

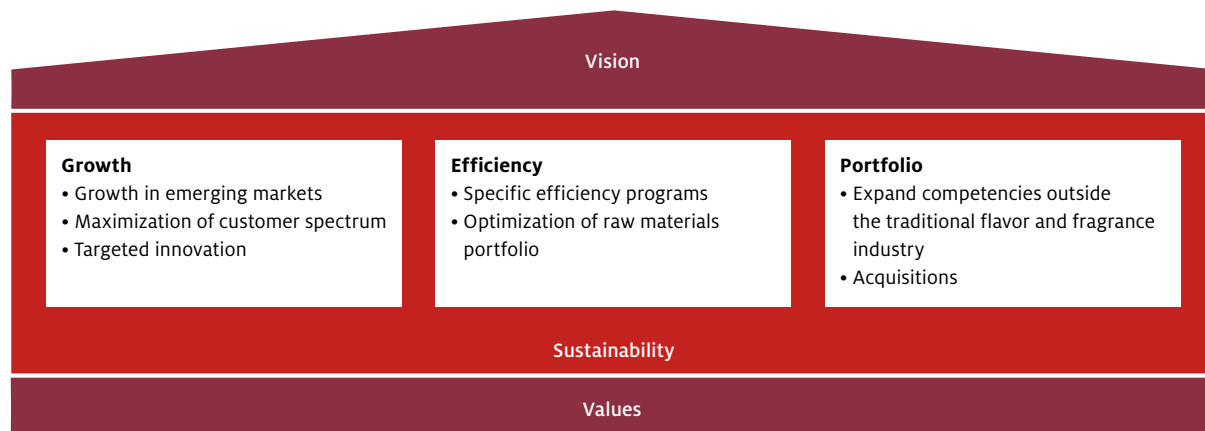
Group Management Report

SYMRISE AG, HOLZMINDEN
JANUARY 1 TO DECEMBER 31, 2022

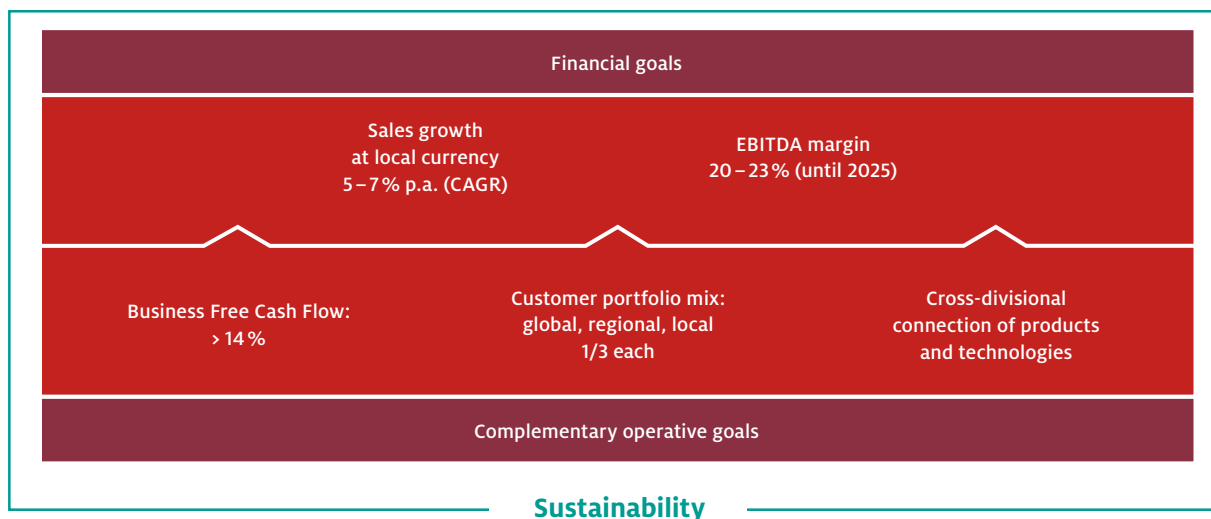
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Basic information on the Symrise Group

STRATEGY



GOALS



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 billion 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.

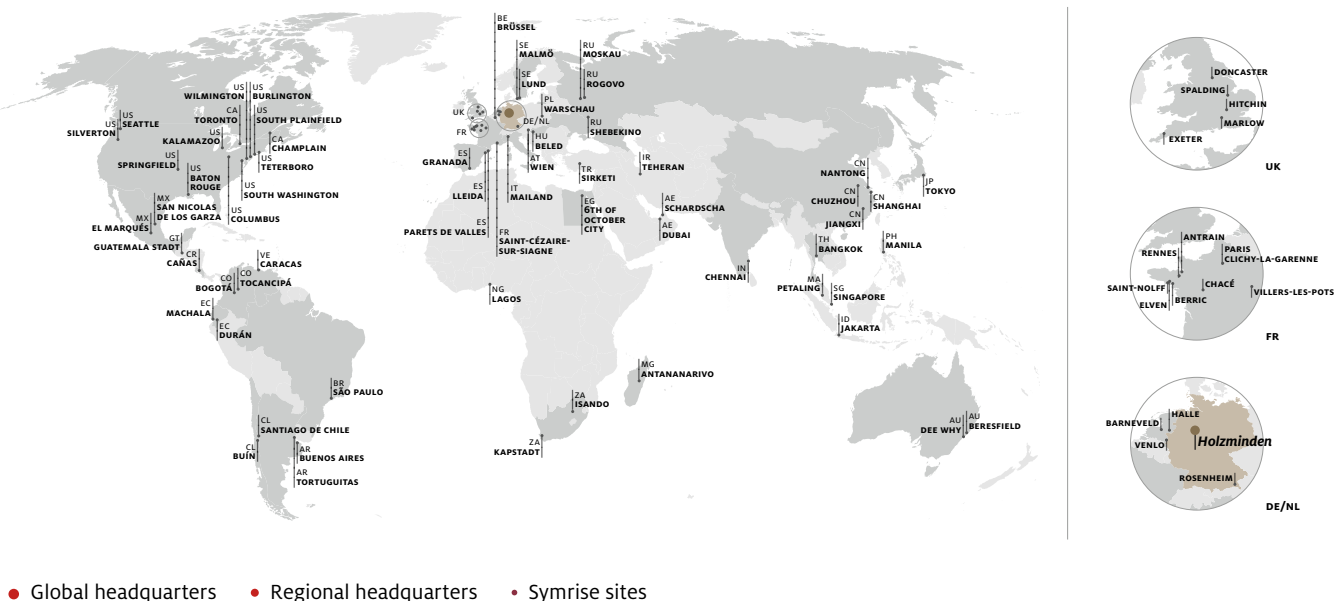
The Taste, Nutrition & Health segment includes the Food & Beverage and Pet Food divisions as well as the two smaller units Aqua Feed and Probi. The Scent & Care segment includes the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

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



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

Dr. Heinz-Jürgen Bertram

President
Scent & Care

Dr. Jörn Andreas

President
HR & Legal

Dr. Stephanie Coßmann

Chief Financial
Officer & IT

Olaf Klinger

President Taste,
Nutrition & Health

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.

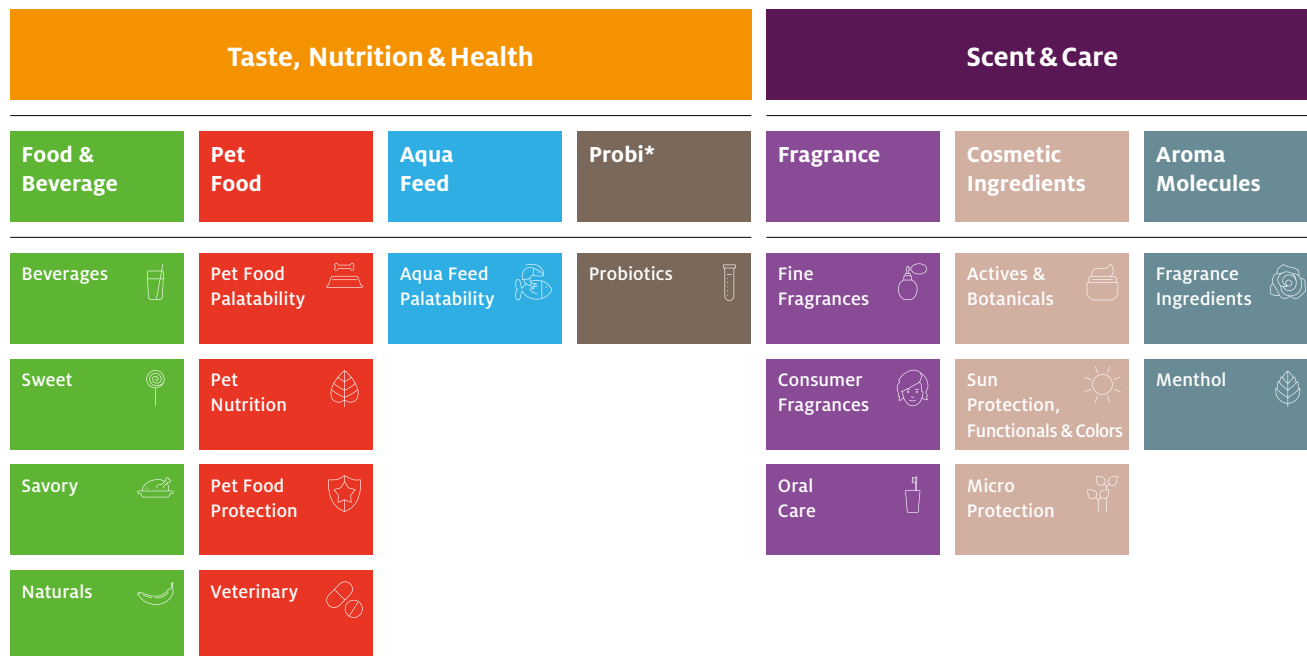
BUSINESS ACTIVITIES AND PRODUCTS

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 ad-

ditional 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, vege-

tables, 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.

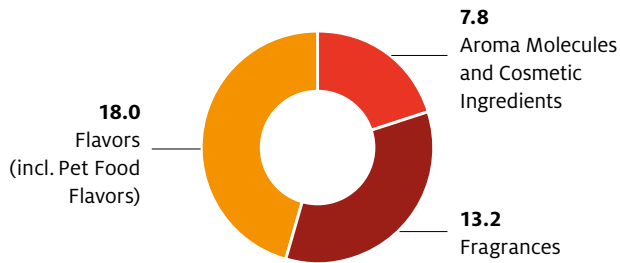
More than 500 companies worldwide are active in the market relevant for Symrise. The four largest providers, which include Symrise, together have a market share of 64 %.

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

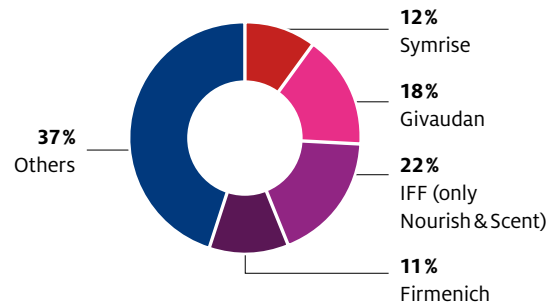
in € billion (approx. € 39 billion overall)



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 compo-

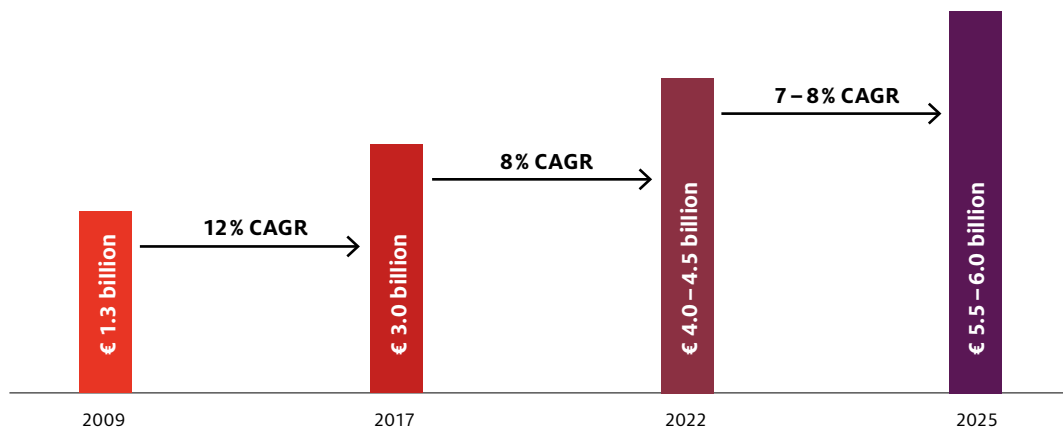
sitions. Furthermore, Symrise is one of the leading companies in the manufacturing of nature-identical L-menthol and also holds a leading position in the segment of UV sun protection filters, fragrance ingredients, and in baby and pet food.

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 pre-clinical 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



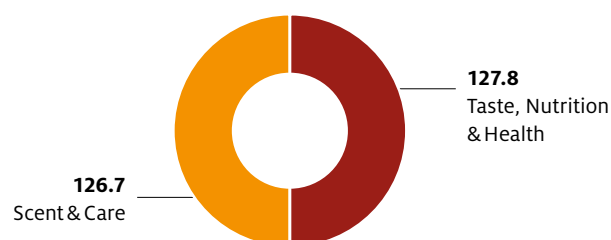
jury was also impressed by the composition of the product made with ingredients of natural origin and presented it with an award in the natural raw materials category within the Hair Care Actives segment. The product Hydrolite® 7 green launched in 2021 once again received an award for its innovative 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

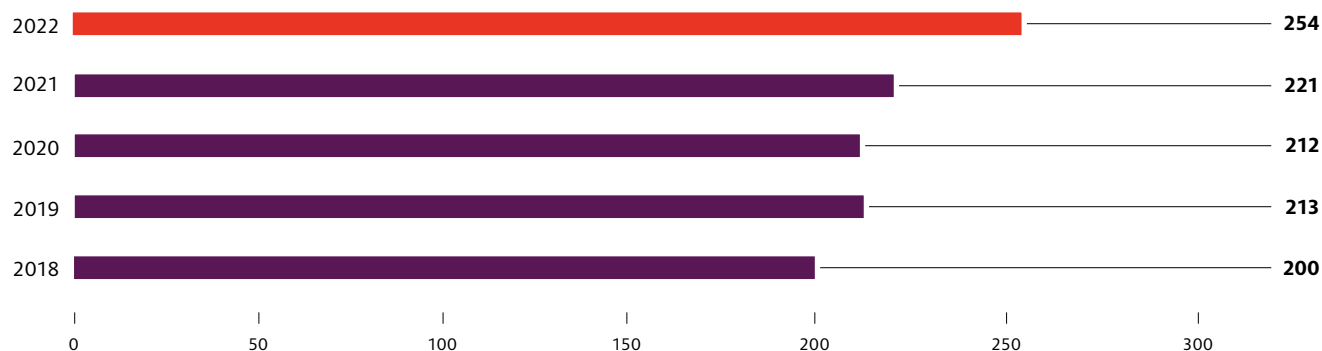
Total R & D expenditures amounted to € 254 million in the 2022 fiscal year (2021: € 221 million), comprising 5.5 % of sales (2021: 5.8 %). Compared to the previous year, R & D expenditure in the reporting year was 15.3 % above the level of the previous year and thus developed disproportionately to the 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.

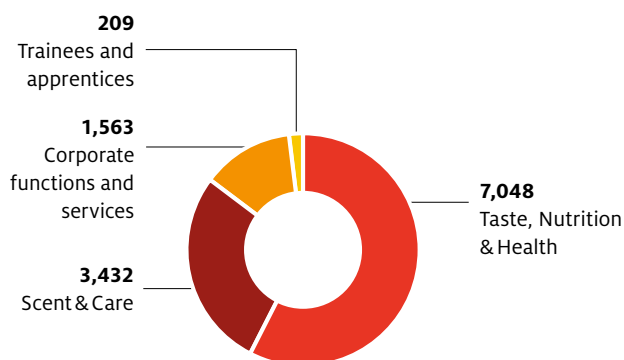
PERSONNEL STRATEGY

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.

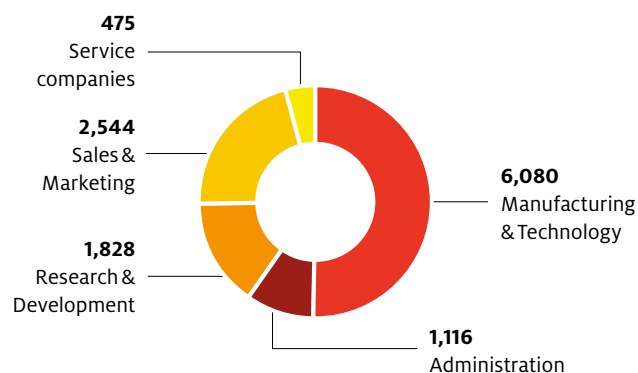
The demographic development trend in many countries toward an aging society, and a diversification of the population and thus the working workforce by people from other cultures and educational systems, are changing our living and working environments in many ways. People from over 60 nations work in 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:

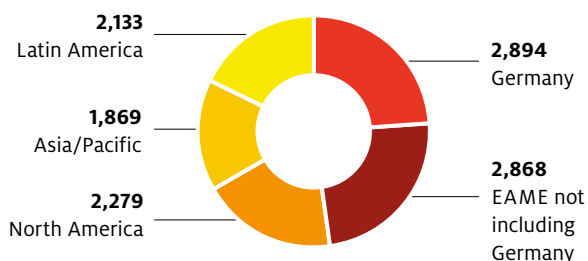
- Assessment of Group-wide competency development needs to achieve the strategic goals
- Identification of the top talents and their individual development measures
- Nomination of top talent for strategic development programs, such as the Leadership Accelerator Program
- Robust succession planning in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

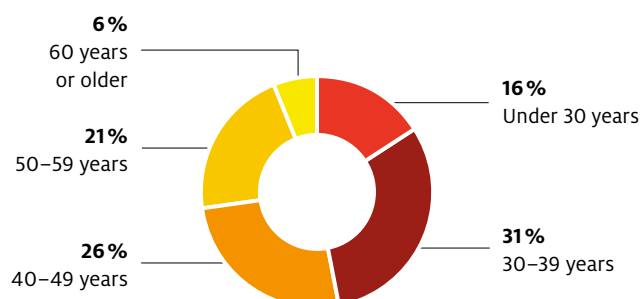
In the 2022 fiscal year, Symrise also expanded the topic area of “modern and digital learning” further. Employees were provided with a new, globally available “Learning Management System” (LMS) and a digital learning platform (“Skillsoft”). More than 2,600 learning hours have now been completed worldwide 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.

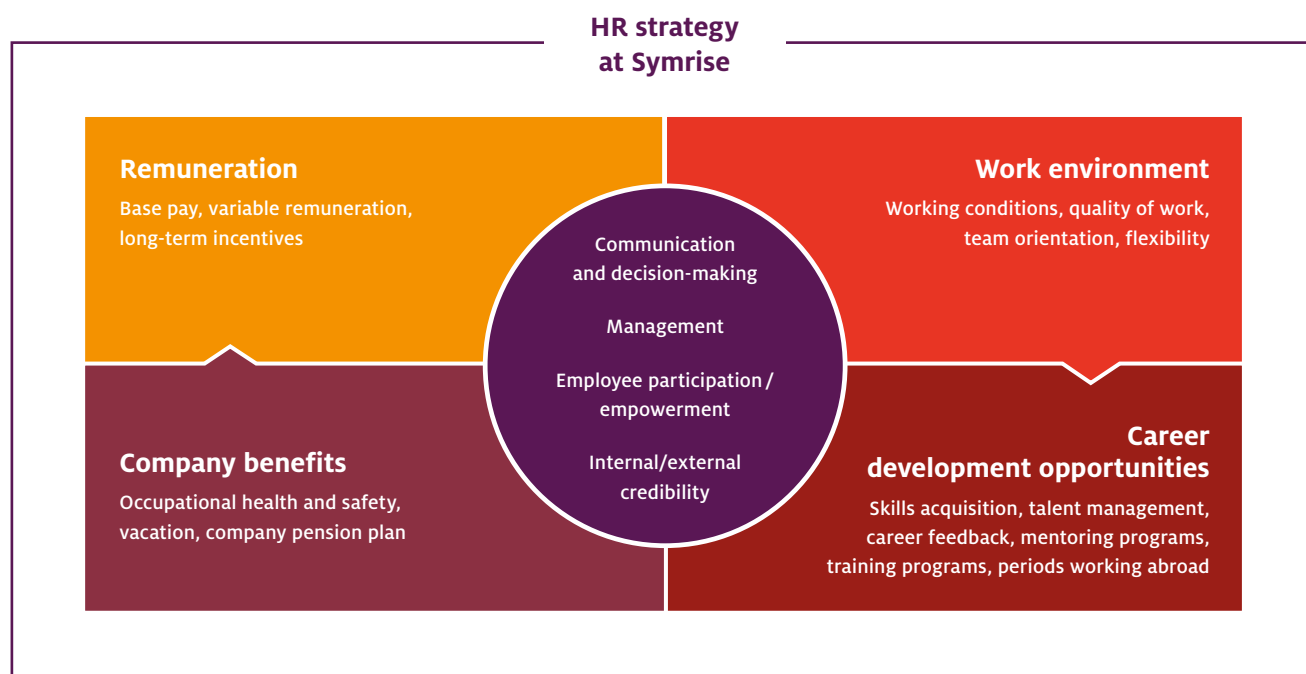
To better leverage the potential of women at Symrise, the company is pursuing a strategy to ensure that Symrise will be able to advance the careers of its female employees. In 2022, various successful development workshops for high-potential female staff were piloted in Germany and France with the aim 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

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

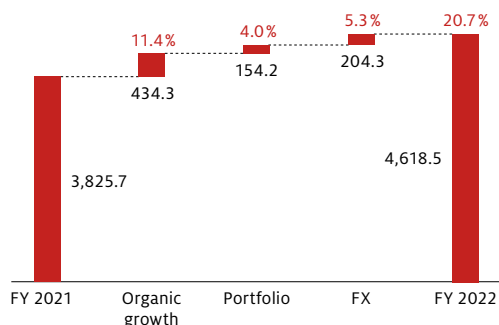


CARE

Improve well-being in our stakeholder communities

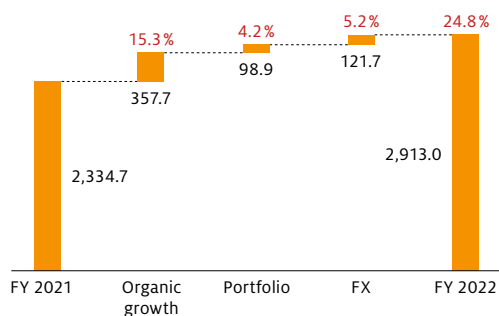
Economic report

GROUP sales in € million



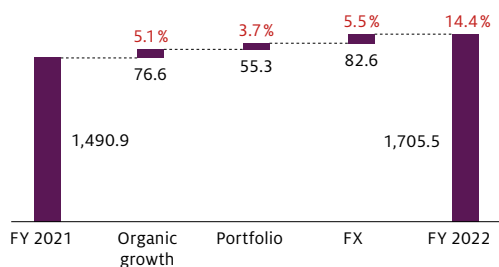
€ million	FY 2021	FY 2022 ¹	Change in %
Gross profit	1,478.8	1,702.1	15.1
EBITDA	813.6	921.5	13.3
EBITDA margin	in %	20.0	
EBIT	559.0	630.1	12.7
EBIT margin	in %	13.6	
Depreciation	140.5	164.6	17.2
Amortization	114.1	126.8	11.1
Financial result	-42.8	-72.9	70.4
Earnings before income taxes	516.2	557.2	8.0
Net income ²	374.9	406.1	8.3
Earnings per share ³	in €	2.91	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 %	21.6	
EBIT	357.9	430.2	20.2
EBIT margin	in %	14.8	

SCENT & CARE sales in € million



€ million	FY 2021	FY 2022	Change in %
EBITDA	282.6	291.0	3.0
EBITDA margin	in %	17.1	
EBIT	201.1	199.9	-0.6
EBIT margin	in %	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 %.

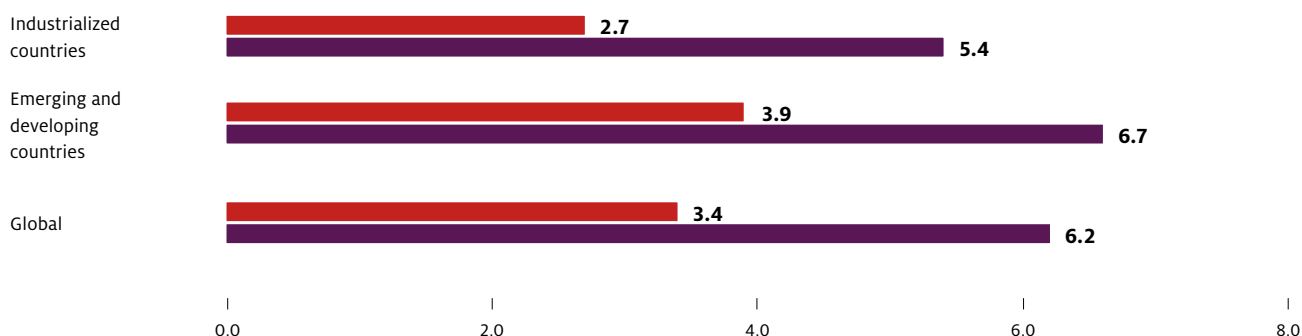
Economic performance is estimated to have increased by an average of 3.9 % in the emerging and developing countries in the reporting year, a decline of almost three percentage points compared to 2021. Record inflation, rising interest rates and increasing indebtedness are making recovery difficult, especially 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 %

● 2021 ● 2022



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 turpentine (CST) and gum turpentine (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 pre-registrations 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 SYMRIS

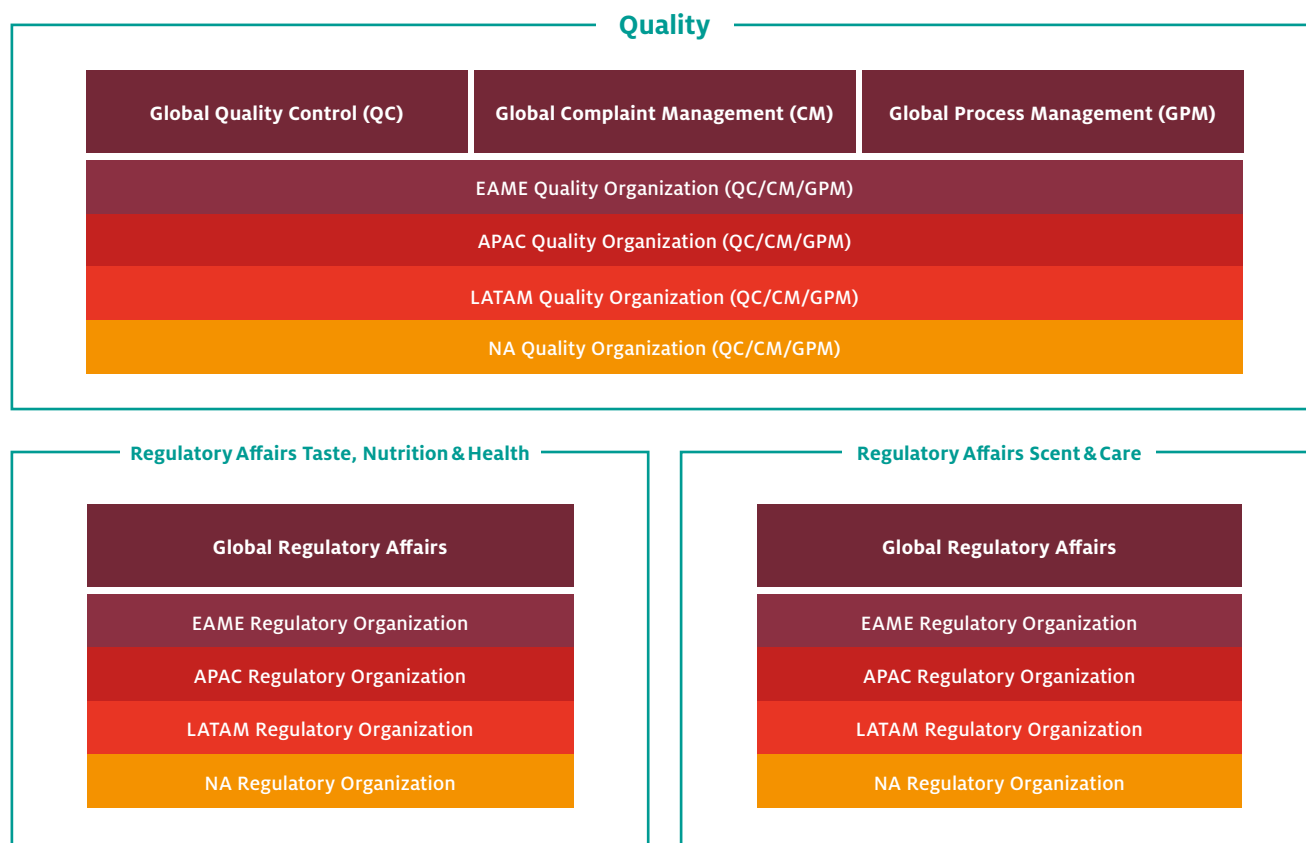
Business development at Symrise is influenced by various factors in the Group's environment. Regarding sales, general economic development plays a big role. The submarkets in which Symrise is active show different degrees of fluctuation depending on economic developments. The large number of countries 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 bot-

tlenecks 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 evocxx technologies. The partners want to develop biotechnological processes for ingredients that can be used in body care applications. As part of the partnership, evocxx 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 (EBITDA¹) 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.

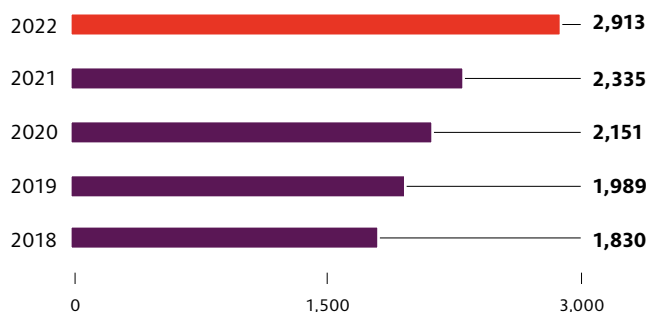
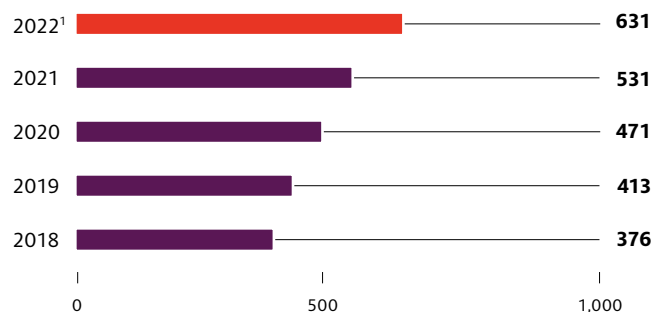
For 2022, Symrise had expected an EBITDA margin of around 21% despite rising raw material prices. Debt, as measured in terms of the key figure net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA, should have been within the range of 2.5 and 2.7. 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

Sales growth (at local currency)	Target at the beginning of the fiscal year	5 – 7 %	Figure achieved	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 margin¹ of 20.0 % is slightly below the expected value for 2022. The net debt to EBITDA¹ 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.

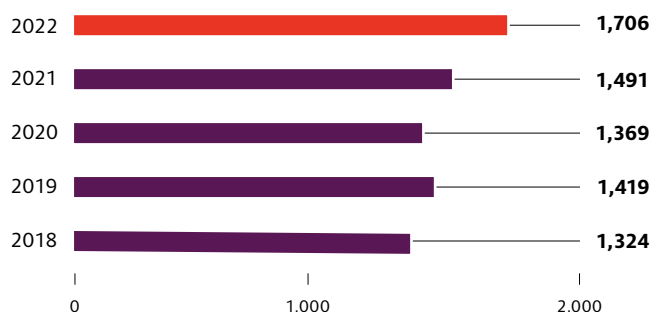
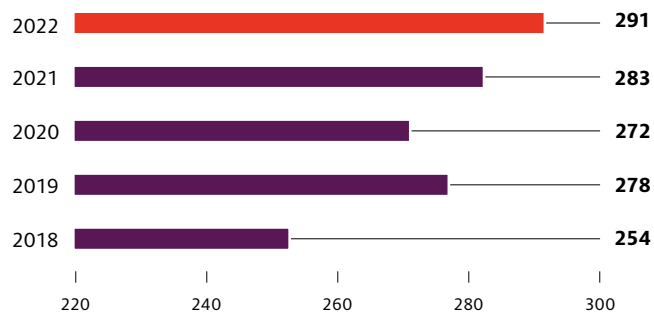
The Pet Food business continued its strong growth compared to the already excellent previous year. The development of the division benefited from an increasing pet population and the resulting high demand for pet food. The division achieved strong double-digit percentage organic sales growth in all regions.

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: EBITDA¹ 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 margin¹ 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 Nérol) 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.

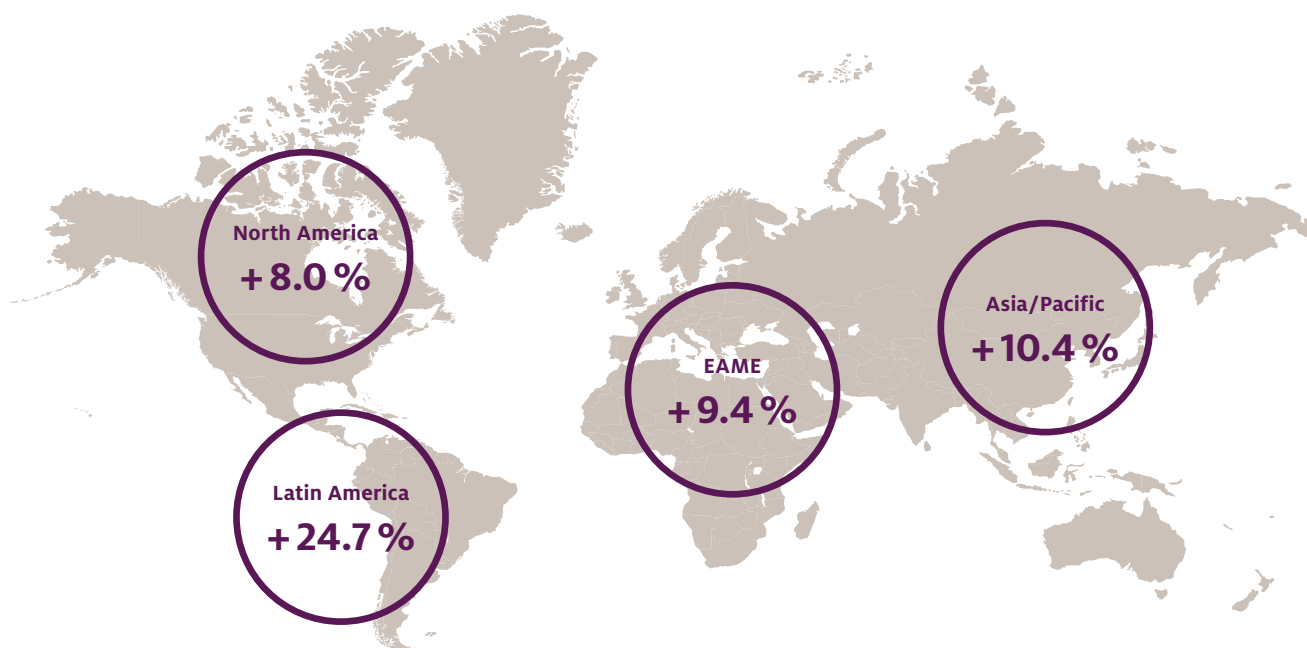
The Fragrance division recorded solid organic growth in the single-digit percentage range and benefited in particular from strong demand in the Fine Fragrances business unit. It delivered a very robust performance and once again achieved double-digit percentage organic growth following a strong previous 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 EBITDA² came to € 922 million, significantly higher than in the previous year (2021: € 814 million). The EBITDA² 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).

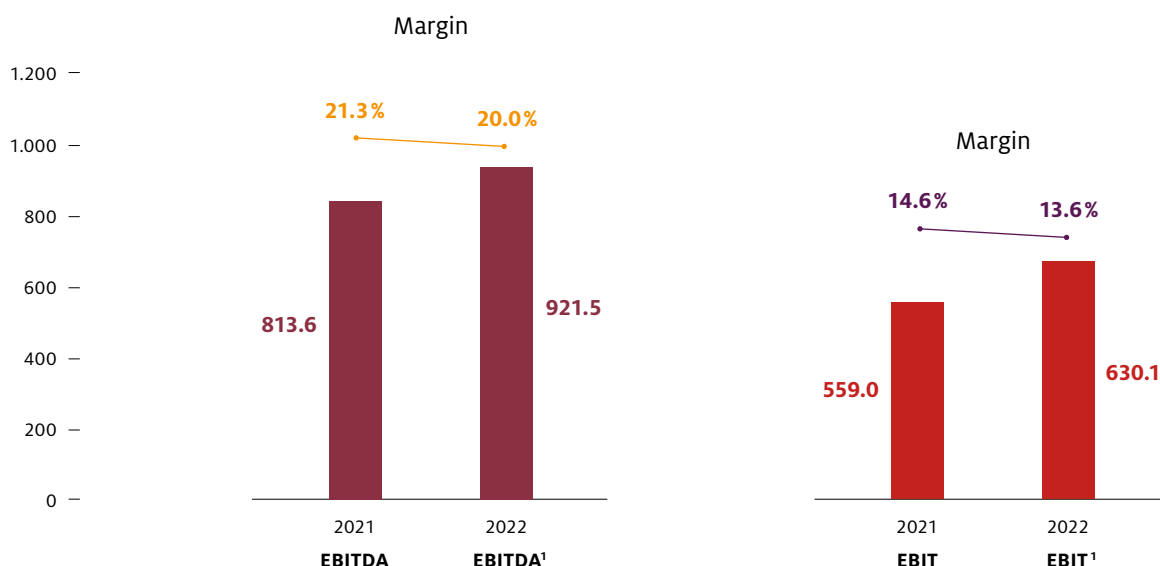
Dividend proposal 2022: The Executive Board and Supervisory Board of Symrise AG will propose a dividend of € 1.05 per share for the 2022 fiscal year at the Annual General Meeting on May 10, 2023.

Income statement in summary²

€ 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/EBIT²	559	630	12.7
Amortization of intangible assets	114	127	11.1
Depreciation of property, plant and equipment	141	165	17.2
EBITDA²	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, 2021²: 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 EBITDA¹ 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 EBITDA¹ 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 flow¹	486	301

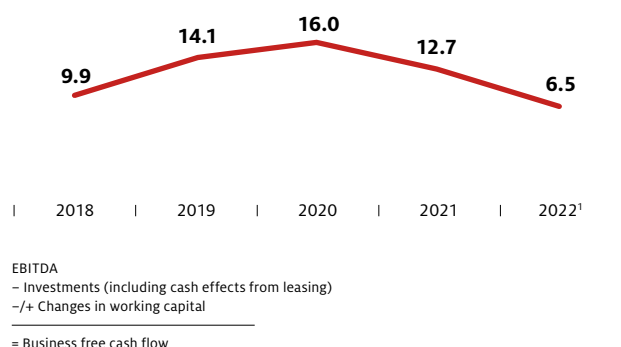
All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The Group has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 500 million that was not utilized 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 Nérolis 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 year¹. 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

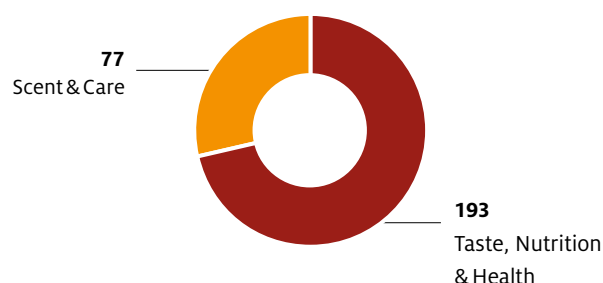


INVESTMENTS AND ACQUISITIONS

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

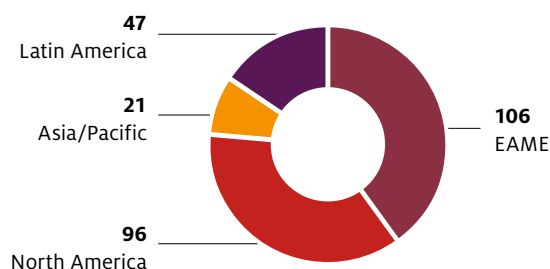
new pet food site in Araucaria (Brazil) and the expansion of production capacity in Fragrance (Mexico and Spain), Pet Food (Netherlands and USA), Food & Beverage (Canada and Germany) and Aroma Molecules (Spain) divisions. Around € 24 million were spent on intangible assets (2021: € 17 million). The main 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.

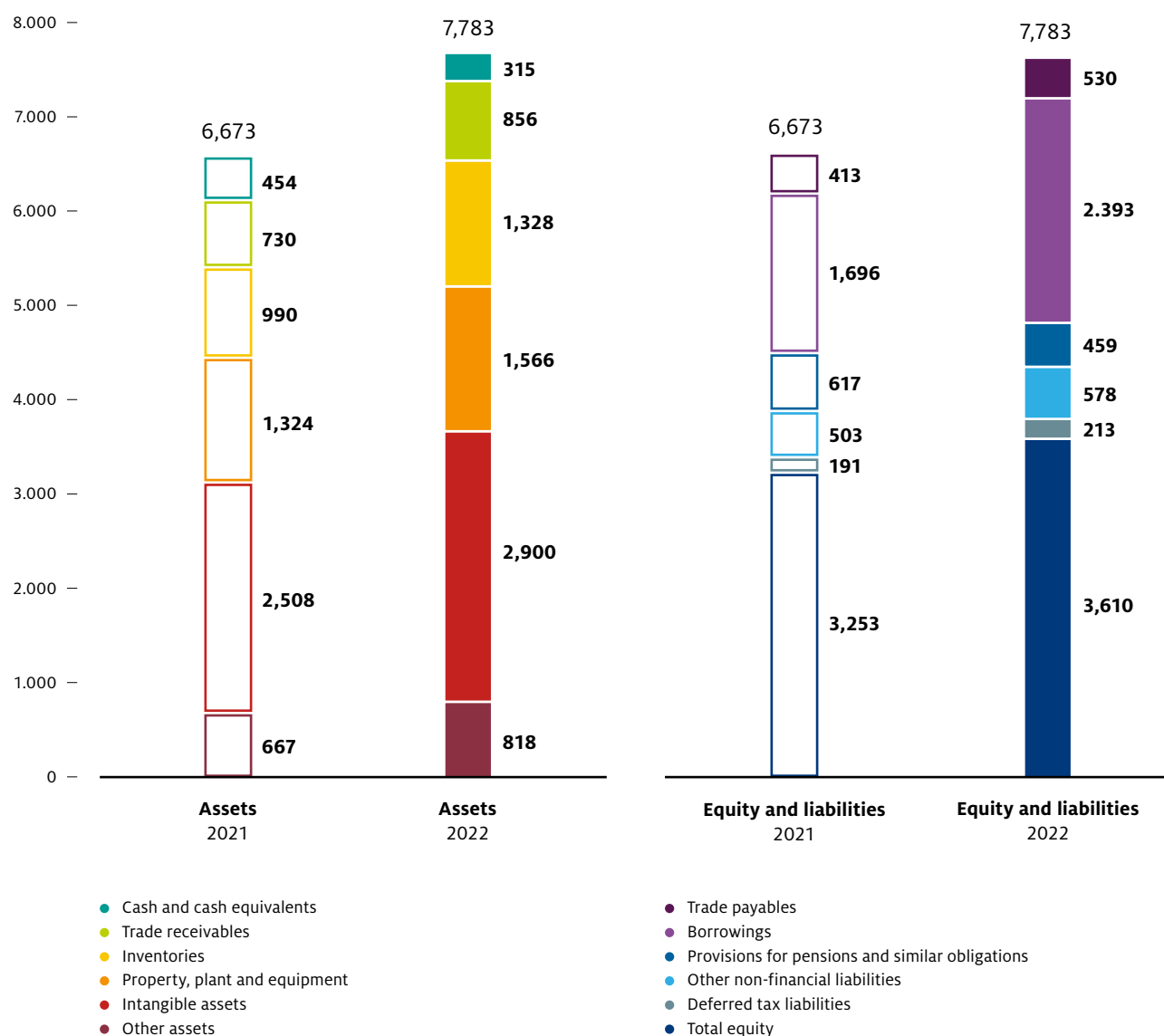
Symrise AG acquired Schaffelaarbos B.V. on January 11, 2022. Schaffelaarbos is based in the Netherlands (Barneveld) and is a leading supplier of sustainably sourced proteins from eggs for the feed industry in the EU. With this transaction, Symrise has taken an important strategic step to further accelerate its international expansion in the pet nutrition segment. Symrise

Investments by Region in € million

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).

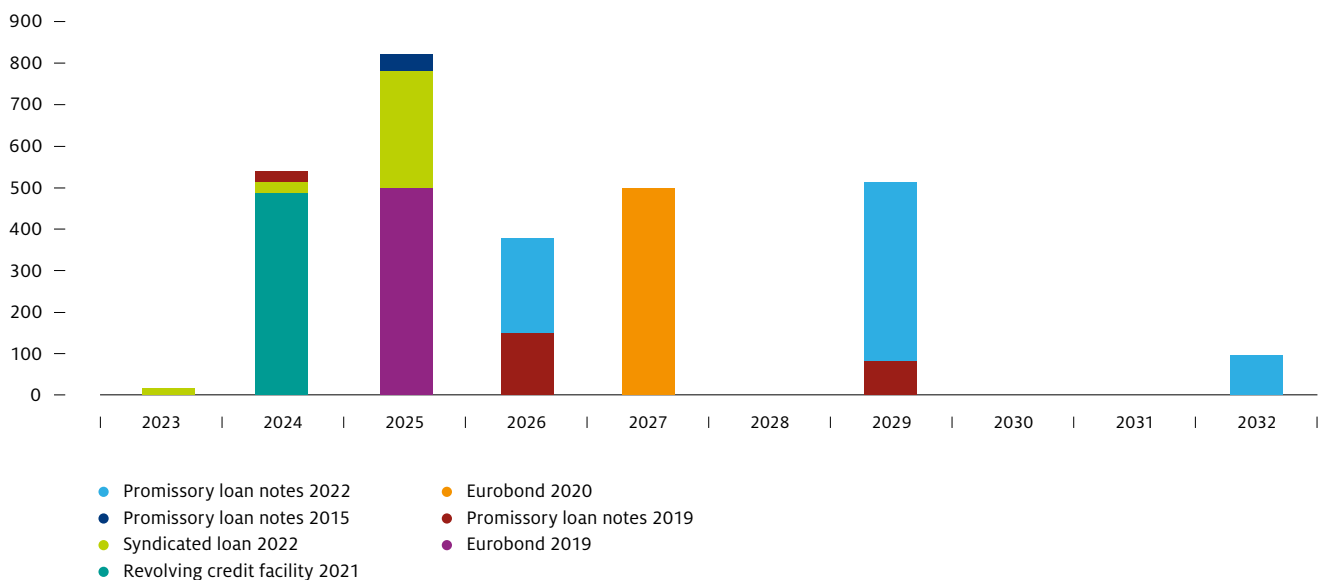
On the assets side, the increase in total assets resulted primarily from higher investment-related property, plant and equipment, acquisition-related intangible assets as well as higher non-current financial assets. The increase in financial assets is primarily due to the successive acquisition of further 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. Spe-

cific 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/EBITDA¹ ratio of 2.4 in the reporting year (2021: 1.7). The ratio of net debt including provisions for pensions and similar obligations/EBITDA¹ 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		2022		Change in %
		<i>in % of total equity and liabilities</i>		<i>in % of total equity and liabilities</i>	
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

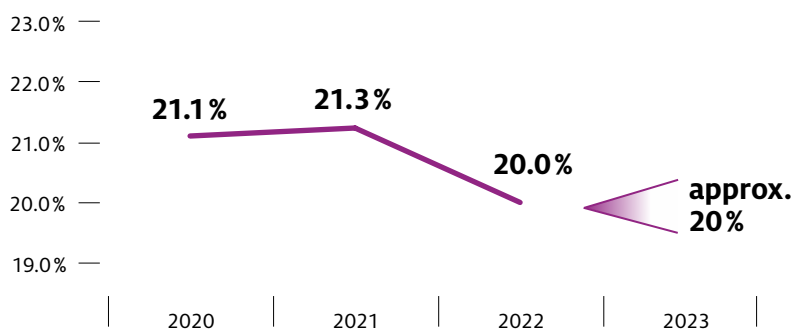
FRAMEWORK

Global
economic growth
2.9%

Market growth
3 – 4%

Commodity prices
moderate increase

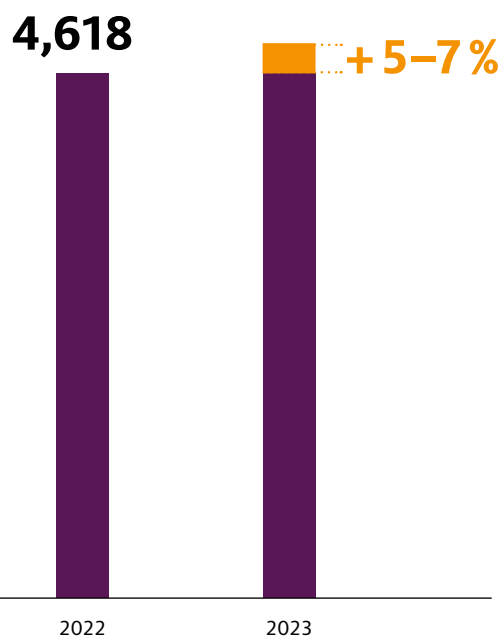
EBITDA MARGIN



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 com-

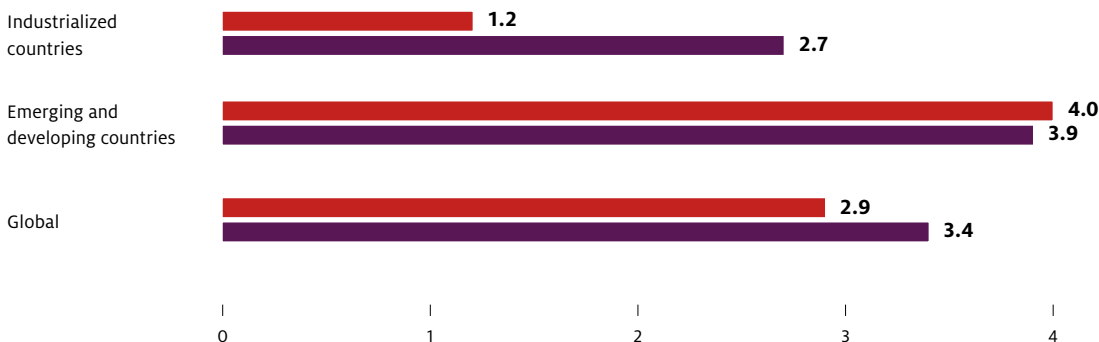
pared to the previous year from 6.8 % to 6.1 %. Overall, the IMF expects economic growth in emerging and developing markets to increase from 3.9 % in 2022 to 4.0 % in the current year.

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 %

● 2022 ● 2023



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.

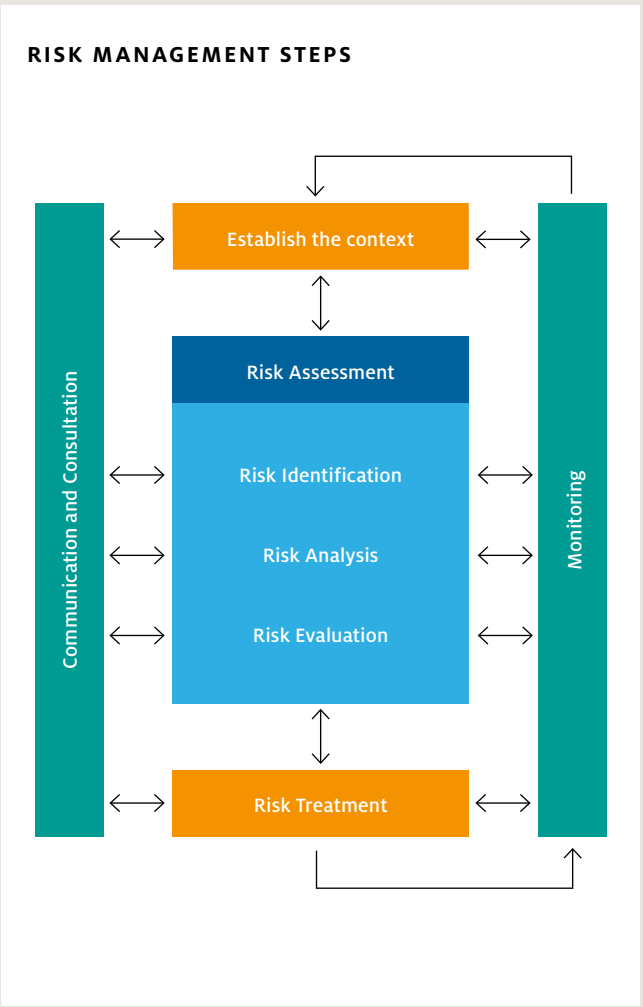
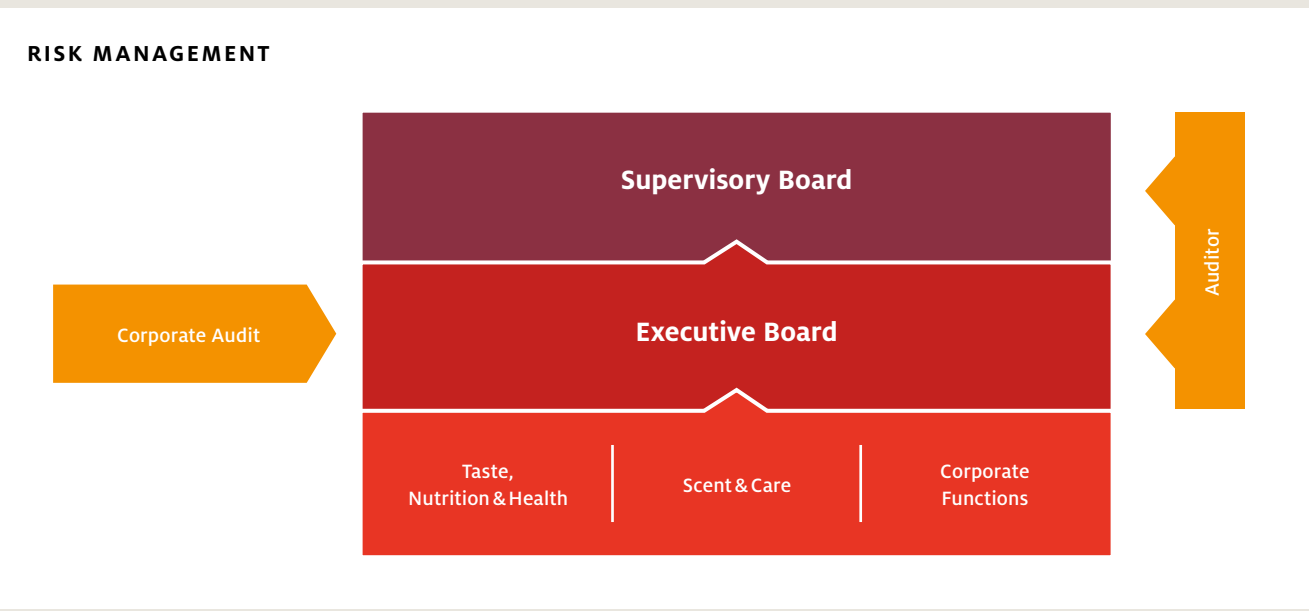
GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

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



OVERVIEW OPPORTUNITIES AND RISKS

Opportunities	Categories	Risks
■ ■ ■	Sales Markets	■ ■ ■
■ ■ ■	Procurement Markets	■ ■ ■ ■
■	Financial Markets	■
■	Production	■
■	Investments	■
■ ■ ■	Human resources	■
■ ■ ■	Mergers and acquisitions	■
■ ■ ■	Research & Development	■
■	Compliance, Legal	■ ■ ■
■	IT security	■
■	Taxes	■
■ ■ ■	Environment	■
■	Process and Organization	■

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

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

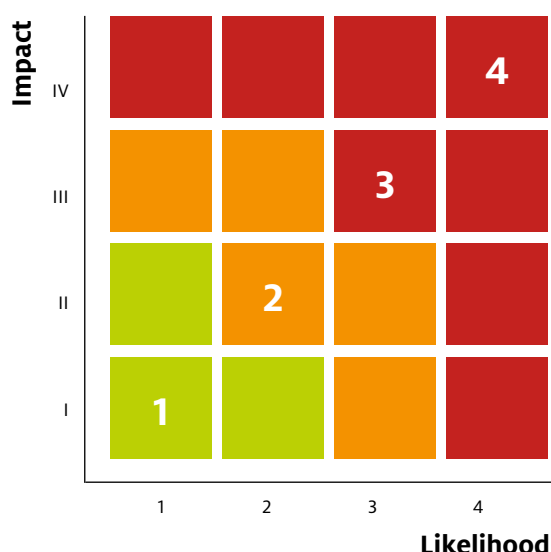
The risk management system at Symrise is based on the framework of generally recognized standards (ISO 31000) and extends across all Group companies and business units.

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 occurrence)

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 CO₂ 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 posi-

tion 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 pro-

cess 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 evalu-

ated. 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.

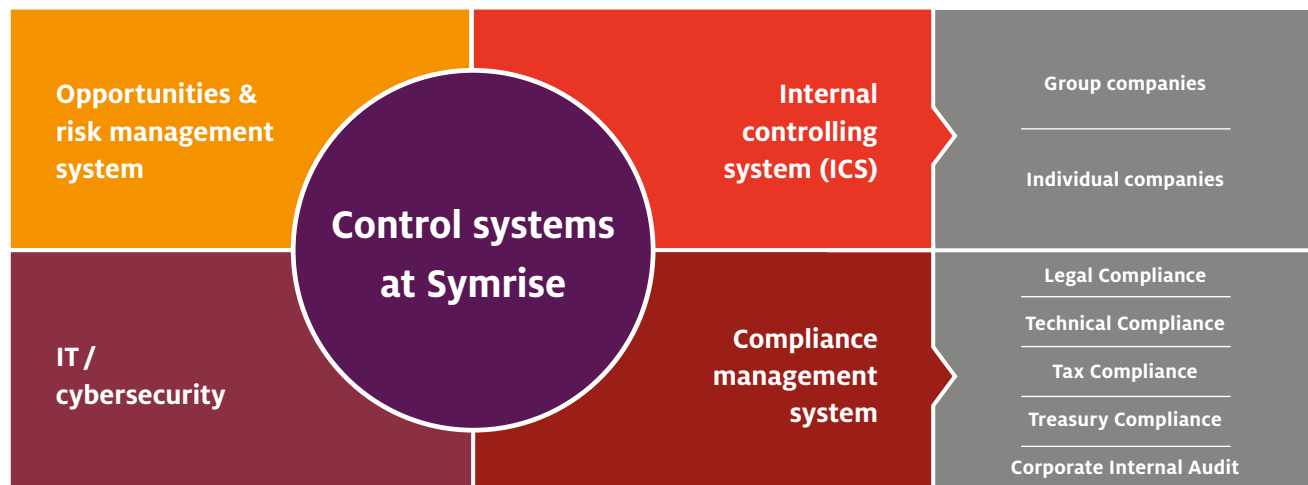
- The compliance management systems cover legal compliance, technical compliance, the tax compliance management system and treasury compliance.
- The role of Legal Compliance is to guide and advise the operational and administrative areas of Symrise AG with regard to compliance with the relevant national 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>.