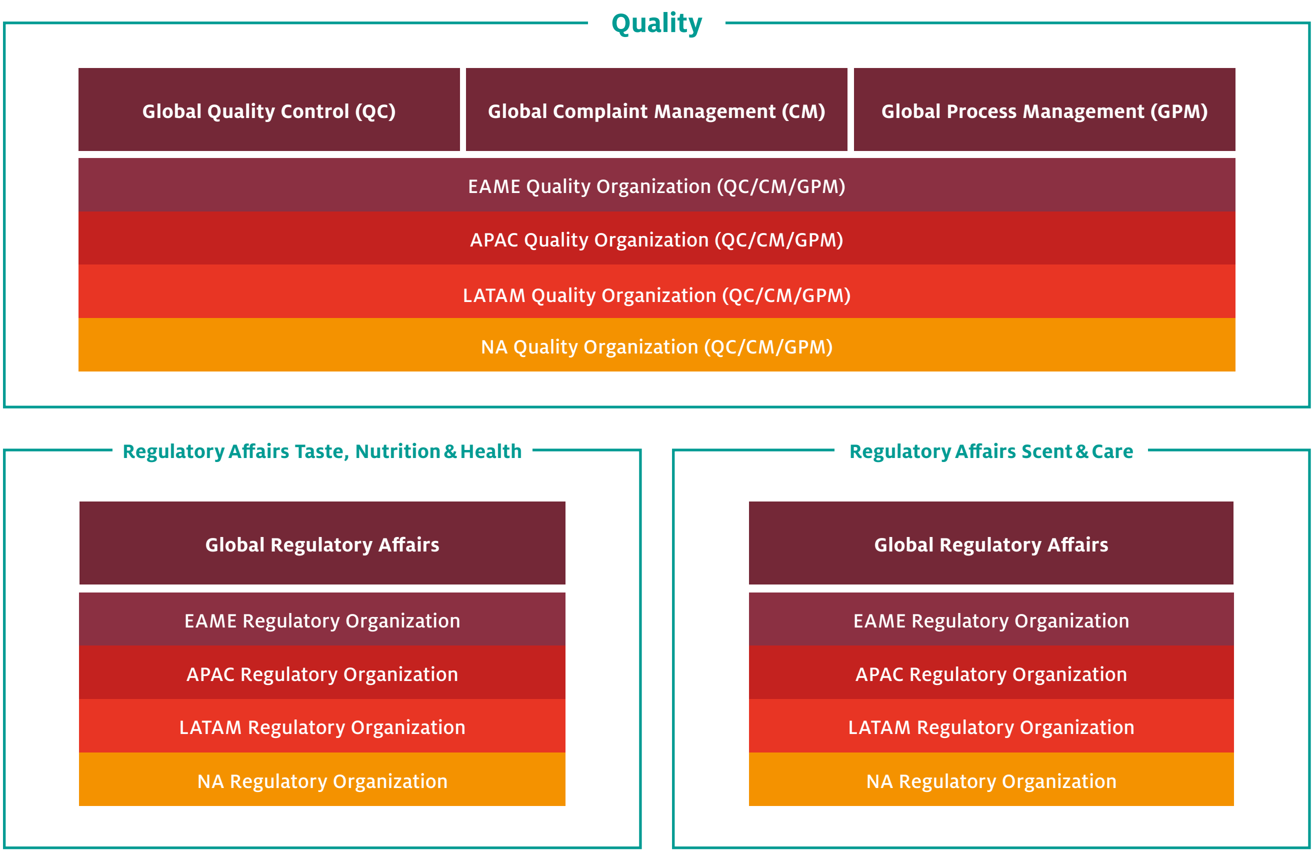
DIFFERENTIATED CONSIDERATION OF THE EFFECTS ON SYMRISE

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

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

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

Symrise Global Operations Quality & Regulatory



COMPANY DEVELOPMENT AT A GLANCE

IMPORTANT EVENTS

Despite the challenging political and economic environment, Symrise was able to stay the course with its strategy in the 2022 fiscal year. The consequences of the coronavirus pandemic and resulting disruptions in supply chains and shortages on the procurement markets as well as the war in Ukraine have only had a minor impact on the business development of Symrise so far. However, the persistently high level of inflation led to significant rises in costs at Symrise in some cases, which were largely offset by the consistent implementation of price increases.

At the beginning of the year, Symrise expanded the fragrance ingredient production facility in Granada, Spain, which was acquired in 2021. As a first step, Symrise made a targeted investment in multifunctional cosmetic ingredients, an event which particularly reflected the growth in the global market for 1,2-alkanediols. The 1,2-alkanediol product range from Symrise consists of a number of multifunctional ingredients that are becoming increasingly popular in personal care products. With the recently commissioned production line, the site now provides both cosmetic ingredients as well as a wide range of fragrances from renewable raw materials.

Symrise introduced SymHair® Thermo – a novel natural ingredient – at the in-cosmetics trade fair in Paris in April. It protects hair from heat and also shortens the time needed to use thermal appliances such as curling irons. The company thus developed a sustainable alternative to the synthetic silicones that had previously been used. SymHair® Thermo is suitable for use in shampoos, conditioners and care products that remain on the head and in the hair. The product also won first place from the BSB Innovation Award jury in the category "Natural Products & Raw Materials."

In June, Cosmetic Ingredients entered into a strategic partnership with the German biotech company evoxx technologies. The partners want to develop biotechnological processes for ingredients that can be used in body care applications. As part of the partnership, evoxx will contribute its expertise in research and development as well as its leading role in the manufacture of enzymes and probiotics. Symrise will contribute its knowledge and skills in the development of innovative and sustainable cosmetic ingredients. The result: consumers will receive innovative care products that fulfill their desire for effective and responsible ingredients.

Symrise presented its enhanced AI system "Philyra" at the World Perfumery Congress in Miami at the end of June 2022. Philyra – the name stems from Greek mythology and represents "creation support" – enhances the creative work of perfumers with sustainable facets. Over the past few years, Symrise has collaborated with IBM Research on evolving its cognitive creativity based on artificial intelligence in perfumery. Philyra 2.0 makes it possible for perfumers to create innovative fragrance creations with environmentally friendly and renewable raw materials. The AI system reinforces the position of Symrise as a digital trailblazer in the industry.

In December, the Taste, Nutrition & Health segment established a four-year research consortium with the Dutch Wageningen University & Research Institute and other industry partners. The purpose of the partnership is to develop meat alternatives with improved sensory quality. The partners want to focus on investigating the factors which affect the taste of meat alternatives. More and more consumers are turning to plant-based versions of popular meat products. And while the market is growing exponentially, it still offers considerable potential when it comes to developing new products. The research will provide the food industry with findings on how to create tastier alternatives for meat products – an important step on the path to more sustainable nutrition with more plant-based products.

As part of its portfolio management, Symrise was also active in the market for acquisitions and disposals in the 2022 fiscal year. Detailed information on the individual acquisitions and disposals can be found in the "Investments and acquisitions" section of the "Financial position" section on page 39.

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

The Symrise Group generated sales of € 4,618 million in the 2022 fiscal year. Sales increased by 20.7 % in the reporting currency compared to the previous year. Excluding portfolio effects, organic sales growth amounted to 11.4 %. At a total of € 922 million, earnings before interest, taxes, depreciation and amortization (EBITDA[1]) were significantly higher than the previous year's figure of € 814 million. This corresponds to a margin of 20.0 % (2021: 21.3 %).

Consolidated net income attributable to shareholders of Symrise AG amounts to € 280 million, which is € 95 million below the figure of the previous year due to the non-cash impairment of the associated company Swedencare. Without the impairment for Swedencare, net income attributable to shareholders of Symrise AG would have been € 406 million. The earnings per share amounted to € 2.00. Without the Swedencare effect, earnings per share would have been € 2.91 (2021: € 2.74).

In light of the overall good business performance, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 1.02 in the previous year to € 1.05 per share for the 2022 fiscal year at the Annual General Meeting on May 10, 2023.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the beginning of the 2022 fiscal year, Symrise had set the goal of achieving organic sales growth of 5 % to 7 % and thus noticeably above market growth (approx. 3 % to 4 %). Due to the good business performance, sales expectations for the full year were initially raised to well above 7 % and up to 10 % over time. Based on its own estimates, growth in the relevant market for Symrise was around 8 % in 2022, which was mainly attributable to inflation-related price effects.

For 2022, Symrise had expected an EBITDA margin of around 21 % despite rising raw material prices. Debt, as measured in terms of the key figure net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA, should have been within the range of 2.5 and 2.7. For the business free cash flow in relation to sales, Symrise had set itself a target of 14 % at the beginning of the 2022 fiscal year. Over the course of the fiscal year, the 2022 target for business free cash flow was adjusted to 8 % to 10 %.

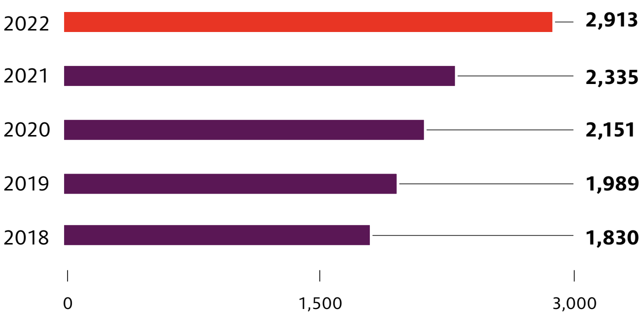
1 Excluding impairment of the associated company Swedencare

Achievement of targets in 2022

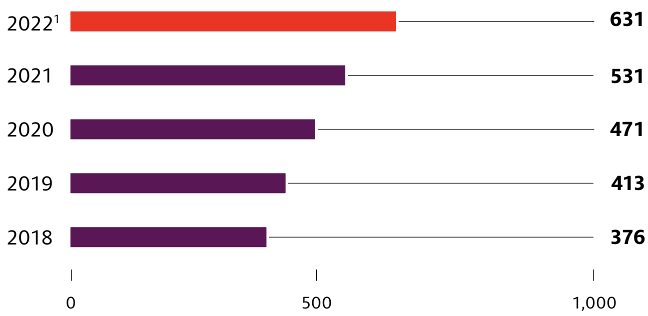
	Target at the beginning of the fiscal year	Figure achieved
Sales growth (at local currency)	5 – 7 %	11.4 %[1]
EBITDA margin	approx. 21 %	20.0 %[2]
Net debt (including provisions for pensions and similar obligations as well as lease liabilities)/EBITDA (excluding acquisitions)	Between 2.5 and 2.7	2.9[2]
Business free cash flow	approx. 14 %	6.5 %[2]

1 Organic growth 2 Excluding impairment of the associated company Swedencare

Taste, Nutrition & Health segment sales in € million



Taste, Nutrition & Health segment EBITDA in € million



With organic sales growth of 11.4 % (excluding portfolio effects and currency translation effects), Symrise significantly surpassed its sales goals in 2022. Furthermore, the company was also able to exceed the ambitious corporate goal from 2019 (€ 4.0–4.5 billion in sales in 2022). The EBITDA margin[1] of 20.0 % is slightly below the expected value for 2022. The net debt to EBITDA[1] ratio of 2.9 times is higher than the level expected for 2022 due to the acquisitions made and build-up of working capital to ensure supply availability. The business free cash flow as of the reporting date was 6.5 %. Symrise was not able to reach its target due to the strong sales growth in the reporting period and the expansion of safety stocks to ensure supply availability.

DEVELOPMENT IN THE SEGMENTS AND REGIONS

TASTE, NUTRITION & HEALTH SEGMENT

The **Taste, Nutrition & Health segment** saw a further normalization of consumer behavior in 2022 due to progress in the fight against the coronavirus pandemic. Furthermore, the implemented price increases had a positive effect on the segment's sales development. Taking into account portfolio and exchange rate effects, sales in the reporting currency were € 2,913 million. Compared to the previous year, this corresponds to an increase of 24.8 %. The positive net effect of the acquisitions of Giraffe Foods Inc. (Mississauga/Canada), Schaffelaarbos B.V. (Barneveld/Netherlands) and Wing Biotechnology Co., Ltd. (Shanghai/China) as well as the sales-reducing disposal of the Velcorin® and colors businesses totaled around € 99 million. Excluding currency and portfolio effects, the segment achieved organic growth of 15.3 %.

The Food & Beverage division achieved high single to low double-digit percentage sales growth in all regions. In particular, the continued strong demand for beverages and savory products ensured high growth rates in the relevant business units across all regions. The confectionery business recorded slight sales growth, and the Naturals business unit also contributed to the increase in sales with single-digit growth.

The Pet Food business continued its strong growth compared to the already excellent previous year. The development of the division benefited from an increasing pet population and the resulting high demand for pet food. The division achieved strong double-digit percentage organic sales growth in all regions.

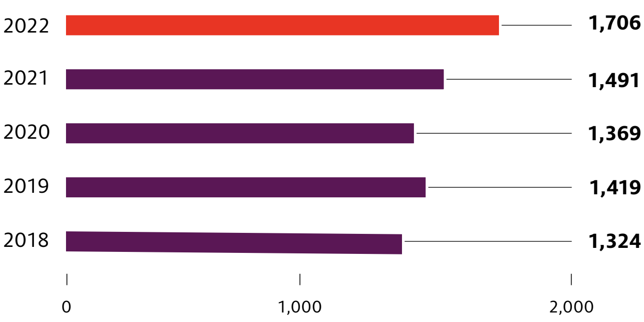
Sales development in the Aqua Feed business unit was influenced by the continued low demand for aquafarming feed solutions. Sales remained slightly below the previous year.

The probiotics business, which includes the majority interest in the Swedish company Probi AB (Lund, Sweden), was unable to maintain the level of the strong previous year and recorded a slight decline in sales.

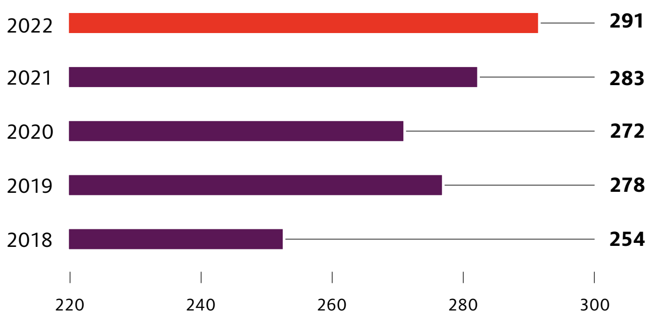
EBITDA Taste, Nutrition & Health: EBITDA[1] of the Taste, Nutrition & Health segment amounted to € 631 million in the reporting year, significantly higher than in the previous year (2021: € 531 million). The EBITDA margin[1] of 21.6 % did not reach the level of the previous year (2021: 22.7 %), which was mainly attributable to the higher prices for raw materials and energy.

1 Excluding impairment of the associated company Swedencare

Scent & Care segment sales in € million



Scent & Care segment EBITDA in € million



SCENT & CARE SEGMENT

In the 2022 fiscal year, the **Scent & Care** segment generated sales of € 1,706 million. Compared to the previous year, this represents an increase of 14.4 %. Excluding portfolio and currency translation effects, organic sales growth amounted to 5.1 %. The portfolio effects from the acquisition of the Fragrance and Aroma Chemicals business of Sensient Technologies C.V. (Elburg, Netherlands) and the acquisitions of Neroli Invest DL (Groupe Néroli) and Essence Ciel with its subsidiary SFA Romani (Romani) – both are based in Saint-Cézaire-sur-Siagne, France – contributed a total of around € 55 million to the sales of the segment.

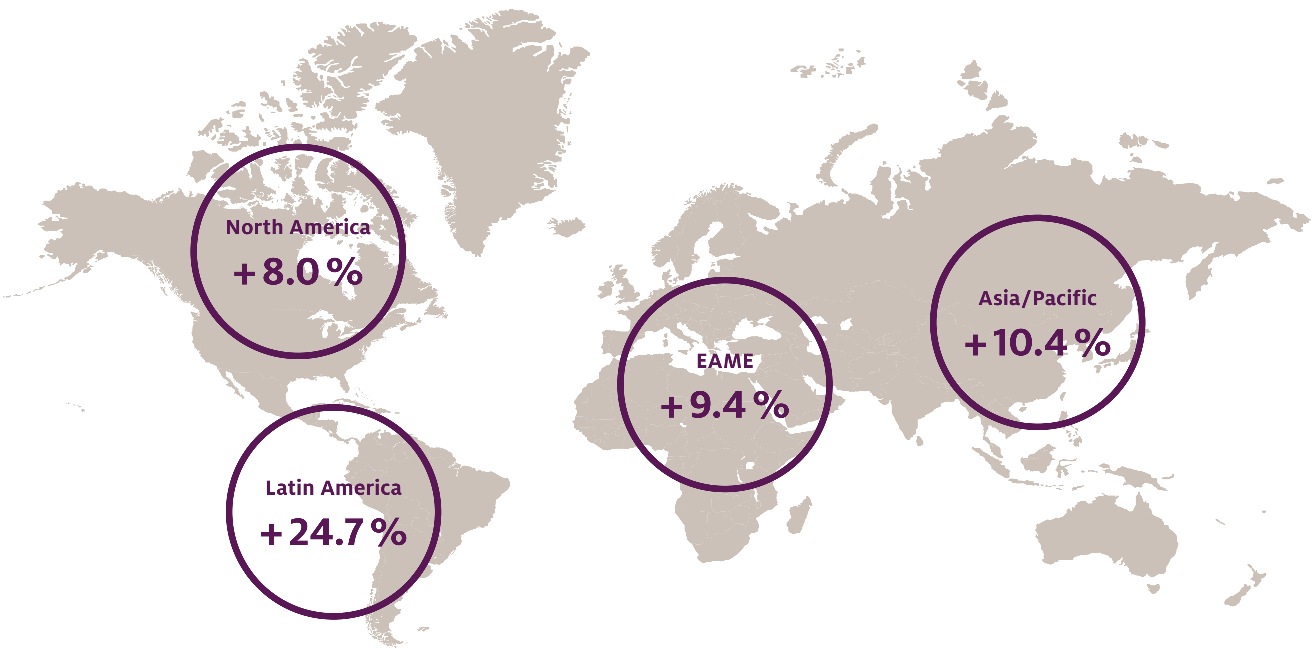
The Fragrance division recorded solid organic growth in the single-digit percentage range and benefited in particular from strong demand in the Fine Fragrances business unit. It delivered a very robust performance and once again achieved double-digit percentage organic growth following a strong previous year. The growth rates in the Latin America and EAME regions were particularly pronounced. Sales performance in the Consumer Fragrance and Oral Care business units was not satisfactory. This development was mainly driven by the reduction in inventories by customers, who returned to normal levels after strong previous years due to the pandemic.

Development of sales in the Aroma Molecules division was subdued in the past fiscal year. The Menthols business unit achieved single-digit organic growth. The North America region in particular reported significant growth. In contrast, demand for fragrances was weaker than expected and led to an organic decline in sales.

The Cosmetic Ingredients division continued its robust performance and benefited from the strong demand for high-quality cosmetic products. All business units and regions contributed to the business development. In particular, the strong demand for sun protection products and products with active cosmetic ingredients led to high organic growth in the double-digit percentage range.

EBITDA Scent & Care: Scent & Care generated an EBITDA that was 3.0 % higher than in the previous year with € 291 million in 2022 (2021: € 283 million). The EBITDA margin amounted to 17.1 %, due primarily to substantially higher prices for raw materials and energy (2021: 19.0 %).

Development in the regions
(organic sales growth)



DEVELOPMENT IN THE REGIONS

Business in the EAME region developed positively, increasing organically by 9.4 % compared to the previous year. In North America, organic sales growth was 8.0 %. The Asia/Pacific region achieved high organic sales growth of 10.4 % compared to the previous year. Sales development in Latin America was dynamic and recorded an organic increase of 24.7 % compared to the previous year

RESULTS OF OPERATIONS

DEVELOPMENT OF MATERIAL LINE ITEMS IN THE INCOME STATEMENT

Despite the dynamic sales development, earnings performance in the 2022 fiscal year remained below expectations. The cost of goods sold increased slightly faster than sales, which was mainly attributable to higher raw material and manufacturing costs. Higher costs for logistics and energy as well as increased costs due to general inflationary developments had a negative effect on gross profit. The gross margin in the reporting year was 36.9 %, which is 1.8 percentage points below the previous year's level (2021: 38.7 %). The share of selling and marketing expenses in Group sales remained unchanged from the previous year at 14.7 %. The R & D rate relative to sales decreased compared to the previous year from 5.8 % to 5.5 %, primarily as a result of the strong sales growth. Administration expenses as a share of Group sales decreased from 5.8 % in the previous year to 5.6 % in the reporting year.

The increase in other operating income is attributable primarily to positive one-time effects in connection with the sale of the Velcorin® business as well as the partial sale of the celery business in North America, each amounting to around € 18 million. Furthermore, one-time costs in connection with the acquisition and disposal of companies or parts of companies in the amount of € 9.3 million were incurred in the 2022 fiscal year.

In the course of the second half of the 2022 fiscal year, the stock market price of associated company Swedencare AB, Malmö, Sweden, recorded a visible decline. A subsequent impairment test performed by Symrise resulted in an impairment loss of € 126 million, which was recognized as "impairment loss on investments accounted for using the equity method" within the operating result.[1] In the interest of comparability, the results of operations are presented below without this impairment.

Due to the strong sales growth, the company's EBITDA[2] came to € 922 million, significantly higher than in the previous year (2021: € 814 million). The EBITDA[2] margin of 20.0 % was below the previous year's figure of 21.3 %.

Financial result: The financial result of € – 73 million deteriorated by € 30 million compared to the result of € – 43 million from the previous year. This was due to interest in connection with financing (€ 20 million) and expenses for hyperinflation adjustments in Venezuela, Argentina and Turkey (€ 7 million). The result from currency translation also had a negative impact of € 8 million. Increased interest income in the amount of € 4 million had a positive effect.

Taxes: In the 2022 fiscal year, tax expenses amounted to € 140 million (2021: € 131 million). The resulting tax rate of 32.6 % is above the level of the previous year (2021: 25.4 %) due to the impairment for the associated company Swedencare. Without the Swedencare effect, the tax rate would have been 25.2 %. An adequate provision for tax risk was made at the Group, as in previous years.

Consolidated net income and earnings per share: The consolidated net income attributable to the shareholders of Symrise AG amounted to € 280 million and was € 95 million lower than in the previous year due to the impairment of the associated company Swedencare. Without the impairment for Swedencare, net income would have been € 406 million. The earnings per share amounted to € 2.00. Without the Swedencare effect, earnings per share would have been € 2.91 (2021: € 2.74).

Dividend proposal 2022: The Executive Board and Supervisory Board of Symrise AG will propose a dividend of € 1.05 per share for the 2022 fiscal year at the Annual General Meeting on May 10, 2023.

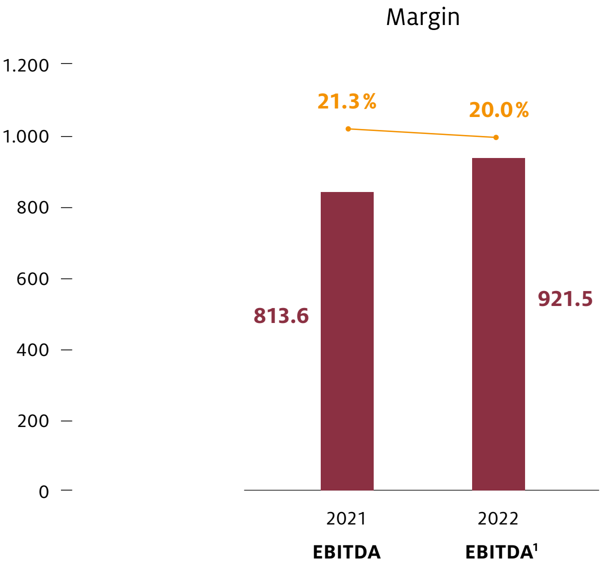
Income statement in summary[2]

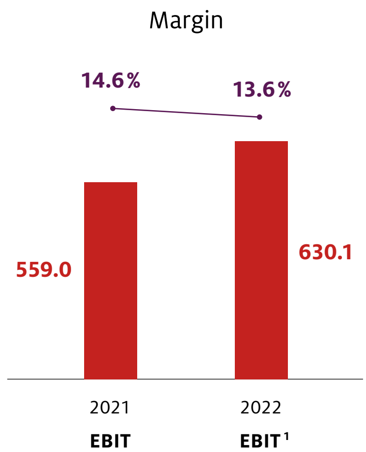
€ million		2021	2022	Change in %
Sales		3,826	4,618	20.7
Cost of goods sold		– 2,347	– 2,916	24.3
Gross profit		**1,479**	**1,702**	**15.1**
Gross margin	in %	38.7	36.9	
Selling and marketing expenses		– 564	– 681	20.7
Research and development expenses		– 221	– 254	15.3
Administration expenses		– 221	– 258	16.7
Other operating income		86	114	32.8
Other operating expenses		– 5	– 6	16.6
Result of companies accounted for using the equity method		5	13	172.7
Income from operations/EBIT[2]		**559**	**630**	**12.7**
Amortization of intangible assets		114	127	11.1
Depreciation of property, plant and equipment		141	165	17.2
EBITDA[2]		**814**	**922**	**13.3**

1 Please refer to note 21 for details about the impairment of Swedencare

2 2022 excluding impairment of the associated company Swedencare

Overview of Earnings in € million / in %





FINANCIAL POSITION

FINANCIAL MANAGEMENT

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

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

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

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

With a Group equity ratio (including non-controlling interests) of 46.4 % as of December 31, 2022 (December 31, 2021[2]: 48.7 %), Symrise has a solid foundation for driving future business development forward in a sustained manner.

1 Excluding impairment of the associated company Swedencare

2 Adjusted for purchase price allocation for Giraffe Foods

Financing structure:
Symrise carried out two major financings in 2022. First, a loan in the amount of CAD 400 million was arranged with a banking consortium in January to finance Giraffe Foods. The loan has a term of three years. In addition, Symrise successfully issued a promissory note loan of € 750 million in April to finance further acquisitions and for general corporate purposes. The issue was made in five tranches with a term of four to ten years. The interest rate or margin is related to the eco-efficiency of the greenhouse gas emissions of the Symrise Group. In December, a tranche of a promissory note loan in the amount of € 261.5 million was repaid. This was financed from the Group's cash flow.

Net debt increased by € 886 million compared with the reporting date of December 31, 2021, to € 2,233 million. The ratio of net debt including lease liabilities to EBITDA[1] is 2.4. Including pension obligations and lease liabilities, net debt stood at € 2,692 million, which corresponds to a ratio of net debt (including lease liabilities and provisions for pensions and similar obligations) to EBITDA[1] of 2.9.

Symrise fulfilled all of the contractual obligations resulting from loans in the 2022 fiscal year.

CASH FLOW AND LIQUIDITY ANALYSIS

Overview of cash flow

€ million	2021	2022
Cash flow from operating activities	522	360
Cash flow from investing activities	– 714	– 985
Cash flow from financing activities	– 92	482
Cash and cash equivalents (Dec. 31)	454	315
Business free cash flow[1]	**486**	**301**

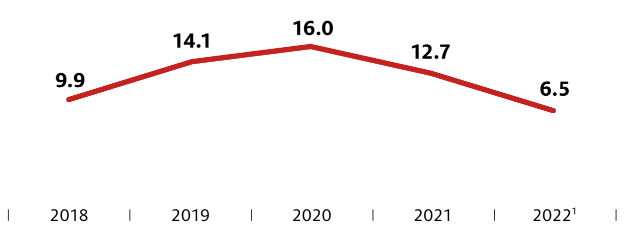
All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The Group has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 500 million that was not utilized as of December 31, 2022.

The cash flow from operating activities was below the level of the previous year. An increase in working capital and higher tax payments were offset by higher net income. The operating cash flow rate relative to sales was 7.8 %.

Cash outflow from investing activities amounted to € – 985 million, mainly due to cash outflows primarily in connection with the acquisitions of Néroli and Romani (France), Schaffelaarbos (Netherlands), Wing Biotechnology (China) and Swedencare (Sweden). In the reporting year, net cash inflow from financing activities amounted to € 482 million, due primarily to the loan taken out in Canada and the issue of the promissory note. This was contrasted by the repayment of a short-term money market loan and a tranche of a promissory note loan.

In addition, the company introduced business free cash flow as the primary internal control variable to assess its performance in order to strengthen its cash flow orientation. Business free cash flow, which comprises EBITDA, investments (including cash effects from leasing) and changes in working capital, amounted to € 301 million in the 2022 fiscal year[1]. The business free cash flow as a percentage of sales was 6.5 %[1]. The year-on-year decline is mainly attributable to an increase in working capital to ensure supply availability and higher investments.

Business Free Cash Flow in % of sales



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

= Business free cash flow

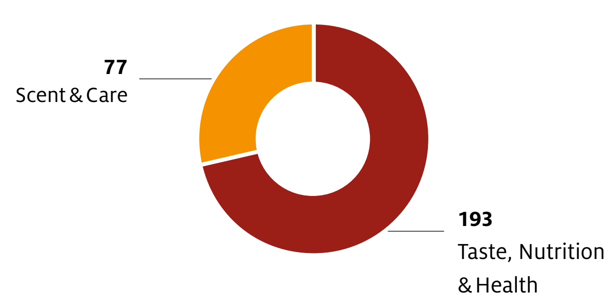
INVESTMENTS AND ACQUISITIONS

The Symrise Group invested € 270 million in property, plant and equipment and intangible assets in the 2022 fiscal year, after spending € 174 million in the previous year.

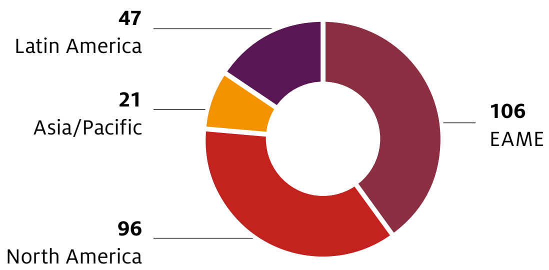
Investments in property, plant and equipment amounted to approximately € 247 million (2021: € 157 million). The largest investment projects included the addition of new sites for pet food in the USA and Mexico, the ongoing construction of a

1 Excluding impairment of the associated company Swedencare

Investments by Segment in € million



Investments by Region in € million



new pet food site in Araucaria (Brazil) and the expansion of production capacity in Fragrance (Mexico and Spain), Pet Food (Netherlands and USA), Food & Beverage (Canada and Germany) and Aroma Molecules (Spain) divisions. Around € 24 million were spent on intangible assets (2021: € 17 million). The main focus here was on investments in software, especially the introduction of an ERP software in the Taste, Nutrition & Health segment.

All of the projects were funded through operating cash flow. As of December 31, 2022, the Group had obligations to purchase property, plant and equipment amounting to € 67 million (December 31, 2021: € 52 million). This mainly relates to production facilities and laboratory and office equipment. These obligations will mostly come due during the course of 2023.

In the 2022 fiscal year, the Symrise Group also continued its growth strategy through targeted portfolio management.

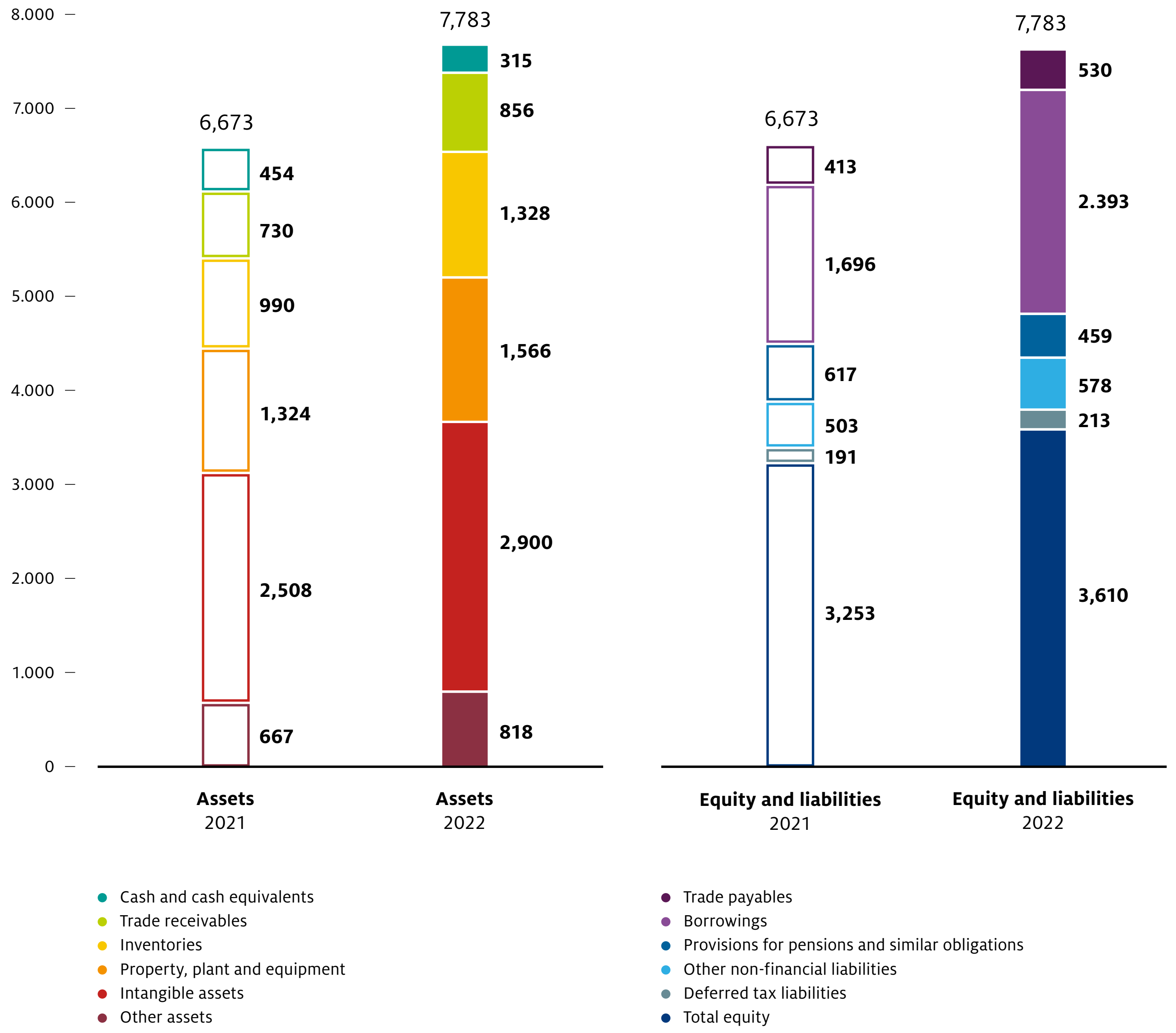
Effective January 1, 2022, Symrise sold the Velcorin® business of its subsidiary DrinkStar GmbH, Rosenheim, to LANXESS Deutschland GmbH, Cologne. Velcorin® is a technical product for the beverage industry and was assigned to the Taste, Nutrition & Health segment.

Symrise AG acquired Schaffelaarbos B.V. on January 11, 2022. Schaffelaarbos is based in the Netherlands (Barneveld) and is a leading supplier of sustainably sourced proteins from eggs for the feed industry in the EU. With this transaction, Symrise has taken an important strategic step to further accelerate its international expansion in the pet nutrition segment. Symrise will combine and complement its current ADF/IsoNova operations in the USA with the state-of-the-art Schaffelaarbos facility in Barneveld. Since the date of acquisition, Schaffelaarbos has contributed € 30 million to sales.

In April, Symrise strengthened its fine perfumes business by acquiring two French companies in Grasse. On April 20, Symrise acquired Essence Ciel with its subsidiary SFA Romani (Romani), a high-end fragrance company. To complement this, Symrise also acquired Néroli Invest DL (Groupe Néroli) on April 20, 2022. Both companies are based in the Grasse region of France. With these transactions, Symrise intends to consolidate its presence in the area of luxury perfumes in the south of France, further strengthen its competitiveness in the production of fragrance compositions, and expand its market position in key countries in Europe, Africa and the Middle East. Since the date of acquisition, Romani and Groupe Néroli have contributed € 42 million to sales.

On July 5, 2022, Symrise announced the successful acquisition of Wing Biotechnology Co., Ltd. in the Asia/Pacific region. The company is based in Shanghai, China, and has established itself as a leading supplier of feed palatability solutions for pet food and as a supplier of ingredients for pet food and pet food safety. In taking this step, Symrise is strengthening its activities in the Pet Food division, growing its presence in Asia and expanding the product range for its customers. Wing Biotechnology employs around 200 people. Since the date of acquisition, Wing Biotechnology has contributed € 27 million to sales.

Overview of the Statement of Financial Position as of December 31, 2022 in € million



In the reporting period, Symrise increased its stake in the publicly listed Swedencare (Malmö, Sweden) to 29.68 %. Swedencare is a provider of premium care and health products for pets. With this step, Symrise is strengthening its leading position as a provider of innovative solutions and applications for the Pet Food division. The stake in Swedencare has been included in the consolidated financial statements as an associate since February 2022.

NET ASSETS

SELECT LINE ITEMS IN THE STATEMENT OF FINANCIAL POSITION

Development of the financial position

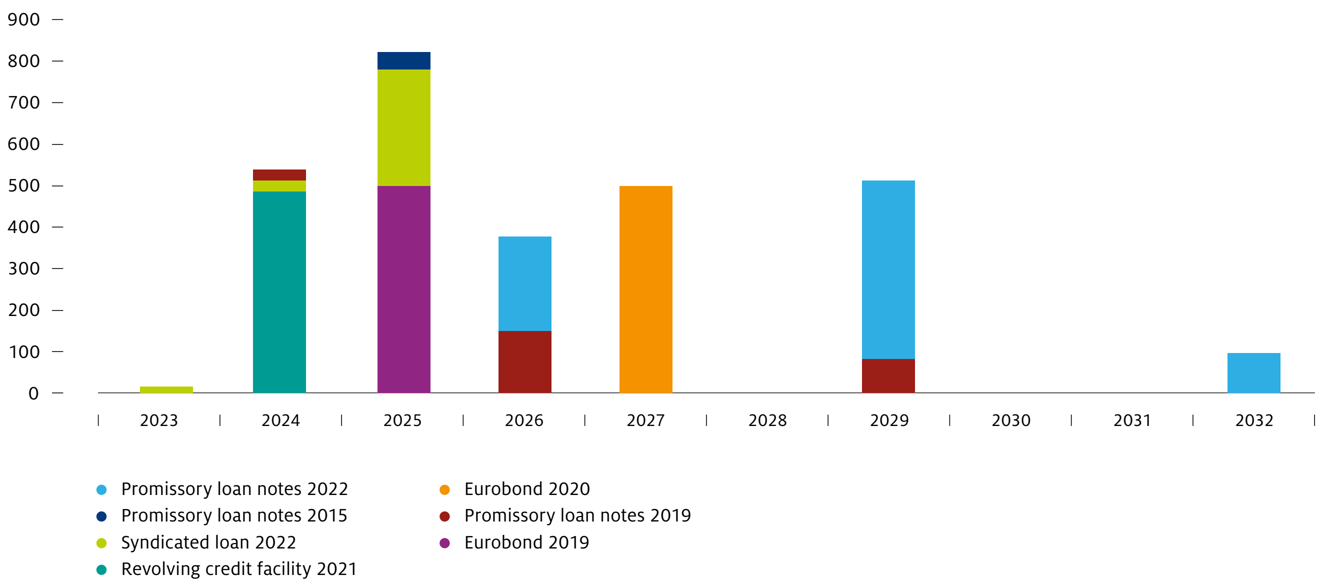
At € 7,783 million, total assets on December 31, 2022, were € 1,110 million higher than the level of the previous year (December 31, 2021: € 6,673 million).

On the assets side, the increase in total assets resulted primarily from higher investment-related property, plant and equipment, acquisition-related intangible assets as well as higher non-current financial assets. The increase in financial assets is primarily due to the successive acquisition of further shares in the Swedish company Swedencare AB, of which Symrise held 29.68 % as of the end of the reporting period. The decrease in cash and cash equivalents (€ – 139 million) is offset by a higher level of trade receivables (€ + 126 million) and inventories (€ + 338 million).

Changes to equity and liabilities mainly resulted from financial liabilities, pension provisions and similar obligations as well as equity. Financial liabilities increased in the fiscal year due to the receipt of a bilateral loan in the amount of CAD 400 million and a promissory note loan of € 750 million. Specific uses included financing of the company acquisitions and repayment of a tranche of the promissory note loan from 2015. Due to the changes in valuation assumptions, there was a shift between the pension obligations and revaluation reserve in equity, which resulted in an increase in Group equity of € 120 million. In addition, Group equity (including non-controlling interests) increased to € 3,610 million as of December 31, 2021, due to positive currency translation effects and is € 357 million higher than the level of the previous year. The Group equity ratio is 46.4 %, compared to 48.7 %[1] in the previous year. A dividend of € 143 million was paid out in 2022 for the 2021 fiscal year.

1 Adjusted for finalized purchase price allocation for Giraffe Foods

Maturities as of December 31, 2022 in € million



Net debt

€ million	2021	2022
Borrowings	1,696	2,393
Lease liabilities (according to IFRS 16)	105	155
Cash and cash equivalents	– 454	– 315
Net debt	**1,347**	**2,233**
Provisions for pensions and similar obligations	617	459
Net debt including provisions for pensions and similar obligations	**1,964**	**2,692**

Net debt is calculated by deducting cash and cash equivalents from financial liabilities including lease liabilities. As a portfolio-oriented key figure based on figures from the statement of financial position, it provides information on the company's actual debt. To calculate the key figure net debt/EBITDA, the net debt is applied to the EBITDA of the past twelve months both with and without retirement benefit obligations. This results in a key figure for the net debt/EBITDA[1] ratio of 2.4 in the reporting year (2021: 1.7). The ratio of net debt including provisions for pensions and similar obligations/EBITDA[1] increased from 2.4 in 2021 to 2.9 in the reporting year.

1 Excluding impairment of the associated company Swedencare

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

Significant obligations not reflected on the balance sheet exist in the form of obligations for the purchase of goods amounting to € 341 million (2021: € 238 million) and obligations regarding the purchase of property, plant and equipment amounting to € 68 million (2021: € 52 million).

Symrise AG has service contracts with various providers regarding the outsourcing of its internal IT. Some service contracts already existed in previous years. The remaining total obligation toward these service providers amounts to € 21 million (December 31, 2021: € 0.9 million), accounting for extraordinary termination rights. Miscellaneous other financial obligations amounted to € 23 million as of December 31, 2022 (December 31, 2021: € 9 million) and are mostly obligations from consulting, service and cooperation contracts (€ 16 million; December 31, 2021: € 6 million).

CAPITAL STRUCTURE

€ million	2021	2021 *in % of total equity and liabilities*	2022	2022 *in % of total equity and liabilities*	Change in %
Equity	3,253	49	3,610	46	+ 11.0
Current liabilities	1,145	17	971	12	– 15.2
Non-current liabilities	2,275	34	3,201	41	+ 40.7
Liabilities	3,241	51	4,173	54	+ 22.0
Balance sheet total	**6,673**	**100**	**7,783**	**100**	+ 16.6

General statement on the company's economic situation

The Executive Board considers the economic situation of the Symrise Group to be positive. In 2022, the Group was once again able to substantially increase its sales with sustained high profitability despite the challenging conditions. The company's financing is ensured for the medium term. Pending the passing of the resolution at the Annual General Meeting, Symrise AG shareholders will participate in the company's success by receiving a higher dividend than in the previous year.

Outlook

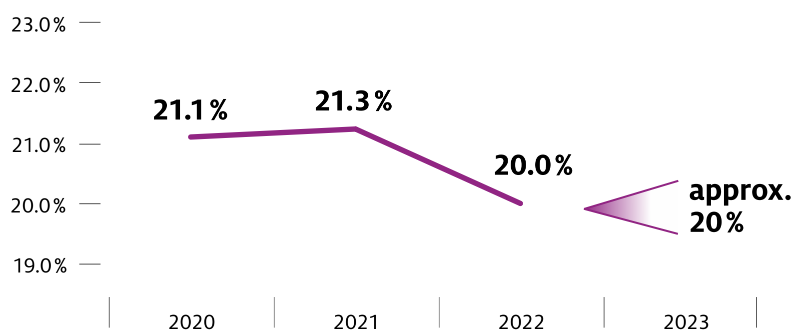
FRAMEWORK

Global economic growth
2.9%

Market growth
3–4%

Commodity prices moderate increase

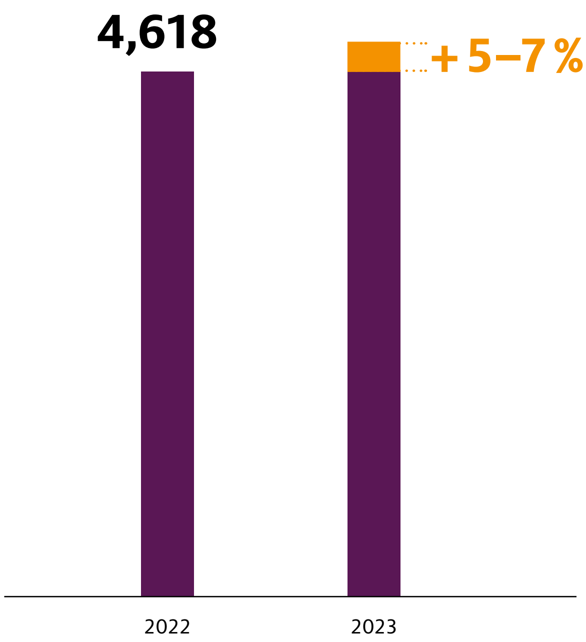
EBITDA MARGIN



1 Normalized for transaction and integration costs related to business combinations and restated due to finalization of purchase price allocation for ADF/IDF

ORGANIC SALES GROWTH

in € million



EXPECTATIONS

Business free cash flow in relation to sales
~12% in 2023
14% in the medium term

Net debt /
(including pensions and similar obligations as well as lease liabilities)
EBITDA
2.5–2.7

Investments in relation to sales
~6%

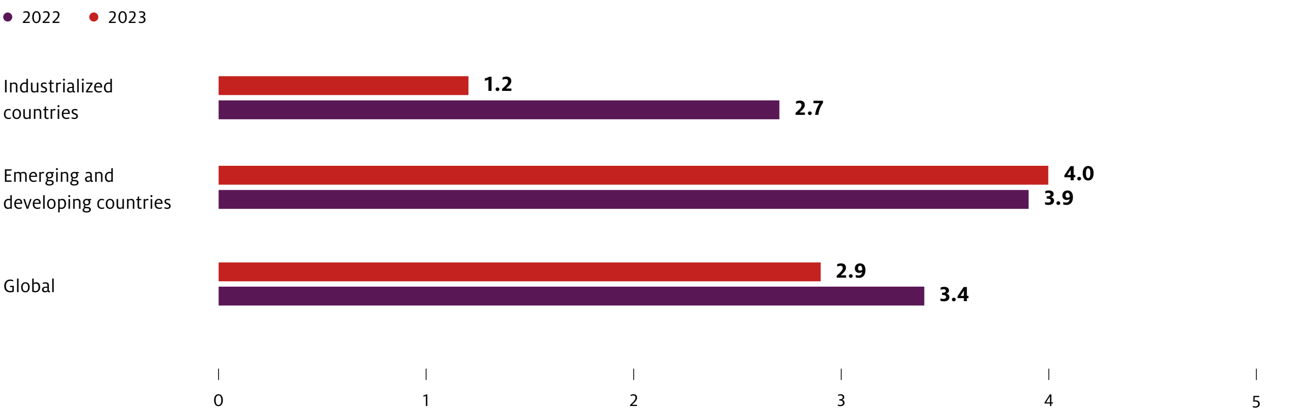
FUTURE GENERAL CONDITIONS

The global economy is experiencing a number of turbulent challenges. Record inflation, the Russian war of aggression in Ukraine, the ongoing COVID-19 pandemic and deteriorating financial conditions in many places are dampening the economic outlook. With so many crises, governments must find a suitable balance for measures in fiscal and monetary policies. The current set of challenges are creating an exceptionally high level of uncertainty in assessing the economic developments ahead. In January 2023, the International Monetary Fund (IMF) forecast that, like in 2022, the global economy would enter a phase of pronounced slowdown triggered by the Russian war of aggression in Ukraine and high inflation. Global economic growth is expected to weaken from 3.4 % in 2022 to 2.9 % in 2023. The rate of growth in industrialized countries will slow in 2023 due to factors like central banks increasing base rates, and is expected to slow from 2.7 % to 1.2 %. In the USA, the growth rate for gross domestic product is expected to decrease from 2.0 % in 2022 to 1.4 % in the current year, and in the eurozone from 3.5 % to 0.7 %. However, economic growth in China, which is one of the key drivers of the global economy, is expected to increase from 3.0 % in the previous year to 5.2 % in 2023 as COVID restrictions are eased. In contrast, economic expansion in India – another important economy in Asia – is projected to slow down slightly compared to the previous year from 6.8 % to 6.1 %. Overall, the IMF expects economic growth in emerging and developing markets to increase from 3.9 % in 2022 to 4.0 % in the current year.

The market for fragrances and flavors, aroma chemicals and cosmetic ingredients (AFF market) achieved a size of € 39.0 billion in 2022. Of this amount – according to estimates by the market research institute IAL Consultants – the submarket for flavorings and fragrances accounts for about € 31.2 billion, while the submarket for aroma chemicals and cosmetic ingredients accounts for about € 7.8 billion.

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

GDP development 2022/ 2023 in %



For the 2023 fiscal year, Symrise expects a moderate increase in raw material costs. Generally, the company classifies raw materials as natural, agricultural or petroleum-based. The company's strategic focus is on natural raw materials that come from renewable sources. For important natural raw materials, the Group continues to pursue its backward integration approach. This means that Symrise cooperates closely with the growers of key agricultural products like vanilla, onions, beets and fruits. The goal is to achieve consistently high quality and planning security via long-term agreements. For menthols, Symrise relies on its leading market position and long-term supplier loyalty with multinational brand manufacturers.

The war in Ukraine has had a major impact on the global and especially the European and German energy market. Energy costs are expected to rise further in the 2023 fiscal year.

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

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

Symrise expects personnel costs to go up more significantly than in previous years due to inflation.

EFFECTS FROM HYPERINFLATIONARY COUNTRIES

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

FUTURE CORPORATE DEVELOPMENT

For 2023, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market. The forecast long-term growth according to IAL Consultants is around 3 % to 4 % worldwide. For the Group, expected long-term growth of 5 % to 7 % (CAGR) remains unchanged and is also anticipated to be achieved in 2023. The company aims to generate sales of € 5.5 to 6.0 billion by the end of 2025.

The Group will continue to increase prices for its customers in order to further increase its earnings and ensure its profitability. The disciplined cost management and focus on high-margin business will also be continued. This includes initiatives to reduce the complexity of processes and workflows and the development of innovative sustainable products and technologies. Assuming that prices for raw materials remain on a moderate upward trend, the Group expects an EBITDA margin at the lower end of the targeted corridor of around 20 % for 2023. In the medium term, the Group is seeking to maintain an EBITDA margin between 20 % and 23 %. The ratio of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA should be between 2.5 and 2.7 at the end of 2023. For the business free cash flow, the Group is aiming for a rate relative to sales of 12 % in 2023. The medium-term target is a rate of 14 %.

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

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

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

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

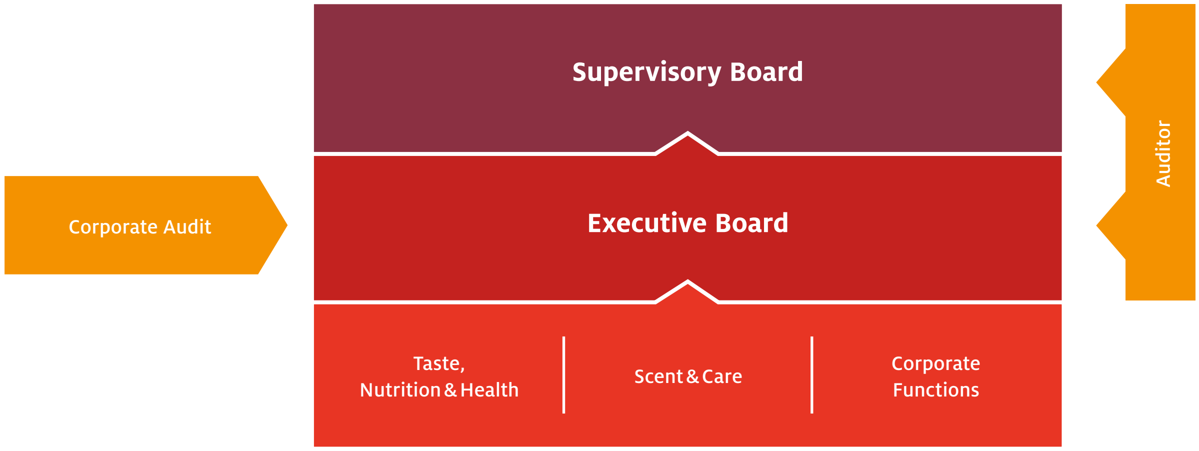
- **Efficiency:** The continuous improvement of processes and the expansion of backward integration with renewable raw materials.

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

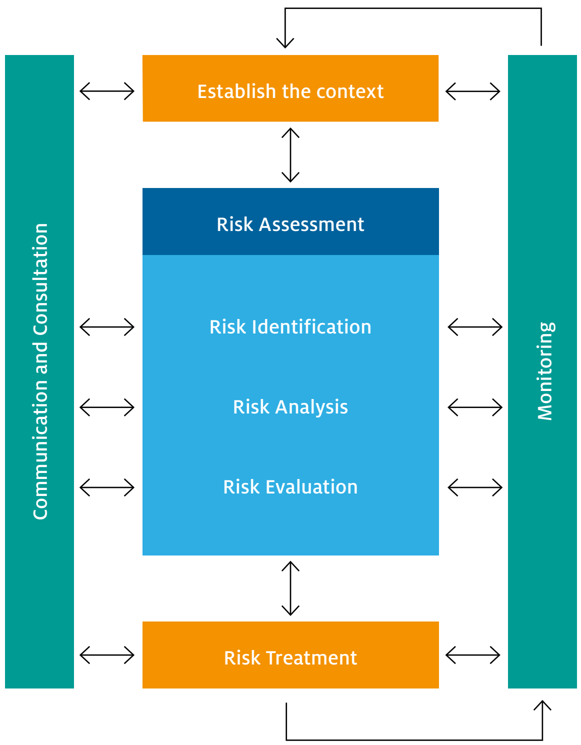
Symrise aims to grow primarily organically. Where it is sensible and creates added value, the Group will make acquisitions or forge strategic alliances to ensure access to new technologies, new markets and customers or ensure that it can obtain sustainable, renewable raw materials.

Opportunities and risk report

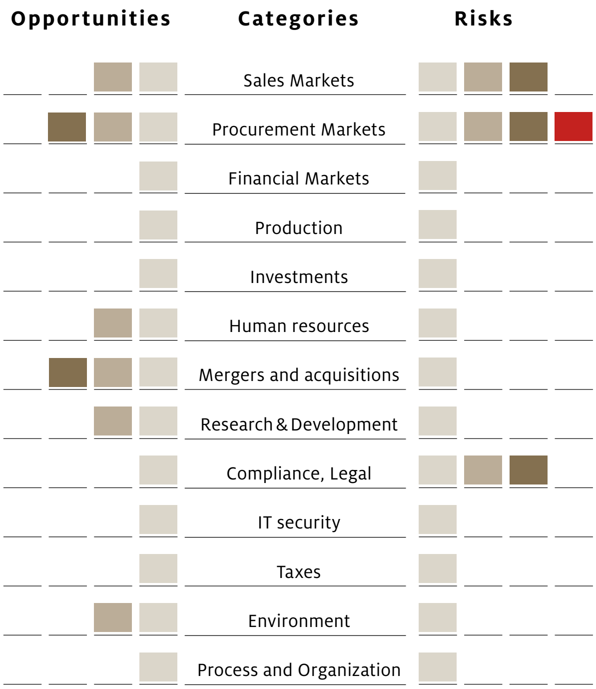
RISK MANAGEMENT



RISK MANAGEMENT STEPS



OVERVIEW OPPORTUNITIES AND RISKS



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

MANAGEMENT OF OPPORTUNITIES AND RISKS

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

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

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

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

APPROACH TO EVALUATING RISKS

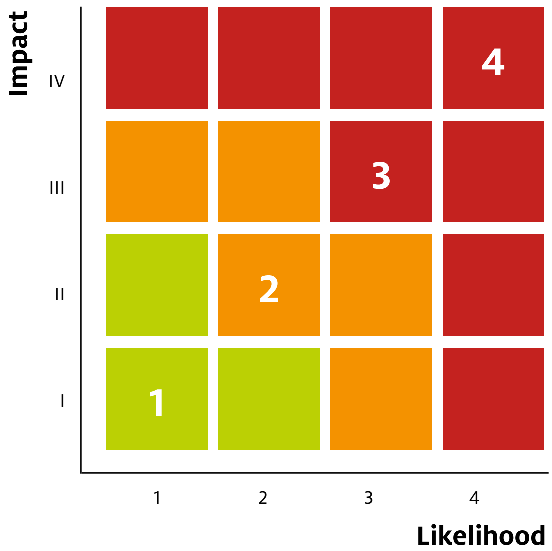
The risk management system at Symrise is based on the framework of generally recognized standards (ISO 31000) and extends across all Group companies and business units.

The Group-wide coordination of risk assessment occurs in the Corporate Center within the Risk Management department. Risk reports are prepared at segment and overarching function level. These are then combined at the Group level to provide an up-to-date overview of the risk situation. This Group risk report is submitted and presented to the Executive Board and the Auditing Committee of the Supervisory Board of Symrise AG twice a year, most recently in October 2022. The Chairman of the Auditing Committee then reports to the entire Supervisory Board. In the Group risk report, potential risks are identified and classified according to their effect on profit (net method) as well as the likelihood of their occurrence.

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

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

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



Impact (on Group EBIT)

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

Likelihood (probability of occurence)

1	– low	0–24 %
2	– medium	25–49 %
3	– high	50–74 %
4	– very high	75–100 %

does not represent an assessment of their significance for the Symrise Group.

OPPORTUNITIES AND RISKS IN DETAIL

SALES MARKETS

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

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

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

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

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

The business operations of Symrise would be affected if cost increases driven by higher energy prices cannot be offset by price increases in the market or if market demand were to fall because Symrise customers had to stop production due to higher energy prices.

PROCUREMENT MARKETS

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

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

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

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

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

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

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

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

The ongoing conflict in Ukraine and the resulting trade embargoes and sanctions imposed by the EU and the US on Russia have caused a gas and oil shortage in energy markets worldwide. This has significantly increased energy prices, which also affects the price of electricity since it is linked to the EU's gas price mechanism. At the same time, outages at French nuclear power plants are adversely affecting prices on electricity exchanges. If these developments continue, Symrise will eventually be impacted by this global price trend, which could affect its business operations. The German government's planned gas price cap for industrial companies could, if enshrined into law, affect business operations of Symrise in the short term, depending on what form the capping measures take.

Symrise sources several raw materials exclusively from Russia and Ukraine. A continuation of the conflict in Ukraine could result in lasting harvest losses within Ukraine. In addition, a complete trade embargo by the EU and US on Russia would result in a shortage of raw materials that are available worldwide. This would drive up procurement prices, which would affect the business operations of Symrise.

Moreover, deliveries of energy-intensive raw materials or intermediate products could also stop or no longer be available at all in the global market or only at significantly higher costs. If substitutes are available, their use could result in higher procurement prices as well. This would affect the business operations of Symrise accordingly.

FINANCIAL MARKETS

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

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

Currency risks are an inherent challenge of a globalized value chain. The risks are significantly reduced as a result of the many opposing payment flows in different currencies. Symrise also uses common currency hedging instruments to reduce the impact on its operating business as much as possible. Stringent and dynamic management of currency changes in operating business serves to reduce currency risks. This applies to purchasing markets as well as sales markets. As of the end of the reporting period, there were foreign currency forward contracts worth around € 224 million to hedge operating currency risks. In order to avoid fluctuations in the operating currency result due to changes in valuation, these currency transactions were classified as cash flow hedges and fair value hedges for hedge accounting purposes.

Interest risks arise because rising interest rates can increase interest expenditure in variable financial instruments contrary to planning and thus have an adverse effect on the Group's result of operations. Overall, the ratio of fixed-rate debt amounted to 80 % of overall debt as of December 31, 2022. Symrise counters the remaining risk stemming from interest rates by means of contracted interest hedges. Financial opportunities and risks associated with company pension commitments are limited at Symrise due to the long-term fixed parameters.

PRODUCTION

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

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

The ongoing conflict in Ukraine could have an impact on production that could lead to production restrictions at some sites since some raw materials are sourced exclusively from Russia and Ukraine. Production would be affected if these raw materials were no longer available due to a potential complete trade embargo on Russia in combination with a crop failure in Ukraine. Furthermore, as sanctions ratchet up, the Russian government could decide to nationalize production sites within Russian Federation territory and thus permanently remove them from the Symrise portfolio of business assets.

The Symrise production facilities in Germany are highly dependent on gas. Production would be unable to continue in key areas if gas supplies to production processes stopped due to a market shortage or government intervention. This scenario would affect the business operations of Symrise accordingly.

INVESTMENTS

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

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

HUMAN RESOURCES

Personnel risks are generally summed up in employees' potential to leave the company and the corresponding loss of competence as well as possible noncompliance with company guidelines, legal requirements or agreements made with employee representatives. Compliance with local laws and company guidelines is monitored via internal audits. Further, compliance with these requirements, which are based on international standards, is checked at regular intervals by external auditors. The initial training of new employees, together with subsequent training sessions, ensures that every employee observes corporate guidelines such as the Code of Conduct. The constant dialogue with employee representatives serves the exchange of interests between employers and employees as well as a cooperative corporate culture. Ultimately, this also helps to avoid strikes and related interruptions to operations.

MERGERS & ACQUISITIONS

Active portfolio management has a high priority at Symrise and is an important instrument for implementing its strategy.

Symrise has a systematic process in place to identify possible acquisition targets, assess possible transactions and implement the goals set after an acquisition has been made. The most important criteria are that the transaction fits the strategy, improves results and has future potential, on the one hand, and compliance with legal, environmental and financial requirements on the other.

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

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

RESEARCH & DEVELOPMENT

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

Symrise intensively observes “megatrends,” for example, the naturalness of food and body care products or sustainability along the entire value chain. In cooperation with its customers and suppliers, Symrise constantly works toward fulfilling requirements as well as implementing the goals set by the company for itself. Opportunities and risks can arise from this, such as higher costs through the use of new raw materials or the exploitation of a competitive advantage through a unique positioning in the market for a time with a natural preservative for personal care products.

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

COMPLIANCE, LAW AND REGULATORY FRAMEWORK

In its compliance management system, Symrise differentiates between technical compliance and legal compliance. Technical compliance activities focus on quality, environmental protection, health, work safety, energy, product safety and food safety.

In nearly all of these areas, the products of Symrise are subject to strict government supervision worldwide. It is a matter of course for Symrise that its products and processes comply with local regulations around the world.

Comprehensive expertise in the product-related regulatory area also makes it possible for Symrise to support customers in their regulatory issues and sell additional services. Furthermore, this expertise – also in combination with artificial intelligence applications – opens up further opportunities in the area of recipe optimization and complexity reduction.

Symrise is committed to meeting internationally recognized standards for product safety, health, occupational safety and the environment at all its sites. Compliance is regularly checked by internal and external experts. This also applies to suppliers as part of regular audits.

The fragrances, flavorings and additives from Symrise are generally processed in products that end consumers consume as food or apply to their skin or hair. Therefore, there is a fundamental risk that Symrise products could have a negative effect on consumers’ health. To minimize this risk, the tolerability of the products is continually tested as part of our quality management on the basis of scientific research as well as tests based on international standards and internal safety regulations.

Legal compliance activities concentrate on competition and antitrust law, anti-corruption, money laundering prevention efforts, and export controls. Here, the focus of activity is on education and prevention. The implementation and further development of Group guidelines on these topics also fall into the category of Legal Compliance.

As early as 2008, the Group Compliance office of Symrise installed an “Integrity Hotline” to ensure that Symrise employees can anonymously report violations of both legal regulations and internal company guidelines from anywhere in the world.

Where necessary, investigations were carried out and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and internal Group regulations. These can include disciplinary measures under labor law.

Currently, the Group considers its legal risks to be relatively minor. These risks typically result from the areas of product liability, warranty claims and environmental law. To counter these risks in an appropriate way and early on, Symrise analyzes potential risks comprehensively by involving its legal department and, if necessary, by engaging external specialists. Despite these measures, the outcome of current or future legal proceedings cannot be predicted with certainty. At present, only a few Group companies are affected by ongoing legal proceedings.

IT SECURITY

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

The continuous improvement of global security standards plays a key role in the protection of IT and communication systems. Assessing the threat situation on an ongoing basis and making sure that security measures and resources are aligned with our overriding business objectives are at the heart of our efforts to continuously improve IT security. Based on this approach, the technologies, processes and organizational structures used by Symrise are evaluated on a regular basis and assessed by independent third parties to achieve a sustainable and reliable level of security.

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

TAXES

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

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

ENVIRONMENT (SAFETY, HEALTH, ECOLOGY AND QUALITY)

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

Symrise considers itself well prepared with regard to the disclosure rules under the new EU taxonomy that were expanded in the reporting year and does not expect any additional risks nor any key opportunities. The disclosure requirements for this fiscal year include the disclosure of sales, operating costs and investments for the EU's “climate change mitigation” and “climate change adaptation” environmental targets with regard to taxonomy eligibility (meets taxonomy classification criteria) as well as taxonomy aligned (additional compliance with technical screening criteria without compromising other environmental targets while meeting minimum social standards). With its specific business operations, Symrise is largely unaffected by the EU taxonomy since the taxonomy largely focuses on companies from sectors that generate the most CO_2 emissions. Symrise does not belong to any of these sectors. Nevertheless, Symrise tries to manage its economic activities to the extent of its ability and thus makes efforts to help reduce greenhouse gas emissions in industry. Symrise aims to invest sustainably as well. To this end, it develops system solutions with a view to incorporating sustainability into the investment process from the outset. All Symrise activities identified as taxonomy eligible or aligned in the 2022 reporting year support the environmental target of climate change mitigation. The associated share of taxonomy-aligned sales is 2 % (2 % taxonomy eligible); the associated share of operating costs is 3 % (3 % taxonomy eligible); the associated share of investments is 6 % (8 % taxonomy eligible). For a detailed report on the EU taxonomy, please see the Symrise Sustainability Record 2022. **https://symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.html**.

The coronavirus pandemic has posed a major challenge for society and the global economy since the beginning of 2020. Almost all governments took drastic measures to contain the pandemic. These include restricting free movement and prohibiting personal contact, restricting travel and temporarily closing businesses, hotels, restaurants and retail outlets.

The consequences of the coronavirus pandemic have so far had little impact on the business development of Symrise. Due to the classification of the industry as systemically important, Symrise was able to continue production at all sites without significant interruptions and remained able to deliver to customers. Nevertheless, the coronavirus pandemic has also posed challenges for Symrise. In addition to some interruptions in global supply chains, established work procedures had to be adapted to the situation at short notice. For example, Symrise introduced comprehensive measures at all locations to provide the best possible protection for employees and business partners. These include remote working solutions to create physical distance, the temporal separation of shifts and laboratory activities and additional hygiene measures. At the same time, Symrise is largely suspending travel and relying instead on online meetings and video conferences. With a wide range of product solutions for food as well as for personal care and hygiene, Symrise is meeting the needs of daily life, especially during these times. In addition, Symrise has a strong international orientation with its own production sites in the most important sales markets. Due to this diversified and balanced business model, Symrise believes it is in a position to limit the risks in individual markets and to consistently take advantage of business opportunities which are available in many places even in this difficult situation.

PROCESS- AND ORGANIZATION-RELATED RISKS

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

OVERALL ASSESSMENT OF OPPORTUNITY AND RISK SITUATION

In a volatile market environment with challenging political and economic conditions, the main risks to Symrise are in the procurement and sales markets. The consequences of the coronavirus pandemic and resulting disruptions in supply chains and shortages on the procurement markets as well as the outbreak of war in Ukraine in February 2022 had a negative impact on general economic growth. Rising energy prices and persistent supply bottlenecks placed a burden on the industry, including Symrise. At the same time, the high inflation pressure slowed private consumption. However, the business model of Symrise is characterized by above-average potential for opportunity compared with other sectors of industry and companies. Demand for Symrise products is driven in particular by rising global private consumption and growing prosperity. Many products serve to fulfill various basic human needs and desires, such as health and youthful appearance, which exist in every part of the world. The dynamic growth and high profitability of Symrise show that these opportunities have been successfully seized. The acquisitions of recent years have broadened the category and technology base of Symrise and increased backward integration. Above-average growth, good profitability and additional innovations are the result of the Group's expanded footprint. Symrise will continue to follow this strategy in the future. Symrise is convinced that proactive and systematic monitoring of potential risks and opportunities is an important component of successful corporate governance.

Essential features of the internal control and risk management system

MAIN FEATURES AND OBJECTIVES

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

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

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

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

ORGANIZATION AND PROCESS

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

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

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

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

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

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

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

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

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

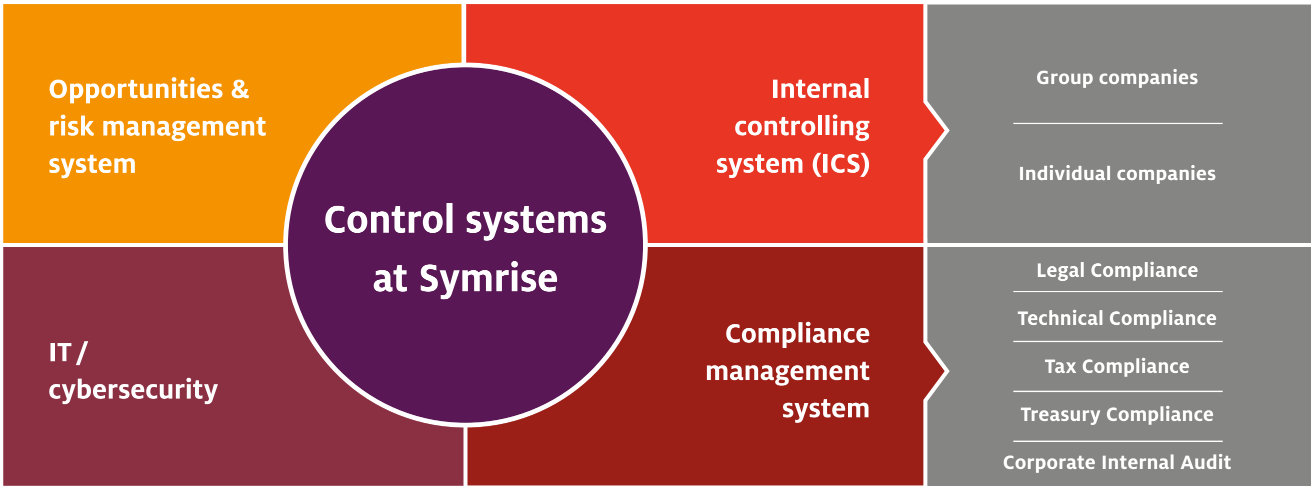
- A large number of IT & cybersecurity measures have been implemented in recent years that have improved IT security across the Group. Additional measures for continuing the improvement in IT security are already being planned and will be implemented on an ongoing basis. Symrise AG is provided with advice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

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

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

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

Control systems at Symrise
Overview



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

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

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

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

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

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

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

  d) To exclude fractional amounts from subscription rights;

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

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

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

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

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

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

(1) The company is authorized in accordance with Section 71 (1) number 8 of the AktG to purchase treasury shares up to a level of 10 % of the current share capital. The purchased shares together with other treasury shares that are held by the company or are attributed to it according to Section 71a et seqq. of the 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.

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

(3) The Executive Board has the choice of making the acquisition either through the stock exchange or in the form of a published purchase offer, or respectively, in the form of a published request for tender of such an offer.

a) If the acquisition of shares is made through the stock exchange, the consideration per share paid by the company (excluding ancillary acquisition costs) may not exceed or undercut the opening auction price quoted on the Xetra trading system (or a comparable replacement system) on the day of the stock exchange trading by more than 5 %.

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

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

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

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

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

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

(5) The Supervisory Board is authorized to use shares of the company acquired on the basis of this authorization as follows:

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

(6) The authorizations under Sections (4) and (5) also include the use of shares of the company that were repurchased on the basis of earlier stock buyback authorizations and those that were acquired on the basis of Section 71d sentence 5 of the AktG or by an entity that is dependent on the company or by third parties for the account of the company or by third parties for the account of an entity that is dependent on the company or majority-owned by the company.

(7) The authorizations listed under Sections (4) and (5) may be made use of singly or repeatedly, wholly or partly, individually or jointly; the authorizations under Section (4), letters b), c) and d) may also be used by entities dependent on the company or by entities that are majority-owned by the company, or for their account, or for the account of third parties acting on behalf of the company.

(8) Shareholder subscription rights with respect to this treasury stock are excluded to the extent that these shares are used in accordance with the aforementioned authorization under Section (4), letters b), c) and d) as well as Section (5).

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

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

Corporate Governance Statement

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

Consolidated Financial Statements

SYMRISE AG, HOLZMINDEN
JANUARY 1 TO DECEMBER 31, 2022

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Consolidated Income Statement

€ thousand	Notes	2021	2022
Sales	4	3,825,691	4,618,476
Cost of goods sold	5	– 2,346,860	– 2,916,399
Gross profit		**1,478,831**	**1,702,077**
Selling and marketing expenses	7	– 563,715	– 680,623
Research and development expenses	8	– 220,742	– 254,487
Administration expenses	9	– 220,995	– 257,915
Other operating income	10	85,796	113,947
Other operating expenses		– 4,936	– 5,754
Result of companies accounted for using the equity method	21	4,716	12,858
Impairment loss on investments accounted for using the equity method	21	0	– 126,126
Income from operations/EBIT		**558,955**	**503,977**
Financial income		3,681	8,727
Financial expenses		– 46,444	– 81,591
Financial result	**11**	**– 42,763**	**– 72,864**
Earnings before income taxes		**516,192**	**431,113**
Income taxes	12	– 131,160	– 140,417
Consolidated net income		**385,032**	**290,696**
of which attributable to shareholders of Symrise AG		374,924	280,007
of which attributable to non-controlling interests		10,108	10,689
Earnings per share (€)	**14**		
basic		2.74	2.00
diluted		2.70	2.00

Consolidated Statement of Comprehensive Income

€ thousand	Notes	2021 adjusted*	2022
Consolidated net income		**385,032**	**290,696**
of which attributable to shareholders of Symrise AG		374,924	280,007
of which attributable to non-controlling interests		10,108	10,689
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	169,013	138,582
Gains/losses from net investments		484	7,005
Reclassification to the consolidated income statement		1,064	0
Cash flow hedge (currency hedges)	30		
Gains/losses recorded during the fiscal year		– 1,183	486
Reclassification to the consolidated income statement		730	1,171
Share of other comprehensive income of companies accounted for using the equity method	21, 30	387	39,254
Income taxes payable on these components	12	577	– 4,288
Items that will not be reclassified to the consolidated income statement			
Remeasurement of defined benefit pension plans and similar obligations	29	73,460	166,750
Change in the fair value of financial instruments measured through other comprehensive income	33	39,290	– 67,663
Income taxes payable on these components	12	– 21,464	– 46,607
Other comprehensive income		**262,358**	**234,690**
Total comprehensive income		**647,390**	**525,386**
of which attributable to shareholders of Symrise AG		636,375	516,294
of which attributable to non-controlling interests		11,015	9,092

* Please refer to note 2.1 regarding the details of the adjustment.

Consolidated Statement of Financial Position

€ thousand	Notes	December 31, 2021 adjusted*	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	15	453,808	314,857
Trade receivables	16	729,846	856,035
Inventories	17	989,768	1,327,559
Other assets and receivables	18	107,804	137,570
Income tax assets	12	46,357	47,820
Assets held for sale		4,434	0
		2,332,017	**2,683,841**
Non-current assets			
Intangible assets	19	2,507,671	2,900,001
Property, plant and equipment	20	1,323,525	1,565,887
Other assets and receivables	18	292,620	54,699
Investments in companies accounted for using the equity method	21	114,629	521,025
Deferred tax assets	22	102,725	57,510
		4,341,170	**5,099,122**
TOTAL ASSETS		**6,673,187**	**7,782,963**

* Please refer to note 2.1 regarding the details of the adjustment.

Consolidated Statement of Financial Position

€ thousand	Notes	December 31, 2021 adjusted*	December 31, 2022
LIABILITIES			
Current liabilities			
Trade payables	23	412,786	529,605
Borrowings	24	353,743	27,040
Lease liabilities	25	21,800	27,167
Other provisions	27	12,139	14,636
Other liabilities	4, 26	261,522	274,813
Income tax liabilities	12	81,162	98,055
Liabilities directly associated with assets held for sale		2,218	0
		1,145,370	**971,316**
Non-current liabilities			
Borrowings	24	1,342,124	2,365,598
Lease liabilities	25	83,060	127,610
Other provisions	27	35,162	29,118
Provisions for pensions and similar obligations	29	617,183	459,446
Other liabilities	26	6,983	6,567
Deferred tax liabilities	22	190,801	212,877
		2,275,313	**3,201,216**
TOTAL LIABILITIES		**3,420,683**	**4,172,532**
EQUITY	30		
Share capital		139,772	139,772
Capital reserve		2,180,722	2,180,722
Reserve for remeasurements (pensions)		– 212,006	– 92,444
Cumulative translation differences		– 248,569	– 67,477
Retained earnings		1,286,247	1,388,368
Other reserves		41,982	2,431
Symrise AG shareholders' equity		**3,188,148**	**3,551,372**
Non-controlling interests		64,356	59,059
TOTAL EQUITY		**3,252,504**	**3,610,431**
LIABILITIES AND EQUITY		**6,673,187**	**7,782,963**

* Please refer to note 2.1 regarding the details of the adjustment.

Consolidated Statement of Cash Flows

€ thousand	Notes	2021	2022
Consolidated net income		**385,032**	**290,696**
Result of companies accounted for using the equity method	21	– 4,716	– 12,858
Income taxes	12	131,160	140,417
Interest result	11	35,272	51,118
Depreciation, amortization and impairment of non-current assets	19, 20	254,669	291,439
Impairment loss on investments accounted for using the equity method	21	0	126,126
Increase (+)/decrease (–) in non-current liabilities		8,068	– 5,426
Increase (–)/decrease (+) in non-current assets		1,229	– 10,842
Gains (–)/losses (+) from the disposal of property, plant and equipment and intangible assets		156	– 720
Dividends from companies accounted for using the equity method		3,245	5,354
Other non-cash expenses and income		– 15,729	– 13,379
Cash flow before working capital changes		**798,386**	**861,925**
Increase (–)/decrease (+) in trade receivables and other current assets		– 98,501	– 119,281
Increase (–)/decrease (+) of inventories		– 86,604	– 307,580
Increase (+)/decrease (–) in trade payables and other current liabilities		75,368	103,858
Income taxes paid		– 167,093	– 178,813
Cash flow from operating activities		**521,556**	**360,109**
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		– 384,958	– 579,216
Payments for investing in intangible assets		– 19,842	– 20,367
Payments for investing in property, plant and equipment		– 154,314	– 229,802
Payments for investing in non-current financial assets		– 217,953	– 161,668
Proceeds from the disposal of non-current assets		63,467	6,215
Cash flow from investing activities		**– 713,600**	**– 984,838**
Proceeds from bank and other borrowings	24	116,171	1,063,838
Redemption of bank and other borrowings	24	– 13,522	– 350,574
Repayments in relation to the convertible bond		– 1,300	0
Interest paid		– 29,099	– 41,066
Interest received		1,633	1,567
Dividends paid by Symrise AG		– 131,364	– 142,567
Dividends paid to non-controlling interests		– 6,629	– 3,727
Acquisition of non-controlling interests		– 7,457	– 19,311
Principal portion of lease payments		– 20,581	– 26,641
Cash flow from financing activities		**– 92,148**	**481,519**
Net change in cash and cash equivalents		– 284,192	– 143,210
Effects of changes in exchange rates		18,308	16,494
Loss on the net monetary position		– 5,444	– 12,235
Total changes		**– 271,328**	**– 138,951**
Cash and cash equivalents as of January 1		725,136	453,808
Cash and cash equivalents as of December 31	15	**453,808**	**314,857**

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, 2021	135,427	1,798,030	– 264,628	– 418,515	1,048,250	3,291	2,301,855	59,806	2,361,661
Consolidated net income	–	–	–	–	374,924	–	374,924	10,108	385,032
Other comprehensive income	–	–	52,577	170,183	–	38,691	261,451	907	262,358
Total comprehensive income	–	–	52,577	170,183	374,924	38,691	636,375	11,015	647,390
Dividends paid	–	–	–	–	– 131,364	–	– 131,364	– 6,629	– 137,993
Exercise of the convertible bond less transaction costs and deferred taxes	4,345	382,692	–	–	–	–	387,037	–	387,037
Other changes	–	–	45	– 237	– 5,563	–	– 5,755	164	– 5,591
December 31, 2021 adjusted*	139,772	2,180,722	– 212,006	– 248,569	1,286,247	41,982	3,188,148	64,356	3,252,504

€ 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

* Please refer to note 2.1 regarding the details of the adjustment.

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.

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, 2022, were prepared by the Executive Board on February 15, 2023, and subsequently submitted to the Supervisory Board's Auditing 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.

For the sake of clarity, from the 2022 reporting year onwards, other non-financial assets and liabilities are recognized together with other financial assets, while other non-financial liabilities are recognized together with other financial liabilities, as current and non-current, respectively.

The acquisition of the Giraffe Foods group headquartered in Mississauga, Ontario, Canada, described in note 2.4 was completed at the end of December 2021. The amounts recognized preliminarily in the consolidated financial statements as of December 31, 2021, were corrected retrospectively based on the current purchase price allocation. The new information is taken into account as if it had already been known as of the acquisition date. The affected line items from the statement of financial position published as of December 31, 2021, and the adjusted values as of December 31, 2021, are presented in table form below:

€ thousand	December 31, 2021 published	Change	December 31, 2021 adjusted
ASSETS			
Current assets	**2,329,912**	**2,105**	**2,332,017**
Trade receivables	729,941	– 95	729,846
Inventories	987,961	1,807	989,768
Other assets	107,411	393	107,804
Non-current assets	**4,312,826**	**28,344**	**4,341,170**
Intangible assets	2,481,917	25,754	2,507,671
Goodwill	1,690,089	– 87,627	1,602,462
Customer relationships and trademarks	559,284	111,035	670,319
Other intangible assets	188,004	2,346	190,350
Property, plant and equipment	1,320,935	2,590	1,323,525
Plants and machinery	552,915	2,481	555,396
Equipment	103,746	109	103,855
TOTAL ASSETS	**6,642,738**	**30,449**	**6,673,187**
LIABILITIES			
Current liabilities	**1,144,565**	**805**	**1,145,370**
Other provisions	12,082	57	12,139
Other liabilities	260,774	748	261,522
Non-current liabilities	**2,245,914**	**29,399**	**2,275,313**
Other liabilities	6,887	96	6,983
Deferred tax liabilities	161,498	29,303	190,801
TOTAL LIABILITIES	**3,390,479**	**30,204**	**3,420,683**
EQUITY			
Cumulative translation differences	– 248,814	245	– 248,569
Symrise AG shareholders' equity	**3,187,903**	**245**	**3,188,148**
TOTAL EQUITY	**3,252,259**	**245**	**3,252,504**
LIABILITIES AND EQUITY	**6,642,738**	**30,449**	**6,673,187**

The change mainly results from identified intangible assets, adjusted fair values of property, plant and equipment and inventories, and deferred taxes on these adjustments. The translation of this adjusted figure from the reporting currency of the Canadian Dollar to the Group currency of the Euro resulted in slight currency translation effects, which are included in other comprehensive income.

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 2022 fiscal year did not have a material effect on the consolidated financial statements:

- Amendments to IFRS 3 "Business Combinations": Reference to the Conceptual Framework
- Amendments to IFRS 16 "Leases": COVID-19-Related Rent Concessions (extension of application)
- Amendments to IAS 16 "Property, Plant and Equipment": Proceeds before Intended Use
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets": Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to IFRS (2018–2020 cycle).

The following new or revised standards and interpretations are mandatory from the 2023 fiscal year onwards:

- Adoption of IFRS 17 "Insurance Contracts"
- Amendments to IFRS 17 "Insurance Contracts": Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 12 "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Changes to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates.

The following amendments must be applied from the 2024 fiscal year onward following recognition by the European Commission:

- Amendments to IAS 1 "Presentation of Financial Statements": Non-current Liabilities with Covenants
- Amendments to IFRS 16: "Leases": Lease Liability in a Sale and Leaseback.

The standards and interpretations taking effect as of the 2023 fiscal year and – subject to their recognition by the European Commission – the 2024 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.

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 share in joint ventures and associated companies could be impaired. If such indications exist, the impairment amount is determined by calculating the difference between the recoverable amount of the investment in the joint venture or associated company and its carrying amount. The impairment loss is to be recognized through profit or loss.

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

Scope of consolidation

In the 2022 fiscal year, the scope of consolidation developed as follows:

	December 31, 2021	Additions	Disposals	December 31, 2022
Fully consolidated subsidiaries				
Domestic	9	–	1	**8**
Foreign	90	15	4	**101**
Joint ventures accounted for using the equity method				
Foreign	1	1	–	**2**
Associated companies accounted for using the equity method				
Foreign	6	3	1	**8**
Total	**106**	**19**	**6**	**119**

Business combinations

INVESTMENT IN SWEDENCARE AB, SWEDEN

Since July 2021, Symrise has successively acquired shares in the listed company Swedencare AB based in Malmö, Sweden (henceforth “Swedencare”). Swedencare’s shares are listed on the Nasdaq First North Growth Market. A total of € 318.2 million was paid out for the share purchases in the current fiscal year. As of December 31, 2022, the participation rate is 29.7 %. The investment was made, among other things, in the context of two capital increases by Swedencare. Swedencare is a supplier of premium, care and health products for pets. With this step, Symrise is strengthening its leading position as a provider of innovative solutions and applications for the Pet Food division. The investment in Swedencare has been included in the consolidated financial statements as an associated company since February 2022 in accordance with the provisions of IAS 28 “Investments in Associates and Joint Ventures.” Symrise makes use of the option to reclassify the one-time effect from the change in status from “equity instruments measured at fair value through other comprehensive income (without recycling)” in accordance with IFRS 9 “Financial Instruments” to accounting using the equity method in accordance with IAS 28 in the amount of

€ – 25.7 million from other reserves to retained earnings. The fair value of the investment at the date of derecognition was € 320.3 million. The change in status was made in the first half of 2022 using the fair value as deemed cost approach. Please refer to note 21 for more information, including information about subsequent measurement.

ACQUISITION OF THE GIRAFFE FOODS GROUP, CANADA

Symrise acquired all the shares in the Giraffe Foods Group headquartered in Mississauga, Ontario, Canada, effective December 22, 2021. Giraffe Foods is a Canadian producer of customized sauces, dips, dressings, syrups and beverages for B2B customers in the home meal replacement, food service and retail markets. With this transaction, Symrise will take a major step forward in the value chain, providing a wider variety of advanced taste solutions to a larger customer base in North America. Symrise considers this acquisition a strategic opportunity to expand the portfolio into the attractive market for customized flavor and taste enhancement solutions. By combining the Taste, Nutrition & Health expertise of Symrise with Giraffe Foods' custom formulation capabilities, Symrise aims to become a leader in integrated taste solutions in North America. The acquisition of Giraffe Foods supports the well-established businesses of Symrise in the region and will enlarge the value proposition of the Taste, Nutrition & Health segment.

The final acquisition costs amount to CAD 472.9 million (€ 324.8 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. Based on the now final figures, the purchase price was slightly reduced by CAD 0.5 million (€ 0.4 million). There were no outstanding payments remaining as of the reporting date of December 31, 2022.

The purchase price allocation for this transaction was finalized in the 2022 fiscal year. The goodwill preliminarily recognized in the consolidated financial statements as of December 31, 2021, changed mainly due to adjustments to the fair values of intangible assets, property, plant and equipment and inventories, including the corresponding deferred taxes, and now amounts to CAD 269.1 million (€ 184.9 million).

The acquired assets and liabilities are recognized at the following fair values:

	Fair value in CAD thousand as of the acquisition date	Fair value in € thousand as of the acquisition date
Cash and cash equivalents	1,305	896
Trade receivables	10,686	7,341
Inventories	15,337	10,536
Intangible assets	212,059	145,675
Property, plant and equipment	36,070	24,778
Other assets	3,300	2,267
Trade payables	– 8,423	– 5,786
Deferred tax liabilities	– 55,474	– 38,108
Other liabilities	– 11,108	– 7,631
Acquired net assets	**203,752**	**139,968**
Consideration transferred for acquiring the shares	**472,872**	**324,842**
Goodwill	**269,120**	**184,874**

General bad debt allowances of CAD 0.3 million (€ 0.2 million) are included in trade receivables. The goodwill of CAD 269.1 million (€ 184.9 million) stems from the previously described synergy and earning potentials expected from the integration of the operating business into the Symrise Group. Goodwill is not deductible for tax purposes. Ancillary costs of € 0.4 million from this transaction were recognized as administration expenses in the Taste, Nutrition & Health segment in 2022.

Pursuant to IFRS 3, section 45, the provisional amounts set out in the consolidated financial statements as of December 31, 2021, had to be corrected retrospectively, and the new information taken into account as if they had already been known at the time of the acquisition. The adjustments to the primary financial statements are shown in note 2.1.

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 acquisition will give Symrise long-term access to high-quality raw materials and a customer base of global pet food suppliers. Production-related technologies and technical facilities at the two sites were also acquired. Schaffelaarbos B.V. is a leading supplier in the manufacturing of egg proteins for pet food and complements the existing activities of Symrise in the USA. This transaction is an important strategic step for Symrise to bring together the two experts in the utilization of eggshells and egg components to accelerate the development of product innovations in the area of pet food as a component of the segment Taste, Nutrition & Health.

The final acquisition costs amount to € 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. As of the reporting date of December 31, 2022, there are no outstanding payments, with the exception of a partial amount of € 8.0 million held in a fiduciary account. This amount will be released to the seller in two tranches, at the latest after three or four years, provided that a contractually defined level of performance is achieved.

The purchase price allocation for this transaction was finalized in the 2022 fiscal year. The acquired assets and liabilities, including contingent liabilities, are recognized at the following fair values:

	Fair value in € thousand as of the acquisition date
Cash and cash equivalents	1,092
Trade receivables	2,647
Inventories	1,865
Intangible assets	69,218
Property, plant and equipment	23,722
Other assets	359
Trade payables	– 1,843
Deferred tax liabilities	– 20,515
Other liabilities	– 6,036
Acquired net assets	**70,509**
Consideration transferred for acquiring the shares	**158,082**
Goodwill	**87,573**

Negligible general bad debt allowances are included in trade receivables. The goodwill of € 87.6 million stems from the previously described synergy and earning potentials expected from the integration of the operating business into the Symrise Group. Goodwill is not deductible for tax purposes. Ancillary costs of € 0.7 million from this transaction were recognized as administration expenses in the Taste, Nutrition & Health segment in 2022.

Since the time of acquisition, the transaction has contributed € 29.9 million to sales and € 2.9 million to consolidated net income.

ACQUISITION OF GROUPE NÉROLI AND ROMANI, FRANCE

On April 20, 2022, Symrise concluded a purchase agreement for the acquisition of all shares in Neroli Invest DL (Groupe Néroli) and Essence Ciel with the subsidiary SFA Romani (Romani). The acquired companies are domiciled in Saint-Cézaire-sur-Siagne, France. With these transactions, Symrise intends to consolidate its presence in the area of luxury perfumes in the south of France, further strengthen its competitiveness in the production of fragrance compositions, and expand its market position in key countries in Europe, Africa and the Middle East. The closing of these transactions and the resulting acquisition of control occurred on April 20, 2022.

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. Under this agreement, additional payments would be payable to the seller at the latest by 2024 if a contractually defined level of performance is achieved. The fair value of the contingent consideration was estimated to be € 9.8 million on the date of acquisition.

The purchase price has not yet been allocated to this transaction because the purchase price has not been finally settled. The acquired assets and liabilities, including contingent liabilities, are recognized at the following (preliminary) fair values:

Groupe Néroli and Romani	Preliminarily recognized fair value in € thousand as of the acquisition date
Cash and cash equivalents	7,641
Trade receivables	17,899
Inventories	8,932
Intangible assets	56,410
Property, plant and equipment	18,450
Companies accounted for using the equity method	2,693
Other assets	4,573
Trade payables	– 6,916
Borrowings	– 26,768
Pension obligations	– 388
Deferred tax liabilities	– 15,490
Other liabilities	– 12,549
Acquired net assets	**54,487**
Consideration transferred for acquiring the shares	**137,442**
Preliminary goodwill	**82,955**

General bad debt allowances of € 4.7 million are included in trade receivables. The preliminarily goodwill of € 83.0 million stems from the previously described synergy and earning potentials expected from the integration of the operating business into the Symrise Group. Goodwill is not deductible for tax purposes. Ancillary costs of € 1.8 million from this transaction were recognized as administration expenses in the Scent & Care segment in 2022.

Since the time of acquisition, the transaction has contributed € 42.0 million to sales and € 1.9 million to consolidated net income.

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. With this step, Symrise acquired additional capabilities to further strengthen its market position in the area of pet food palatability while accelerating its diversification in pet food. The high-performance portfolio of Wing Biotechnology Co., Ltd. also expands access for Symrise to the attractive Asia-Pacific market, which experts call the world's strongest growth region for pet food. Production-related technologies, trademarks and technical facilities were also acquired. Wing Biotechnology Co. Ltd. employs approximately 200 people and has a state-of-the-art research and development center in Shanghai.

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, 2022, there are no outstanding payments, with the exception of a partial amount of CNY 60.0 million (€ 8.1 million) held in a fiduciary account. The amount still held in the fiduciary account will go to the seller following the expiration of a twelve-month guarantee and warranty period.

The purchase price has not yet been allocated to this transaction because the purchase price has not been finally settled. The acquired assets and liabilities, including contingent liabilities, are recognized at the following (preliminary) fair values:

	Preliminarily recognized fair value in CNY thousand as of the acquisition date	Preliminarily recognized fair value in € thousand as of the acquisition date
Cash and cash equivalents	19,390	2,771
Trade receivables	41,148	5,880
Inventories	34,654	4,952
Intangible assets	346,953	49,575
Property, plant and equipment	86,963	12,426
Other assets	11,787	1,684
Trade payables	– 7,031	– 1,005
Deferred tax liabilities	– 94,024	– 13,435
Other liabilities	– 38,490	– 5,500
Acquired net assets	**401,350**	**57,348**
Consideration transferred for acquiring the shares	**1,075,342**	**153,652**
Preliminary goodwill	**673,992**	**96,305**

General bad debt allowances of CNY 1.6 million (€ 0.2 million) are included in trade receivables. The preliminary goodwill of CNY 674.0 million (€ 96.3 million) stems from the previously described synergy and earning potentials expected from the integration of the operating business into the Symrise Group. Goodwill is not deductible for tax purposes. Ancillary costs of € 0.6 million from the transaction were recognized as administration expenses in the Taste, Nutrition & segment in 2022.

Since the time of acquisition Wing Biotechnology Co., Ltd. has contributed € 27.2 million to sales and € 3.1 million to consolidated net income.

PRO FORMA DISCLOSURE

Under the assumption that all transactions during the fiscal year had taken place by January 1, 2022, Group sales would have amounted to € 4,666.7 million and consolidated net income to € 294.8 million. The pro forma figures were determined using estimates. Simplifying assumptions were used as the basis for these.

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:

		Closing rate = € 1		Average rate = € 1	
Currency		**December 31, 2021**	**December 31, 2022**	**2021**	**2022**
Brazilian Real	BRL	6.334	5.635	6.379	5.440
Canadian Dollar	CAD	1.437	1.446	1.482	1.370
Chinese Renminbi	CNY	7.248	7.419	7.628	7.080
British Pound	GBP	0.840	0.887	0.860	0.853
Japanese Yen	JPY	130.954	140.818	129.872	138.049
Mexican Peso	MXN	23.273	20.798	23.988	21.201
US Dollar	USD	1.137	1.067	1.183	1.053

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. 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 contract term of a maximum of twelve months. 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, liabilities and tax losses carried forward in the IFRS consolidated financial statements and their tax base. 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 for differences arising from the initial recognition of goodwill, nor are they recognized for assets and liabilities that do not result from business combinations and do not affect consolidated income or taxable result. 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.

For the calculation of diluted earnings per share, the weighted average number of shares issued is adjusted by the weighted average number of all dilutive potential shares. Dilutive potential shares are ordinary shares with a maximum issuance upon exercise of conversion rights from issued convertible bonds. If an issued convertible bond exists during the reporting year, the consolidated net income attributable to the shareholders of Symrise AG is adjusted for the impact on earnings arising in connection with this bond.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method. 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	6–40 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 separately depreciated. 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. 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. 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 a claim for a return of cash or another form of financial asset 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 financial liabilities are initially recognized at the fair value of the consideration received or at the value of the cash received 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. Financial liabilities are derecognized if the contractual obligations are settled, cancelled or expired.

Derivative financial instruments
Symrise holds derivative financial instruments to hedge against currency and interest risks. This 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 generally recognized in the Group income statement.

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 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 2021 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 2021 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 2022 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 also recognized in profit or loss. When determining the fair values using a Monte Carlo simulation, which include 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 2022 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 determined by fair value. Individually significant financial assets are tested for possible impairment on an individual basis. All other financial assets are collected in groups that share similar default risk profiles and then measured.

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

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

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

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

Symrise believes it will grow faster than the relevant market again and will achieve the long-term growth and profitability goals described in the Group management report. Symrise expects long-term organic sales growth of 5 to 7 % per year, and the company is aiming for an average EBITDA margin of 20 to 23 %. A growth rate of 1 % was once again used as the basis for the measurement of the perpetual annuity. The cash flows determined in this manner were discounted with a sales-based country-weighted average cost of capital factor (WACC) after taxes of 8.89 % for Taste, Nutrition & Health and 8.25 % for Scent & Care (2021: 6.39 % for Taste, Nutrition & Health and 6.28 % for Scent & Care). The corresponding WACC before taxes was 11.65 % for Taste, Nutrition & Health as well as 11.17 % for Scent & Care (2021: 8.35 % for Taste, Nutrition & Health as well as 8.31 % 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. The general rise in interest rates at the end of the year also did not result in a deviated assessment.

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. 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

2021 € thousand	Taste, Nutrition & Health	Scent & Care	Segment total = Group total
External sales	2,334,742	1,490,949	**3,825,691**
Cost of goods sold	– 1,425,692	– 921,168	**– 2,346,860**
Gross profit	**909,050**	**569,781**	1,478,831
Selling and marketing expenses	– 346,191	– 217,524	**– 563,715**
Research and development expenses	– 112,613	– 108,129	**– 220,742**
Administration expenses	– 145,088	– 75,907	**– 220,995**
Other operating income	50,780	35,016	**85,796**
Other operating expenses	– 2,847	– 2,089	**– 4,936**
Result of companies accounted for using the equity method	4,767	– 51	**4,716**
Income from operations/EBIT	**357,858**	**201,097**	558,955
Amortization and impairment of intangible assets	85,012	29,137	**114,149**
Depreciation and impairment of property, plant and equipment	88,217	52,303	**140,520**
EBITDA	**531,087**	**282,537**	813,624
Financial result			**– 42,763**
Earnings before income taxes			**516,192**
Income taxes			**– 131,160**
Consolidated net income			**385,032**
Other segment information			
Investments[1]			
Intangible assets	10,322	6,181	**16,503**
Property, plant and equipment	119,316	55,609	**174,925**
of which from leases	11,259	6,438	**17,697**

1) Without additions from business combinations.

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.

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

RESULT BY REGION

	Sales by region (point of delivery)		Investments[1]	
€ thousand	2021	2022	2021	2022
EAME	1,537,438	1,716,209	72,254	124,114
North America	1,017,341	1,325,955	70,648	133,164
Asia/Pacific	818,222	981,139	18,338	25,170
Latin America	452,690	595,173	30,188	49,127
Total	**3,825,691**	**4,618,476**	**191,428**	**331,575**

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

Sales are generated in various countries; Germany accounts for € 250.5 million (2021: € 319.6 million). Sales in North America were mainly generated in the USA (€ 1,250.6 million; 2021: € 947.1 million).

Investments in property, plant and equipment include effects from leases amounting to € 61.4 million (2021: € 17.7 million). These consisted of € 17.7 million in EAME (2021: € 7.6 million), € 37.0 million in North America (2021: € 5.8 million), € 4.3 million in Asia/Pacific (2021: € 3.7 million) and € 2.4 million in Latin America (2021: € 0.6 million). Of the non-current assets – excluding deferred tax assets, financial instruments, and investments in companies accounted for using the equity method – amounting to € 4,488.9 million (December 31, 2021: € 3,819.8 million), € 604.6 million (December 31, 2021: € 597.1 million) are 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 2020	**2,150,960**	**1,369,491**
Organic growth	228,279	108,833
Portfolio effects	–	40,908
Exchange rate differences	– 44,497	– 28,283
Sales 2021	**2,334,742**	**1,490,949**

€ 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**

Sales are recognized at a specific point in time, and the resulting receivables are due within one year. As of the end of the reporting period, there were contract liabilities amounting to € 5.5 million (December 31, 2021: € 3.4 million). Portfolio effects resulted from the business combinations made in the appropriate fiscal year and comprise the sales of these entities over a period of twelve months since the acquisition date.

Contract liabilities included in other liabilities comprise payments from customers received prior to the contractual performance and amount to € 5.5 million (December 31, 2021: € 3.4 million). This mainly relates to advance payments on orders. The contractual liabilities of € 3.4 million existing as of January 1, 2022, were fully utilized in the fiscal year. The refund liabilities shown under this item (€ 42.8 million, December 31, 2021: € 40.0 million) mainly consisted of sales deductions. In the 2022 fiscal year, of the refund liabilities existing as of January 1, 2022, a total of € 29.9 million was actually refunded (2021: € 27.3 million).

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. COST OF GOODS SOLD

Cost of goods sold consists of expenses for raw materials (€ 2,102.1 million, 2021: € 1,660.2 million), production costs including amortization of recipes, technologies and other production-related intellectual property (€ 806.5 million, 2021: € 685.2 million) and exchange rate effects from operating activities (€ 7.8 million, 2021: € 1.5 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	2021	2022
Wages and salaries	– 617,025	– 725,960
Social security expenses	– 136,197	– 155,129
Pension expenses (excluding interest expenses)	– 20,154	– 13,517
Other personnel expenses	– 8,237	– 12,155
Total	**– 781,613**	**– 906,761**

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 (2021: € 27.6 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 2021, and expenses for multi-year share-based payment of the Executive Board under the Executive Board Compensation System 2022 (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)	2021	2022
Manufacturing & Technology	5,282	5,848
Sales & Marketing	2,485	2,515
Research & Development	1,894	1,803
Administration	918	1,073
Service companies	467	472
Number of employees	**11,046**	**11,711**
Apprentices and trainees	114	199
Total	**11,160**	**11,910**

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 increased mainly due to higher freight-out costs, marketing expenses and storage costs for finished goods and the initial consolidation of acquired Group companies. 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, finance, human resources and legal, as well as for factory security, work safety and administration buildings. In addition, transaction-related one-time effects in connection with the business combinations made in the fiscal year (see note 2.4) are included.

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 (€ 22.9 million, 2021: € 19.2 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 (€ 11.8 million, 2021: € 9.4 million), income from insurance reimbursements (€ 12.3 million; 2021: € 2.5 million) and income from the reversal of provisions and liabilities that are no longer expected to be utilized or for which this is certain (€ 11.8 million, 2021: € 6.7 million). The reporting year also includes a positive special influence from the disinvestment of the activities of the Velcorin® business, a technical product for the beverage industry, in the amount of € 18.0 million. This transaction closed on January 1, 2022. As of December 31, 2021, the assets and liabilities to be transferred were reported as a disposal group held for sale in accordance with the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." The partial sale of the celery business, which took place on August 31, 2022, yielded € 18.2 million in income from the disposal that is also recognized in this item. Other income includes gains from the disposal of non-current assets, other reimbursements, and other non-periodic income.

11. FINANCIAL RESULT

€ thousand	2021	2022
Interest income from bank deposits	2,181	5,038
Other interest income	1,419	2,759
Interest income	**3,600**	**7,797**
Other financial income	81	930
Financial income	**3,681**	**8,727**
Interest expenses from bank borrowings	– 294	– 10,006
Interest expenses from other borrowings	– 26,883	– 30,899
Other interest expenses	– 11,695	– 18,010
Interest expenses	**– 38,872**	**– 58,915**
Other financial expenses	– 7,572	– 22,676
Financial expenses	**– 46,444**	**– 81,591**
Financial result	**– 42,763**	**– 72,864**
of which interest result	– 35,272	– 51,118
of which other financial result	– 7,491	– 21,746

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 (€ 12.2 million; 2021: € 5.4 million) and negative foreign exchange rate effects of € 8.2 million (2021: positive effects of € 0.2 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	2021	2022
Current income taxes	**– 141,625**	**– 166,360**
Deferred tax expense/income from losses carried forward	– 2,148	– 3,982
Deferred tax expense/income from temporary differences	12,613	29,925
Deferred tax expense/income	**10,465**	**25,943**
Income taxes	**– 131,160**	**– 140,417**

Income taxes in the reporting year increased by € 9.2 million to € 140.4 million. The tax rate increased over the previous year, amounting to 32.6 % (2021: 25.4 %). This increase results from the impairment of the investment in Swedencare AB, Malmö, Sweden, which is not tax-deductible. Excluding this effect, the tax rate is 25.2 %.

The year-on-year increase in current income taxes of € 24.7 million to € 166.4 million is mainly due to the higher net income before taxes excluding the impairment of the investment in Swedencare AB, Malmö, Sweden. 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.

RECONCILIATION OF EXPECTED TO ACTUAL TAX EXPENSE

Income taxes disclosed in the reporting year, amounting to € 140.4 million (2021: € 131.2 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	2021	2022
Earnings before income taxes	**516,192**	**431,113**
Expected tax expense at local tax rates	– 107,538	– 91,840
Tax effect from previous periods	– 18,353	– 5,918
Tax effect from tax-free income	15,778	14,430
Tax effect from non-deductible expenses	– 13,365	– 48,612
Non-recoverable withholding tax	– 6,061	– 9,966
Tax effect from value adjustments to deferred tax assets	2,833	– 4,578
Tax effect from change in tax rate	20	– 38
Other tax effects	– 4,474	6,105
Income tax expense	**– 131,160**	**– 140,417**

The resulting theoretical expected tax expense decreased in absolute terms compared with the previous year, while the tax rate increased. This results particularly from the 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. The tax effect from nondeductible expenses results mainly from the impairment of the investment in Swedencare AB, as well as from commercial tax additions in Germany and the inclusion of effects from dividends received. The main factors influencing other tax effects are changes in temporary differences and hyperinflation adjustments. The dividend proposed for the 2022 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:

	2021 adjusted*			2022		
€ thousand	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Exchange rate differences resulting from the translation of foreign operations	170,561	445	171,006	145,587	– 3,865	141,722
Change in the fair value of financial instruments measured through other comprehensive income	39,290	– 581	38,709	– 67,663	581	– 67,082
Cash flow hedge (currency hedges)	– 453	132	– 321	1,657	– 423	1,234
Remeasurement of defined benefit pension plans and similar obligations	73,460	– 20,883	52,577	166,750	– 47,188	119,562
Share of other comprehensive income of companies accounted for using the equity method	387	–	387	39,254	–	39,254
Other comprehensive income	**283,245**	**– 20,887**	**262,358**	**285,585**	**– 50,895**	**234,690**
of which current taxes		– 386			– 2,026	
of which deferred taxes		– 20,501			– 48,869	

* Please refer to note 2.1 regarding the details of the adjustment.

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	2021	2022 reported	2022 without impairment of Swedencare AB
Consolidated net income attributable to shareholders of Symrise AG	**€ thousand**	**374,924**	**280,007**	**406,133**
Weighted average number of ordinary shares	shares	136,633,677	139,772,054	139,772,054
Basic earnings per share	**€**	**2.74**	**2.00**	**2.91**

The convertible bond issued in the 2017 fiscal year was called early by Symrise in September 2021 in accordance with the terms of the bond (i.e. an issuer call). Since the 2022 fiscal year, there has, therefore, no longer been a dilutive effect, and basic and diluted earnings per share are equal in amount (2021 diluted earnings: € 2.70).

Taking into account that there would have been no impairment on the investment in Swedencare AB, Malmö, Sweden, earnings per share would have amounted to € 2.91.

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

€ thousand	December 31, 2021	December 31, 2022
Cash	410,690	278,082
Cash equivalents	43,118	36,775
Total	**453,808**	**314,857**

To finance the acquisitions, Symrise took out bilateral borrowings of CAD 400.0 million and issued a promissory note loan of € 750.0 million. The remaining available liquidity was used to pay the dividend and to redeem a seven-year tranche of the promissory note loan from 2015.

16. TRADE RECEIVABLES

€ thousand	December 31, 2021 adjusted*	December 31, 2022
Trade receivables	739,603	870,616
Allowance	– 9,757	– 14,581
Total	**729,846**	**856,035**

* Please refer to note 2.1 regarding the details of the adjustment.

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 € 755.2 million in receivables that are not overdue and with no allowance set up (December 31, 2021: € 654.1 million), € 15.0 million in receivables that are not overdue but have partial allowances set up (December 31, 2021: € 7.3 million), and with € 100.4 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, 2021: € 78.3 million). The impairment losses of € 14.6 million (December 31, 2021 adjusted: € 9.8 million) recognized in the reporting year can be divided into a specific bad debt allowance of € 3.9 million (December 31, 2021 adjusted: € 2.5 million) as well as a general bad debt allowance of € 10.7 million (December 31, 2021: € 7.3 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	2021 adjusted*	2022
January 1	**10,965**	**9,757**
Additions from business combinations	226	4,914
Allowances set up	5,758	7,965
Utilized in the reporting year	– 2,380	– 2,624
Reversals	– 4,635	– 5,627
Exchange rate differences	– 177	196
December 31	**9,757**	**14,581**

* Please refer to note 2.1 regarding the details of the adjustment.

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, 2021 adjusted*	December 31, 2022
Raw materials	372,749	522,129
Unfinished products	283,234	357,242
Finished products	333,785	448,188
Total	**989,768**	**1,327,559**

* Please refer to note 2.1 regarding the details of the adjustment.

The increase in inventories in the 2022 fiscal year resulted from the initial consolidation of acquired Group companies, higher procurement prices and an increase in stock. Overall, valuation allowances amounting to € 32.6 million (December 31, 2021: € 30.5 million) are recognized.

18. OTHER ASSETS AND RECEIVABLES

The other current assets and receivables mainly include sales tax receivables (€ 55.9 million; December 31, 2021: € 54.3 million) and various accruals (€ 28.6 million; December 31, 2021: € 18.8 million). In addition, this position includes capitalized contract costs of € 10.0 million (December 31, 2021: € 0.0 million). In the previous year, the investment in Swedencare AB, Malmö, Sweden, (€ 227.3 million) was reported in non-current assets as an equity instrument measured at fair value through other comprehensive income. The status was changed to equity method accounting in February 2022 (see note 2.4). This position includes financial assets and receivables totaling € 57.3 million.

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, 2021	**1,424,378**	**993,236**	**951,405**	**17,507**	**30,984**	**3,417,510**
Additions from business combinations	184,872	145,209	15,992	0	857	**346,930**
Additions from acquisitions	0	28	3,351	0	12,587	**15,966**
Additions from internal development	0	0	0	275	262	**537**
Assets classified as held for sale and other disposals	– 4,040	0	– 28,657	0	0	**– 32,697**
Transfers	0	613	2,863	86	– 3,562	**0**
Exchange rate differences	41,724	29,916	25,903	– 193	– 133	**97,217**
December 31, 2021 adjusted*	**1,646,934**	**1,169,002**	**970,857**	**17,675**	**40,995**	**3,845,463**
Accumulated amortization and impairment losses						
January 1, 2021	**– 42,632**	**– 417,244**	**– 750,527**	**– 13,047**	**0**	**– 1,223,450**
Amortization for the fiscal year	0	– 72,500	– 40,452	– 1,197	0	**– 114,149**
Assets classified as held for sale and other disposals	0	0	27,363	0	0	**27,363**
Exchange rate differences	– 1,840	– 8,939	– 16,891	114	0	**– 27,556**
December 31, 2021 adjusted*	**– 44,472**	**– 498,683**	**– 780,507**	**– 14,130**	**0**	**– 1,337,792**
Carrying amounts						
January 1, 2021	1,381,746	575,992	200,878	4,460	30,984	**2,194,060**
December 31, 2021 adjusted*	**1,602,462**	**670,319**	**190,350**	**3,545**	**40,995**	**2,507,671**

* Please refer to note 2.1 regarding the details of the adjustment.

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, 2022	**1,646,934**	**1,169,002**	**970,857**	**17,675**	**40,995**	**3,845,463**
Additions from business combinations	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.

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 for the additions from business combinations. Additions from acquisitions mainly relate to advance payments for software, primarily SAP applications.

Capitalized development costs, including those currently in progress, amounted to € 4.0 million as of the end of the reporting period (December 31, 2021: € 4.4 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, 2021 adjusted*	December 31, 2022
Taste, Nutrition & Health	1,374,428	1,577,627
Scent & Care	228,034	324,450
Total	**1,602,462**	**1,902,077**

* Please refer to note 2.1 regarding the details of the adjustment.

20. PROPERTY, PLANT AND EQUIPMENT

€ thousand	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2021	**786,118**	**1,070,387**	**291,670**	**156,415**	**2,304,590**
Additions from business combinations	11,934	27,667	5,069	964	**45,634**
Other additions	16,976	11,925	18,198	127,826	**174,925**
Assets classified as held for sale and other disposals	– 19,005	– 34,294	– 9,583	0	**– 62,882**
Transfers	45,931	88,414	11,195	– 145,540	**0**
Exchange rate differences	28,557	43,981	7,361	6,511	**86,410**
December 31, 2021 adjusted*	**870,511**	**1,208,080**	**323,910**	**146,176**	**2,548,677**
Accumulated depreciation and impairment losses					
January 1, 2021	**– 310,421**	**– 590,143**	**– 198,812**	**0**	**– 1,099,376**
Depreciation for the fiscal year	– 41,593	– 69,968	– 27,970	0	**– 139,531**
Impairment	0	0	0	– 989	**– 989**
Assets classified as held for sale and other disposals	13,164	26,574	8,626	0	**48,364**
Exchange rate differences	– 12,534	– 19,147	– 1,899	– 40	**– 33,620**
December 31, 2021 adjusted*	**– 351,384**	**– 652,684**	**– 220,055**	**– 1,029**	**– 1,225,152**
Carrying amounts					
January 1, 2021	475,697	480,244	92,858	156,415	**1,205,214**
December 31, 2021 adjusted*	**519,127**	**555,396**	**103,855**	**145,147**	**1,323,525**

* Please refer to note 2.1 regarding the details of the adjustment.

€ 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**
Additions from business combinations	25,334	21,492	4,922	5,306	**57,054**
Other 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**

Additions include capacity expansions in the Fragrance (Mexico and Spain), Pet Food (Netherlands and USA), Food & Beverage (Canada and Germany) and Aroma Molecules (Spain) divisions, as well as the construction of new Pet Food sites in the USA and Mexico and the ongoing construction of a new Pet Food site in Araucária (Brazil).

Additions contain capitalized borrowing costs amounting to € 2.2 million (December 31, 2021: € 1.2 million). The underlying weighted average capitalization rate amounts to 5.28 % (2021: 5.83 %).

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, 2021	87,989	1,243	11,075	**100,307**
Additions from business combinations	4,850	11	335	**5,196**
Other additions	13,028	65	4,604	**17,697**
Depreciation	– 16,004	– 408	– 5,412	**– 21,824**
Carrying amounts December 31, 2021	**93,568**	**915**	**10,638**	**105,121**

€ thousand	Land and buildings	Plants and machinery	Equipment	Total
Carrying amounts January 1, 2022	93,568	915	10,638	**105,121**
Additions from business combinations	9,119	296	2,853	**12,268**
Other 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**

Within real estate, Symrise mainly leases warehouses and office buildings as well as land with hereditary building rights. Equipment mainly includes 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 (€ 97.0 million, December 31, 2021: € 87.0 million), and Swedencare AB, Malmö, Sweden (€ 395.2 million), which has been classified as an associated company since February 2022. Additionally, Symrise holds shares in a range of associated companies that are not material on an individual basis.

	Food Ingredients Technology Company, L.L.C.		Swedencare AB	
€ thousand	**2021**	**2022**	**2021**	**2022**
Carrying amount January 1	**78,511**	**86,978**	**–**	**0**
Reclassifications due to a change in status	0	0	–	320,326
Additions	0	0	–	159,407
Total comprehensive income	4,712	7,885	–	44,432
of which proportionate net income for the period	4,712	7,885	–	3,460
of which proportionate other comprehensive income	0	0	–	40,972
Impairment	0	0	–	– 126,126
Dividends	– 3,245	– 4,458	–	– 848
Exchange rate effects	7,000	6,591	–	– 1,957
Carrying amount December 31	**86,978**	**96,996**	**–**	**395,234**
Share in %	**50.0**	**50.0**	**12.9**	**29.7**

The total carrying amounts of the individually immaterial associated companies and joint ventures accounted for using the equity method amounted to € 28.8 million as of December 31, 2022 (December 31, 2021: € 27.7 million). The share of total comprehensive income for these companies amounts to € 1.5 million (December 31, 2021: € 0.0 million).

FOOD INGREDIENTS TECHNOLOGY COMPANY, L.L.C.

The following table contains summarized financial information of the joint venture Food Ingredients Technology Company, L.L.C., Springfield, USA (100 %):

€ thousand	**December 31, 2021**	**December 31, 2022**
Current assets	**30,051**	**43,155**
of which cash and cash equivalents	5,983	7,563
of which other current assets	24,067	35,592
Non-current assets	**69,335**	**69,340**
Current liabilities	**3,941**	**4,030**
of which borrowings	99	126
of which other current liabilities	3,841	3,904
€ thousand	**2021**	**2022**
Sales	73,664	110,930
Amortization and depreciation	– 5,390	– 5,955
Profit/loss from continuing operations	9,424	15,770
Total comprehensive income	9,424	15,770

SWEDENCARE AB

The following table contains summarized financial information of the associated company Swedencare (100 %):

€ thousand	September 30, 2022[1]
Current assets	90,162
Non-current assets	911,146
Current liabilities	18,434
Non-current liabilities	249,690
Sales	126,814
Profit/loss from continuing operations	12,086
Other comprehensive income	134,343
Total comprehensive income	146,429

1) At the time the consolidated financial statements were prepared, the financial report as of December 31, 2022, of the listed company Swedencare was not yet available. For this reason, the financial information as of September 30, 2022, is used.

In the course of the second half of the 2022 fiscal year, the stock market price of associated company Swedencare AB, Malmö, Sweden (hereinafter: Swedencare) recorded a visible decline. This decrease represents an objective indication of impairment within the meaning of IAS 28.41C (triggering event). The investment in Swedencare was therefore subjected to an impairment test in accordance with IAS 28.42 in conjunction with IAS 36 at the end of the reporting period by comparing the recoverable amount with the carrying amount. In accordance with IAS 36.6, the recoverable amount of an investment in an associated company is defined as the higher of its fair value, less costs to sell and its value in use. The stock market price of Swedencare, and thus its fair value, fell continuously in the 2022 fiscal year. In the view of the Symrise management, the share price development does not adequately reflect the value of Swedencare, as there is a sustainable and above-average development of sales and earnings power in the market environment of pet nutrition and health. The recoverable amount was, therefore, determined by calculating a value in use by discounting the estimated future cash flows expected to be generated by Swedencare. As a result, the carrying amount of the investment in the associated company Swedencare exceeded the recoverable amount of € 395.2 million (value in use), so that an impairment loss of € 126.1 million was recognized in the reporting year 2022. The impairment loss was recognized as an "impairment loss on investments accounted for using the equity method" within operating profit. The calculation of the value in use is based on assumptions and estimates that primarily relate to the following parameters: Discount rate (WACC), development of sales growth and sustainable growth rate, and development of the forecast EBITDA margin. The discount rate amounts to 7.62 % and represents an after-tax figure. This was determined on the basis of revenue-based, country-weighted WACCs for peer companies. Swedencare generates sales mainly in the USA (84 %, see Swedencare's Interim Group Report as of September 30, 2022). 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 four years were determined in detail. For the subsequent six years of the convergence phase, annual sales growth was assumed to decline moderately. With the eleventh planning year, the beginning of the perpetual annuity and thus a stabilized state was assumed, which is based on a growth rate of 2.1 % that falls within the range of external analysts' estimates. 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. Accordingly, the four-year detailed plan is used as the basis of an annual increase in the EBITDA margin. An EBITDA margin of 29.5 % is forecast for the subsequent six-year convergence phase and the perpetual annuity. This is slightly below Swedencare's management's expectations 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.

In performing the impairment test, various sensitivity analyses are carried out to identify reasonably possible changes to the WACC, projected sales and EBITDA margin. An increase or decrease of the WACC by 0.25 percentage points would result in a carrying amount of € 373.9 million or € 418.7 million. An increase or decrease of sales growth in perpetual annuity by 0.1 percentage points would result in a carrying amount of € 400.7 million or € 390.0 million. An increase or decrease of the EBITDA margin in perpetual annuity by 0.5 percentage points would result in a carrying amount of € 401.0 million or € 389.5 million.

22. DEFERRED TAX ASSETS/LIABILITIES

	December 31, 2021 adjusted*			December 31, 2022		
€ thousand	Tax assets	Tax liabilities	Income (+)/ Expenses (–)	Tax assets	Tax liabilities	Income (+)/ Expenses (–)
Intangible assets	16,635	167,339	9,590	24,086	198,439	18,390
Property, plant and equipment	9,320	118,864	– 22,634	11,366	144,347	– 23,437
Financial assets	378	592	– 573	1,291	11	1,494
Inventories	22,317	463	3,347	27,736	53	5,829
Trade receivables, prepayments and other assets	2,749	4,527	5,652	2,930	3,920	5,094
Provisions for pensions	97,039	0	3,080	51,324	0	3,022
Other provisions and other liabilities	46,352	2,930	14,351	65,659	3,004	19,233
Interests in subsidiaries	0	3,500	– 200	0	3,200	300
Losses carried forward	15,349	0	– 2,148	13,215	0	– 3,982
Subtotal	**210,139**	**298,215**	**10,465**	**197,607**	**352,974**	**25,943**
Offsetting	– 107,414	– 107,414	0	– 140,097	– 140,097	0
Total	**102,725**	**190,801**	**10,465**	**57,510**	**212,877**	**25,943**

* Please refer to note 2.1 regarding the details of the adjustment.

Deferred tax income amounted to € 25.9 million in the reporting year compared to a deferred tax income of € 10.5 million in the 2021 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 € 94.8 million (December 31, 2021: € 82.6 million) existed as of the end of the reporting period; deferred tax assets on corporate tax losses carried forward amounting to € 13.2 million (December 31, 2021: € 15.3 million) were recognized. The increase in tax loss carryforwards compared with 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, 2022, amounts to € 2.5 million (December 31, 2021: € 1.6 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 € 911.4 million in the 2022 fiscal year and € 836.9 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, 2022, € 3.2 million (December 31, 2021: € 3.5 million) in deferred tax liabilities from shares in subsidiaries have been recognized for planned dividend payments.

23. TRADE PAYABLES

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

24. CURRENT AND NON-CURRENT BORROWINGS

	December 31, 2021			December 31, 2022		
€ thousand	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	85,335	11,404	**96,739**	12,839	305,234	**318,073**
Other borrowings	261,920	1,330,719	**1,592,639**	248	2,060,362	**2,060,610**
Accrued interest	6,488	1	**6,489**	13,953	2	**13,955**
Total	**353,743**	**1,342,124**	**1,695,867**	**27,040**	**2,365,598**	**2,392,638**

The increase in liabilities to banks is mainly due to a new bilateral loan of CAD 400.0 million (€ 274.9 million). The decrease in current liabilities is attributable to the repayment of a short-term money market loan in the amount of € 80.0 million.

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. The increase in non-current liabilities is mainly due to the issue of the promissory note loan in the amount of € 750.0 million in April 2022. The decrease in current liabilities is explained by the repayment of a promissory note loan tranche of € 261.5 million in December 2022.

Bilateral credit lines exist with various banks to cover short-term payment requirements. As of December 31, 2022, Symrise had undrawn credit lines amounting to a nominal € 512.8 million (December 31, 2021: € 512.9 million), USD 10.0 million (December 31, 2021: USD 29.0 million), BRL 1.0 million (December 31, 2021: BRL 1.0 million), MGA 38.3 billion (December 31, 2021: MGA 27.1 billion), INR 200.0 million (December 31, 2021: INR 200.0 million), COP 1.0 billion (December 31, 2021: COP 1.0 billion) and ARS 25.0 million (December 31, 2021: 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 € 309.5 million (December 31, 2021: € 33.6 million).

December 31, 2021	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 (7 years)	December 2022	1.34 %	fixed	224,000 EUR
Promissory note loan 2015 (7 years)	December 2022	0.85 %	Euribor + 0.85 %	37,500 EUR
Promissory note loan 2015 (10 years)	December 2025	1.96 %	fixed	67,500 EUR
Promissory note loan 2015 (10 years)	December 2025	1.10 %	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
Term loan	March 2022	0.13 %	fixed	80,000 EUR
Proteinas Del Ecuador Ecuaprotein SA, Ecuador				
Shareholder loan	indefinite	5.00 %	fixed	1,554 USD
Diana Food Canada Inc., Canada				
Promotional loan	July 2023	0.00 %	fixed	517 CAD
Promotional loan	May 2023	0.00 %	fixed	56 CAD
Promotional loan	September 2024	0.00 %	fixed	63 CAD
Promotional loan	April 2026	0.00 %	fixed	566 CAD
Symrise Holding Inc., USA				
Term loan	June 2025	1.71 %	fixed	22,524 USD
Scelta Umami B.V., Netherlands				
Term loan	September 2027	1.30 %	Euribor + 1.85 %	502 EUR
SPF Do Brazil 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
Other borrowings				11,866 EUR

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 Brazil 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, Frankreich				
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

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 € 37.2 million (2021: € 30.5 million) and include cash outflows for lease liabilities, short-term leases, leases of low-value assets and variable lease payments. In the 2022 reporting year, the following expenses are recognized directly in the income from operations of the consolidated income statement:

€ thousand	2021	2022
Expenses for short-term leases	3,076	2,990
Expenses for leases on low-value assets	1,683	1,965
Expenses for variable lease payments	1,746	1,574

As of the end of the reporting period, there are obligations for future payments amounting to € 2.7 million from the leases concluded and classified as short-term (December 31, 2021: € 2.5 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, 2021 adjusted*	December 31, 2022
Employee-related liabilities	111,474	116,754
Liabilities to customers	43,378	48,344
Value added tax and other taxes	33,785	29,428
Taxes on wages/salaries, social security contributions and other social benefits	16,838	20,524
Miscellaneous other liabilities	63,030	66,330
Total	**268,505**	**281,380**

* Please refer to note 2.1 regarding the details of the adjustment.

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 liabilities 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 € 2.4 million (December 31, 2021: € 6.3 million). This position includes financial liabilities totaling € 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, 2021	**30,871**	**6,077**	**10,420**	**2,621**	**49,989**
of which non-current	20,243	5,342	8,614	481	**34,680**
Change to the scope of consolidation	57	0	0	0	**57**
Increases	5,156	0	2,009	1,165	**8,330**
Utilization	– 7,566	0	– 1,196	– 130	**– 8,892**
Disposal directly associated with assets held for sale	– 151	0	0	– 58	**– 209**
Reversals	– 33	0	– 2,826	– 215	**– 3,074**
Interest expenses	179	13	32	14	**238**
Exchange rate differences	253	364	51	194	**862**
December 31, 2021, adjusted*	**28,766**	**6,454**	**8,490**	**3,591**	**47,301**
of which non-current	19,864	6,454	7,646	1,198	**35,162**

* Please refer to note 2.1 regarding the details of the adjustment.

€ 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**

The personnel provisions mainly comprise those for jubilees (€ 11.1 million; December 31, 2021: € 14.3 million), for multi-year performance-based remuneration (€ 4.7 million, December 31, 2021: € 5.4 million) and for termination benefits (€ 5.7 million; December 31, 2021, adjusted: € 4.5 million). The jubilee obligations were discounted using an interest rate of 3.90 % p.a. in the reporting year compared to 1.26 % 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 2023 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 to 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 for the performance period from January 1, 2022, to December 31, 2025, is presented in the following table:

	Unit	December 31, 2021	December 31, 2022
Risk-free rate	%	–	2.38
Annualized volatility	%	–	26.32
Number of performance shares granted	shares	–	21,013
Fair value as of the grant date	€	–	2,878,200
Average share price as of the grant date	€	–	123.73
Number of performance shares earned at the end of the reporting period	€	–	28,241
Intrinsic value at the end of the reporting period	€	–	2,967,846
Carrying amount of the obligation	€	–	577,177
Expense for the period	€	–	577,177
Applied model		–	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 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, onwards. 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 onwards 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, onwards, 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 onwards. 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 to 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 US 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	2021	2022
Present value of defined benefit obligations		
January 1	**729,908**	**672,803**
Changes to the scope of consolidation	0	886
Recognized in income statement		
Current service cost	20,154	13,517
Interest expenses (+)	6,682	10,419
Recognized in other comprehensive income		
Actuarial gains (–)/losses (+)		
arising from changes in demographic assumptions	449	979
arising from changes in financial assumptions	– 73,981	– 221,448
arising from experience-based adjustments	3,515	41,827
Exchange rate differences	5,702	5,270
Other		
Benefits paid	– 17,008	– 18,602
Classified as held for sale	– 2,618	0
December 31	**672,803**	**505,651**
of which pension plans	661,998	496,851
of which post-employment healthcare benefits	10,805	8,800
Fair value of plan assets		
January 1	**– 50,194**	**– 56,490**
Changes to the scope of consolidation	0	– 498
Recognized in income statement		
Interest income (–)	– 1,251	– 1,638
Recognized in other comprehensive income		
Gains (-)/losses (+) on plan assets excluding amounts already recognized as interest income	– 2,895	11,521
Exchange rate differences	– 3,315	– 3,110
Other		
Employer contributions	– 808	– 336
Benefits paid	1,973	3,170
December 31	**– 56,490**	**– 47,381**
of which pension plans	– 56,490	– 47,381
Consideration of the effect of asset ceiling for plan assets		
January 1	**1,461**	**870**
Recognized in income statement		
Interest expense (+)/interest income (–)	5	3
Recognized in other comprehensive income		
Additions (+)/disposals (–)	– 548	371
Exchange rate differences	– 48	– 68
December 31	**870**	**1,176**
of which pension plans	870	1,176
Net defined benefit liability		
January 1	681,175	617,183
December 31	**617,183**	**459,446**
of which pension plans	606,378	450,646
of which post-employment healthcare benefits	10,805	8,800

As of the end of the reporting period, the entire present value of the defined benefit obligation contains € 243,770 thousand for active employees (December 31, 2021: € 372,702 thousand), € 42,103 thousand for former employees with vested claim entitlements (December 31, 2021: € 62,469 thousand) and € 219,778 thousand for retirees and their dependents (December 31, 2021: € 237,632 thousand). From this entire present value of the defined benefit obligation, € 493,542 thousand (December 31, 2021: € 660,275 thousand) is allocated to vested claims, while the remaining € 12,109 thousand (December 31, 2021: € 12,528 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 14.7 years (December 31, 2021: 18.4 years). It breaks down as 19.4 years (December 31, 2021: 22.6 years) for active employees, 19.0 years (December 31, 2021: 21.7 years) for former employees with vested claim entitlements and 10.1 years (December 31, 2021: 10.9 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), in Japan, in India and at a subsidiary in France. Plan assets secure a present value of the defined benefit obligation of € 55,022 thousand (December 31, 2021: € 68,804 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 € 47,381 thousand (December 31, 2021: € 56,490 thousand) are mainly used for provisions for pensions in the USA (€ 41,875 thousand; December 31, 2021: € 50,812 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 (€ 4,525 thousand; December 31, 2021: € 5,230 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 2022 – the prices of which were also derivable from active markets. It exceeds the net defined benefit liability and was limited to the asset ceiling. The remaining plan assets of € 981 thousand (December 31, 2021: € 448 thousand) are invested in accordance with country-specific requirements.

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

€ thousand	December 31, 2021	December 31, 2022
EAME	585,776	433,514
North America	23,669	17,087
Latin America	6,496	7,670
Asia/Pacific	1,242	1,175
Total	**617,183**	**459,446**

The actuarial measurements are based on the following assumptions:

%	2021	2022
Discount rate		
Germany	1.26	3.90
USA	2.62	4.91
Other countries	3.09	5.33
Salary trends		
Germany	2.25	2.75
Other countries	3.49	4.15
Pension trends		
Germany	1.50	2.00
Other countries	2.70	2.57
Medical cost trend rate		
USA	5.81	4.69
Other countries	10.30	9.86

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

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

	Change in present value of the defined benefit obligation			
	Increase		Decrease	
€ thousand	**2021**	**2022**	**2021**	**2022**
Discount rate	– 107,095	– 64,859	140,597	81,641
Salary trends	6,839	3,326	– 8,388	– 3,512
Pension trends	27,917	39,364	– 22,886	– 38,467
Medical cost trend rate	1,284	941	– 1,071	– 799

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 € 13,052 thousand (December 31, 2021: € 30,195 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 € 14,466 thousand (December 31, 2021: € 30,202 thousand).

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

	Change in current service costs			
	Increase		Decrease	
€ thousand	2021	2022	2021	2022
Medical cost trend rate	49	48	– 39	– 39

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 to 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 the determination of 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 directly adopted.

For the 2023 fiscal year, Symrise expects current service costs and payments into the plan assets totaling € 13,716 thousand (December 31, 2021: € 14,275 thousand) as well as benefits to be paid totaling € 19,199 thousand (December 31, 2021: € 16,690 thousand).

30. EQUITY

SHARE CAPITAL

The share capital of Symrise AG amounts to € 139,772,054 (December 31, 2021: € 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 contribution 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 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 2022 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, since the 2022 fiscal year, 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. In 2022, official inflation rates in Venezuela were announced by the government. For the preparation of the consolidated financial statements, Symrise used the most recent information on the change in general purchasing power, which is 147.0 % (2021: 692.5 %; 2020: 1,875.0 %). In Argentina, the government announced official inflation rates as of December 31, 2022, which assume a change in general purchasing power of 94.8 % for 2022 (2021: 50.9 %; 2020: 36.1 %). Since the development of the hyperinflation rate for the month of December was not yet known when the consolidated financial statements were being prepared, a rate of 94.6 % was assumed. For reasons of materiality, the financial statements of the Iranian subsidiary do not include an adjustment for hyperinflation.

Turkey has been classified as a hyperinflationary economy by the International Monetary Fund (IMF) during the reporting period. The application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to the Turkish subsidiary is thus mandatory from the beginning of the reporting period, which means that the financial statements of this Group company must also be adjusted to reflect the change in purchasing power resulting from inflation before translation into Euros and before consolidation. The general price index used for Turkish society is the consumer price index, which is published monthly by the Turkish government. As of December 31, 2022, this was 64.3 % (2021: 36.1 %; 2020: 14.6 %).

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 2022 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

2021 adjusted* € 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	–	168,682	–	**168,682**	1,210	**169,892**
Gains/losses from net investments	–	50	–	**50**	–	**50**
Reclassification to the consolidated income statement	–	1,064	–	**1,064**	–	**1,064**
Change in the fair value of financial instruments measured through other comprehensive income	–	–	39,012	**39,012**	– 303	**38,709**
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	– 839	**– 839**	–	**– 839**
Reclassification to the consolidated income statement	–	–	518	**518**	–	**518**
Remeasurement of defined benefit pension plans and similar obligations	52,577	–	–	**52,577**	–	**52,577**
Share of other comprehensive income of companies accounted for using the equity method	–	387	–	**387**	–	**387**
Other comprehensive income	**52,577**	**170,183**	**38,691**	**261,451**	**907**	**262,358**

* Please refer to note 2.1 regarding the details of the adjustment.

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**
Reclassification to the consolidated income statement	–	–	–	**–**	–	**–**
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**

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 3, 2022, a resolution was passed to distribute a dividend for the 2021 fiscal year of € 1.02 for each ordinary share with a dividend entitlement (for 2020: € 0.97).

The Executive Board and the Supervisory Board will recommend a dividend of € 1.05 per share at the Annual General Meeting based on Symrise AG's accumulated profit under commercial law as of December 31, 2022.

NON-CONTROLLING INTERESTS

The non-controlling interests mainly relate to the Probi group. According to the consolidated financial statements as of December 31, 2022, Probi has assets amounting to € 141.2 million (December 31, 2021: € 139.1 million), mainly comprising intangible assets (€ 66.2 million; December 31, 2021: € 67.1 million) and cash and cash equivalents (€ 29.1 million; December 31, 2021: € 24.4 million). The equity amounts to € 126.8 million (December 31, 2021: € 122.9 million). Sales amount to € 58.2 million (2021: € 64.9 million), consolidated net income amounts to € 3.8 million (2021: € 8.2 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, 2022.

With an equity ratio (equity attributable to shareholders of Symrise AG in relation to total equity and liabilities) of 45.6 % (December 31, 2021, adjusted: 47.8 %), 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, 2021	December 31, 2022
Borrowings	1,695,867	2,392,638
Lease liabilities	104,860	154,777
Cash and cash equivalents	– 453,808	– 314,857
Net debt	**1,346,919**	**2,232,558**
Provisions for pensions and similar obligations	617,183	459,446
Net debt including provisions for pensions and similar obligations	**1,964,102**	**2,692,004**

In order to calculate the key figure net debt/EBITDA, the net debt is applied to the EBITDA of the past twelve months, either with or without provisions for pensions. Based on EBITDA (€ 795.4 million), the net debt ratio as of December 31, 2022, amounts to 2.8 and 3.4, respectively, including provisions for pensions and similar obligations. Excluding the impairment loss on the associated company Swedencare AB, Malmö, Sweden, the net debt ratio as of December 31, 2022, amounts to 2.4 and 2.9, respectively, including provisions for pensions and similar obligations.

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 1.7 % p.a. (2021: 1.2 % p.a.).

32. ADDITIONAL DISCLOSURES ON THE CONSOLIDATED 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 acquisition of Schaffelaarbos B.V., Barneveld, Netherlands (€ 158.1 million less acquired cash and cash equivalents of € 1.1 million), for the acquisition of the Néroli and Romani groups, Saint-Cézaire-sur-Siagne, France (€ 127.6 million less acquired cash and cash equivalents of € 7.6 million), and for the acquisition of Wing Biotechnology Co., Ltd., Shanghai, China (€ 145.1 million less acquired cash and cash equivalents of € 2.8 million). Furthermore, payments for business combinations include payments for subsequent acquisitions of additional shares in Swedencare AB, Malmö, Sweden, which is accounted for using the equity method, since the change in status in February 2022 (€ 159.4 million). For information on business combinations, please refer to note 2.4.

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, 2021	**9,666**	**1,963,682**	**99,407**	**2,072,755**
Cash-effective change	59,114	18,491	– 24,004	**53,601**
Non-cash-effective change	284,963	– 640,049	29,457	**– 325,629**
Change to the scope of consolidation	18	0	5,196	**5,214**
Conversion of a convertible bond	– 384,812	1,060	0	**– 383,752**
Transfers	647,612	– 647,612	0	**0**
Accrued interest	22,096	5,806	3,369	**31,271**
Other changes	0	0	17,126	**17,126**
Exchange rate differences	49	697	3,766	**4,512**
of which with effect on other comprehensive income	49	1,021	4,002	**5,072**
of which with effect on profit or loss (financial result)	0	– 324	– 236	**– 560**
December 31, 2021	**353,743**	**1,342,124**	**104,860**	**1,800,727**

€ 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	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**

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, 2021 adjusted* € thousand	Carrying amount	Value recognized under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value
ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,192,982**	**1,192,982**	**–**	**–**	**1,192,982**
Cash	410,690	410,690	–	–	410,690
Cash equivalents	33,910	33,910	–	–	33,910
Trade receivables	729,846	729,846	–	–	729,846
Other financial assets	18,536	18,536	–	–	18,536
Financial assets measured at fair value through other comprehensive income (FVOCI)	**231,955**	**–**	**231,955**	**–**	**231,955**
Equity instruments[1]	231,955	–	231,955	–	231,955
Financial assets measured at fair value through profit or loss (FVTPL)	**21,326**	**–**	**–**	**21,326**	**21,326**
Cash equivalents	9,208	–	–	9,208	9,208
Securities	905	–	–	905	905
Equity instruments[1]	10,200	–	–	10,200	10,200
Derivative financial instruments without hedge relationship	1,013	–	–	1,013	1,013
Derivative financial instruments with hedge relationship (n.a.)	**22**	**–**	**22**	**–**	**22**
LIABILITIES					
Financial liabilities measured at amortized cost (FLAC)[2]	**2,113,841**	**2,113,841**	**–**	**–**	**2,162,377**
Trade payables	412,786	412,786	–	–	412,786
Borrowings	1,695,867	1,695,867	–	–	1,744,403
Other financial liabilities	5,188	5,188	–	–	5,188
Financial liabilities measured at fair value through profit or loss (FVTPL)	**6,466**	**–**	**–**	**6,466**	**6,466**
Derivative financial instruments without hedge relationship	6,002	–	–	6,002	6,002
Other financial liabilities	464	–	–	464	464
Derivative financial instruments with hedge relationship (n.a.)	**269**	**–**	**269**	**–**	**269**

* Please refer to note 2.1 regarding the details of the adjustment.

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

December 31, 2022 € thousand	Carrying amount	Value recognized under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value
ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,188,560**	**1,188,560**	**–**	**–**	**1,188,560**
Cash	278,082	278,082	–	–	278,082
Cash equivalents	27,268	27,268	–	–	27,268
Trade receivables	856,035	856,035	–	–	856,035
Other financial assets	27,175	27,175	–	–	27,175
Financial assets measured at fair value through other comprehensive income (FVOCI)	**2,471**	**–**	**2,471**	**–**	**2,471**
Equity instruments	2,471	–	2,471	–	2,471
Financial assets measured at fair value through profit or loss (FVTPL)	**24,461**	**–**	**–**	**24,461**	**24,461**
Cash equivalents	9,507	–	–	9,507	9,507
Securities	593	–	–	593	593
Equity instruments	13,025	–	–	13,025	13,025
Derivative financial instruments without hedge relationship	1,336	–	–	1,336	1,336
		–	–		
Derivative financial instruments with hedge relationship (n.a.)	**2,661**	**–**	**2,661**	**–**	**2,661**
LIABILITIES					
Financial liabilities 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)

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 previous year, equity instruments classified at fair value through other comprehensive income included the listed investments in Swedencare AB, Malmö, Sweden (€ 227.3 million), and Blis Technologies Limited, Dunedin, New Zealand (€ 4.7 million), which were allocated to Level 1. The investment in Swedencare has been included in the consolidated financial statements as an associated company since February 2022 in accordance with the provisions of IAS 28 "Investments in Associates and Joint Ventures." In the reporting year, equity instruments classified at fair value through other comprehensive income exclusively comprise the listed investment in Blis Technologies Limited, Dunedin, New Zealand (€ 2.5 million), for which an impairment loss of € 1.9 million was recognized in other comprehensive income.

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 three investments with acquisition costs totaling € 2.9 million were 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 is 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 acquisitions of Groupe Néroli and Romani, Saint-Cézaire-sur-Siagne, France, and Wing Biotechnology Co. Ltd, Shanghai, China, made in the fiscal year are shown (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	2021	2022
Financial assets measured at amortized cost (FAAC)	8,555	462
Financial instruments measured at fair value through other comprehensive income (FVOCI)	39,290	– 67,663
Financial instruments measured at fair value through profit or loss (FVTPL)	1,908	4,448
Financial liabilities measured at amortized cost (FLAC)	– 41,974	– 63,528

The net gains and losses in the fiscal year are mainly attributable to fair value adjustments to financial instruments measured at fair value through other comprehensive income, interest rate effects and currency translation effects. The fair value adjustments to financial instruments measured at fair value through other comprehensive income of € – 65.7 million (2021: € 39.3 million) relate to the investment in Swedencare AB, Malmö, Sweden, which was reclassified to investments in associated companies in February 2022 due to share purchases (see note 2.4).

The targeted use of forward exchange contracts related to the hedging of currency risks (€ 2.9 million) from transactions with third parties as well as intra-Group transactions. The cost of goods sold includes currency translation effects of € – 7.8 million (2021: € – 1.5 million).

Net income from financial assets measured at amortized cost includes interest income of € 3.9 million (2021: € 1.5 million) in addition to currency translation effects. Interest expenses for financial liabilities measured at amortized cost amounted to € 46.0 million in the reporting year (2021: € 30.9 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 LIBOR will be used for transactions in USD for as long as it is available. This will be replaced by the compounded reference rate by June 30, 2023, at the latest (or earlier if the parties come to an agreement or the USD LIBOR is no longer available for other reasons). 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:

2021	Nominal	of which fixed	of which variable	of which unhedged	1.0 percentage point increase
€ thousand	1,670,808	1,612,088	58,721	58,721	587
USD thousand	24,674	0	24,674	24,674	247

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

An increase to all relevant interest rates of one percentage point would have resulted in € 4,166 thousand less consolidated net income as of December 31, 2022 (December 31, 2021: € 804 thousand). A decline in the interest rates would have had no material effect on consolidated net income due to provisions on negative interest rates stipulated in the credit agreements. For disclosures on interest rates, please refer to note 24. The changes in interest rates from financial instruments have no 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; 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 Brazilian Real, Canadian Dollar, US Dollar, Chinese Renminbi and Japanese Yen. As of the end of the reporting period, the foreign currency risk before hedging transactions amounted to JPY 2,641.4 million (December 31, 2021: JPY 2,414.2 million), CNY 714.0 million (December 31, 2021: CNY 105.0 million), BRL 158.9 million (December 31, 2021: BRL 42.3 million), CAD 25.8 million (December 31, 2021: CAD –399.9 million) and USD 2.8 million (December 31, 2021: USD –48.9 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 higher currency risk in respect to the Chinese CNY mainly results from an intercompany loan in this currency. The increase in respect to the Brazilian Real also results from a higher level of trade receivables and an intercompany loan in this currency. 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	2021	2022
Sensitivity from a value increase/decrease in the EUR as compared to the USD of +/- 10 %		
Impact on earnings before income taxes	+/– 3,695	+/– 1,994
Impact on other comprehensive income before income taxes	–/+ 1,171	–/+ 814
Total	**+/– 2,524**	**+/– 1,180**
Sensitivity from a value increase/decrease in the EUR as compared to the CNY of +/– 10 %		
Impact on earnings before income taxes	+/– 669	+/– 399
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 669**	**+/– 399**
Sensitivity from a value increase/decrease in the EUR as compared to the CAD of +/– 10 %		
Impact on earnings before income taxes	+/– 3,884	+/– 71
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 3,884**	**+/– 71**
Sensitivity from a value increase/decrease in the EUR as compared to the JPY of +/– 10 %		
Impact on earnings before income taxes	+/– 169	+/– 68
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 169**	**+/– 68**
Sensitivity from a value increase/decrease in the EUR as compared to the BRL of +/– 10 %		
Impact on earnings before income taxes	+/– 270	+/– 67
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 270**	**+/– 67**

Currency forward contracts with positive market values amounted to € 2,586 thousand as of the end of the reporting period (December 31, 2021: € 1,034 thousand), while currency forward contracts with negative market values totaled € 2,525 thousand (December 31, 2021: € 6,271 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, 2021 € thousand	Carrying amount	Expected outgoing payments	Maturity dates for expected payments up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,695,867	1,793,298	389,074	813,815	590,409
Trade payables	412,786	412,786	412,786	0	0
Lease liabilities	104,860	124,565	22,358	54,458	47,749
Other non-derivative financial obligations	5,012	5,022	4,086	936	0

December 31, 2022 € thousand	Carrying amount	Expected outgoing payments	Maturity dates for expected payments up to 1 year	over 1 year 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

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, 2022 is five months (2021: three months).

€ thousand	December 31, 2021	December 31, 2022
Currency forward contracts		
Assets	1,034	2,586
Liabilities	6,271	2,525
Expected incoming payments	518,384	376,051
Expected outgoing payments	523,432	375,990
Interest rate swaps		
Assets	–	1,411
Expected incoming payments	–	1,411
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 € 9.5 million (December 31, 2021: € 8.3 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, 2022, the Group had obligations to purchase property, plant and equipment amounting to € 67.9 million (December 31, 2021: € 51.7 million). This mainly relates to production facilities and laboratory and office equipment. These obligations will mostly come due during the course of 2023. Other obligations amounting to € 341.0 million (December 31, 2021: € 238.0 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. In addition, new service contracts were concluded with a term until 2024 and 2025 respectively. The remaining total obligation toward these service providers amounts to € 20.6 million (December 31, 2021: € 0.9 million), accounting for extraordinary termination rights. Miscellaneous other financial obligations amounted to € 22.7 million as of December 31, 2022 (December 31, 2021: € 9.1 million) and are mostly obligations from consulting, service and cooperation contracts (€ 15.9 million; December 31, 2021: € 6.4 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 2022.

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 2021 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 € 1.2 million (December 31, 2021: € 2.3 million) was recognized as a liability for the share-oriented payment under the 2021 Executive Board remuneration system. The annual expense is reported under other long-term benefits. For information on the share-oriented payment, 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 € 0.6 million (December 31, 2021: € 0.0 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 2022 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:

	2021			2022		
€ thousand	**Executive Board**	**Supervisory Board**	**Total**	**Executive Board**	**Supervisory Board**	**Total**
Short-term benefits	4,871	1,031	**5,902**	4,886	1,100	**5,986**
Post-employment benefits	0	0	**0**	122	0	**122**
Other long-term benefits	898	0	**898**	686	0	**686**
Share-based payment	0	0	**0**	577	0	**577**
Total	**5,769**	**1,031**	**6,800**	**6,271**	**1,100**	**7,371**

In addition to the remuneration shown in the table, one-time payments totaling € 1.3 million that were due in the short term were paid in the 2021 fiscal year. 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	**2021**	**2022**
Total remuneration for active members		
Executive Board	9,389	9,333
Supervisory Board	1,031	1,100
Total remuneration for former members and their surviving dependents		
Executive Board	420	819

Provisions for current pensions and pension entitlements contain contributions of € 10.8 million (December 31, 2021: € 14.0 million) for former members of the Executive Board and € 2.9 million (December 31, 2021: € 4.0 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 2022 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 still amounted to more than 1 % as of December 31, 2022. Of the 5.25 % (December 31, 2021: 5.24 %) of shares in Symrise AG collectively held by members of the Executive and Supervisory Boards, 5.03 % are still held by members of the Supervisory Board while 0.22 % are held by members of the Executive Board (December 31, 2021: 0.21 %).

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 3, 2022, appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditor for the 2022 fiscal year.

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

€ thousand	2021	2022
Audit of financial statements	758	1,103
Other audit assurance services	29	29
Total	**787**	**1,132**

A total of € 3.7 million (2021: € 2.8 million) was incurred worldwide in connection with the audit of the financial statements. The other audit assurance services 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 2022, please see note 2.4.

Fully consolidated subsidiaries as of December 31, 2022

Name and registered office of the entity	December 31, 2021	December 31, 2022
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%
SMP GmbH, Munich[1)]	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	–	100.00%
Neroli France SAS, Saint-Cézaire-sur-Siagne	–	100.00%
Neroli Invest DL SAS, Saint-Cézaire-sur-Siagne	–	100.00%
SFA Romani SAS, Saint-Cézaire-sur-Siagne	–	100.00%
Société de Protéines Industrielles SAS, Berric	100.00%	100.00%
Spécialités Pet Food SAS, Elven	100.00%	100.00%
SymNeroli SAS, Saint-Cézaire-sur-Siagne	51.00%	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	100.00%	100.00%
Diana Food Limited, Spalding, United Kingdom	100.00%	100.00%
InterMay B.V., Barneveld, Netherlands	–	100.00%
OOO “Symrise Rogovo,” Rogovo, Russia	100.00%	100.00%
Probi AB, Lund, Sweden	60.27%	67.60%
Scelta Umami B.V., Venlo, Netherlands	60.00%	60.00%
Schaffelaarbos B.V., Barneveld, Netherlands	–	100.00%
Schaffelaarbos UK Ltd., Hitchin, United Kingdom	–	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%

1) Merged in the 2022 fiscal year.

Rest of Europe (continued)	December 31, 2021	December 31, 2022
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%
Symrise Luxembourg S.a.r.l., Luxembourg, Luxembourg[1]	100.00%	–
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%
North America		
American Dehydrated Foods Inc., Springfield, USA	100.00%	100.00%
Califormulations LLC, Columbus, USA[2]	49.00%	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 US Inc., Seattle, USA	60.27%	67.60%
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[3]	100.00%	100.00%
Symrise US LLC, Teterboro, USA	100.00%	100.00%
Latin America		
Aquasea Costa Rica, Canas, Costa Rica	100.00%	100.00%
Citratus Fragrâncias Indústria e Comércio Ltda., Vinhedo, Brazil[4]	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	91.50%	91.50%
Spécialités 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%

1) Liquidated in the 2022 fiscal year.
2) Reported in associated companies as of December 31, 2021.
3) Non-consolidated subsidiary as of December 31, 2021.
4) Merged in the 2022 fiscal year.

Asia and Pacific (continued)	December 31, 2021	December 31, 2022
Jiangsu Wing Biotechnology Co., Ltd., Jiangsu, China	–	100.00%
Jiangxi Wing Biotechnology Co., Ltd., Jiangxi, China	–	100.00%
Neroli Group China, Shanghai, China	–	100.00%
P.T. Symrise, Jakarta, Indonesia	100.00%	100.00%
Probi Asia-Pacific Pte Ltd, Singapore, Singapore	60.27%	67.60%
Shanghai Wing Biotechnology Co., Ltd., Shanghai, China	–	100.00%
SPF (Chuzhou) Pet Food Co., Ltd, Chuzhou, China	100.00%	100.00%
SPF (Qingdao) Trading Co., Ltd, Qingdao City, China[1)]	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 %
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, 2022

Name and registered office of the entity	December 31, 2021	December 31, 2022
Food Ingredients Technology Company, L.L.C., Springfield, USA	50.00%	50.00%
Maison d'Essence SAS, Saint-Cézaire-sur-Siagne, France	–	50.00%

Associated companies as of December 31, 2022

Name and registered office of the entity	December 31, 2021	December 31, 2022
7905122 Canada Inc., Boucherville, Québec, Canada	40.00%	40.00%
Florusin-M, Moscow, Russia	–	44.00%
Kobo Products Inc., South Plainfield, NJ, USA	25.00%	25.00%
Laboratoires Blücare Inc., Boucherville, Québec, Canada	40.00%	40.00%
Mako B.V., Barneveld, Netherlands	–	30.00%
Swedencare AB, Malmö, Sweden[2)]	12.87%	29.80%
Therapeutic Peptides Inc., Baton Rouge, USA	20.00%	20.00%
VIDEKA, LLC, Kalamazoo, USA	49.00%	49.00%

1) Liquidated in the 2022 fiscal year.
2) Reported in other interests in large limited liability companies as of December 31, 2021.

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 2022 and has been made permanently available to shareholders through the website www.symrise.com.

Holzminden, Germany, February 15, 2023

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 15, 2023

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 2022 to 31 December 2022, and the consolidated statement of financial position as at 31 December 2022, consolidated statement of cash flows, consolidated statement of changes in equity for the fiscal year from 1 January 2022 to 31 December 2022, 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 2022 to 31 December 2022. 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 net assets and financial position of the Group as at 31 December 2022 and of its results of operations for the fiscal year from 1 January 2022 to 31 December 2022, 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 2022 to 31 December 2022. 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 2022 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. 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 2022 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.

As the Symrise Group carries out its impairment test as of 30 September each year, we assessed the Company's analysis on the effect of the interest rate increase until 31 December 2022 and performed additional procedures to ensure that there had been no significant changes as of the reporting date. This mainly involved also analyzing the validity of the underlying valuation inputs and significant planning assumptions as of the reporting date.

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 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 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 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 by comparing them, among other things, with publicly available information, including existing analyst assessments, discussing them with the executive directors and including general and industry-specific market expectations and any synergy potential 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.

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 issued detailed accounting instructions 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 control passed to the buyers upon the sale of the products. We analyzed the processes implemented by the Executive Board of Symrise AG and the recognition and measurement policies for the recognition of revenue from product sales. 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 2022 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 from customers.

Overall, our procedures relating to the recognition of revenue from the sale of products did not lead to any reservations.

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 net assets, financial position and results of operations 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 net assets, financial position and results of operations 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 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-2022-12-31.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 2022 to 31 December 2022 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 3 May 2022. We were engaged by the Supervisory Board on 25 October 2022. 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.

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 internal control and risk management system" in the section "Organization and process."

- The "General statement on the adequacy and efficacy of the control systems at Symrise".

2. ADDITIONAL OTHER INFORMATION

The other information comprises the following part of the corporate 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 corporate 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 chapter "Sustainability and responsibility," "Our company" and "Magazine"

but not the consolidated financial statements, not the parts of the group management report whose content is audited and not our auditor's report thereon.

Hanover, 16 February 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Eickhoff	Heinrichson
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Corporate Governance

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Corporate Governance Statement pursuant to Sections 289f, 315d of the German Commercial Code (HGB) and Corporate Governance Report

The actions of Symrise AG's management and oversight bodies are determined by the principles of good and responsible corporate governance and the associated Group companies. With the Corporate Governance Statement, the company also provides information on the key elements of the corporate governance structures at Symrise AG in accordance with Sections 289f and 315d of the German Commercial Code ("HGB") for Symrise AG and the Symrise Group (hereinafter jointly referred to as "Symrise"). The Corporate Governance Statement includes the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), relevant disclosures on corporate governance practices, a description of the working methods of the Executive Board and the Supervisory Board, as well as the composition and working methods of their Committees, the target figures for the proportion of women in the Executive Board and for the two management levels below the Executive Board, together with deadlines for implementation, the status of implementation and a description of the diversity concept with regard to the composition of the Executive Board and Supervisory Board.

In accordance with Principle 23 of the currently applicable version of the German Corporate Governance Code from April 28, 2022 ("DCGK 2022") published in the official section of the Federal Gazette by the German Federal Ministry of Justice and Consumer Protection on June 27, 2022, the Supervisory Board and Executive Board report annually on the corporate governance of the respective company in the Corporate Governance Statement. Due to the similarity of the contents of the Corporate Governance Report and the Corporate Governance Statement to each other, Symrise has integrated the Corporate Governance Report into the Corporate Governance Statement in previous years, thus making it easier for readers to follow.

The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code has been made publicly available on the Symrise website. See **https://www.symrise.com/corporate-governance-statement**.

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT ON THE GERMAN CORPORATE GOVERNANCE CODE

Under Section 161 of the German Stock Corporation Act, the Executive Board and the Supervisory Board of a listed company must issue an annual declaration detailing whether the company was and is in compliance with the German Corporate Governance Code and providing its reasoning regarding any recommendations of the Code that have not been applied.

WORDING OF THE DECLARATION

On the basis of their deliberations, the Executive Board and the Supervisory Board of Symrise AG issued a new declaration of compliance on November 30, 2022, pursuant to Section 161 of the German Stock Corporation Act. The declaration is worded as follows:

"In accordance with Section 161 of the German Stock Corporation Act, the Executive and Supervisory Boards of Symrise AG state that:

Since December 1, 2021, Symrise AG has fully complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: December 16, 2019, "DCGK 2020") published by the German Federal Ministry of Justice and Consumer Protection on March 20, 2020, in the official part of the Federal Gazette. Since June 27, 2022, Symrise AG has complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: April 28, 2022) ("DCGK 2022") published by the German Federal Ministry of Justice and Consumer Protection on June 27, 2022, in the official part of the Federal Gazette (Bundesanzeiger) and intends to continue to do so in the future."

The Declaration of Compliance has been made publicly available on Symrise AG's website. The previous Declarations of Compliance are also published there. See: **https://www.symrise.com/investors/corporate-governance/declaration-of-compliance**.

RELEVANT INFORMATION ON COMPANY PRACTICES

This part of the Corporate Governance Statement provides relevant information on corporate governance practices beyond the scope of the legal requirements.

OUR CODE OF CONDUCT

Our Code of Conduct at Symrise is a set of legally binding ethical guidelines that apply to every employee, regardless of position, location or task and irrespective of any personal characteristics such as age, gender, language or culture. Our Code of Conduct provides the framework for interactions with the key stakeholders of our company: employees and colleagues, customers and suppliers, shareholders and investors, neighbors and society, national and local governments as well as government agencies, the media and the public. Our stakeholders are all those that have a legitimate interest in our company, including its activities and services, and with whom we interact on a regular basis. The Code of Conduct is based on our values and principles. By following it, we guarantee that every person is treated fairly and with respect while ensuring that our behavior and business activities remain transparent, honest and consistent throughout the world. Our Code of Conduct applies to all Symrise Group companies. Every Group company must also comply with national laws when implementing the Code of Conduct. In certain countries, it is possible that more restrictive or more comprehensive laws or regulations than those in our Code of Conduct may apply. In such cases, the stricter regulations always apply.

All employees are required to know the basic laws, regulations and internal corporate rules that apply to their areas of responsibility. Additionally, every manager needs to ensure that their staff are familiar with the Code of Conduct and that they work in compliance with its provisions. This is a mandatory requirement. We also expect our business partners to accept and respect the principles contained in our Code of Conduct. Through our Code of Conduct, we have established a fundamental and widely visible principle for uniform and exemplary action and behavior. Our Code of Conduct defines minimum standards and sets out behavior enabling all Symrise employees to cooperate in meeting these standards. The Code of Conduct helps in overcoming ethical and legal challenges in daily work. It provides concrete guidance for any conflict situations. In the interest of all employees and the Group, possible non-compliance with standards will be investigated and addressed, and the causes will be remedied. This means that misconduct will be consistently prosecuted in accordance with local laws.

The Code of Conduct is a core element of our compliance management system. This also includes advising employees on questions regarding the Code of Conduct and regular training on the primary topics of our Code of Conduct. These key topics regulate behavior in the workplace, conduct in business and the handling of information to ensure confidentiality and data protection.

Honesty, respect and fairness in our behavior and communication with one another are absolutely vital. Our employees are hired, trained and promoted based on these principles. We have committed to providing our employees with a safe and healthy working environment, and every employee can also contribute to the overall level of health and safety at work. We therefore encourage our employees to do just that. Safety is also an essential aspect for our products, as our customers and consumers expect safe, high-quality products from us at all times. The health of all employees is just as important to us as workplace safety. We are therefore committed to a work environment free of drugs and alcohol. The use of information technology is indispensable in our day-to-day operations. Just as important are the measures ensuring data security. Failure to observe these security measures can have serious consequences. Our guidelines help in avoiding such incidents.

We advocate fair competition everywhere and at all times. In this regard, we have adopted specific principles that every employee who is entrusted with issues involving contact with competitors must be familiar with. This includes local competition regulations of the respective countries in which our employees work on behalf of Symrise. A decision that serves the interest of Symrise may stand in conflict with the personal, professional or financial interests of employees. Our Code of Conduct contains specific principles and guidance on how to deal with such conflicts of interest so that business decisions can be made impartially and in the best interest of the company. We do not tolerate any form of corruption at Symrise. Accepting or providing money or services of any kind in an attempt to obtain a competitive advantage is prohibited. Strict rules apply to accepting or granting gifts or hospitality. There must be no associated quid pro quo or consideration. Donations and sponsorships are an expression of our societal commitment. We promote the areas of health, education and science, art and culture and social welfare projects. Having earned this reputation, we are approached by various organizations, institutions and associations with requests for support. We have set for ourselves strict rules for dealing with such requests, with absolute transparency being the top priority.

As a publicly traded company, we are required to observe numerous capital market laws and national and international accounting regulations. A wide range of information is also dealt with on a regular basis. In this context, it is essential to ensure their confidentiality and to comply with the data protection regulations that apply worldwide. We also expect all of our employees to handle information and data of any kind carefully and responsibly. As with every publicly traded company, Symrise is subject to the strict rules of the capital markets and to monitoring by various supervisory bodies. This requires very sensitive handling of insider information, meaning internal information that is not publicly known and that would likely have a significant impact on our share price if it became public. A major portion of our success is due to products and solutions that have been developed in our company – creative breakthroughs that we also seek to protect through patents. We know just how important these ideas and breakthroughs are. We therefore respect and protect intellectual property of every kind, regardless of whether it was developed by one of our companies or by third parties, and regardless of its commercial value.

Our Code of Conduct has been made permanently available on the Symrise website. It can be found at **https://www.symrise.com/code-of-conduct**.

OUR COMPLIANCE MANAGEMENT SYSTEM

INTRODUCTION

At Symrise, we understand "compliance" as an integrated organizational model ensuring adherence to legal regulations as well as intercompany guidelines and the corresponding processes and systems. This is considered an important management and monitoring task. Symrise has an integrated compliance management system that combines sustainable, risk- and value-oriented, and legal and ethical aspects and rules; we have made this into a fundamental principle for everything we do in business. We act on the basis of our understanding and conviction that adherence to these fundamental rules is an inalienable and non-negotiable component of our Symrise identity. Only a clearly defined and transparent framework of what type of conduct is allowed and what type of conduct is not allowed guarantees the success and sustainability of our business. At Symrise, compliance is a matter of course. Compliance concerns the attitude of each individual at Symrise. Our principle is clear and applies to all countries: "Any business that cannot align with our fundamental principles is not business for Symrise."

The Group Compliance Officer reports directly to the Executive Board Member with responsibility for Human Resources & Legal. Internal Auditing reports directly to the CFO. This ensures the independence and authority of these functions. The Group Compliance Officer and Internal Auditing report to the Auditing Committee of the Supervisory Board regularly at each of the committee's meetings.

TECHNICAL COMPLIANCE AND LEGAL COMPLIANCE

In addition to tax compliance, treasury compliance and internal audit, our compliance management system differentiates in particular between what is known as technical compliance and legal compliance. Technical compliance activities focus on quality, environmental protection, health, work safety, energy, product safety and food safety. In nearly all of these areas, the products of Symrise are subject to strict government supervision worldwide. It is a matter of course for us that our products and processes comply with local regulations around the world. Legal compliance activities concentrate on competition and antitrust law, anti-corruption and money laundering prevention efforts and export controls. Here, the focus of activity is on education and prevention. The implementation and further development of Group guidelines on these topics also fall into this category.

The results and insights from every area of compliance are collected by the Group Compliance Officer and reported to the Executive Board and the Auditing Committee of the Supervisory Board. As a result, any measures that may arise will now be coordinated efficiently. Possible compliance violations are immediately remedied and their causes are identified, with corrective measures implemented if necessary.

The Executive Board of Symrise has explicitly expressed – in both internal and external contexts – its refusal to accept any form of compliance infringement. Such violations will not be tolerated at Symrise. Sanctions will be imposed upon involved employees wherever necessary and legally possible.

OUR INTEGRITY HOTLINE

The Integrity Hotline set up by the Group Compliance Office ensures that Symrise employees can anonymously report violations of both legal regulations and internal company guidelines from anywhere in the world. By means of this hotline, all our employees are able to contact the Group Compliance office using toll-free telephone numbers that have been specially set up in the individual countries. An intermediary service operator ensures that employees can retain anonymity where required and communicate in their native language. They receive a unique individual incident number that enables them to call the Integrity Hotline back later and listen to the answer left for them by the Group Compliance office. This procedure can be repeated and continued as desired. In this way it enables intensive communication between the Group Compliance office and the person providing the information while preserving the latter's anonymity. At the same time, targeted queries can prevent abuse and denunciations by other employees, and additional information can be requested. In addition, employees can contact the Group Compliance office staff anonymously via the online Symrise Integrity Hotline service. This service makes it possible for them to submit messages in writing and upload any documents electronically.

It is therefore not absolutely necessary to communicate with the Group Compliance office over the phone. Of course, all employees can also contact the Group Compliance office directly and personally at any time.

In the 2022 fiscal year, two cases per month on average worldwide were reported to the Compliance Office via the Integrity Hotline. In all cases, investigations were initiated and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and Group-internal regulations. In three cases, labor law sanctions were imposed. No material damage to third parties or to our company resulted from these cases.

TRAINING COURSES ON COMPLIANCE ISSUES

In order to ensure observance of all compliance requirements on an ongoing basis, the need for training is regularly identified and suitable training courses are held in the areas of "Technical Compliance," "Legal Compliance" and "Tax Compliance." In addition to training courses where employees are present on-site, internet-based online training is also offered. This allows us to reach more employees in a shorter period of time. It also gives employees greater flexibility in terms of where and when they complete their training. Subsequent tests confirm not only that a training course has been completed, but also that its content has been understood.

In addition to the requirements of their positions, new Symrise employees are given comprehensive training on the fundamental principles of our Code of Conduct when they join the company. All employees then take part in rolling training courses based on predefined schedules. Depending on whether they are basic, refresher or specialized training courses, these schedules cover a period of between one and three years.

POLITICAL ENGAGEMENT

Dialogue with politicians and participation in public discourse are important foundations and drivers for the future-oriented plans of our company. This exchange must take place with integrity and transparency for all parties involved. We explicitly prohibit the corrupt gaining of advantage through political influence. We take care to comply with the applicable legal standards and legal framework. Symrise participates in political and social dialogue through events and personal contact with decision-makers as well as through media channels. In exchanges with relevant stakeholders, we express our interest, share our views and raise awareness of specific issues in the political discourse and regulatory environment. Symrise is a member of selected associations and initiatives in order to represent the interests of the industry together with other stakeholders and to promote sustainability topics. Before joining an organization, we evaluate whether membership is compatible with our values and our Code of Conduct. Symrise is neutral in terms of party politics and does not engage in political activities on behalf of the company. Accordingly, we as a company made no donations to political parties, politicians or candidates for political office in the reporting year. Our complete declaration on political engagement is published on the Symrise website. See: **https://www.symrise.com/statement-on-political-involvement**

CORPORATE GOVERNANCE

Corporate governance at Symrise is based on the German Corporate Governance Code 2022, which is now considered the guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever before that good corporate governance is a prerequisite and indispensable basis for the success of a company. This success depends especially on the trust of our business partners, financial markets, investors, employees and the public. Confirming and further strengthening this trust is a prioritized objective at Symrise. Achieving this objective calls for responsible leadership along with corporate management and control focused on creating sustainable value.

In the past, we have oriented ourselves toward internationally and nationally acknowledged standards of good and responsible corporate governance and will continue to do so in the future. In the 2022 fiscal year, the Executive Board and Supervisory Board also dealt intensively with corporate governance issues across all divisions. The Chairperson of the Supervisory Board regularly engages in dialogue with major shareholders and proxies in the spirit of commitment to corporate governance.

DESCRIPTION OF THE WORKING METHODS OF THE EXECUTIVE AND SUPERVISORY BOARDS

This part of the Corporate Governance Statement focuses on the working methods of the Executive Board, the Supervisory Board and the committees formed by the Supervisory Board. The composition of these committees will also be briefly discussed. The Executive Board has not formed any committees.

DUAL MANAGEMENT SYSTEM

Symrise AG is a stock corporation under German law, on which the German Corporate Governance Code 2022 is also based. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Executive Board and the Supervisory Board, each of which is entrusted with independent competencies. In the management and oversight of the company, Symrise AG's Executive Board and Supervisory Board cooperate closely and always in a spirit of trust. They manage the company on the basis of a jointly developed, transparent strategy that is understandable for everyone and geared toward the long-term success of our company. This strategy is always in line with the applicable laws and our ethical standards. Corporate management practices that go beyond this strategy are derived from our common values and relate to every stage of the value chain. The essential guidelines relevant in this regard are primarily grounded in our corporate guidelines. Our risk management system and our compliance management system serve to fulfill the organizational and supervisory duties of the Executive Board and the Supervisory Board.

EXECUTIVE BOARD

As of the end of the reporting period (December 31, 2022), the Executive Board consisted of three people. This body was then expanded to five people with effect from February 1, 2023. All members of the Executive Board are appointed by the Supervisory Board. The Executive Board is responsible for managing the company's business operations in the interest of the company with a view to creating sustainable value. In determining the composition of the Executive Board, the Supervisory Board bases its decisions on the relevant professional knowledge and personal suitability of each individual while also taking aspects such as age, gender, and educational and professional background into account. With a view to other aspects of the composition of the Executive Board, the Supervisory Board strives for diversity. Without basing selection decisions on this in individual cases, the Supervisory Board aims to ensure that age groups are appropriately represented on the Executive Board, taking into account the experience required for a position on the Executive Board. The international activities of the company should be appropriately reflected in the composition of the Executive Board. Therefore, the aim is for members of different nationalities or with an international background (such as extensive professional experience abroad or in providing support for business activities) to belong to the Executive Board. As of the end of the reporting period, one member of the Executive Board has a nationality other than German. All board members have extensive professional experience abroad. In addition to the specialist knowledge and management and leadership experience required for the respective task, the members of the Executive Board should cover the widest possible spectrum of knowledge, experience and educational and professional background. All members of the Executive Board currently meet these criteria The stated goals are included in the decision regarding how to fill Executive Board positions. With this concept for the composition of the Executive Board, the Supervisory Board is pursuing the goal of incorporating as many diverse perspectives as possible into the management of the company through a balanced, diverse composition of the Executive Board as well as the highest possible individual suitability of the individual members.

The current members of the Executive Board are:

Dr. Heinz-Jürgen Bertram, CEO, and also President of the Scent & Care segment until January 31, 2023. Dr. Bertram has been a member of the Executive Board since October 2006. In July 2009, he was appointed CEO. His current contract ends on October 31, 2025.

Dr. Jörn Andreas, Head of Scent & Care segment. Dr. Andreas has been a member of the Executive Board since February 1, 2023. His current contract ends on January 31, 2026. Dr. Andreas is a member of the Board of Directors of Probi AB, which is listed in Sweden and headquartered in Lund, Sweden. Probi AB is a Symrise Group company. Dr. Andreas is also a member of Blis Technologies Limited, Dunedin, New Zealand.

Dr. Stephanie Cossmann, Head of Human Resources & Legal and Labor Director. Dr. Cossmann has been a member of the Executive Board since February 1, 2023. Her current contract ends on January 31, 2026.

Mr. Olaf Klinger, Chief Financial Officer. Mr. Klinger has been a member of the Executive Board since January 2016. His current contract ends on January 31, 2024.

Dr. Jean-Yves Parisot, Head of the Taste, Nutrition & Health segment. Dr. Parisot has been a member of the Executive Board since October 2016 and has been responsible for the Taste, Nutrition & Health segment since April 2021. His current contract ends on September 30, 2024. Dr. Parisot is Chairperson of the Board of Directors of Probi AB, which is listed in Sweden and headquartered in Lund, Sweden. Probi AB is a Symrise Group company. Dr. Parisot is also a member of the Board of Directors of VetAgroSup based in Lyon, France, and a member of the Board of Directors of Swedencare AB, which is based in Malmö, Sweden, and also listed in Sweden.

The Executive Board develops the company's strategic direction, approves it with the Supervisory Board and is responsible for its implementation. The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant issues of corporate planning and strategic development, on company performance, on the status of the Group, including a risk profile, and on risk management. The reporting of the Executive Board also covers the compliance management system, that is, the measures for adherence to legal regulations and internal corporate guidelines. The rules of procedure for the Executive Board specify reservations of consent of the Supervisory Board for significant business transactions. As part of the succession planning for Executive Board positions, the Executive Board regularly informs the Supervisory Board of candidates it has identified as having potential for assuming Executive Board positions. When developing the subordinate management levels, the same diversity criteria are used as when filling Executive Board positions. The candidates identified present at least one presentation to the Supervisory Board or its committees. For each member of the Executive Board, at least one substitute member is identified who could replace a member of the Executive Board at short notice and take over their duties if necessary. As a rule, personnel consulting firms are also used here. They support the Supervisory Board in evaluating internal and external candidates.

In accordance with Recommendation B 5 of the German Corporate Governance Code 2022, there is an age limit for members of the Executive Board. Anyone who has reached the age of 65 at the time of appointment may no longer be appointed as a member of the Executive Board. This age limit is specified in Section 1 (5) of the rules of procedure for the Executive Board and has been in place since December 2009. As of the end of the reporting period on December 31, 2022, the ages of the members of the Executive Board ranged from 57 to 64 years and from February 1, 2023, from 42 to 64 years. These provisions are available to the public on our website at **https://www.symrise.com/rules-of-procedure-executive-board**.

The Act on the Equal Participation of Women and Men in Executive Positions in the Public and Private Sectors (“FüPoG I”), which went into force on May 1, 2015, has the aim of increasing the share of female executives holding upper management positions at companies and largely contributing to gender equality.Symrise is a globally managed company, so senior management positions below the Executive Board also exist outside of Germany. The basis for the Symrise-specific quota for women is therefore the global management structure of Symrise AG. In 2022, the proportion of women on the first management level below the Executive Board was 16 %, after 20 % in the previous year, and at the second management level it was 37 %, after 38 % in the previous year. The decline below the level previously achieved is solely due to the fact that in the 2021 fiscal year, the Flavor and Nutrition segments were merged to form the new Taste, Nutrition & Health segment, and this alone reduced the absolute number of management positions on the first and second management levels beneath the Executive Board. Notwithstanding this, Symrise is maintaining its goal to increase the proportion of women on the first management level to 30 % and on the second management level to 45 % in 2025.

On August 12, 2021, the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Executive Positions in the Public and Private Sector (“FüPoG II”) went into force. Accordingly, the Executive Board of a listed company to which, among other things, the Codetermination Act (MitbestG) applies and which consists of more than three people must be composed of at least one man and at least one woman. Companies had a transitional period until August 1, 2022, to implement the legal requirement. Executive Board memberships existing at that time may be continued until their scheduled end. As a result of this legal requirement, the Supervisory Board is no longer obligated to set further targets and implementation deadlines for the composition of the Executive Board.

Symrise AG pursued the long-term goal of having at least one woman on the Executive Board even before FüPoG II went into force. In light of this, the Supervisory Board resolved to set a target for the proportion of women on the Executive Board, with the target being the appointment of at least one woman. This goal has been met since February 1, 2023.

SUPERVISORY BOARD

The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company. The Chairperson of the Supervisory Board coordinates the work on the Supervisory Board, chairs its meetings and externally represents the concerns of the body. An extraordinary Supervisory Board meeting may be convened if required when events of particular relevance occur. The representatives of the shareholders and the employees can meet separately to prepare the meetings. If necessary, any meeting of the full Supervisory Board may be held even if no member of the Executive Board is present. The same is true for those specific topics about which the auditor reports to the Supervisory Board and is available to answer questions. In the 2022 fiscal year, the Supervisory Board held five ordinary meetings, two of which focused on specific topics. The first meeting on a specific topic centered around the company’s strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2023. One extraordinary meeting was held in relation to an M & A project. The Supervisory Board has given itself rules of procedure, which also apply to the committees of the Supervisory Board. This is available to the interested public on the Internet at **https://www.symrise.com/rules-of-procedure-supervisory-board.**

In accordance with Recommendation D 12 of the German Corporate Governance Code 2022, the Supervisory Board regularly assesses its effectiveness in fulfilling the tasks of the Supervisory Board and its committees. The last self-assessment occurred in the fall of 2020. It is carried out on the basis of resources such as an anonymous questionnaire completed by all members of the Supervisory Board. The results of the survey are presented and discussed at the full Supervisory Board meetings. These questionnaires were designed with external assistance.

COMPOSITION OF THE SUPERVISORY BOARD

Pursuant to Section 8 (1) of the company's articles of incorporation in conjunction with Section 96 (1) of the German Stock Corporation Act and Section 7 (1) (1) (1) of the German Codetermination Act 1976 ("MitbestG"), the Supervisory Board consists of twelve members. In accordance with the provisions of the Codetermination Act, six members are elected by the Annual General Meeting and six by the company's employees.

For listed companies subject to the Codetermination Act, Section 96 (2) (1) of the German Stock Corporation Act stipulates, inter alia, that the Supervisory Board must comprise at least 30 % women and at least 30 % men. In order to comply with this minimum gender distribution requirement, at least four seats on the company's Supervisory Board must be held by women and four seats by men. This minimum distribution is to be met by the Supervisory Board in total (what is known as total compliance), unless the shareholder or employee representatives on the Supervisory Board object to this by way of a resolution (Section 96 (2) (3) of the German Stock Corporation Act (AktG)). Total compliance with this requirement was rejected by the representatives of both the shareholders and the employees in accordance with Section 96 (2) (3) AktG. The group of shareholder representatives and the group of employee representatives on the Supervisory Board are each required to comply with the minimum distribution of 30 % for their group, so the six representatives of each group include at least two women and men in each case. Both groups on the Supervisory Board currently meet this requirement.

At present, the following shareholder representatives have been elected to the Supervisory Board for the period until the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2024: Ms. Ursula Buck, Managing Director of BC BuckConsult, Possenhofen; Mr. Bernd Hirsch, CFO of COFRA Holding AG, Gütersloh; Mr. Michael König, Chief Executive Officer of Nobian Industrial Chemicals B.V., Iserlohn, Prof. Dr. Andrea Pfeifer, CEO of AC Immune S. A., St. Légier, Switzerland; and Mr. Peter Vanacker, CEO of LyondellBasell Industries N.V., Houston, Texas. Horst-Otto Gerberding was elected to the Supervisory Board for a term that runs until the end of the Annual General Meeting, which will make a decision on discharges for the 2022 fiscal year.

The following six employee representatives have been elected to the Supervisory Board from among the German staff in compliance with the legally prescribed election process for the period until the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2025: Ms. Jeannette Chiarlitti, IG BCE General Secretary of the Northern District, Salzgitter; Mr. Harald Feist, Chairperson of the Works Council and the General Works Council of Symrise AG, Holzminden; Mr. André Kirchhoff, independent member of the Works Council of Symrise AG, Bevern; Dr. Jakob Ley, Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health at Symrise AG, Holzminden; Ms. Andrea Püttcher, Deputy Chairperson of the Works Council and Vice Chairperson of the General Works Council of Symrise AG, Bevern; and Peter Winkelmann, Regional Head of the IG BCE district of South Lower Saxony, Alfeld.

By supporting appropriate election proposals for the election of shareholder representatives by the Annual General Meeting and the election of employee representatives by the staff, the Supervisory Board will continue to work toward implementing the requirements of the law ("FüPoG I") insofar as they relate to the composition of the Supervisory Board.

GOALS OF THE SUPERVISORY BOARD IN RELATION TO ITS COMPOSITION

In accordance with Recommendation C 1 of the German Corporate Governance Code 2022, the Supervisory Board is to specify concrete goals for its composition and develop a competence profile for the entire Board while paying attention to diversity. Taking account of the specific company situation, diversity is defined by factors including internationality, age, gender and educational and professional background. The Supervisory Board of a listed company to which, among other things, the Codetermination Act (MitbestG) applies must be composed of at least 30 % women and at least 30 % men. The

Supervisory Board of Symrise AG complies with this legal requirement. The current Supervisory Board at Symrise AG includes four women: Ms. Buck, Ms. Chiarlitti, Prof. Dr. Pfeifer and Ms. Püttcher. As a result of this legal requirement, the Supervisory Board is no longer obligated to set further targets and implementation deadlines for its composition.

In terms of shareholder representatives, the Supervisory Board should include what it considers to be an appropriate number of independent members, taking into account the ownership structure. More than half of the shareholder representatives should be independent of the company and the Executive Board. A Supervisory Board member is independent of the company and its Executive Board if he or she has no personal or business relationship with the company or its Executive Board that could give rise to a material and not merely temporary conflict of interest.

Bernd Hirsch, who joined the Supervisory Board as a shareholder representative on May 16, 2018, is the first member to have previously been a member of the Executive Board. There was a period of two years, four months and 15 calendar days between the end of Mr. Hirsch's activity on the Executive Board and his election to the Supervisory Board. This satisfied the conditions of Section 100 (2) (4) of the German Stock Corporation Act (AktG) (the "cooling-off" period). Neutral and independent consulting and monitoring of the Executive Board continue to be ensured without restriction. With Mr. Hirsch and Mr. König, at least two independent members of the Supervisory Board and Auditing Committee also have expertise in the fields of auditing (Mr. Hirsch) and accounting (Mr. König).

Mr. Hirsch has around 20 years of professional experience as CFO at listed or capital market oriented companies with global business activities. As part of these activities, he worked regularly and intensively with auditors in Germany and abroad. Mr. König also has more than 20 years of professional experience at the management or board level of globally active companies in Germany and abroad. Most of these companies were also listed or capital market oriented. As part of these activities, Mr. König was regularly involved in tasks in the field of accounting according to national and international accounting standards.

Mr. Horst-Otto Gerberding has been a shareholder representative on the Supervisory Board since October 2006, that is, for more than twelve years. In the opinion of the Supervisory Board, Mr. Gerberding is nevertheless to be classified as independent. He has no personal or business relationship with Symrise AG or one of its Group companies, with the corporate bodies of Symrise AG or with a shareholder with a material interest in Symrise AG that could give rise to a conflict of interest. Mr. Gerberding indirectly holds 5.024 % of the voting shares in Symrise AG. According to the statutes of Deutsche Börse, these shares are not included in the free float.

In the future as well, more than half of the shareholder representatives should as a rule be independent of the company and the Executive Board. This goal is currently being met. The independent members are Ms. Ursula Buck, Mr. Horst-Otto Gerberding, Mr. Bernd Hirsch, Mr. Michael König, Prof. Dr. Andrea Pfeifer and Mr. Peter Vanacker.

Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members that fulfill the internationality criterium does not fall below one-third. For Symrise AG, this means that nationality is not the only focus. Rather, the decisive factor is for at least one-third of Supervisory Board members to have substantial experience in globally active groups in Germany and abroad. This goal is also currently being met.

The term of office for a Supervisory Board member must end at the conclusion of the Annual General Meeting following the member's 70th birthday. The maximum limit for membership in the Supervisory Board is four terms of office. These two goals are currently being met. Concerning future nominations, it will be ensured that the goals defined by the Supervisory Board continue to be fulfilled.

THE COMPETENCE PROFILE OF THE SUPERVISORY BOARD

When nominating candidates for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required for the duties to be performed, as well as to the principle of diversity among the Supervisory Board's members. This ensures that the members of the Supervisory Board as a whole have the knowledge, skills and professional experience required to perform their duties properly. In accordance with Recommendation C 1 of the German Corporate Governance Code 2022, the Supervisory Board has prepared a competence profile for the entire Board. This profile was used for the Board's current composition and will be applied in future election proposals to the Annual General Meeting to ensure the competence profile of the entire Board. This competence profile for members of the Supervisory Board of Symrise consists of different parameters. Each of these parameters on its own is significant in the competence profile of the entire Board. However, it is only by interlocking and complementing all parameters that the competence profile of the entire Board, which is necessary to support the business success of Symrise, can be guaranteed. Skills are required in the areas of accounting, auditing, risk management, information technology, issues regarding the remuneration of the Executive Board and compliance. Furthermore, expertise in the fragrance and flavor industry is required. This comprises the production of flavors, food ingredients, fragrances and cosmetic ingredients. The required competencies also include experience in the chemical, consumer goods and food industries. Here, the focus is on knowledge of the respective markets, products, and customer and supplier relationships. Expertise in production, research and development as well as with regard to sustainability issues that are important for the company (ESG – Environmental, Social, Governance) are of paramount importance.

Other important parameters of the competence profile of the Symrise Supervisory Board are sufficient availability of time, a lack of conflicts of interest, the ability to work in a team, and management and development experience with regard to large organizations. This competence profile of the Symrise Supervisory Board is currently being fulfilled by the entire Board.

The competence profile of the Supervisory Board described above, the individual fields of expertise of each member of the Supervisory Board and the status of implementation are shown in detail in the following qualification matrix:

Supervisory Board – Qualification matrix

Shareholder representatives

	Role				Competences													Diversity criteria		
					Industry	Functional									ESG					
	Independency	Initial election	End of term (AGM)	Overboarding[1]	Experience in Taste, Nutrition & Health, Scent & Care	Human Resources	General management	Production & raw material	Financial expert	Quality / Regulatory / Risk management	International experience	Innovation / R&D management	Executive position	IT & IT security expertise	Environmental	Social / Safety at work / Health protection	Governance	Year of birth	Nationality	Gender[2]
Ursula Buck	Yes	2016	2025	No	√		√				√		√					1961	German	F
Horst-Otto Gerberding	Yes	2006	2023	No	√		√				√		√			√		1952	German	M
Bernd Hirsch	Yes	2018	2025	No	√		√		√		√		√	√				1970	German	M
Michael König (Chairman)	Yes	2020	2025	No			√		√		√		√				√	1963	German	M
Prof. Dr. Andrea Pfeifer	Yes	2011	2025	No		√	√			√	√	√	√					1957	Swiss + German	F
Peter Vanacker	Yes	2020	2025	No			√	√			√		√		√		√	1966	Belgian + German	M

Matrix in accordance with section C.1 of the German Corporate Governance Code 2022.
[1] In accordance with section C.4 & C.5 of the German Corporate Governance Code 2022.
[2] F = Female, M = Male.

Supervisory Board – Qualification matrix
Employee representatives representatives

	Role				Competences													Diversity criteria		
					Industry	Functional									ESG					
	Independency	Initial election	End of term (AGM)	Overboarding[1]	Experience in Taste, Nutrition & Health, Scent & Care	Human Resources	General management	Production & raw material	Financial expert	Quality / Regulatory / Risk management	International experience	Innovation / R&D management	Executive position	IT & IT security expertise	Environmental	Social / Safety at work / Health protection	Governance	Year of birth	Nationality	Gender[2]
Jeannette Chiarlitti	No	2016	2026	No		√		√								√	√	1982	German	F
Harald Feist (Vice Chairman)	No	2013	2026	No	√	√		√		√					√	√	√	1962	German	M
André Kirchhoff	Yes	2016	2026	No	√	√		√								√	√	1965	German	M
Dr. Jakob Ley	No	2021	2026	No	√			√		√		√			√	√	√	1967	German	M
Andrea Püttcher	No	2018	2026	No	√	√		√								√	√	1977	German	F
Peter Winkelmann	Yes	2006[3]	2026	No	√	√		√								√	√	1958	German	M

Matrix in accordance with section C.1 of the German Corporate Governance Code 2022.
[1] In accordance with section C.4 & C.5 of the German Corporate Governance Code 2022.
[2] F = Female, M = Male.
[3] 2006-2011 and since May 14, 2014.

SUPERVISORY BOARD COMMITTEES

As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. Where legally permissible, the Supervisory Board delegates decision-making to its committees in individual cases. The Supervisory Board established a Personnel Committee, an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG) and a Nominations Committee as permanent committees. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the full meetings, the chairs of the committees report regularly and comprehensively on the content and results of the committee meetings.

The Personnel Committee is responsible for matters pertaining to the Executive Board. In particular, these matters include making resolution recommendations at full Supervisory Board meetings regarding the appointment of Executive Board members and components of Executive Board members' employment contracts. This also includes succession planning at the Executive Board level in accordance with Recommendation B 2 of the German Corporate Governance Code 2022. The Personnel Committee addresses succession planning for members of the Executive Board at least once a year (most recently at the Personnel Committee meeting on November 30, 2022). In particular, the terms of existing employment contacts and the age structure of the Executive Board are taken into account. The Supervisory Board and Executive Board are committed to ensuring internal talent development for employees at levels below the Executive Board for all Executive Board positions, thereby taking account of skill sets and diversity criteria. Evaluation of these is carried out by means of internal assessments as well as external assessments. In this process, candidates who have the potential to take over a position on the Executive Board undergo an assessment that leads directly from an individual analysis to an individual development plan. The aim is to always be able to fill positions on the Executive Board internally and on short notice when needed. The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements and making corresponding recommendations at the full Supervisory Board meetings. In doing so, the Personnel Committee also takes into account the requirements of FüPoG II, which came into force on August 12, 2021. For this reason, when appointing new members to the Executive Board in the future, we will not only strive for diversity criteria, but also for appropriate consideration of women. The Personnel Committee currently has six members, of whom three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The Personnel Committee convened three times in the 2022 fiscal year. The members are Mr. Michael König (Chairperson), Mr. Harald Feist, Mr. Horst-Otto Gerberding, Dr. Jakob Ley, Prof. Dr. Andrea Pfeifer and Mr. Peter Winkelmann. The Personnel Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

The Auditing Committee mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system, the audit of annual accounts and the compliance management system. The Auditing Committee also regularly deals in detail with issues relating to Group financing, liquidity planning and securing liquidity. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discusses the interim reports in detail and approves them before they are published. The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. Receipt of the risk report and acceptance of the reports from Internal Auditing and the Group Compliance office are also regular agenda items at Auditing Committee meetings. The Auditing Committee prepares the Supervisory Board's proposal to the Annual General Meeting to appoint an auditor for the new fiscal year. Furthermore, the Auditing Committee obtains the relevant statements of independence from the auditor, commissions the auditor and agrees with the auditor on key audit matters, that is, those particular focal points of the audit on which the auditor must expressly state an opinion. In addition, the Auditing Committee determines further individual focal points of the audit for the following fiscal year. The basis for this is a risk-oriented audit approach. Furthermore, the Auditing Committee is responsible for preparing the decision of the Supervisory Board regarding auditing fees. The Auditing Committee currently has six members. Three members are commissioned by the shareholder representatives of the Supervisory Board and three members are commissioned by the employee representatives of the Supervisory Board. The Chairperson of the Auditing Committee must be independent and should not be the Chairperson of the Supervisory Board. One member must have expertise in the field of accounting (Mr. König). Another member must have expertise in the field of auditing (Mr. Hirsch). The Auditing Committee convened five times in the 2022 fiscal year. The current members are Mr. Bernd Hirsch (Chairperson), Ms. Ursula Buck, Ms. Jeannette Chiarlitti, Mr. Harald Feist, Mr. Michael König and Ms. Andrea Püttcher. The Auditing Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly. Additionally, the Auditing Committee drew up its own regulation regarding its specific procedure. If necessary, any meeting of the full Supervisory Board may be held even if no member of the Executive Board is present at the beginning of the meeting. The same is true for specific topics about which the auditor reports to the Auditing Committee and is available to answer questions.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act. In the event that the appointment of a member of the Executive Board is not approved by the two-thirds majority required by law, it is responsible for submitting an alternative proposal to the Supervisory Board. The Arbitration Committee has four members. The current members are Mr. Michael König (Chairperson), Ms. Ursula Buck, Mr. Harald

Feist and Mr. André Kirchhoff. Once again, it was not necessary to convene the Arbitration Committee during the 2022 fiscal year. The Arbitration Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

In accordance with Recommendation D 4 of the German Corporate Governance Code 2022, the **Nominations Committee** consists exclusively of shareholder representatives from the Supervisory Board. Its taskis to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory The Nominations Committee consists of three members. Currently, these are Mr. Michael König (Chairperson), Mr. Horst-Otto Gerberding and Prof. Dr. Andrea Pfeifer. It was not necessary to convene the Nominations Committee during the 2022 fiscal year. The Nomination Committee does not have its own rules of procedure. Accordingly, the rules of procedure of the Supervisory Board apply.

EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION

Section 162 of the German Stock Corporation Act, newly introduced with the Act Implementing the Second Shareholders' Rights Directive (ARUG II), for the first time requires a separate remuneration report under stock corporation law for the fiscal years beginning after December 31, 2020. This replaces the previous remuneration report under commercial law prepared in accordance with Sections 289a (2) (1) and 315a (2) (1) of the German Commercial Code. The remuneration report under stock corporation law pursuant to Section 162 of the German Stock Corporation Act is therefore a separate report from the financial statements under commercial law. It is therefore neither part of the Corporate Governance Statement nor part of the management report. It will be submitted to the Annual General Meeting for approval each year. The remuneration report, including the auditor report, can be found on the Symrise website at: **https://www.symrise.com/remuneration-report**.

In addition to the remuneration report, the applicable remuneration system for the Executive Board pursuant to Section 87a (1) and (2) (1) of the German Stock Corporation Act and the last resolution of the Annual General Meeting on the remuneration of the members of the Supervisory Board pursuant to Section 113 (3) of the German Stock Corporation Act are publicly accessible on the Symrise website.

TRANSPARENCY

Pursuant to the rules of the EU Market Abuse Directive, the members of the Executive and Supervisory Boards of Symrise AG as well as certain employees with management duties and persons with whom they have a close relationship must disclose the purchase or sale of Symrise shares and related financial instruments. This duty of disclosure applies if the value of the transactions undertaken by one of the aforementioned persons reaches or exceeds the sum of € 20,000. Symrise immediately publishes disclosures on such transactions on its website and transmits this information to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistung/BaFin) and the company register for retention. All of the reports received by Symrise AG as of December 31, 2022, are published on our website at **https://www.symrise.com/investors/voting-rights-directors-dealings**. This includes all such reports since the IPO in December 2006, including any persons who have meanwhile left the Executive Board or the Supervisory Board.

CONFLICTS OF INTEREST

As in the previous year, conflicts of interest involving members of the Executive Board, which must be disclosed to the Supervisory Board without delay, did not occur in fiscal year 2022. There were no consultant or service agreements or other exchange contracts between members of the Supervisory Board and the company in the 2022 fiscal year.

Mr. Horst-Otto Gerberding is entitled to a pension from Symrise AG stemming from an employment and supply contract between him and the company that existed through the end of September 2003. The total sum is € 27,160.58 per month since April 1, 2020.

A summary of the respective mandates outside of the Symrise Group for the members of the Executive Board and the Supervisory Board can also be found on pages 181/182 of the 2022 Financial Report.

A report on relationships to related companies and parties can be found on pages 137/138 of the 2022 financial report.

SUSTAINABILITY

We believe that economic success, sustainability and social acceptance are inextricably linked. For this reason, sustainability is an integral component of our corporate strategy and our corporate governance. It is our goal is to permanently increase the value of the company and to minimize risks. For this reason, the Chief Executive Officer is directly responsible for all aspects of sustainability at Symrise. The Chief Sustainability Officer is responsible for the development and implementation of the sustainability agenda and defines the sustainability objectives. He reports directly to the Chief Executive Officer. Our Sustainability Board is a cross-divisional committee that, with representatives from the segments, helps translate our sustainability management into operational business. It also includes cross-divisional functions such as Human Resources, Investor Relations and Corporate Communications. This Sustainability organization is supported by a network of more than 120 Sustainability Ambassadors worldwide who implement initiatives locally. In the process of implementation, we approach the topic of sustainability systematically and are guided by the 17 sustainability goals of the United Nations. We translate our ambitions into concrete targets. In the area of "Climate," we seek to minimize our environmental footprint. In the area of "Procurement," we pursue the maximization of sustainability in our supply chains. In the area of "Innovation," the goal is to maximize the environmental added value of our products. Finally, the "Employees/Society" area covers the creation of lasting value for all our stakeholders. We determined these topics and their weight by surveying all stakeholder groups, and we developed our Sustainability Materiality Matrix based on the feedback we received. More than 1300 people (employees, customers, suppliers, investors and experts) took part. This resulted in the four key topics of "Climate Protection/Climate Change," "Procurement/Supply Chains," "Raw Materials and Circular Economy" and "Environmental Protection and Biodiversity." We translated these key issues into a specific action plan. The implementation of the Supply Chain Due Diligence Act ("LkSG") also belongs here. You can find all the details on this in our Corporate Report 2022, which can be found on the Symrise website at: **https://www.symrise.com/corporatereport/2022**.

Symrise meets the requirements of the non-financial statement in accordance with Sections 289b to e and 315 b and c of the German Commercial Code (HGB). The relevant information on the non-financial statement in accordance with the Corporate Social Responsibility Directive Implementation Act ("CSR-RUG") is integrated into the management report. We use the GRI standards as a framework within the meaning of Section 289d HGB. The Supervisory Board has complied with its duty to examine the non-financial declaration pursuant to Sections 170 (1), 171 (1) AktG.

RISK MANAGEMENT

Responsibly dealing with risks of all kinds has the utmost importance for the success of a company. For this reason, a comprehensive risk management system is a mandatory element of suitable corporate governance. The Executive Board ensures appropriate risk management and risk control throughout the Group. The risk management system is constantly being developed and adapted to changing conditions. A survey, assessment and classification of potential risks take place on a Group-wide basis twice a year – performed by the officers assigned to each risk class. These surveys are consolidated at the Group level and integrated into the risk report, which is the subject of the Auditing Committee's deliberations twice a year and presented to the Supervisory Board in detail once a year. The risk management system at Symrise, as well as its security mechanisms, internal guidelines and monitoring instruments, is audited by the internal Group auditors without prior notice. Risks identified in this manner are immediately reported to the Executive Board.

The early recognition system for risk in accordance with Section 91 (2) of the German Stock Corporation Act is monitored by auditors in Germany and abroad. Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management systems implemented in accordance with Section 91 (3) of the German Stock Corporation Act. This system consists of the accounting-related internal control system (ICS), the risk management system, the compliance management system and the measures in the field of IT security and data protection. The ICS covers both the Group and its individual companies. The goal is to ensure proper and reliable external reporting (annual and consolidated financial statements and management reports). The accounting of the individual companies is of equal value. This supplements the financial reporting with the internal element, and this concept has proven itself over time. Risk management is part of Corporate Controlling at the Group parent company. The risk management system is used to record all relevant risks at the individual company level on a uniform basis throughout the Group.

These individual risks are consolidated in the defined risk categories at the Group level. Risks are qualified using monetary ranges. The relevant risk indicator is the EBIT impact, taking into account the probability of occurrence. The compliance management system also includes the elements legal compliance, technical compliance, tax compliance, internal audit and treasury compliance. This practice of task delegation has proven successful in our experience. Cooperation between the individual elements runs smoothly.

This overlapping mechanism allows risks to be identified and assessed early on. The Executive Board regularly and continuously informs the Supervisory Board and Auditing Committee of existing risks and their development via the risk report. To neutralize the identified risks, specific measures are proposed and implemented right from this early stage.

The Group's internal auditors also check on the implementation of these new measures, and the results are given a critical assessment. The risk profile is thereby constantly monitored, and measures necessary to mitigate risks are introduced. Specific staff members are assigned responsibility for this and held accountable.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Symrise shareholders exercise their codetermination and control rights at the Annual General Meeting, which takes place at least once each year. The Meeting makes decisions on all statutory matters that are binding for all shareholders and for the company. For every decision, each share is entitled to one vote.

All shareholders that register within the specified period are entitled to participate in the Annual General Meeting. Shareholders who are not able to attend the Meeting in person are entitled to have their voting rights exercised by a bank, a shareholder association, a voting proxy of Symrise who is bound by its instruments or another proxy of their own choosing, or by electronic absentee voting.

After the Annual General Meeting had to be held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies in the 2020, 2021 and 2022 fiscal years because of restrictions on meetings due to the COVID-19 pandemic, it is planned to return to the face-to-face format for the 2023 Annual General Meeting. This plan is subject to legal admissibility.

The invitation to the Annual General Meeting and the reports and information required for the decisions are published according to stock corporation law and made available on the Symrise website in German and English.

It is our intention to provide our shareholders with quick, comprehensive and effective information before and during the Annual General Meeting and to make it easy for them to exercise their rights. The Corporate Report, the Financial Report and the invitation to the Annual General Meeting provide shareholders with comprehensive information on the past fiscal year and the individual agenda items for the upcoming Annual General Meeting. All documents and information pertaining to the Annual General Meeting are available on our website. The registration and legitimation process for the Annual General Meeting is simple, with the 21st day before the Meeting representing the deadline for shareholder registration. Subsequent to the Annual General Meeting, we also publish the attendance figures and voting results on our website.

INFORMATION SERVICE FOR OUR SHAREHOLDERS

Corporate communication is undertaken with the objective of guaranteeing the greatest possible transparency and equality of opportunities by providing timely and equal information to all target groups. All major press and capital market releases by Symrise are also published on the company's website in German and in English. The articles of incorporation, as well as rules of procedure for the Executive and Supervisory Boards, the annual and consolidated financial statements and the interim quarterly results, can also be found on our website along with the annual and half-yearly financial reports.

We inform company shareholders, analysts, shareholder associations and the public of all important recurring dates through a financial calendar. This is published in the Corporate and Financial Report, the half-yearly financial report and the interim quarterly reports, as well as on the company's website. Regular meetings with analysts and institutional investors are part of our investor relations activities. This includes an annual analysts' conference as well as conference calls for analysts and investors coinciding with the publication of our interim half-yearly figures.

The most important presentations prepared for these and other events, such as the Annual General Meeting (**https://www.symrise.com/investors/annual-general-meeting**) and investor conferences, can also be viewed online. The locations and dates for investor conferences can also be found on our website at **https://www.symrise.com/investors/financial-calendar-and-presentations**.

OUR AUDITOR

With regard to the consolidated financial statements and the interim reports at Symrise, our accounting in the 2022 fiscal year was again based on the International Financial Reporting Standards (IFRS) as applicable in the European Union. The legally prescribed individual accounts of Symrise AG that are decisive for the payment of dividends have been prepared in accordance with the regulations of the German Commercial Code. Here, the 2022 annual financial statements, management report and consolidated annual financial statements of Symrise AG, as well as the 2022 Group management report, were audited by our auditors, Ernst & Young GmbH Wirtschaftsprufungsgesellschaft, Hanover. An agreement is also in place with the auditors to promptly notify the chairman of the Auditing Committee of any grounds for disqualification or prejudice that are identified during the audit, insofar as such circumstances cannot immediately be rectified.

Our auditors inform the Executive Board and the Supervisory Board or Auditing Committee without delay of all findings and events of importance for the duties of these two bodies that arise during the audit. A meeting between the Auditing Committee and the auditors is held specifically for this purpose around one month before the approval of the annual financial statements or approval of the consolidated financial statements by the Supervisory Board, during which the auditors present to the Auditing Committee any issues that could be of significance for the approval of the annual financial statements and consolidated financial statements by the Supervisory Board. Moreover, the auditors are required to notify the Supervisory Board or Auditing Committee and make a note in the audit report if circumstances are identified during the audit that are incompatible with the Declaration of Compliance issued by the Executive Board and Supervisory Board in accordance with Section 161 of the German Stock Corporation Act. The remuneration report required by stock corporation law to be prepared for the 2022 fiscal year in accordance with Section 162 of the German Stock Corporation Act was also subjected to a full content audit by our auditor and not just a formal completeness audit.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover, has audited the annual financial statements of Symrise AG and the consolidated financial statements of Symrise AG since the 2017 fiscal year. Since the 2021 fiscal year, the remuneration report to be prepared in accordance with Section 162 AktG has also been subject to a full audit. The German Public Auditor responsible for the audit was Dr. Christian Janze from 2017 up to and including the 2021 fiscal year. Dr. Janze had not previously acted as a consultant or auditor for Symrise. The German Public Auditor responsible for the audit of the 2022 fiscal year is Tjark Eickhoff. Mr. Eickhoff has also previously acted neither as a consultant nor as an auditor for Symrise.

DIVERSITY CONCEPT FOR THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Sections 289f (2) (6) and 315d of the German Commercial Code require Symrise to provide a description of the diversity concept that is pursued with regard to the composition of the Executive Board and Supervisory Board in terms of aspects such as age, gender, and educational and professional background, as well as the objectives of this diversity concept, the manner in which it is implemented and the results achieved in the respective fiscal year. Symrise already has such a diversity concept due to the mandatory statutory regulations already in force for Symrise and the fact that all related recommendations of the German Corporate Governance Code 2022 have been fully implemented. Consequently, Sections 289f (2) (6) and 315d of the German Commercial Code have no further independent significance for Symrise. To avoid repetition, we refer to the statements made in this Corporate Governance Statement.

Report of the Supervisory Board of Symrise AG

Dear Shareholders,

After beginning to recover in 2021 from the previous year's economic slowdown caused by the coronavirus pandemic, the global economy suffered another setback in 2022 due to the effects of the war in Ukraine. The global economic growth rate fell from around 5.7 % in 2021 to 2.9 % in 2022. This weak growth was accompanied by a sharp rise in prices for energy, agricultural products and food. The war in Ukraine is not only a humanitarian catastrophe; it also causes ongoing disruptions in supply chains, which result in occasional supply shortages in numerous countries and sectors. In order to curb the increase in inflation, leading central banks raised their key interest rates significantly. The World Bank believes that there is a risk that we may see a combination of below average economic growth and above average rates of inflation. The World Bank does not expect this macroeconomic situation to improve significantly in 2023. Economic development in industrialized countries will be impacted by rising energy prices and interest rates, as well as disruptions in supply chains. This trend is being reinforced by the war in Ukraine. Economic output in the developing and emerging markets grew by around 3 % in 2022 – well below the average of 4.8 % over the past decade. India is displaying the highest growth rate among the major economies at 7.5 %. China, on the other hand, achieved a growth rate of just 4.3 %.

Symrise has a proven and stable business model with comparatively low risk content. The Group is broadly diversified across all stages of the value chain – from the procurement of raw materials on the basis of long-term agreements to on-site production in the sales markets and a global customer structure. Parts of the product portfolio serve to meet basic needs. Our company is, therefore, well-equipped to deal with the numerous risks currently affecting the environment, and is in a position to quickly and systematically exploit business opportunities as they arise.

In this report, I would like to inform you about the key activities of the Supervisory Board. In the 2022 fiscal year, the Supervisory Board of Symrise AG again fulfilled its responsibilities under the law and according to the articles of incorporation with great care. We regularly provided consultation to the Executive Board and monitored the management of the company. We are convinced that the company's business complied with all legal and regulatory requirements. The Supervisory Board was directly and intensely involved in all decisions of fundamental significance to the company. In the meetings of the Supervisory Board and its committees, we again discussed and reached agreements on a number of matters and business transactions subject to our approval. The Executive Board comprehensively discussed and coordinated the strategic planning and orientation of the company with us. As in the previous fiscal years, the Supervisory and Executive Board held a separate meeting in the 2022 fiscal year to examine and evaluate the company's strategy.

MICHAEL KÖNIG, Chairman of the Supervisory Board of Symrise AG

Based on information received from the Executive Board, we discussed and advised intensively on all business transactions of significance to the company in our full Supervisory Board meetings. In this regard, the Executive Board provided us with regular, current and comprehensive reports in written and verbal form on all aspects important to the company. This includes, above all, the development of the business and financial situation, the employment situation, ongoing and planned investments, basic corporate strategy and planning issues, as well as the risk situation, risk management and the compliance management system. The Executive Board informed us of matters that, according to legal requirements and/or the articles of incorporation, are subject to our approval at an early stage and allowed us the time needed for making a decision. Wherever required by law or by the articles of incorporation, we submitted our vote on the reports and proposed resolutions of the Executive Board after thorough analysis and discussion. In urgent special cases, decisions were made in consultation with the Chairman of the Supervisory Board, either by telephone or in writing.

The Executive Board provided us with a monthly report on all of the key financial figures. When there were any deviations in the course of business from the set plans and objectives, we received detailed explanations in written and verbal form, enabling us to discuss the reasons for the deviations and targeted correction measures with the Executive Board.

Additionally, outside the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board and the Chairman of the Auditing Committee, in particular, were in close and continuous dialogue with the Executive Board. As in the previousyear, conflicts of interest affecting members of the Executive and Supervisory Boards, which must be disclosed to the Supervisory Board without delay and reported to the Annual General Meeting along with their underlying circumstances and a report of how they will be handled, did not occur in 2022.

FULL SUPERVISORY BOARD MEETINGS

section 8 (1) of the company's articles of incorporation in conjunction with Section 96 (1) of the German Stock Corporation Act (**AktG**) and Section 7 (1) Sentence 1 Number 1 of the German Codetermination Act of May 4, 1976 (**MitbestG**), require the Supervisory Board to consist of twelve members. Six members are elected by the Annual General Meeting and six by the company's employees in accordance with the provisions of the Codetermination Act. The current members of the Supervisory Board of Symrise AG are:

Michael König, Chief Executive Officer of Nobian Industrial Chemicals B.V., Amersfoort, Netherlands. Mr. König has been a member of the Supervisory Board since January 2020, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. König has been Chairman of the Supervisory Board since June 2020. Mr. König is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) Celanese Corporation, Irving/Texas, USA, Member of the Board of Directors (listed company)

Ursula Buck, Managing Director at BC BuckConsult. Ms. Buck has been a member of the Supervisory Board since May 2016, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Ms. Buck is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Jeannette Chiarlitti, IG BCE trade union secretary for the North region. Ms. Chiarlitti has been a member of the Supervisory Board since May 2016 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Ms. Chiarlitti is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) UPM Kymmene Beteiligungs GmbH, Augsburg, Germany, Member of the Supervisory Board
b) none

Harald Feist, Chairman of the works council and Chairman of the general works council at Symrise AG. Mr. Feist has been a member of the Supervisory Board since July 2013 and the Vice-Chairman of the Supervisory Board since September 2018. He was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Mr. Feist is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Horst-Otto Gerberding. Mr. Gerberding has been a member of the Supervisory Board since October 2006, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2022 fiscal year. Mr. Gerberding is a member of the statutory Supervisory Board of the following German companies listed under a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Bernd Hirsch, Chief Financial Officer (CFO) of COFRA Holding AG, Zug, Switzerland. Mr. Hirsch has been a member of the Supervisory Board since May 2018 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. Hirsch is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

André Kirchhoff, independent member of the works council at Symrise AG. Mr. Kirchhoff has been a member of the Supervisory Board since May 2016, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Mr. Kirchhoff is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Dr. Jakob Ley, Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health der Symrise AG. Dr. Ley has been a member of the Supervisory Board since May 2021, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Dr. Ley is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Prof. Dr. Andrea Pfeifer, Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland. Prof. Dr. Pfeifer has been a member of the Supervisory Board since May 2011, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Prof. Dr. Pfeifer is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) Bio MedInvest AG, Basel, Switzerland, Chairperson of the Board of Directors
AB2 Bio SA, Lausanne, Switzerland, Chairperson of the Board of Directors

Andrea Püttcher, Vice Chairperson of the works council and Vice Chairperson of the general works council at Symrise AG. Ms. Püttcher has been a member of the Supervisory Board since September 2018 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Ms. Püttcher is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Peter Vanacker, Chief Executive Officer of LyondellBasell Industries N.V., Houston, TX, USA. Mr. Vanacker has been a member of the Supervisory Board since June 2020 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2024 fiscal year. Mr. Vanacker is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) LyondellBasell Industries N.V., Houston, USA and London, UK, Member of the Supervisory Board (listed company)

Peter Winkelmann, Regional Head of the IG BCE district South Lower Saxony. Mr. Winkelmann has been a member of the Supervisory Board since May 2014, and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2025 fiscal year. Mr. Winkelmann is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) amedes Holding GmbH, Hamburg, Vice-Chairperson of the Supervisory Board
Apollo 5 GmbH, Starnberg, Vice-Chairperson of the Supervisory Board
Wasserwerk Alfeld GmbH, Alfeld, Chairperson of the Supervisory Board
b) none

In the 2022 reporting year, the members of the Supervisory Board took part in training measures on topics including reforming the Corporate Governance Codex, the Financial Market Integrity Strengthening Act (FISG), indicators relating to the quality of the audit, reforming the Auditing Committee, the legal framework surrounding Executive Board remuneration, gender quotas for the Supervisory Board and Executive Board, sustainability reporting and the EU Taxonomy, collaboration between the Supervisory Board and the auditor, the role of the Chairperson of the Supervisory Board, risk-oriented financial statement analysis, new developments in risk management and the monitoring responsibilities of the Supervisory Board in the context of artificial intelligence.

TOPICS OF THE SUPERVISORY BOARD MEETINGS

The impact of the war in Ukraine and its impact on the price of energy, agricultural products and food were a key focus area of our work, and were discussed on a regular basis by the members of the Supervisory Board. This war has also had a negative impact on global supply chains, leading to a number of countries and sectors being affected by bottlenecks. The Supervisory Board also regularly discussed the significant increases to base rates implemented by leading central banks, in order to curb inflation and their impact on our performance, along with the downturn in the global economy which was exacerbated by the coronavirus pandemic and has yet to be reversed.

In light of these matters, we discussed with the Executive Board in detail the measures it had enacted, as well as those planned for the future. Regular deliberations within the Supervisory Board also covered the development of sales, earnings and employment at Symrise and its two segments in the individual regions given the economic conditions present there. It also discussed the company's financial and liquidity situation, as well as important investment projects and their development as measured against the planned objectives. In the 2022 fiscal year, the Supervisory Board held five ordinary meetings, two of which focused on specific topics. If necessary, any meeting of the full Supervisory Board may be held even if no member of the Executive Board is present. The same is true for those specific topics about which the auditor reports to the Supervisory Board and is available to answer questions. The first meeting on a specific topic centered around the company's strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2023. One extraordinary meeting was held in relation to an acquisition project.

Our extraordinary **meeting on January 24, 2022** addressed the finer points of an acquisition project in detail. The strategic rationale was discussed in detail with the Executive Board, along with issues related to finance and accounting.

At our **meeting on February 24, 2022**, we focused on the audit of the 2021 annual financial statements and consolidated financial statements. The auditor was present at this meeting. In addition to our own analysis and discussion, we received the detailed report from our auditors and discussed the respective financial statements in detail with them. As a result, we approved the 2021 annual financial statements and the 2021 consolidated financial statements. At this meeting, we also discussed in det ail the audit conducted by DQS CFS GmbH on behalf of the Supervisory Board of the separate non-financial report in accordance with Section 289b of the German Commercial Code (HGB) and its results.

Based on the audit, DQS CFS GmbH states that the separate non-financial report of Symrise AG fulfills the legal requirements in accordance with Section 289b of the German Commercial Code (HGB), and also meets the requirements of the "Comprehensive" GRI standard.

The audit also revealed that the quantitative disclosures with regard to the aspects specified by the CSR Directive Implementation Act are correct overall and do not contradict other information and evidence provided by the company. The data and disclosures in the report are reliable. They provide a fair and correct picture of the relevance of all activities. Together with the Executive Board, we also decided on the proposal to be submitted to the Annual General Meeting on the appropriation of accumulated profit, discussed and decided on the proposal to be submitted to the Annual General Meeting on the proposal of the Auditing Committee regarding the election of the auditor for the 2022 fiscal year, and discussed possible agenda items for the 2022 Annual General Meeting.

At this meeting, we also discussed and approved the remuneration report prepared by the Executive Board and Supervisory Board in accordance with Section 162 of the German Stock Corporation Act (AktG). We also approved some minor changes to the Executive Board remuneration system. These were submitted to the 2022 Annual General Meeting for approval along with the remuneration report. We approved the new issue of a promissory note loan for € 750 million following an extensive discussion of the maturity profile of Symrise, changes in the debt to equity ratio and the sustainability component of this financing instrument.

At our **meeting on May 3, 2022**, the Executive Board's report on the company's performance during the first three months of the 2022 fiscal year and its outlook for the rest of the year represented the main focus of our meeting. We also received the report from the Auditing Committee and discussed a variety of IT-related topics and specific applications with the Executive Board, including the use of artificial intelligence at Symrise. The Executive Board also informed us of the status of various acquisition projects.

Our **meeting on July 26, 2022** focused on a detailed discussion of the course of business over the first six months of the 2022 fiscal year. Issues discussed included the war in Ukraine, inflation and rising energy prices, as well as how all of these factors are impacting the performance of Symrise and profit margins. As part of this meeting, the Auditing Committee provided a report which focused on the audit of the interim financial statements for the first half of 2022.

At the **strategy meeting on September 14 and 15, 2022**, the Executive Board and the Supervisory Board intensively discussed the status of implementation and refinement of our corporate strategy. To this end, we arranged for an investment bank to prepare a detailed analysis of the Symrise Group. This analysis was performed from both a public perspective and the non-public perspective of the investment bank, which is active in the capital market. It also includes a number of possible consolidation scenarios in our industry and how they might affect Symrise. Following this, both segments provided a detailed presentation of the strategic focus areas of their business plans. We assessed and verified the resilience of the strategy on the basis of what has been achieved so far. We also discussed the implementation of the strategy in future with the Executive Board, with a focus on the medium term plan, the IT-related capital expenditure included in the medium term plan and the magnitude of future investments relative to sales.

The **meeting on November 30, 2022**, was again devoted to the corporate planning for the upcoming 2023 fiscal year. The Supervisory Board approved the corporate planning for the 2023 fiscal year in this meeting. The Supervisory Board was updated by the Executive Board regarding the 2022 annual financial statements, and received and discussed the report of the Auditing Committee and the risk report. The Executive Board and Supervisory Board also jointly issued a Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act (AktG). The Supervisory Board also renewed and confirmed its goals regarding its composition and its competence profile in this context.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings.

To the extent that it was legally admissible, the Supervisory Board delegated decision-making to its committees in individual cases. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the Supervisory Board meetings, the chairmen of the committees report regularly and extensively on the content and results of the committee meetings. As a result, the Supervisory Board always has a comprehensive basis of information for its consultations.

The Auditing Committee met five times during the 2022 fiscal year. It mainly focused on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system, the audit of annual accounts and the compliance management system. The Auditing Committee also regularly dealt in detail with issues relating to Group financing, liquidity planning and securing liquidity. It also monitored the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discussed the interim reports in detail and approved them before they were published. The Auditing Committee also prepared the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it was responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. Receipt of the report from Internal Auditing, the Group Compliance office and the risk report were also regular agenda items at Auditing Committee meetings. The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to appoint an auditor for the new fiscal year. Furthermore, the Auditing Committee obtained the relevant statements of independence from the auditor, commissioned the auditor and agreed with the auditor on key audit matters, i.e., those particular focal points of the audit on which the auditor must expressly state an opinion. In addition, the Auditing Committee determined further individual focal points of the audit for the following fiscal year. The basis for this was a risk-oriented audit approach. The Auditing Committee was also responsible for preparing the decision of the Supervisory Board regarding auditing fees. As a rule, any meeting of the Auditing Committee could be held even if no member of the Executive Board was present. The same was true for those specific topics about which the auditor reports to the Auditing Committee and is available to answer questions. The Auditing Committee currently has six members. Three members are commissioned by the shareholder representatives of the Supervisory Board and three members are commissioned by the employee representatives of the Supervisory Board. The Chairperson of the Auditing Committee must be independent and should not be the Chairperson of the Supervisory Board. One member – Mr. Hirsch – has particular expertise in the field of auditing. Another member – Mr. König – has particular expertise in the field of accounting. Both Mr. Hirsch and Mr. König are independent from the company, its shareholders and its Boards and Committees. The current members of the Auditing Committee are:

- **Bernd Hirsch** has been a member and Chairman of the Auditing Committee since May 2018.
- **Ursula Buck** has been a member of the Auditing Committee since May 2016.
- **Jeannette Chiarlitti** has been a member of the Auditing Committee since September 2018.
- **Harald Feist** has been a member of the Auditing Committee since May 2016.
- **Michael König** has been a member of the Auditing Committee since June 2020.
- **Andrea Püttcher** has been a member of the Auditing Committee since August 2021.

The **Personnel Committee** met three times during the 2022 fiscal year, and is responsible for matters pertaining to the Executive Board. These matters include, in particular, making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of the employment contracts of Executive Board members. This also includes succession planning at Executive Board level in accordance with Recommendation B 2 of the German Corporate Governance Code 2022. The Personnel Committee addresses succession planning for members of the Executive Board at least once a year (most recently at the Personnel Committee meeting on November 30, 2022). In particular, the term of existing employment contacts and the age structure of the Executive Board are taken into account.

The Supervisory Board and Executive Board are committed to ensuring internal talent development for employees at levels below the Executive Board for all Executive Board positions. Skill sets and diversity criteria are taken into account here. The evaluation for these is carried out by means of internal assessments, as well as external assessments. In this process, candidates who have the potential to take over a position on the Executive Board undergo an assessment that leads directly from an individual analysis to an individual development plan. The aim is to always be able to fill positions on the Executive Board internally and on short notice.

The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements, and making corresponding recommendations at the full Supervisory Board meetings. In doing so, the Personnel Committee also takes into account the requirements of the Act to Supplement and Amend the Regulations for the Equal Participation of Women in Executive Positions in the Public and Private Sector ("FüPoG II"), which came into force on August 12, 2021. For this reason, when appointing new members to the Executive Board in the future, we will not only strive for diversity criteria, but also for appropriate consideration of women. The Personnel Committee currently has six members, of whom three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The current members of the Personnel Committee are:

- **Michael König** has been a member and Chairman of the Personnel Committee since June 2020.
- **Harald Feist** has been a member of the Personnel Committee since August 2014.
- **Horst-Otto Gerberding** has been a member of the Personnel Committee since October 2006.

- **Dr. Jakob Ley** has been a member of the Personnel Committee since August 2021.
- **Prof. Dr. Andrea Pfeifer** has been a member of the Personnel Committee since September 2012.
- **Peter Winkelmann** has been a member of the Personnel Committee since May 2016.

Shareholders and employees are equally represented on the **Arbitration Committee** pursuant to Section 27 (3) of the Co-determination Act (MitbestG). In the event that the appointment of a member of the Executive Board is not approved by the two-thirds majority required by law, it is responsible for submitting an alternative proposal to the Supervisory Board. The Arbitration Committee has four members. It was not necessary to convene the Arbitration Committee during the 2022 fiscal year. The current members are:

- **Michael König** has been a member and Chairman of the Arbitration Committee since June 2020.
- **Ursula Buck** has been a member of the Arbitration Committee since May 2016.
- **Harald Feist** has been a member of the Arbitration Committee since September 2018.
- **André Kirchhoff** has been a member of the Arbitration Committee since August 2021.

The **Nominations Committee** consists exclusively of shareholder representatives from the Supervisory Board in accordance with Recommendation D 4 of the German Corporate Governance Code 2022. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The Nominations Committee consists of three members. It was not necessary to convene the Nominations Committee during the 2022 fiscal year. The current members are:

- **Michael König** has been a member and Chairman of the Nominations Committee since June 2020.
- **Horst-Otto Gerberding** has been a member of the Nominations Committee since October 2006.
- **Prof. Dr. Andrea Pfeifer** has been a member of the Nominations Committee since May 2011.

The members of the Supervisory Board and its Committees, the respective meeting dates of the Supervisory Board and its Committees, the format of the meeting and the individualized attendance of all members of the Supervisory Board and its Committees at the respective meetings of the Supervisory Board and its Committees are also shown in the following list:

LIST OF SUPERVISORY BOARD MEETINGS

Attendance at Supervisory Board meetings

Member name	January 24, 2022 Hybrid	February 24, 2022 In person	May 3, 2022 Hybrid	July 26, 2022 Hybrid	September 14 and 15, 2022 In person	November 30, 2022 Hybrid
Michael König (Chairman)	✓	✓	✓	✓	✓	✓
Ursula Buck	✓	✓	✓	✓	✓	✓
Harald Feist	✓	✓	✓	✓	✓	✓
Horst-Otto Gerberding	✓	✓	✓	✓	✓	✓
Jeannette Chiarlitti	✓	✓	✓	✓	✓	✓
André Kirchhoff	✓	✓	✓	✓	✓	✓
Bernd Hirsch	✓	✓	✓	✓	✓	✓
Dr. Jakob Ley	✓	✓	✓	✓	✓	✓
Prof. Dr. Andrea Pfeifer	✓	✓	✓	✓	✓	✓
Andrea Püttcher	✓	✓	✓	✓	✓	✓
Peter Vanacker	✓	✓	✓	✓	✓	✓
Peter Winkelmann	✓	✓	✓	✓	✓	✓

Participation in the Arbitration Committee

Member name	It was not necessary to convene the Arbitration Committee during the 2022 fiscal year.						
Michael König (Chairman)							
Ursula Buck							
Harald Feist							
André Kirchhoff							

Participation in the Personnel Committee

Member name	February 24, 2022 In person	September 14, 2022 In person	November 30, 2022 In person
Michael König (Chairman)	✓	✓	✓
Harald Feist	✓	✓	✓
Horst-Otto Gerberding	✓	✓	✓
Dr. Jakob Ley	✓	✓	✓
Prof. Dr. Andrea Pfeifer	✓	✓	✓
Peter Winkelmann	✓	✓	✓

Participation in the Auditing Committee

Member name	February 7, 2022 Hybrid	February 23, 2022 Hybrid	April 25, 2022 Hybrid	July 26, 2022 Hybrid	October 21, 2022 Hybrid
Bernd Hirsch (Chairman)	✓	✓	✓	✓	✓
Ursula Buck	✓	✓	✓	✓	✓
Jeannette Chiarlitti	✓	✓	✓	✓	✓
Harald Feist	✓	✓	✓	✓	✓
Michael König	✓	✓	✓	✓	✓
Andrea Püttcher	✓	✓	✓	✓	✓

Participation in the Nominations Committee

Member name	It was not necessary to convene the Nominations Committee during the 2022 fiscal year				
Michael König (Chairman)					
Horst-Otto Gerberding					
Prof. Dr. Andrea Pfeifer					

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2022

The auditor Ernst & Young GmbH, Hanover, audited the annual financial statements for the fiscal year from January 1, 2022 to December 31, 2022, which were prepared by the Executive Board in accordance with the German Commercial Code (HGB), as well as the management report of Symrise AG. The Auditing Committee commissioned the auditor to perform the audit in accordance with the May 3, 2022, resolution of the Annual General Meeting. It was agreed that the auditor would inform the Auditing Committee without delay of all findings and incidents of significance to the duties of the Auditing Committee identified during the audit, as well as any circumstances identified during the audit which would result in the declaration issued by the Executive Board and Supervisory Board in accordance with the German Corporate Governance Code being inaccurate. The auditor issued an unqualified audit opinion. The Symrise AG consolidated financial statements were prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor Ernst & Young also certified the consolidated financial statements and the Group management report without qualification.

The auditor's report on these financial statements, as well as additional auditing reports and documentation, were delivered to all members of the Supervisory Board in a timely manner. They were discussed thoroughly in the meetings of the Auditing Committee of February 8 and March 1, 2023, and in the full meeting of the Supervisory Board of March 2, 2023. The auditors participated in the deliberations on the annual and consolidated financial statements in both committees. Here, they reported on the key audit results and were available to the Auditing Committee and the Supervisory Board to answer any questions and provide additional information.

Following our own review of the annual financial statements, the consolidated financial statements, the management report and the Group management report, we accepted the findings of the auditor. In our meeting of March 2, 2023, we approved the annual financial statements and the consolidated financial statements upon the recommendation of the Auditing Committee. The annual financial statements are thereby approved. After careful examination, we endorsed the proposal of the Executive Board for the use of the accumulated profit for the year. The Supervisory Board considers the proposal regarding the use of profits to be appropriate.

The content of the separate non-financial report prepared for the 2022 fiscal year was audited by DQS CFS GmbH. The audit did not lead to any reservations. The separate non-financial report is available on the Symrise website at: **https://symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.html.**

CORPORATE GOVERNANCE

In accordance with Principle 23 of the currently applicable version of the German Corporate Governance Code from April 28, 2022 ("DCGK 2022") published in the official section of the Federal Gazette by the German Federal Ministry of Justice and Consumer Protection on June 27, 2022, the Supervisory Board and Executive Board report annually on the corporate governance of the respective company in the Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB).

The Corporate Governance Statement includes the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), relevant disclosures on corporate governance practices, a description of the working methods of the Executive Board and the Supervisory Board, as well as the composition and working methods of their Committees, the target figures for the proportion of women in the Executive Board and for the two management levels below the Executive Board, together with deadlines for implementation, the status of implementation and a description of the diversity concept with regard to the composition of the Executive Board and Supervisory Board.

Section 162 of the German Stock Corporation Act, newly introduced with the Act Implementing the Second Shareholders' Rights Directive (ARUG II), requires a separate remuneration report under stock corporation law for the first time for fiscal years beginning after December 31, 2020. This replaced the previous remuneration report prepared in accordance with Sections 2589a (2) Sentence 1, 315a (2) Sentence 1 of the German Commercial Code (HGB). The remuneration report under stock corporation law pursuant to Section 162 German Stock Corporation Act (AktG) is a separate report from the financial statements under commercial law. As a result, it is not part of the Corporate Governance Statement or the management report. It is submitted to the Annual General Meeting for approval each year. The Corporate Governance Statement pursuant to Sections 289f and 315d German Commercial Code (HGB) has also been made publicly available on the website of Symrise. **https://www.symrise.com/corporate-governance-statement.**

In 2022, we observed the refinement of corporate governance standards in Germany and abroad, and will continue to do so in the future. The Chairperson of the Supervisory Board engages in regular dialogue with major shareholders and proxies as part of its commitment to corporate governance.

The main topics covered in 2022 were the new remuneration system for the Executive Board, succession planning and risk management, in addition to detailed discussions of ESG topics pertaining to Symrise. On November 30, 2022, the Executive Board and the Supervisory Board submitted an updated Declaration of Compliance according to Section 161 of the German Stock Corporation Act (AktG), and made this permanently available to the shareholders on the company's website. It is also included in the Corporate Governance Statement. Symrise AG has complied with all recommendations of the German Corporate Governance Code 2020 since December 1, 2021. Symrise AG has complied with all recommendations of the German Corporate Governance Code 2022 since June 27, 2022, and intends to do so in the future.

Additional details and background information related to corporate governance at Symrise are provided in our FactBook, which is available to download from our website. https://www.symrise.com/investors/factbook.

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

There were no changes in the Executive Board or Supervisory Board during the 2022 fiscal year.

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board, as well as the employees and employee representatives of Symrise AG and all Group companies, for their hard work and dedication over the last fiscal year.

On behalf of the Supervisory Board

Michael König
Chairman of the Supervisory Board of Symrise AG

Holzminden, March 2, 2023

Bodies and Mandates – Executive Board and Supervisory Board

EXECUTIVE BOARD:

DR. HEINZ-JÜRGEN BERTRAM
Chief Executive Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JÖRN ANDREAS
Member of the Board for Scent & Care

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)
- Probi AB, Lund, Schweden, Member of the Board of Directors and Audit Committee
- Blis Technologies Limited, Dunedin, New Zealand, Member of the Board of Directors

DR. STEPHANIE COSSMANN
Member of the Board for Human Resources & Legal and Labour Director

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

OLAF KLINGER
Chief Financial Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JEAN-YVES PARISOT
Member of the Board for Taste, Nutrition & Health

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)
- Probi AB, Lund, Sweden, Chairman of the Board of Directors
- VetAgroSup, Lyon, France, Member of the Board of Directors
- Swedencare AB, Malmoe, Sweden, Member of the Board of Directors

SUPERVISORY BOARD:

MICHAEL KÖNIG
Chief Executive Officer of Nobian Industrial Chemicals B.V., Amersfoort, Netherlands

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)
- Celanese Corporation, Irving/Texas, USA, Member of the Board of Directors

URSULA BUCK
Managing Director at BC BuckConsult

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

JEANNETTE CHIARLITTI
Deputy Regional Head of IG BCE for the North region

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Member of the Supervisory Board
- UPM Kymmene Beteiligungs GmbH, Augsburg, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

HARALD FEIST
Chairman of the works council and Chairman of the general works council at Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards
- Symrise AG, Holzminden, Vice Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

HORST-OTTO GERBERDING

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

BERND HIRSCH

Chief Financial Officer of COFRA Holding AG, Zug, Switzerland

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

ANDRÉ KIRCHHOFF

Independent member of the works council at Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JACOB LEY

Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PROF. DR. ANDREA PFEIFER

Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and international)

- Bio MedInvest AG, Basel, Switzerland, Chairperson of the Board of Directors
- AB2 Bio SA, Lausanne, Switzerland, Chairperson of the Board of Directors

ANDREA PÜTTCHER

Vice Chairperson of the works council and Vice Chairperson of the general works council of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PETER VANACKER

Chief Executive Officer of LyondellBasell Industries N.V., Houston/Texas, USA

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and international)

- LyondellBasell Industries N.V., Houston/USA and London/UK, Member of the Super-visory Board

PETER WINKELMANN

Regional Head of the IG BCE district South Lower Saxony

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- amedes Holding GmbH, Hamburg, Vice Chairman of the Supervisory Board
- Apollo 5 GmbH, Starnberg, Vice Chairman of the Supervisory Board
- Wasserwerk Alfeld GmbH, Alfeld, Chairman of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

Glossary

AFF
Aroma Molecules, Flavors & Fragrances

AKTG
Stock Corporation Act (Aktiengesetz)

FLAVOR
A complex mix of flavors and/or fragrances often based on chemical compounds (flavoring substances), which can be aromatics themselves

GDP
Gross Domestic Product: A statistic used to measure the economic strength (goods and services) of a country

CAGR
Compound Annual Growth Rate/average annual growth rate of particular significance

COSO II
COSO (Committee of Sponsoring Organizations of the Treadway Commission) aims to improve financial reporting through ethical action, effective internal controls and good corporate governance. Published in 2004, COSO II is an expansion of the original control model

CSPI
Center of Science in the Public Interest Science-based consumer advocacy organization

EAME
Region comprising Europe, Africa and the Middle East

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets

F & F
Flavors & Fragrances/Flavorings and fragrances

FISC
The four key pillars of the Symrise sustainability strategy:
F = Footprint; I = Innovation; S = Sourcing; C = Care

FLAC
Financial liabilities measured at amortized cost

GREEN CHEMISTRY
Sustainable chemistry that reduces environmental pollution, saves energy and produces in an environmentally friendly way

HGB
German Commercial Code (Handelsgesetzbuch)

IAL
Industrial and market research consultancy company

IFRA
International Fragrance Association; global representative body of the fragrance industry

IKS
Internal Controlling System

INCOTERMS
International Commercial Terms

INVESTMENT GRADE
Companies, institutions or securities with good to very good credit ratings

ISO 31000
A standard that defines the framework for a risk management system

LTIP
Long Term Incentive Plan/a remuneration plan for staff, especially for managerial staff

OPEN INNOVATION
Opening up of the innovation process of organizations and thus the active strategic use of the external world for the expansion of innovative potential. The open innovation concept describes the purposeful use of knowledge flowing into and out of the company, while making use of internal and external marketing channels in order to generate innovations

POLYPHENOLS
Secondary plant substances that are found in the outer layers of fruit, vegetables and grains. Polyphenols are chemical compounds that contain several aromatic rings (phenol)

CASH FLOW FROM OPERATING ACTIVITIES
Cash generated from the operations of a company, defined as the revenues minus operating expenses; an important indicator of a company's earning power

REACH
Chemicals directive for the registration, evaluation, authorization and restriction of chemicals

REVOLVING CREDIT FACILITY
Credit limits that the borrower can access at any time and over very flexible repayment options

SUPPLY CHAIN
Process chain from procurement to manufacturing and sale of a product. This therefore includes suppliers, producers and consumers

TERPENES
Volatile organic compounds that are obtained from numerous plants such as eucalyptus, peppermint, lemongrass, lemon tree and thyme. A number of terpenes, such as menthols, are alcohols; others are aldehydes

US PRIVATE PLACEMENT
Non-public sale of debt securities to US investors, which is regulated, however, by the SEC (United States Securities and Exchange Commission)

WORKING CAPITAL
Financial indicator derived by subtracting current operating liabilities from current operating assets

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Financial Calendar 2023

April 26, 2023
Trading Statement January – March 2023

May 10, 2023
Annual General Meeting

August 2, 2023
Interim Group Report January – June 2023

October 25, 2023
Trading Statement January – September 2023

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The latest version of the Financial Report is available on our website.

Forward-Looking Statements

This Financial Report contains forward-looking statements that are based on current assumptions and forecasts by Symrise AG. The future course of business and the results actually achieved by Symrise AG and its affiliates are subject to a large number of risks and uncertainties and may therefore differ substantially from the forward-looking statements. Many of these factors are outside of Symrise AG's sphere of influence and cannot be assessed in detail ahead of events. They include, for example, unfavorable development of the global economy, a change in consumer behavior, and changes to laws, regulations and official guidelines. Should one of these uncertainty factors, named or otherwise, occur or should the assumptions on which the forward-looking statements are based prove to be incorrect, the actual results may differ significantly from the results anticipated. Symrise undertakes no obligation to update forward-looking statements continuously and to adjust them to future events or developments.