always inspiring more ...

symrise

SHARING VALUES

The power of holistic action

FINANCIAL REPORT 2020

Five-year financial overview

€ million		2016	2017	2018	2019	2020
Group – results of operations						
Sales		2,903	2,996	3,154	3,408	3,520
Share of sales in emerging markets	in %	43	44	43	44	42
EBITDA[1,2]		625	630	631	701	742
EBITDA margin[1,2]	in %	21.5	21.0	20.0	20.6	21.1
Net income[1,2]		266	270	275	296	307
Earnings per share[1,2]	in €	2.05	2.08	2.12	2.20	2.27
Dividends paid		110	114	122	129	131[3]
Dividends per share	in €	0.85	0.88	0.90	0.95	0.97[3]
Group – financial position/net assets						
Cash flow from operating activities		339	396	442	547	636
Investments (without M & A)		168	205	226	182	159
Balance sheet total[2] (as of December 31)		4,753	4,675	4,920	5,953	5,940
Capital ratio[2] (as of December 31)	in %	36.4	37.8	39.5	41.3	39.8
Net debt (incl. provisions for pensions and similar obligations; as of December 31)		1,971	1,922	1,893	2,222	2,029
Employees (as of December 31)	FTE[4]	8,944	9,247	9,647	10,264	10,531
Flavor						
Sales		1,016	1,102	1,191	1,257	1,225
EBITDA		234	243	244	268	267
EBITDA margin	in %	23.0	22.0	20.5	21.4	21.8
Nutrition						
Sales		576	631	639	731	926
EBITDA[5]		134	139	132	155	204
EBITDA margin[5]	in %	23.2	22.1	20.7	21.2	22.0
Scent & Care						
Sales		1,311	1,263	1,324	1,419	1,369
EBITDA[6]		258	248	254	278	272
EBITDA margin[6]	in %	19.7	19.6	19.2	19.6	19.8

1 Figures for 2016 and 2019 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations
2 Figures for 2016 restated due to finalization of purchase price allocation for Nutraceutix, figures for 2019 restated due to finalization of purchase price allocation for ADF/IDF
3 Proposal
4 Not including trainees and apprentices; FTE = Full Time Equivalent
5 Figures for 2019 normalized for transaction and integration costs related to business combinations and restated due to finalization of purchase price allocation for ADF/IDF
6 Figures for 2016 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations

Table of Contents

ABOUT THIS REPORT

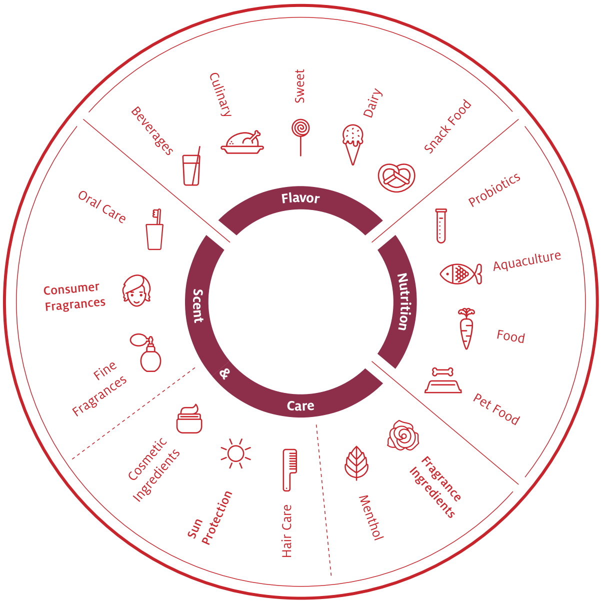
This 2020 financial report contains the complete consolidated financial statements, the Group management report and all other legally required elements. Supplementary to it, a separate corporate report provides a comprehensive depiction of Symrise's performance in 2020 – both from a business perspective as well as from a sustainability standpoint. The corporate report can be viewed electronically and ordered in print form at www.symrise.com/corporatereport/2020.

The Symrise 2020 financial report was published simultaneously with the 2020 corporate report on March 9, 2021, and is available in German and English. The publication date of the financial report for the 2021 fiscal year is March 2022. Additional information on our company's activities can be found at www.symrise.com.

Symrise at a glance

always inspiring more …

APPLICATION AREAS



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

Dynamic sales growth
2006 – 2020 CAGR 7.8 %

Highly profitable
EBITDA margin 2006 – 2020 between 19 % and 22 %

Over **10,000 employees**
in over 40 countries

Over **6,000 customers**
in over 150 countries

SYMRISE'S VALUE CHAIN

Raw materials
- Natural ingredients
- Petro-based raw materials

Product development
- Natural extracts
- Functional ingredients
- Compositions

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

Customers

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

Market volume
€ 36 billion

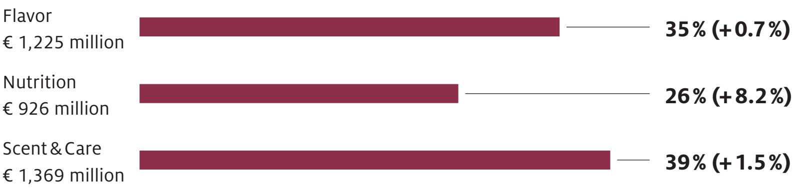
Consumers

2020 Highlights

Profitable growth in challenging market environment

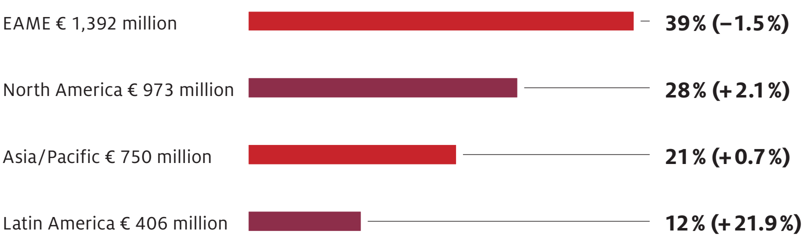
SALES BY SEGMENT

as % of Group sales and organic growth in %



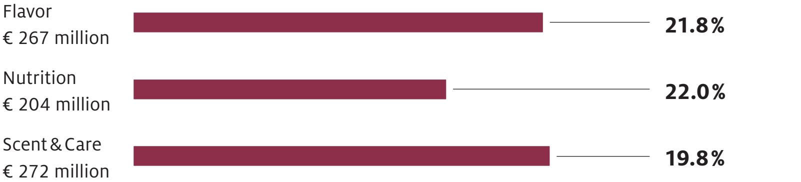
SALES BY REGION

as % of Group sales and organic growth in %



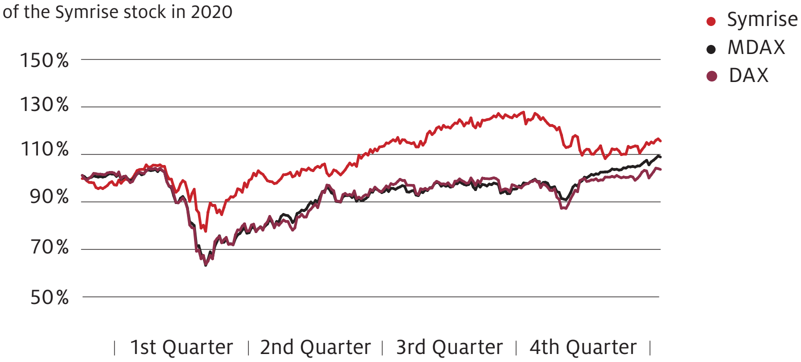
EBITDA (MARGIN) SEGMENTS

in € million and as % of Group sales



SHARE PRICE DEVELOPMENT

of the Symrise stock in 2020



Sales
€ 3,520 million
Organic growth
2.7 %

EBITDA
€ 742 million
EBITDA margin 21.1 %

EBIT
€ 488 million
EBIT margin 13.8 %

Net income
€ 307 million

Earnings per share
€ 2.27

Proposed dividend
€ 0.97
per share

Market capitalization
€ 14.7 billion
at December 31, 2020

Group Management Report

SYMRISE AG, HOLZMINDEN
JANUARY 1 TO DECEMBER 31, 2020

Basic information on the Symrise Group

Sharing values: The power of holistic action

SEGMENTS

Flavor	Nutrition		Scent & Care		
Flavor	Diana	Probi	Fragrance	Cosmetic Ingredients	Aroma Molecules

DIVISIONS

GOALS

Financial goals

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

EBITDA margin
19 – 22 % (until 2020)
20 – 23 % (until 2025)

Business Free Cash Flow:
> 14 %

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

Cross-divisional
connection of products
and technologies

Complementary operative goals

Sustainability

STRATEGY

Vision

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

Efficiency
- Specific efficiency programs
- Optimization of raw materials portfolio

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

Sustainability

Values

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 € 3.5 billion in the 2020 fiscal year and a market share of around 10 %, Symrise is one of the leading global suppliers. Headquartered in Holzminden, Germany, the Group is represented by 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. With a market capitalization of about € 14.7 billion at the end of 2020, Symrise shares are listed on the MDAX® index. Currently, about 95 % of the shares are in free float.

Operational business is the responsibility of the Flavor, Nutrition and the Scent & Care segments. Every segment has its areas such as research and development, purchasing, production, quality control, marketing and sales. This system allows processes to be accelerated. We aim to simplify procedures while making them customer-oriented and pragmatic. We place great value on fast and flexible decision-making.

The Flavor segment is made up of the business units Beverages, Savory and Sweet. The Nutrition segment consists of the Diana division with the Food, Pet Food and Aqua application areas, as well as the US company ADF/IDF and the Swedish company Probi. The Scent & Care segment breaks down into the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

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

The Group has a Corporate Center where the following central functions are carried out: Accounting, Controlling, Taxes, Treasury, Corporate Communications/Sustainability, Investor Relations, Legal Affairs, Human Resources, 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. They 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 2,513 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and France (Rennes, Brittany). Important production facilities and development centers are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. Symrise has sales branches in more than 40 countries.

Symrise sites 2020

● Global headquarters ● Regional headquarters • Symrise sites

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

Symrise AG's Executive Board has five members: Dr. Heinz-Jürgen Bertram (CEO), Achim Daub (President Scent & Care), Olaf Klinger (CFO), Dr. Jean-Yves Parisot (President Nutrition) and Heinrich Schaper (President Flavor).

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, Symrise AG's 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 (since June 17, 2020)

Chief Executive Officer	President Scent & Care	Chief Financial Officer	President Nutrition	President Flavor
Dr. Heinz-Jürgen Bertram	Achim Daub	Olaf Klinger	Dr. Jean-Yves Parisot	Heinrich Schaper

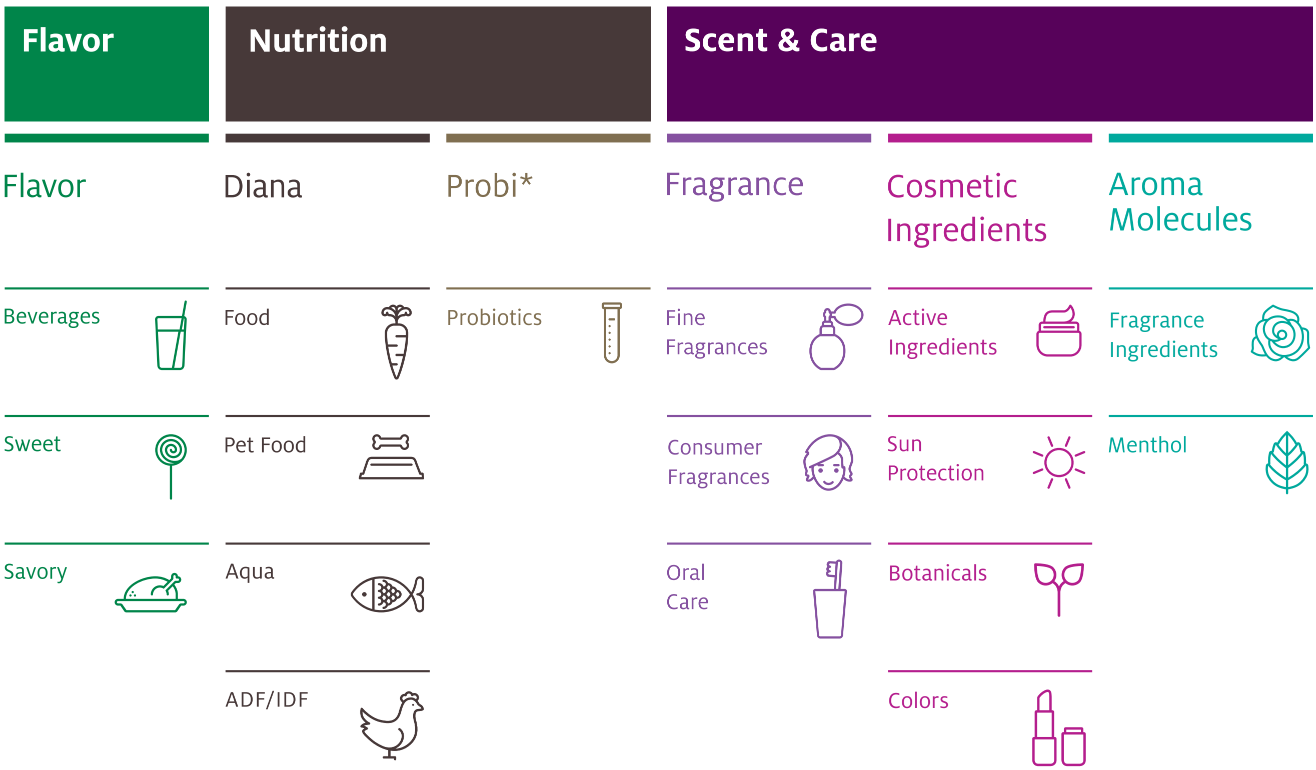
Details on cooperation between the Executive and Supervisory Boards as well as on corporate governance at Symrise can be found in the Supervisory Board and corporate governance statements.

BUSINESS ACTIVITIES AND PRODUCTS

The value chain of Symrise

Symrise manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of the three segments extends across research and development, purchasing, and production, as well as the sale of products and solutions. The natural food ingredients, flavors, perfume oils and active ingredients are generally central functional components in our customers' end products and often play a decisive role in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste, our value creation lies in the development of products with additional benefits. Examples of how flavors and perfume oils are combined with other innovative components include flavorings 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, our customers can differentiate themselves 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 scien-



* Majority shareholder in the Swedish company Probi AB.

tific facilities, forms the basis of our product development. Given the strong differences in sensory preferences from region to region, comprehensive consumer research is also an important part of our R & D activities.

CORPORATE STRUCTURE

Our customers 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.

We manufacture the various product solutions at our own production plants. In some cases, we have longer-term delivery contracts for obtaining important raw materials. We maintain close ties with our suppliers and establish uniform standards to guarantee that the quality of our base materials remains the same.

Flavor

The Flavor segment offers more than 13,000 products for authentic taste experiences. The food and beverage industry in 141 countries worldwide uses these products to produce high-quality consumer products. In close cooperation with food producers, Symrise develops differentiating flavors that meet the consumers' need for naturalness and give the respective products individual taste notes. Symrise supplies individual tonalities, as well as complete solutions, which, apart from the actual flavor, can contain additional functional ingredients for taste protection. With sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa, the global presence and proximity of Symrise to its customers ensures that its product range is always up-to-date, even in dynamic markets.

The Flavor segment's taste solutions are used in three business units:

Beverages: Symrise advises and supports the international beverage industry with global expertise in non-alcoholic and alcoholic beverages. The authentic and innovative taste solutions of Symrise set new standards for soft drinks, juice-based drinks, tea and coffee products, spirits and fermented beverages including brewery products. The Flavor segment also offers in-house technologies for resource-conserving flavor extraction and the responsible sourcing of citrus flavors.

Sweet: In the Sweet business unit, Symrise creates innovative taste solutions for sweets, chocolates, chewing gum, baked goods, cereals, ice cream and milk products, as well as for the health care sector.

Savory: Savory flavors made by Symrise are used in two major categories: In the "Culinary" category for soups, sauces, ready meals, instant noodles and meat products and in the "Snack Food" category with seasonings for snacks. Both areas translate increasingly demanding consumer desire for authentic taste and naturalness into successful customer concepts. Here, Symrise can rely on its flavor core competencies in meat and vegetables, which is characterized by cutting-edge food technology and research as well as sustainability. The unique backward integration of Symrise with raw onion products, for example, contributes to the production of particularly powerful taste solutions.

Symrise also offers a wide range of solutions for plant protein-based products, both for savory products – such as vegetarian burgers – and flavors for alternative plant-based dairy products, such as yogurt, drinks and ice cream.

What all product segments have in common is that the taste solutions are based on a comprehensive understanding of the market and consumers. Trend research is combined with in-house expertise to develop relevant taste solutions using conserving processes that meet consumer needs, are consistent with the customer's brand values and also comply with local legal requirements. Digitally supported research programs developed in-house play an important role in this regard. Interdisciplinary teams then advise client companies in an intense dialogue process.

During the continuous development of novel solutions, Symrise also relies on its close cooperation with leading universities, research institutions, start-ups and food research networks, such as its agile collaboration with the innovation network KitchenTown Berlin.

In addition, Symrise distinguishes itself through the sustainable backward integration of its value chain, including vanilla and vegetable extracts. Here, continuous cooperation with over 7,000 small-scale farmers and the German Society for International Cooperation (GIZ) plays a major role. Alongside that, Flavor makes an important contribution to creating a sustainable food system: For example, natural flavors make healthy products with low sugar, salt and fat contents taste great. Alternative protein products for consumers who want to reduce their meat or dairy consumption are also optimized using taste solutions from Symrise.

Since the company's founders laid the cornerstone of the flavor industry in 1874 with their synthesis of vanillin, Symrise Flavor has continuously developed its flavor expertise thanks to extensive training, a process of international exchange and comprehensive investment in the latest technologies. The Flavor area thus offers a diversified product portfolio of consumer-relevant, sustainable taste experiences that is constantly being developed. In 2020, Symrise was, therefore, once again well-prepared to help clients meet changing consumer needs, even against the backdrop of the coronavirus pandemic.

Nutrition

The Nutrition segment has more than 40 sites in 25 countries. With around 3,000 employees, it serves customers in 94 countries.

The Nutrition segment focuses on innovative, natural nutrition solutions with an emphasis on health and well-being for manufacturers of food, pet food and feed for fish farming. It comprises five business units:

Food: The business unit offers a wide range of innovative, natural and sustainable ingredients for food and beverage manufacturers, as well as products for baby food and dietary supplements. Gentle, industrial processing methods, in combination with technological expertise, 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, our customers achieve the best results in terms of taste performance, health benefits, sensory properties and the shelf life of their products.

Pet Food: This business unit offers numerous product solutions and services for improving taste and pets' acceptance of foods, achieving food safety of pet food, and for animal health. In order to research feed acceptance, feeding behavior and the interactions between both pet owner and pet, the business unit maintains three expert centers with around 1,000 of its own dogs and cats.

Aqua: The scope of the 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 Aqua business unit relies on a global network of science and technology experts.

ADF/IDF: With the acquisition of ADF/IDF in 2019, the Nutrition segment has strengthened its position in the North American market and significantly expanded its offering in the fast-growing areas of pet food, flavorings and food. ADF/IDF is a leading supplier of protein specialties based on meat and egg products for customers in the pet food and food industries as well as for producers of nutritional supplements.

Probiotics: 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.

In addition, the Nutrition segment operates **Nova**, an incubator for innovative applications in the fields of health and nutrition, and for the development of new business units.

Scent & Care

The Scent & Care segment has sites in more than 30 countries and markets over 15,000 products in 130 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in the following business units:

Fragrance: The objective of the Fragrance division is to convey "a better life through fragrance." The division employs more than 70 highly talented and respected perfumers of 15 different nationalities, who work at 11 creative centers around the world. Their combined professional experience adds up to more than 1,300 years of perfumery expertise. They combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). Our creative and composition business 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.

Consumer Fragrances: The business unit Consumer Fragrances includes products for personal care and the household. 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, 113 patent applications were filed, 24 of them in 2020 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 Symrise's own production of perfume oils 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 flavorings and fragrances (F & F market), whose volume should amount to € 28.5 billion in 2020, according to calculations made by the IAL Consultants market research institute (12th Edition, September 2020). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to reports of IAL (2nd Edition, December 2020), should achieve sales of approximately € 7.3 billion in the reporting year. The markets have many trends and characteristics in common. The market relevant for Symrise (the AFF[1] market) therefore has a total volume of € 35.8 billion. According to internal estimates, it will grow by an average of approximately 3 to 4 % per annum in the long-term, but only by 1.0 % in 2020 as a result of the pandemic, according to estimates by IAL Consultants.

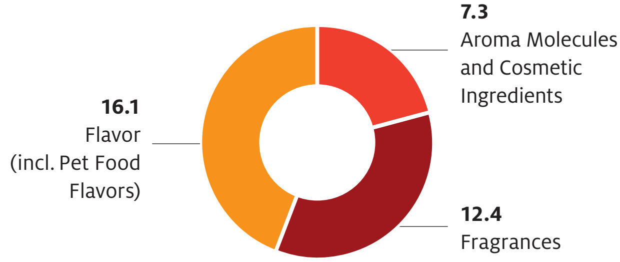
More than 500 companies are active in the market worldwide. The four largest providers, which include Symrise, together have a market share of 49 %.

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 be 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 our 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.

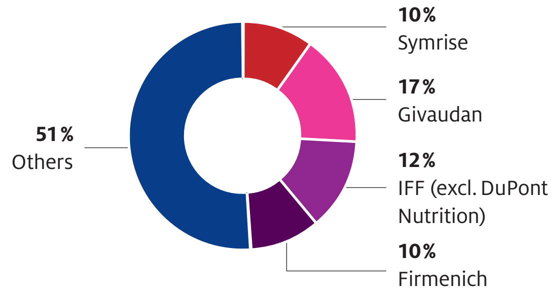
1 AFF market: F & F market (Flavors and Fragrances) plus market for aroma chemicals and cosmetic ingredients

Relevant AFF market size 2020
in € billion (approx. € 35.8 billion overall)



Sources: IAL (12th Edition, FLA & FRA, September 2020), IAL (2nd Edition, AC/AM and CI, December 2020)

AFF market share 2020
in % (volume approx. € 35.8 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 € 35.8 billion, the market share of Symrise is roughly 10 % in terms of 2020 sales. Symrise has expanded its traditional business segments to include additional applications: Scent & Care, for example, offers cosmetic active ingredients, and Nutrition focuses on pet food and food ingredients within the Diana division. On the basis of these more complex product solutions, greater value creation can be achieved. In submarkets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also stands in competition 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 the manufacturing of nature-identical L-menthol as well as mint and vanilla flavor compositions. Symrise also holds a leading position in the segment of UV sun protection filters, fragrance ingredients, and in baby and pet food.

GOALS AND STRATEGY

GOALS

In the long term, we want to strengthen our market position and ensure the independence of Symrise. At the same time, we recognize our responsibility toward the environment, our employees and society at large. By increasing our sustainability regarding our footprint, innovation, sourcing and care, we minimize risk and promote the continued economic success of Symrise.

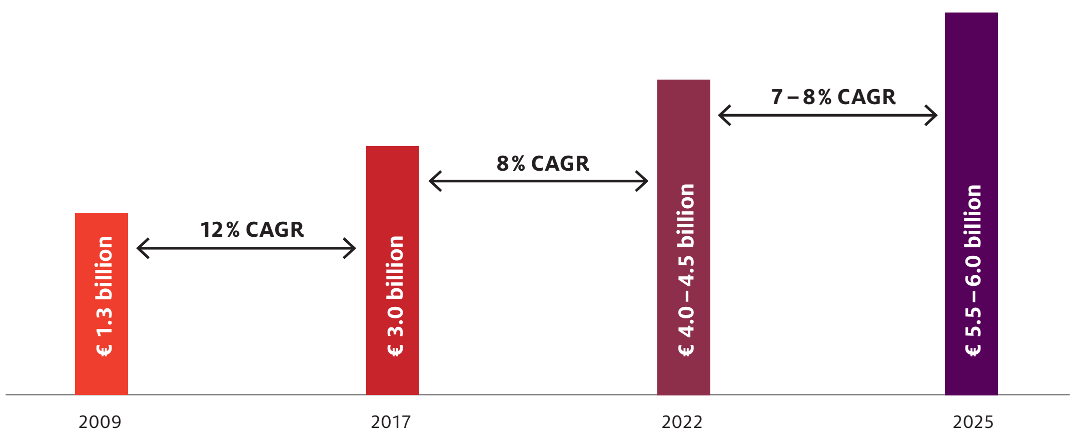
- **Market position:** With long-term organic growth of 5 to 7 % per year (CAGR)[1], our sales growth should exceed the growth of the market, which is expanding by about 3 to 4 % per year on average. In this way, we will gradually increase the distance between us and smaller competitors and gain market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

- **Value orientation:** We want to consistently be counted among the most profitable companies in the industry. We aim to achieve an average EBITDA margin of 20 to 23 %.

Performance results are described in greater detail in the corporate development section. We ensure that our shareholders have an appropriate share in the company's success. Our dividend policy is oriented toward the company's profitability.

1 CAGR: Compound Annual Growth Rate

Goals by 2025
Sales in € billion



STRATEGY

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

- Growth: We strengthen our cooperation with our strategic customers around the world and expand our business in emerging markets. We make sure that we remain innovation leaders in our core competencies. This ensures our continued growth.
- Efficiency: We constantly work to improve our processes and concentrate on products with a high level of value creation. With backward integration for key raw materials, we ensure a consistent, high-quality supply of these materials in sufficient quantities and at set conditions. We work cost-consciously in every division. This ensures our profitability.
- Portfolio: We enhance our product portfolio and tap into new markets and segments. We continue to expand our expertise outside the traditional flavor and fragrances industry. This ensures our prominent market position.

Symrise grows organically. When it makes sense, we engage in expansive acquisitions or enter into strategic partnerships for product development. At the same time, we want to ensure that Symrise 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 corporate governance. 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 % (by 2025), serves as an indicator of the company's profitability. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. 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 its 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. In addition, Symrise attaches great importance to the company'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 our 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/2020/sustainability/sustainability-record**.

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, R & D and creation, throughout the Group. Through the close linkup of R & D with marketing and business units, purchasing and manufacturing, product development, quality assurance and regulatory issues, we check early on to see whether new products and technologies can be implemented, digitized and if they are profitable, in addition to assessing their sustainability aspects. Strategic research fields are the area of sustainable processes and products, such as green chemistry, the increased demand for perfumery ingredients based on renewable raw materials, as well as taste balancing or flavor optimization of preparations based on plant protein. 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. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project. The research and development projects are also regularly evaluated based on criteria from the four pillars of the sustainability strategy (FISC)[2] and prioritized accordingly. As part of this process in 2020, in particular, the area of fair use of biodiversity was further developed according to the provisions of the Nagoya

1 CAGR: Compound Annual Growth Rate

2 Further information on the four pillars of the sustainability strategy can be found in the sustainability chapter from page 24

Protocol. One future field is the utilization of legacy varieties of known agricultural raw materials in order to preserve and expand biodiversity. Symrise has joined the OP2B consortium of various industrial companies for this purpose. The three 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 of the Scent & Care and Flavor segments, especially the centers for development and application technologies, are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Chennai (India), Paris (France), Antananarivo (Madagascar), São Paulo (Brazil) and Cuautitlan (Mexico). In addition, a hair research center was established at the São Paulo site. In addition, the Cosmetic Ingredients division has expanded its core competencies through the acquisition of Cutech in Padua, Italy, with highly innovative skin models for basic skin biology research and for the development of new cosmetic active ingredients. In the Nutrition segment, R & D activities are organized according to the business units Food, Pet Food, Aqua, ADF/IDF and Probi. Most of the segment's R & D activities are concentrated in France.

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 of Economics (BMWi), 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 research tax credit (CIR) and other public and private funding institutions. Topics in the following areas play a key role: Sustainability, the targeted development of information sources on the effects of plant raw materials, 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, as well as the added health value of food ingredients. 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.

Significant research cooperations

Partner	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
SweeTea (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
SimLeap (Charité, Berlin; Bicoll, Munich; University of Vienna)	Identification of new taste modulators by data mining from old Chinese recipes in combination with cell culture and sensory driven taste analysis, funded by the BMBF
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)
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)
Internet of Food (Wageningen University & Research, various partners)	Inline/online measurement of the condition of food (funded by TKI, Netherlands, within the framework of SFI)
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™) developed by Diana 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 byproducts 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 **Flavor** segment, the research and technology strategy is implemented on the basis of seven research platforms. A large number of key topics are being worked on with a special focus on sustainability aspects. Examples include: the development and adaptation of new, gentle separation technologies, as well as 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 2020, a special focus was placed on the challenge of improving the taste of plant proteins as meat substitutes or for use in dairy products. Similarly, the selection of varieties and new cultivation methods for a sustainable supply chain were developed for key plant-based raw materials for the Taste Balancing Sweet product platform. Another focus of research in the Flavor segment is the development and application of modern digital tools for the rapid and targeted development of flavor solutions for selected food applications. In this context, the ProtiScan process – developed by Symrise for recording the flavor release from innovative food preparations with vegetable protein – should be mentioned here. This process enables a significant reduction in project development times and forms a solid foundation for IT-based development concepts. In addition, Flavor is working 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.

The **Nutrition** segment specifically strengthened its scientific research resources in the 2020 fiscal year to support the development of new products for new applications. In the Food and Nova application areas, for example, the health benefits and biological mode of action of natural fruit extracts rich in polyphenols were investigated in collaboration with leading scientists. In a five-year research program with Laval University in Canada, the prebiotic effect of these natural extracts was investigated using a state-of-the-art in vitro model for gut microbiota (TWIN-SHIME system) and their biological effects on innovative cell models (gut organoids). Beyond that, in-house scientific expertise was used in a joint research project with Cosmetic Ingredients to develop new symbiotic products based on the combination of natural fruit or vegetable extracts and probiotics.

In the Pet Food application area, the “Panelis” research panel in France has set up fully automated stations for feeding wet food to cats. The “Panelis cats” can, therefore, consume their wet food during a two-hour meal period. All individual feeding events are automatically recorded by the system. This leads to an improved data pool and thus to a better understanding of the feeding behavior of cats.

In the Aqua application area, a new test center became operational in Thailand in 2020. It supports the development and evaluation of new products for shrimp and tropical fish. In addition, the test center will develop a new generation of liquid flavor enhancers specifically for carnivorous fish.

At ADF/IDF, research activities focused on delivering process improvements in the production of important egg products. The expansion of our research center in St. Louis has created the conditions to accelerate new developments for egg products. The focus is on evaluating previously underutilized ingredients. At IDF, progress was made with incorporating functional ingredients into chicken broths. This development was triggered by market research and sales. The first round of prototypes received very good customer evaluations and the IDF Innovation Center is working on the continuous improvement of the recipes. In the area of process efficiency, the focus was on avoiding waste or reusing waste materials, as well as improvements in product stability to achieve cost savings in raw materials.

The **Scent & Care** segment focuses its R & D strategy on raw materials for perfumery according to the aspects of green chemistry and the research of natural and renewable raw materials through suitable processes to natural extracts. For example, with the Garden Lab, a disruptive approach was taken using the SymTrap® process to make vegetable scents accessible for perfumery as well. This resulted in new captives, such as Ceylanil and Cantaloop, which have already been introduced to the market. Ceylanil smells like cinnamon but does not have the sensitizing properties of cinnamaldehyde. Cantaloop is an odorant that smells like melon and, as a high-impact substance, lends a strong effect to perfume oil in very small dosages.

In Oral Care, a new product was developed that combines biotechnological processes with our knowledge of probiotic active ingredients. In application technology, certain technologies were developed to improve the performance of perfume oils. For example, we use state-of-the-art olfactometry coupled with data analysis to predict the diffusion of fragrances in rooms. By combining our expertise in fragrance development with that of Diana, a new product category was developed specifically for dogs and cats.

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 our capabilities and constant innovation process. Newly developed technologies support the understanding of perfume oils in terms of long-lasting fragrance experiences and blooming effects. The growing population in large cities is causing the issue of anti-pollution to play an increasingly important role. Here, too, we benefit from the close cooperation of various groups in Fragrance and Cosmetic Ingredients research. In the Cosmetic Ingredients division, an interdisciplinary research group of cell, molecular and microbiologists is looking at 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. Crinipan® PMC green, for example, was developed to positively influence the scalp's microbiome and reduce dandruff. The anti-dandruff ingredient, which is based on natural raw materials, changes the microbiome in favor of a healthy symbiosis of microorganisms with the skin cells.

PATENTS AND AWARDS

Along with a high number of patent submissions, with 61 new applications in 2020, an external IP (intellectual property) assessment is also included when evaluating the innovation results and quality. The Patent Asset Index™ from PatentSight® evaluates global coverage and competitive impact.

In 2020, as in previous years, Symrise research was recognized with awards for its high level of innovation. Symrise received a European BSB Innovation Award for Crinipan® PMC green as the most innovative cosmetic raw material. This is a natural, raw material-based anti-dandruff ingredient that reduces scalp dandruff through an innovative, micro-activated mechanism. 2020 also saw the launch of SymControl® Scalp, a product de-

Core functions of research and development at Symrise

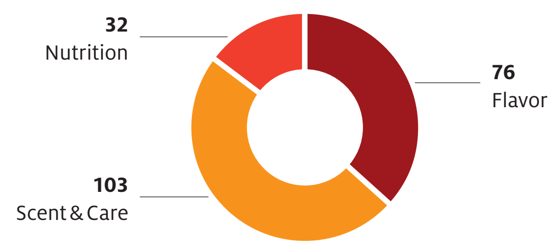
rived from a Mediterranean microalga, which significantly reduces sebum levels on the scalp and hair. The innovative and sustainable technological approach was successful in winning over the jury, and the product was awarded the BSB Innovation Award for Best Natural Product. Symrise received another BSB Innovation Award in the Functional Ingredients category for SymEffect™ Sun, a natural ingredient with multifunctional properties for optimizing sun protection formulations.

RESEARCH AND DEVELOPMENT EXPENSES

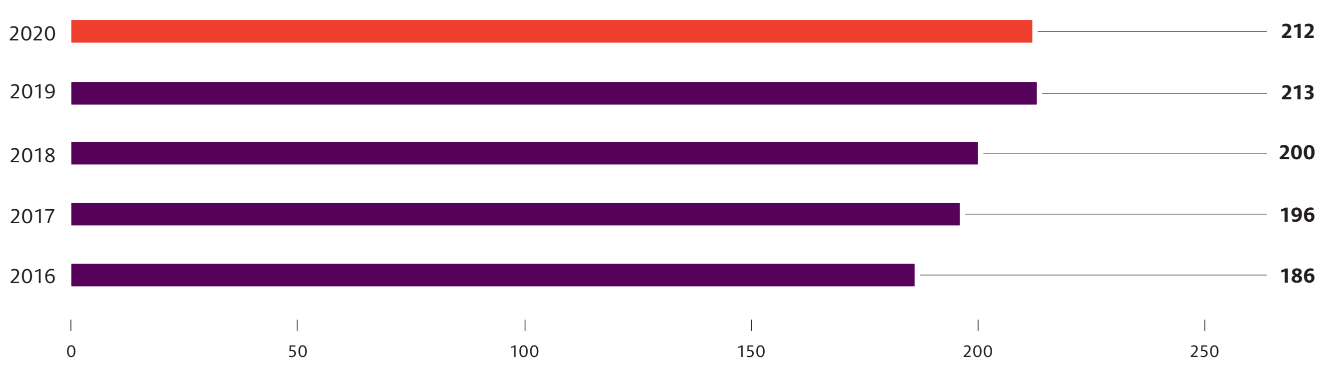
Total R & D expenditures amounted to € 212 million in the 2020 fiscal year (previous year: € 213 million), comprising 6.0 % of sales (previous year: 6.3 %). R & D expenditures in the reporting year were below the level of previous years as a result of pandemic-related reduced project and travel activity. Symrise aims to return R & D expenditures 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 2020 as in the previous year as 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 2020 according to segment in € million



R & D Expenses 2020 in € million



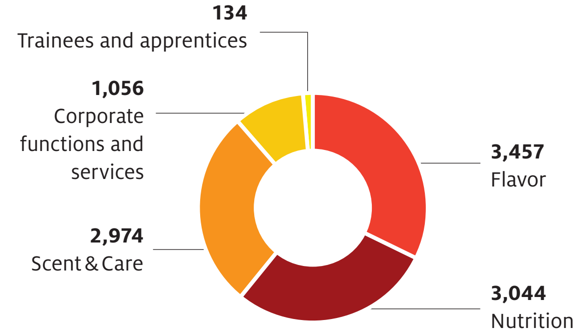
EMPLOYEES

STRUCTURE OF THE WORKFORCE

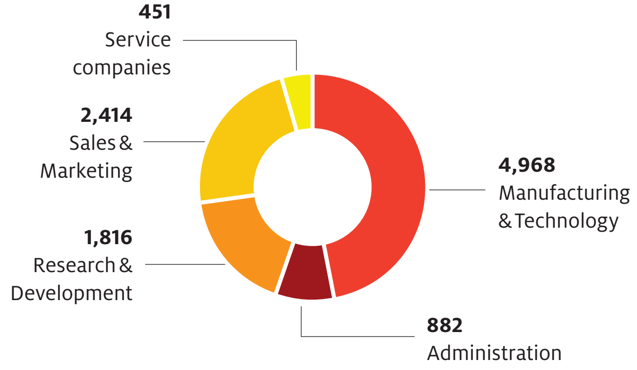
As of December 31, 2020, the Symrise Group employed 10,531 people worldwide (not including trainees and apprentices). In comparison to December 31, 2019 (10,264 employees), this represents an additional 267 employees. The Scent & Care segment saw the largest increase in the number of its employees (+127 employees). At 134, the number of apprentices and trainees was slightly below the previous year's figure of 137.

We continually review the demographic development of our workforce. Development of demographics will be very steady over the next ten years. The annual reduction of the workforce due to retirement will be around 1 to 2 % per year until 2022. 38 % of the Symrise Group's employees have been with the company for at least ten years – at German sites, this group accounts for 60 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.4 % in 2020. Globally, the figure was 4.3 %.

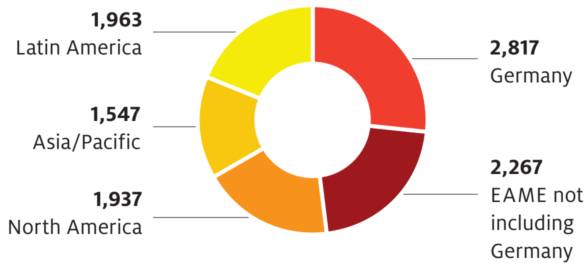
Number of Employees by Segment



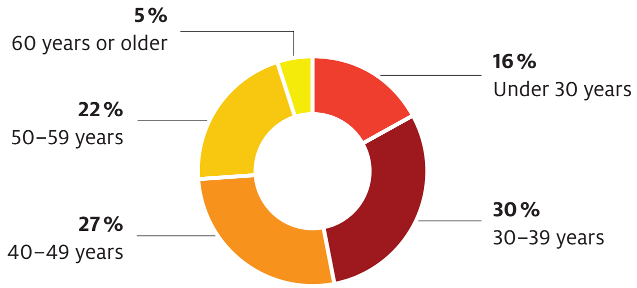
Number of Employees by Function



Number of Employees by Region



Age Structure of the Workforce 2020 in %



PERSONNEL STRATEGY

With our personnel strategy, we simultaneously support the growth of Symrise, ensure that the required competencies are available for our segments, and reflect the core processes of our HR management on an efficient digital basis worldwide.

Group strategic development of senior executives and employees

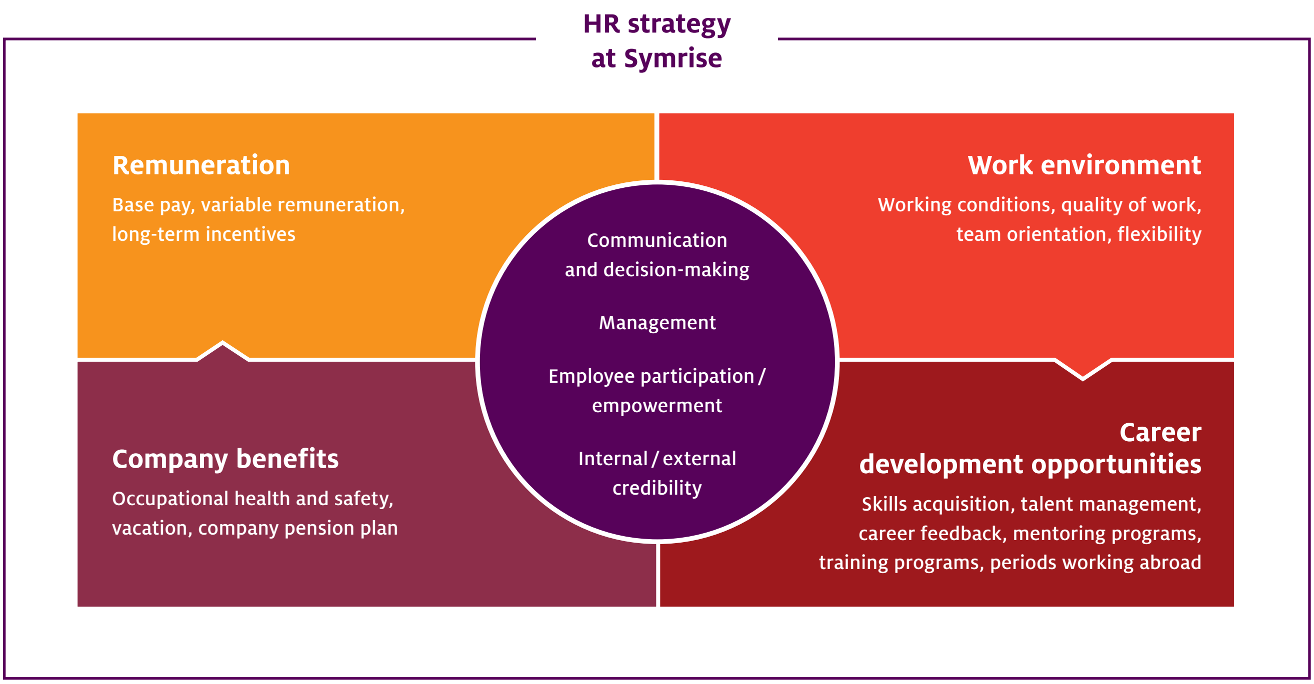
In June 2020, we launched the new career development and succession planning process digitally for the first two management levels, as well as various focus groups, for example, Flavorists and Key Accounts Managers, on a global scale. The aim of this cross-segment program is to sharpen and develop the job-related skills of our employees, to identify talent and prepare them to take on responsibility in key positions at Symrise. At the same time, we use talent development to ensure effective succession planning for business-crucial positions. Specifically, the process focuses on the following aspects of corporate management:

- Derivation of company-wide training and development priorities
- Identifying talent and developing it through talent conferences with senior executives
- Succession planning for key business-crucial positions

In 2020, approximately 1,700 employees from all regions and all divisions were involved in this talent development process. In doing so, we see career development as an offer for our employees involving structured feedback. 75 % of the employees involved had a direct interest in engaging in a dialogue with their manager and HR about their development, which can be considered a success given the challenges faced by communication as a result of the coronavirus. The process yielded valuable results:

- Assessment of Group-wide competency development needs to achieve our strategic goals
- Identification of our top talents and their individual development plans
- Nomination of top talent for strategic development programs, such as our “Future Generation Leadership Development Program”
- Robust succession planning in business-crucial positions

At the same time, Symrise is working to further expand the area of “modern learning” in order to provide its employees with a new, globally available Learning Management System (LMS) from 2021 onwards. This LMS is intended to bridge the gap between Group-wide skill development needs, the individual development plans of employees and a modern range of training measures that support lifelong learning. The



training content will cover various topics such as leadership training, efficient and effective working, language training, project management or occupational safety and sustainability. The forms of training will focus on modern formats such as e-learning. The topic of social learning will also become increasingly important in the coming years.

Equitable remuneration for women and men

Symrise 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, we make sure that gender plays no role in determining remuneration. In 2019, we carried out a gender-specific analysis of the wages for male and female employees at our major sites. The example of our site in Germany, which has the most employees, shows that the average remuneration of women does not significantly deviate from the average remuneration of men (statistically insignificant differences of less than 2 %). As part of this analysis, we adjusted the results to account for the personal decision of each employee working part time. 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.

Beyond this statistical-monetary analysis of our remuneration structures, in 2020, we analyzed the individual remuneration of women and men in specific functional areas together with the works council. In doing so, we focused on functional groups that have the required number of employees and a roughly equal distribution of genders. These include, among others, the areas of Finance, Sales, Quality Management and Regulatory Affairs. Gender-specific pay differences were analyzed and were able to be fundamentally explained by taking into account additional aspects such as age, education and vocational training, work experience, career changes and career breaks, as well as the specific areas of responsibility and individual performance. In only three cases did we find a difference that could not be explained. In these cases, discussions were held with superiors and individual measures for equalizing pay were agreed upon. Subsequently, the differences that were identified will be adjusted in the next two years.

In 2020, we received a request from an employee to review remuneration in accordance with the German Transparency in Wage Structures Act (Entgelttransparenzgesetz), but a deviation in the allocation of the individual remuneration could not be found.

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. On the one hand, we recruit qualified young individuals who we specifically train with our company's needs in mind. On the other hand, we fulfill an obligation that society as a whole holds toward the next generation. As of December 31, 2020, a total of 134 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 5 %.

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 our minimum requirements regarding the success of their training. With our investment in training, we are meeting the demand for future specialists in chemical production and in the laboratories as well as in commercial, marketing and sales functions.

We have structured our training capacity in a way that allows around 40 young people to begin their training at Symrise every year. Of these, 24 are trained for chemical-technical professions, another ten for technical and logistics occupations and ten young people for commercial occupations. Beyond initial training, we open up prospects through dual studies in business administration (five employees 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 occupational fields to its spectrum of vocational training. In Braunschweig, the second year of training as a Production Specialist for Food Technology will begin in 2021. Distillers are regularly trained in Nördlingen, and in Holzminden, training as an Industrial Product Designer will be offered from 2021. Furthermore, 14 young people are currently taking part in the vocational training program for Chemical Production Specialists in cooperation with the Holzminden District Adult Education Center (Kreisvolkshochschule Holzminden). These trained specialists will be deployed in our mixing plants. We are thus working consistently to mitigate the demographic change in our company.

We generally offer highly sophisticated training programs in all our regions. However, due to the coronavirus pandemic, it is not possible to report on detailed training efforts for 2020 in a way that would provide meaningful comparison with the previous year. On the one hand, classroom training was canceled or postponed to 2021 in order to protect the health of our employees. On the other hand, due to the situation resulting from the pandemic, we provided employees with e-learning courses , outside of our Learning Management System at short notice in order to make sensible use of times of reduced work volumes due to the coronavirus.

In addition to general training programs, we also train our employees via international assignments. In 2020, the number of international assignments – around 110 employees deployed outside their home country – remained at a slightly lower level. Here, too, expatriate assignments were postponed due to coronavirus-related travel restrictions.

At our flavorist and perfumer school, we are constantly training experts who can be trained on raw materials and their applications in our products over a period of around three years and then successfully inserted into our product development teams. In addition, our employees have diverse opportunities for completing a bachelor's, master's or doctoral degree alongside their work through cooperation agreements with universities, academies and institutes. In 2020, 21 Symrise employees were supported in such qualification measures.

Diversity key figures	2019	2020
Proportion of women in the total workforce, in %	39	39
Proportion of women in all management in %	42	44
Nationalities	> 60	> 60

Remuneration and wage agreements

The remuneration policy at Symrise follows a simple principle: Wherever wage agreements are the norm, these are applied at Symrise. Wage agreements apply to about 60 % of our workforce worldwide. In places where no wage agreements apply, we use a globally standardized job grade concept. This ensures that every employee receives fair and competitive remuneration.

In Germany, Symrise uses the pay rates for the chemical industry. Accordingly, our employees received the collectively agreed 1.5 % pay increase in July 2020.

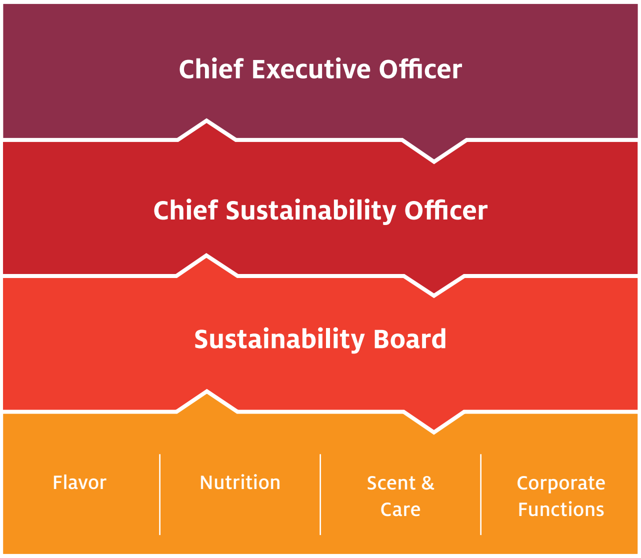
In addition, in 2020, we were able to grant our employees covered by wage agreements in Germany a profit-sharing option of € 450 for full-time work (proportionately for part-time work). Employee performance should pay off at Symrise. With this profit-sharing scheme, outstanding performance at the German site was acknowledged. Furthermore, employees covered by collective agreements were granted a special bonus of € 300 as a result of coronavirus.

A separate Global Performance Bonus Plan that supports reaching company goals by means of variable remuneration geared toward results and performance applies to about 120 managers with global or regional responsibilities. 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 company'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, we continuously discuss their expectations and requirements and incorporate them at every stage of value creation in order to develop successful solutions. This allows us to create value for all our stakeholders.

The Symrise set of values forms the foundation of how we think and act and also determines our corporate culture. Our goal is a completely integrated corporate strategy. To further emphasize this goal, the new 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 innovation-related orientation of Symrise's sustainability objectives as well as their growing communication externally toward customers and with institutions focused on sustainability matters. Furthermore, the CSO is also tasked with implementing the strategy across all divi-



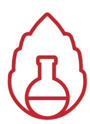
sions and business units as well as monitoring the activities to ensure a consistent positioning of sustainability issues – both internally and externally. The CSO reports directly to the CEO of Symrise AG.

The successive, strategic integration of sustainability into our core and supporting processes is managed by a global, cross-business team – the Symrise Sustainability Board. It defines common goals and ensures both the development and implementation of issues relevant for sustainability across the entire extended value chain, as well as the consideration of the interests of key stakeholders. We manage sustainability in corporate processes using our 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 2020, Symrise was again widely renowned by external sources for its commitment to sustainability and is considered one of the top ten 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. For forest conservation, the Symrise Group is doing even better than in the previous year and has achieved a spot on the A list in all three categories – the best possible result. Only ten companies out of the 9,600 that took part achieved the highest grade of “A” in all three categories. In our sustainability reporting, we comply with the guidelines of the Global Reporting Initiative (GRI) as amended by the “GRI Standards” (2016), and we immediately adopted the newly added Water and Effluents (GRI 303) and Occupational Health and Safety (GRI 403) indicators to improve our performance in the area of Environment, Health and Safety. In doing so, we conform to the highest application level “In accordance – Comprehensive,” which means that we fully account for all the material topics. All information has been externally audited in accordance with the AA1000 Assurance Standard. Further information can be found in our 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/corporatereport/2020/sustainability/sustainability-record.**

Our Sustainability Agenda

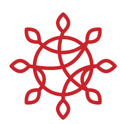
FOOTPRINT

Minimize our environmental footprint along the value chain



INNOVATION

Maximize positive social & environmental impacts of our products



SOURCING

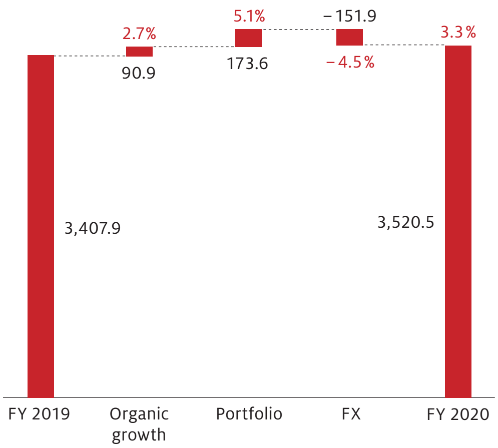
Maximize the sustainability of our supply chain and raw materials

CARE

Improve well-being in our stakeholder communities

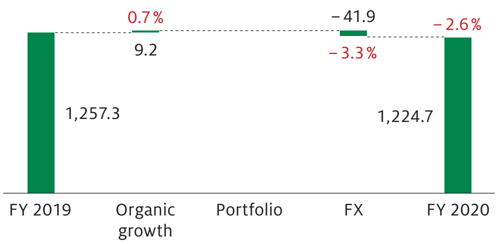
Economic report

GROUP sales in € million



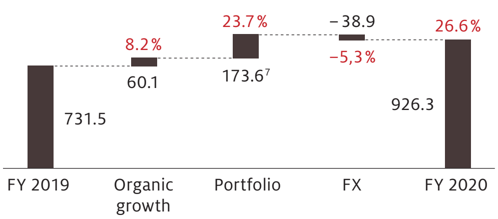
€ million		FY 2019[1]	FY 2019 normalized[1,2]	FY 2020	Change in %
Gross profit		1,360.6	1,360.6	1,390.5	2.2
EBITDA		685.1	701.4	742.1	5.8
EBITDA margin	in %	20.1	20.6	21.1	
EBIT		455.4	471.6	487.5	3.4
EBIT margin	in %	13.4	13.8	13.8	
Depreciation		123.9	123.9	136.7	10.3
Amortization		105.8	105.8	117.9	11.4
Financial result		−45.8	−55.7	−64.0	14.8
Earnings before income taxes		409.5	415.9	423.6	1.8
Net income[3]		291.1	296.2	306.9	3.6
Earnings per share[4]	in €	2.16	2.20	2.27	3.0
R&D expenses		213.4	213.4	212.3	−0.5
Investments[5]		181.6	181.6	159.4	−12.2
Business Free Cash Flow in % of sales[6]			14.1	16.0	

FLAVOR sales in € million



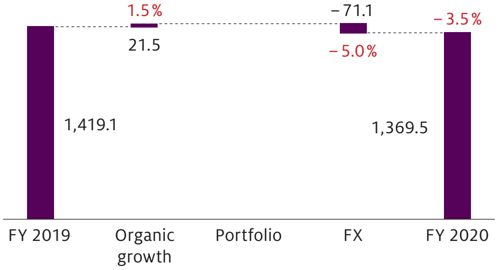
€ million		FY 2019	FY 2019 normalized[2]	FY 2020	Change in %
EBITDA		268.5		267.0	−0.5
EBITDA margin	in %	21.4		21.8	
EBIT		209.4		207.3	−1.0
EBIT margin	in %	16.7		16.9	

NUTRITION sales in € million



€ million		FY 2019[1]	FY 2019 normalized[1,2]	FY 2020	Change in %
EBITDA		138.6	154.9	203.6	31.4
EBITDA margin	in %	18.9	21.2	22.0	
EBIT		42.6	58.9	87.4	48.4
EBIT margin	in %	5.8	8.1	9.4	

SCENT & CARE sales in € million



€ million		FY 2019	FY 2019 normalized[2]	FY 2020	Change in %
EBITDA		278.0		271.5	−2.3
EBITDA margin	in %	19.6		19.8	
EBIT		203.3		192.8	−5.2
EBIT margin	in %	14.3		14.1	

1 Figures for 2019 restated due to finalization of purchase price allocation for ADF/IDF
2 Adjusted for transaction and integration costs related to business combinations
3 Attributable to shareholders of Symrise AG
4 Undiluted
5 Without new leasing contracts
6 Figures for 2019 not restated
7 ADF/IDF sales January – October 2020

GLOBAL ECONOMIC AND INDUSTRY-RELATED CONDITIONS

GLOBAL ECONOMIC CONDITIONS

The development of the global economy in 2020 was dominated by the coronavirus pandemic. According to International Monetary Fund (IMF) estimates from January 2021, global economic output decreased by 3.5 % following growth of 2.8 % in the year before. A first wave of infections in spring 2020 that shut down large swaths of economic life was followed by a slowdown of infections in the summer and fall, which led to an easing of the restrictions and a recovery of the economy. Rapidly increasing numbers of infections in the fourth quarter then caused an economic setback once again.

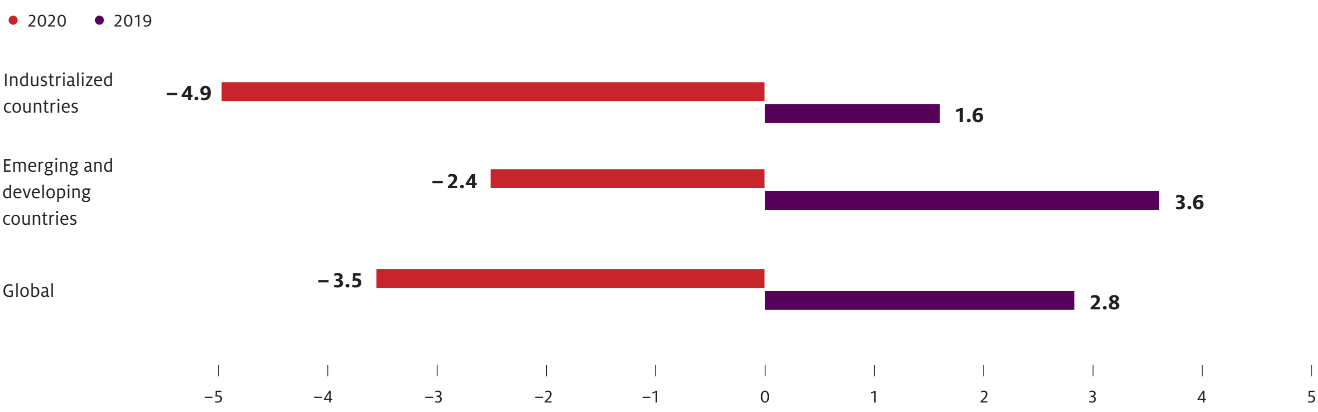
Industrialized countries were impacted more heavily by the coronavirus than emerging and developing countries. In 2020, economic output decreased by 4.9 % in the advanced economies. There were significant regional differences: While gross domestic product (GDP) was reduced in a mid single-digit percent range in the USA (– 3.4 %), Canada (– 5.5 %) and Japan (– 5.1 %), Great Britain and the eurozone were impacted significantly more at – 10.0 % and – 7.2 %, respectively. The setback was the most pronounced in Spain, where economic output declined by 11.1 %. According to the IWF calculation method, Germany's GDP was reduced by 5.4 %. Consumer spending of private households and investments by companies experienced a particularly strong decline.

Economic performance decreased by an average of 2.4 % in the emerging and developing countries in 2020. The scope of the economic setback varies from country to country as well – depending on how heavily the respective countries are affected by the pandemic and to what degree they are integrated in the international value chains. Mexico (– 8.5 %), India (– 8.0 %) and South Africa (– 7.5 %) experienced a particularly pronounced decline in GDP. Conversely, China was in a unique position in 2020: It was the only economy of the world's largest economies to achieve economic growth (+ 2.3 %). China experienced the most severe limitations of economic activities in the first quarter of 2020. Thanks to drastic measures for curbing the number of infections and massive governmental support, the country's economy started to recover quickly afterwards.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group is growing by about 3 to 4 % annually over the long term according to our own estimates. In 2020, the global market volume amounted to € 35.8 billion. As a result of the coronavirus pandemic, the development of individual submarkets was differed due to a shift in consumer demand. While product solutions for personal care and hygiene were in strong demand, luxury items such as fine fragrances recorded lower demand. Likewise, the trend toward cooking and eating at home led to strong demand for savory products as well as product solutions for baked goods and cereals. At the same time, reduced out-of-home consumption had a negative impact on demand for beverage products and sweets. According to estimates by IAL Consultants, overall market growth was only 1.0 % in 2020 due to the pandemic.

GDP development 2019 / 2020 in %



PRICE DEVELOPMENT AND AVAILABILITY OF RAW MATERIALS

Symrise uses about 10,000 different raw materials in production. Important examples are natural vanilla and citrus (juices, essential oils, etc.), citral and terpene derivatives and base chemicals derived from crude oil that are used in the value chain of Symrise as menthol intermediate products, solvents as well as raw materials for sun protection filters and special aromatic substances. As part of the integration of Renessenz LLC, the raw materials palette for Fragrance added a large number of sustainably produced raw materials based on crude sulphate turpentines (CST) and gum turpentines (GT). In general, individual raw materials comprise only a very small part of the total requirement. Sourcing costs for a number of raw materials remained at or slightly below the level of the previous year.

In 2020, the coronavirus pandemic and the lockdowns associated with it interrupted many supply and production chains in nearly all regions of the world in the medium term and therefore had a massive impact on the global availability of raw materials, both direct and processed.

For natural raw materials, the shifting market environment, regulatory requirements (such as the EU directive on natural materials) and negative weather effects on harvests resulted in substantial fluctuations of harvest yields and quality, and therefore also to price distortions with continued high levels of volatility. In contrast, the market has currently settled down somewhat for citrus-based raw materials such as juice concentrates and rind extracts and the price level has reacted positively.

With regards to important natural oils, which are used to manufacture fragrances and oral care products, the supply and cost situations eased and the price level largely remained constant throughout most of 2020. However, the economic recovery in the fourth quarter resulted in slight shortages and price increases since the manufacturers only produced on demand as a result of the coronavirus pandemic and only low stock quantities were available.

New environmental regulations imposed by the government have caused several Chinese producers to withdraw – in part following fires or accidents – from the raw materials market for perfume ingredients and their intermediate chemical products. By contrast, the shortage due to a fire-related interruption of services at multiple key suppliers in 2018 has now almost returned to normal. The REACH regulation for the EU continues to cause both lower availability and in part rising prices 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 now produces some of the required raw materials itself. Here, the 2016 acquisition of the US-based company Renessenz/Pinova (now Symrise Jacksonville) proved to be very advantageous. For many years now, Symrise has been 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 in manufacturing synthetic menthols and the backward integration of vanilla with the inclusion of local farmers in Madagascar, the most importance 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 materials quality at competitive raw materials prices. The raw materials price development for the Symrise Group in the 2020 fiscal year was stable overall, and in part slightly decreasing across the comprehensive raw materials portfolio.

GENERAL POLITICAL AND REGULATORY CONDITIONS

The environment of the global registration and regulation of chemicals is also constantly changing. Emerging markets are enacting their own laws that are oriented to the European REACH regulation. This makes things more complex for our 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. Regulatory implementations in places like Brazil, India and South Africa are so different that they cannot be handled with a standardized approach but instead require individual management and close cooperation with the supervisory agencies in the respective countries.

In the Global Regulatory unit of Symrise, the culture of constant improvement has continued to offer our global customers optimal service. In 2020, the focus of Global Regulatory Affairs in the Fragrance division was on the implementation of the 49th amendment to the IFRA Code of Practice. This very extensive adjustment placed the standards issued by the IFRA on a new baseline, which also led to extensive changes within the IT unit. Symrise fully implemented these requirements before the deadlines that had been laid out.

In the EAME region, the Regulatory Team of the Flavor 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.

The new EU organic regulation (EU) 2018/848 involves some important changes for the use of flavors. Symrise is active in associations to develop an aligned understanding of the new requirements. Symrise has initiated the necessary adjustments to the existing portfolio and informed its customers about the implications of the new legislation.

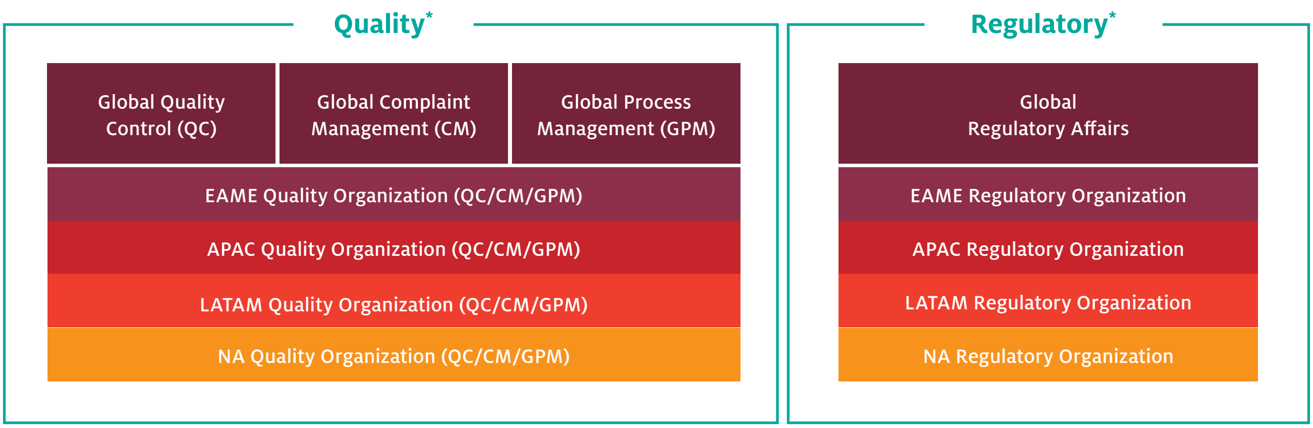
As a reaction to a petition submitted by multiple NGOs under the leadership of the CSPI, the US FDA had to strike seven synthetic flavoring substances from its list of food additives effective October 2020. The sales portfolio of Symrise for the US market was revised correspondingly to ensure compliance with the requirements.

In the APAC region, Korea and Vietnam revised their positive lists for flavoring substances. The impact of the respective measures was evaluated and the necessary adjustments were made to the portfolio.

In the context of the evaluation of animal feed additives, animal feed premixes affected by the inclusion of twelve flavoring substances in the EU's new positive list and the deletion of two extracts were reformulated to bring them into line with the legislative changes.

The Global Substance Registration Team focuses on the continuous changes in local and regional requirements in specific countries. For example, the entry into force of the Korean REACH regulation (K-REACH) required a large number of preregistrations to ensure that Symrise and its customers meet

Symrise Global Operations Quality & Regulatory



* Global Operations/Q&R covers the quality and regulatory functions for the Flavor and Scent & Care segments. The expertise for Q&R for the Nutrition segment lies directly in the DIANA division.

the requirements. Intensive cooperation between the divisions and regions ensured "built-in" compliance and the unrestricted supply of our raw materials and oils. In 2020, Symrise focused on the countries of Russia, Korea and Turkey. Wherever possible, substances were added to the national substance inventory or measures were taken to ensure the future supply to our customers with Symrise products. In preparation for the withdrawal of the United Kingdom from the EU at the beginning of 2021, Symrise has developed different models for various exit scenarios that ensure continuous supply to the customers. The most important factor was orienting the registration strategies along the needs of the customers.

Our Global Substance Registration Team will continue to ensure in the coming years that we 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 oriented along the REACH regulation. In this process, a high degree of transparency is very important for our customers. In addition, increasingly educated consumers 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 2019, Symrise joined forces in an initiative with Humane Society International and several multinational customers such as Unilever, P & G, L'Oréal and Avon. It pursues two goals. First, it aims to expand a new generation of risk assessment to ensure the safety of ingredients and products without animal testing. The second goal is to reform regulation to avoid the increase in animal testing caused by regulatory agencies such as the European Chemicals Agency. This is an important step forward and is closely linked to our commitment in the European Partnership to Alternatives to Animal Testing (EPAA).

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 know-how in this area to ensure continued compliance.

DIFFERENTIATED CONSIDERATION OF THE EFFECTS ON SYMRISE

Business development at Symrise is influenced by various factors in the company's environment. Regarding sales, general economic development plays a big role. The submarkets in which we are 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 many various product markets, however, have a risk-mitigating effect on the Group.

In our manufacturing, we make 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 be affected by shortfalls in raw material supply due to political unrest in supplier countries, among other things.

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. We observe the regional and global development of the regulatory environment, ensuring that we can react quickly to changes in or tightening of regulations.

COMPANY DEVELOPMENT AT A GLANCE

IMPORTANT EVENTS

On November 23, 2020, Symrise signed a sales agreement with Sensient Technologies Corporation (Milwaukee, USA) on the acquisition of their Fragrance and Aroma Chemicals business. These activities include various Aroma Molecules solutions and fragrances from natural and renewable sources. In the 2019 fiscal year, the business unit generated sales of around € 77 million. With this acquisition, Symrise is strengthening its backward integration and expanding its leading position as a provider of fragrances for applications in personal care and household products. Furthermore, Symrise is receiving access to additional customers and strengthening its presence in EAME and Latin America, in particular. For the future, Symrise plans to strengthen its production in Spain with targeted investments at the location to be acquired in Grenada. The transaction is subject to regulatory approval.

In mid-December 2020, Symrise became the victim of a cyber-attack. This was a criminal act by unknown perpetrators with extortionate intent that temporarily caused considerable disruption to business operations. Immediately after the attack was discovered, Symrise shut down key systems and completely shielded the IT infrastructure and took comprehensive internal measures for defense and analysis. The relevant authorities were immediately contacted and external forensic cyber experts were brought in.[1]

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 € 3,520 million in the 2020 fiscal year. Sales increased 3.3 % in the reporting currency over the previous year. Excluding portfolio effects, organic sales growth amounted to 2.7 %. The share of sales generated in emerging markets accounted for 41.9 % of Group sales and was therefore below last year's level of 44.3 %. This development can be traced back to the full-year inclusion of ADF/IDF. ADF/IDF generates most of its sales in North America. At a total of € 742 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were significantly higher than the normalized[2] previous year of € 701 million (EBITDA(N)). This corresponds to a sales margin of 21.1 % (previous year EBITDA(N) margin: 20.6 %).

Net income attributable to shareholders of Symrise AG amounted to € 307 million and therefore was € 11 million higher than the normalized figure from the previous year. Earnings per shared rose to € 2.27 (2019 normalized: € 2.20).

Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.95 in the previous year to € 0.97 per share for the 2020 fiscal year at the Annual General Meeting on May 5, 2021.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the start of the 2020 fiscal year, we expressed our goal of posting organic sales growth well beyond the average market growth rate (approx. 4 %) in all three segments – Flavor, Nutrition and Scent & Care. In the course of the fiscal year, we had refined our sales expectations to 3 % to 4 % due to the impact of the global coronavirus pandemic. According to estimates by IAL Consultants, the growth of the market was only 1.0 % in 2020 due to the pandemic.

For 2020, we expected an EBITDA margin of greater than 20 % under the assumption of raw materials costs at the current level and a stable Euro/US Dollar exchange rate. Over the course of the fiscal year, we had adjusted our expectation for the EBITDA margin to 21 % to 22 %. Our debt, as measured

1 Further information on the cyber-attack can be found in the opportunities and risk report on page 54

2 As part of the acquisition of the ADF/IDF Group, acquisition and integration costs of € 16.3 million were incurred in the fiscal year 2019. To simplify comparability with the previous year, a normalized result (EBIT(N)/EBITDA(N)) is reported for the 2019 fiscal year adjusted for these one-off, non-recurring specific influences. In addition, figures from the previous year have been restated for the finalized purchase price allocation for ADF/IDF. For further information, see note 2.1.

Achievement of targets in 2020

	Target at the beginning of the fiscal year	Figure achieved
Sales growth (at local currency)	notably above market growth rate of approx. 4 %	2.7 %*
EBITDA margin	> 20.0 %	21.1 %
Net debt (including provisions for pensions and similar obligations as well as lease liabilities) / EBITDA (excluding acquisitions)	Between 2.5 and 2.7	2.7

* Organic growth without ADF / IDF

in terms of the key figure net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA, should be between 2.5 and 2.7. In the medium term, we are aiming for a return to the debt range of 2.0 to 2.5.

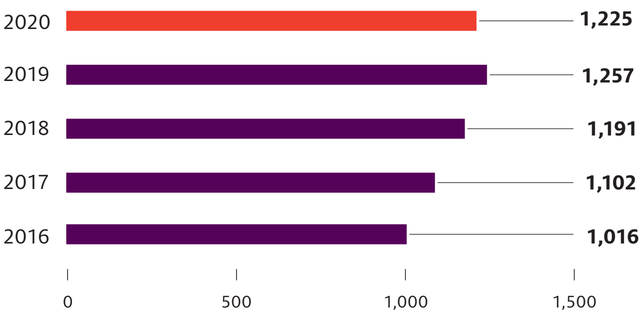
With sales growth of 2.7 % (excluding portfolio effects and currency translation effects), we narrowly missed our sales goals in 2020. A change in consumer behavior related to the coronavirus pandemic and a resultant change in demand in some application areas led to positive as well as negative deviations from our original expectations. Furthermore, the cyberattack in December had a negative impact on the growth dynamics in the fourth quarter. Further details on the effects cited above can be found in the “Development in the segments” chapter.

The EBITDA margin of 21.1 % is within the expected range for 2020. The 2.7 times EBITDA of net debt was also within the range we predicted.

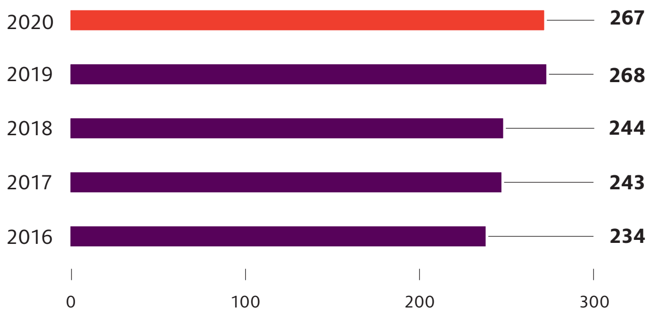
DEVELOPMENT IN THE SEGMENTS AND REGIONS

FLAVOR SEGMENT

Flavor segment sales in € million



Flavor segment EBITDA in € million



The **Flavor segment** generated sales of € 1,225 million in the 2020 fiscal year. Compared to the previous year, this represents an organic increase of 0.7 %. In the reporting currency, sales were 2.6 % below the previous year, primarily due to negative exchange rate effects of € – 42 million or – 3.3 %. The sales development of the segment was characterized by changed consumer behavior as a result of the coronavirus pandemic during the reporting year. The trend toward cooking and eating at home more led to strong demand for savory products as well as product solutions for baked goods and cereals. At the same time, reduced out-of-home consumption had a negative impact on demand for beverage products and sweets. Furthermore, the cyber-attack in December had a significant negative impact on the growth dynamics in the fourth quarter.

In the EAME region, the Savory business unit experienced strong demand and achieved a good, single-digit percentage growth rate. At the same time, the Beverages and Sweets business units experienced significantly reduced demand and were not able to match the good level of the previous year. While Germany and Russia achieved good growth, demand in the United Kingdom, Egypt, and South Africa continued to be influenced more negatively by the coronavirus pandemic. Overall, sales in the EAME region remained slightly below the previous year's figure.

The North America region achieved good single-digit organic growth. In particular, product solutions for the Beverages and Savory business units were in high demand by the customers.

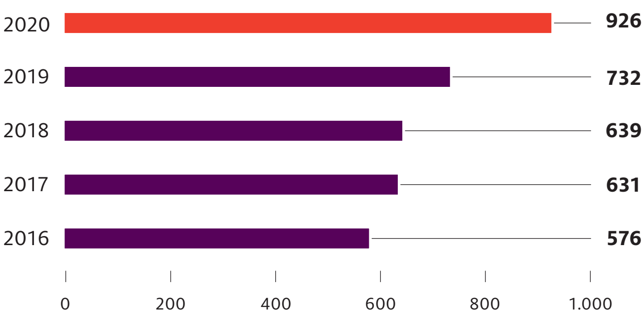
The sales development in the Asia/Pacific region was characterized in particular by a strong demand for products of the Savory business unit, which was able to achieve single-digit organic percentage growth. The strongest growth there was achieved by the markets in Vietnam, China and Thailand. Sales developed more modestly in the Beverages and Sweets business units. Overall, sales in the region were slightly below the previous year's level, organically.

The Latin America region achieved the strongest growth in the segment in the 2020 fiscal year and was largely unaffected by the coronavirus pandemic. All business units achieved high organic growth in the high double-digit percentage range. Brazil, Uruguay and Mexico in particular increased considerably.

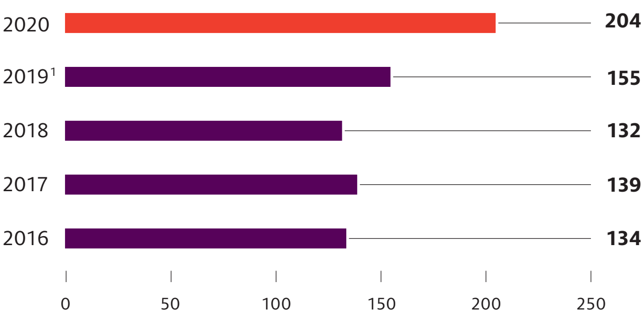
EBITDA Flavor: EBITDA of the Flavor segment amounted to € 267 million in the reporting year and fell slightly below the figure from the previous year (2019: € 268 million). The EBITDA margin of 21.8 % slightly exceeded the level of the previous year (2019 EBITDA margin: 21.4 %).

NUTRITION SEGMENT

Nutrition segment sales in € million



Nutrition segment EBITDA in € million



The **Nutrition segment** achieved organic sales growth of 8.2 % in the 2020 fiscal year. Accounting for portfolio and currency translation effects, sales in the reporting currency amounted to € 926 million and were 26.6 % above the previous year's level. Currency exchange effects of € – 39 million or – 5.3 % had a negative impact on the growth dynamic of the segment. The portfolio effect from the ADF/IDF acquisition in the first ten months was € 174 million in the 2020 fiscal year.

The Pet Food business unit once again proved to be the greatest growth driver of the segment in 2020. It was able to achieve strong, single or double-digit organic sales growth. The USA, Mexico, Brazil and France developed very dynamically, in particular.

In the Food business unit, however, the coronavirus pandemic dampened business development in numerous country markets. The level of out-of-home consumption, which was largely below the previous year's, was particularly noticeable in the USA and France. In contrast, China, Canada and Portugal experienced a positive growth dynamic.

The Aqua business unit, which increased its sales in the double-digit percentage range in the previous year, was not able to sustain the good level of the previous year in 2020. Sales remained below those of the previous year in the important markets of Norway and Thailand, in particular.

The American company group ADF/IDF acquired in November 2019 developed positively and exceeded expectations. ADF/IDF was largely unaffected by the coronavirus pandemic and was also mostly spared by the cyber-attack in December. For 2020 as a whole, the business unit achieved sales of € 209 million.

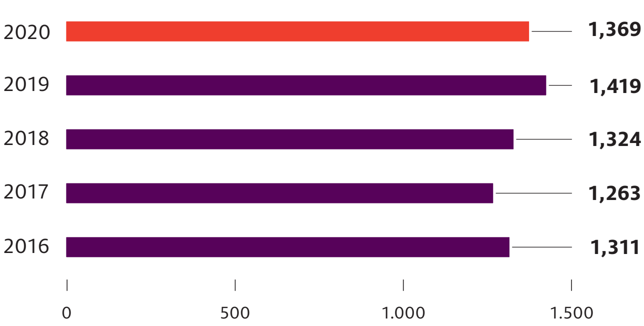
Sales increased in the Probiotics business unit, which includes a majority share in the Swedish company Probi AB, in the two-digit percentage range during the reporting year. This growth was driven in particular by the North America region.

EBITDA Nutrition: The Nutrition segment achieved an EBITDA of € 204 million in 2020 and significantly exceeded the normalized[1] value of the previous year (2019: EBITDA(N) € 155 million). The improvement in sales can be traced back both to the full-year inclusion of ADF/IDF and also to the positive business development in the other business units of the segment. The EBITDA margin of 22.0 % was significantly higher than the level in the previous year (2019 EBITDA(N) margin: 21.2 %).

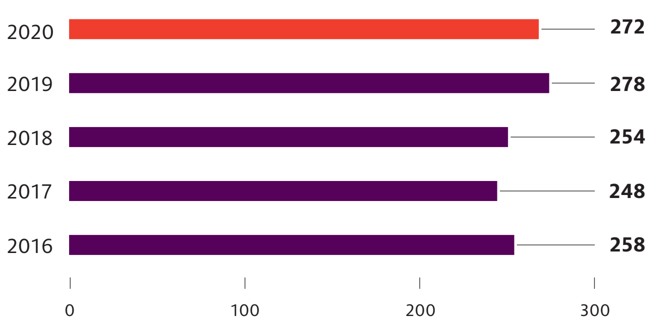
1 As part of the acquisition of the ADF/IDF Group, acquisition and integration costs of € 16.3 million were incurred in the fiscal year 2019. To simplify comparability with the previous year, a normalized result (EBIT(N)/EBITDA(N)) is reported for the 2019 fiscal year adjusted for these one-off, non-recurring specific influences. In addition, figures from the previous year have been restated for the finalized purchase price allocation for ADF/IDF. For further information, see note 2.1.

SCENT & CARE SEGMENT

Scent & Care segment sales in € million



Scent & Care segment EBITDA in € million



The **Scent & Care segment** generated sales of € 1,369 million in the 2020 fiscal year. Compared to the previous year, this represents organic growth of 1.5 %. In the reporting currency, sales of the segment were 3.5 % below the previous year, especially due to negative exchange rate effects of € – 71 million or – 5.0 %. Due to the coronavirus pandemic, sales did not develop uniformly in the individual business units and application areas. Furthermore, the cyber-attack in December had a noticeable impact on the growth dynamics in the fourth quarter.

During the reporting year, sales in the Fragrance business were mainly carried by the Consumer Fragrances and Oral Care business units thanks to a strong demand for personal care and hygiene articles. Both business units recorded organic growth in the double-digit or high single-digit percentage. Consumer Fragrances was able to improve significantly in all regions. Brazil, the USA, India and China experienced very dynamic growth, in particular. In the Oral Care business unit, the Latin and North America regions in particular improved their sales, lead by Brazil and the USA. The Fine Fragrances business unit clearly felt the impact of the coronavirus pandemic and was not able to sustain the high level of the previous year. Overall, the Fragrance business unit achieved good single-digit organic growth in sales.

Sales development in the Aroma Molecules division was characterized by a lower demand for fragrances but, conversely, positive impulses in the Menthols business unit. The latter was able to expand its sales by expanding its capacities. The EAME and North and Latin America regions achieved the highest levels of growth. Overall, sales in the Aroma Molecules division were below the high level of the prior year.

In the Cosmetic Ingredients division, the worldwide reduction in travel activity as part of the coronavirus pandemic resulted in a lower demand for sun protection products. The other business units achieved good organic growth in the single or double-digit percentage range. Growth drivers here in particular were the regions Latin and North America with Brazil, Canada, the USA and Mexico leading the board. Overall, sales in the Cosmetic Ingredients division were organically below the previous year's good level.

EBITDA Scent & Care: Scent & Care generated an EBITDA that was 2.3 % lower than in the previous year with € 272 million in 2020 (2019: € 278 million). The EBITDA margin amounted to 19.8 %, compared to 19.6 % in 2019.

DEVELOPMENT IN THE REGIONS

The business development in the EAME regions was impacted the most in 2020 by the coronavirus pandemic and also by the cyber-attack in the fourth quarter. As a result, sales remained slightly below the previous year's level. In the other regions, sales could be increased organically compared to the previous year. The Latin America region performed strongest with a strong two-digit growth in sales. The North America and Asia/Pacific regions also felt the effects of the coronavirus pandemic and the cyber-attack in the fourth quarter but were able to nevertheless achieve slight, single-digit growth organically.

RESULTS OF OPERATIONS

DEVELOPMENT OF MATERIAL LINE ITEMS IN THE INCOME STATEMENT

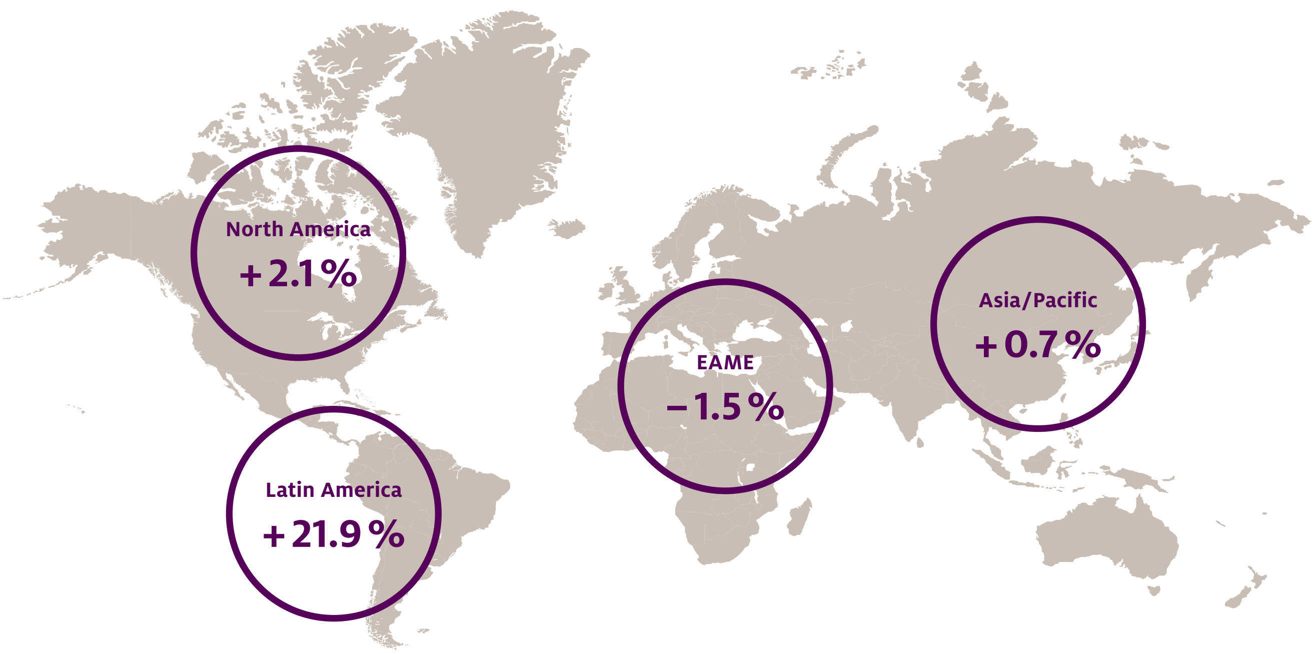
On the whole, earnings performance was satisfactory in the 2020 fiscal year. Production costs increased somewhat disproportionately to sales, especially due to a higher rate of manufacturing costs as a result of the full-year inclusion of ADF/IDF. The gross margin in the reporting year was 39.5 %, which puts it 0.4 percentage points below the previous year (39.9 %). The share of selling and marketing expenses in Group sales amounted to 15.2 % after 15.6 % in the previous year. The R & D rate amounted to 6.0 % (previous year: 6.3 %) of sales. The development of the sales & marketing and R & D costs compared to the previous year's level is mostly due to reduced activities such as travel, trade shows, conferences, etc. as a result of the coronavirus pandemic. Administration expenses as a share of Group sales amounted to 5.8 %, compared to 5.4 % in the previous year. This was primarily due to the full-year inclusion of ADF/IDF as well as increased expenditures for IT systems and consulting services.

The increase in other operating income is mostly due to higher government grants, which are primarily awarded to support research projects, and income from service companies (logistics, technology, safety and environment) for services rendered to third parties.

At 21.1 %, the EBITDA margin was slightly higher than in the previous year (2019[1] EBITDA(N) margin : 20.6 %).

1 As part of the acquisition of the ADF/IDF Group, acquisition and integration costs of € 16.3 million were incurred in the fiscal year 2019. To simplify comparability with the previous year, a normalized result (EBIT(N)/EBITDA(N)) is reported for the 2019 fiscal year adjusted for these one-off, non-recurring specific influences. In addition, figures from the previous year have been restated for the finalized purchase price allocation for ADF/IDF. For further information, see note 2.1.

Development in the regions
(organic sales growth)



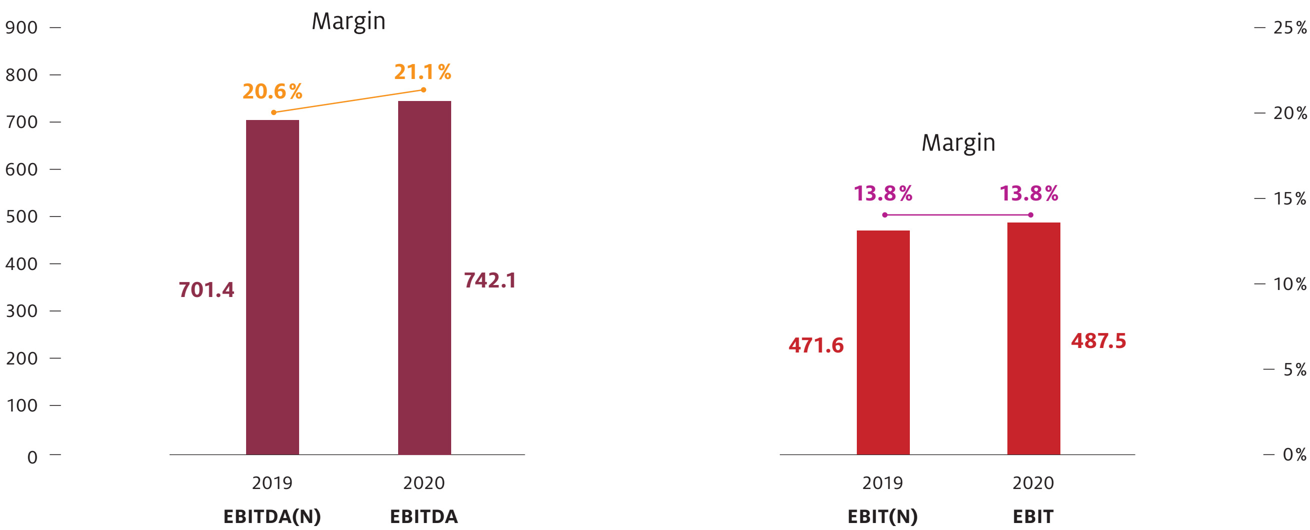
Income statement in summary

€ million		2019 normalized*	2020	Change in %
Sales		3,408	3,520	3.3
Cost of goods sold		– 2,047	– 2,130	4.0
Gross profit		**1,361**	**1,390**	**2.2**
Gross margin	in %	39.9	39.5	
Selling and marketing expenses		– 532	– 534	0.3
Research and development expenses		– 213	– 212	– 0.5
Administration expenses		– 185	– 203	10.1
Other operating income		45	51	13.3
Other operating expenses		– 2	– 8	243.3
Income from operations/EBIT(N)		472	488	3.4
Amortization of intangible assets		106	118	11.4
Depreciation of property, plant and equipment		124	137	10.3
EBITDA(N)		701	742	5.8

* Adjusted for one-time non-recurring acquisition and integration costs in connection with the purchase of ADF/IDF and restated due to finalization of purchase price allocation for ADF/IDF. Further information can be found in note 2.1.

Financial result: The financial result of € – 64 million is € 18 million lower than the result of € – 46 million from the previous year. While a positive special effect of € 10 million from the US dollar purchase hedge in connection with the acquisition of ADF/IDF impacted the previous year result, interest payments to tax authorities had a negative impact on the 2020 financial result. In addition, interest arose starting in the third quarter of 2020 for a newly issued Eurobond to refinance the US private placement due in late November and the promissory note due in early December. Furthermore, com-

Overview of Earnings in € million / in %



mitment fees arose for additionally arranged credit lines that were incurred as part of liquidity protection due to the pandemic. Opposite effects resulted from lower interest expenses from retirement benefit obligations.

Taxes: In the 2020 fiscal year, tax expenses amounted to € 109 million (2019: € 112 million). The resulting tax rate of 25.6 % was lower than in the 2019 fiscal year (27.3 %), mainly due to lower tax rates and changed earnings contributions at a regional level – primarily due to the acquisition of ADF/IDF at the end of 2019. An adequate provision for tax risk was made at the Group, as in previous years.

Net income and earnings per share: Symrise AG net income attributable to shareholders amounts to € 307 million and therefore is € 11 million higher than the normalized[1] amount of the previous year. Earnings per share rose to € 2.27 (2019 adjusted[1]: € 2.20).

Dividend proposal for 2020: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.97 per share for the 2020 fiscal year at the Annual General Meeting on May 5, 2021.

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 that internal financial capital can be used efficiently. If external credit lines are needed, 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 large number of banks and avoids becoming too dependent on individual institutes.

The Symrise Group safeguards against risks resulting from variable interest on financial liabilities by means of interest rate hedges, if need be. 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 hedged against fluctuations on a case-by-case basis.

With an equity ratio (including non-controlling interests) of 39.8 % as of December 31, 2020, Symrise has a solid foundation for driving future business development forward in a sustained manner.

Financing structure: The first half of the year was influenced by the spread of the coronavirus and the associated uncertainty regarding the impact on the operative business and the liquidity situation. To ensure liquidity, Symrise agreed to backup lines of credit with three banks totaling € 250 million in the spring. The lines have a term of one year and were not used. Symrise does not plan to extend them due to the stable cash flow.

At the end of the second quarter of the fiscal year, Symrise successfully placed a Eurobond with institutional investors on the capital market. It has a volume of € 500 million with a maturity of 7 years, carries a coupon of 1.375 % and served to refinance the US private placement that matured at the end of November 2020 and the promissory note due in early December 2020. Symrise additionally successively repaid the outstanding term loan of € 150 million over the course of the first three quarters of 2020. Overall, the Symrise Group covers its financial needs from its good cash flow from operating activities and via short- and long-term financing.

1 As part of the acquisition of the ADF/IDF Group, acquisition and integration costs of € 16.3 million were incurred in the fiscal year 2019. To simplify comparability with the previous year, a normalized result (EBIT(N)/EBITDA(N)) is reported for the 2019 fiscal year adjusted for these one-off, non-recurring specific influences. In addition, figures from the previous year have been restated for the finalized purchase price allocation for ADF/IDF. For further information, see note 2.1.

Symrise fulfilled all of the contractual obligations resulting from loans (covenants) in the 2020 fiscal year.

In addition to the credit facility granted in the amount of € 300 million, bilateral, firmly pledged bank credit lines for € 317 million exist in the Group to cover short-term payment requirements. The interest rates agreed on for the credit facility are at the accepted market rate.

CASH FLOW AND LIQUIDITY ANALYSIS

Overview of Cash Flow

€ million	2019	2020
Cash flow from operating activities	547	636
Cash flow from investing activities	– 882	– 150
Cash flow from financing activities	498	– 189
Cash and cash equivalents (Dec. 31)	446	725
Business free cash flow	**476**	**564**

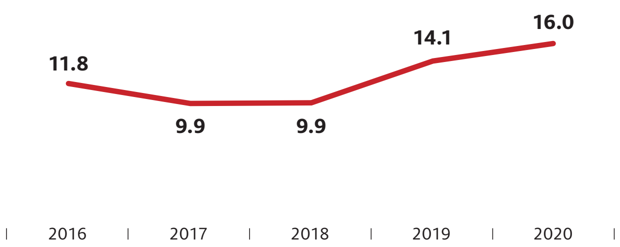
All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The company has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 300 million that was not utilized as of December 31, 2020.

The cash flow from operating activities was significantly above the level of the previous year. The main reasons for this improvement are a decrease in working capital and significantly higher net income. Overall, the cyber-attack had a positive effect on the working capital situation at the end of the year. The operating cash flow rate relative to sales was 18 %.

Cash outflow from investing activities was € – 150 million, mainly due to payments for investments in tangible assets. In the reporting year, the cash outflow from financing activities of € 189 million on balance resulted mainly from the repayment of the term loan, the US private placement and the outstanding promissory note loan tranches. These payments were refinanced by issuing a Eurobond of € 500 million. Moreover, the dividend paid to shareholders for the 2019 fiscal year in the amount of € 129 million is included in cash flow from financing activities.

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 € 564 million in the 2020 fiscal year, an increase of 18 % over the previous year[1]. The one-time effect arising from the cyber-attack on working capital also had a positive impact on business free cash flow.

Business Free Cash Flow in % of sales



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

= Business Free Cash Flow

INVESTMENTS AND ACQUISITIONS

The Symrise Group invested € 159 million in intangible assets and property, plant and equipment (excluding new lease contracts) in the 2020 fiscal year, after spending € 182 million in the previous year.

Around € 15 million was spent on intangible assets (2019: € 26 million). The main focus here was on investments in software, in particular preparations to introduce an ERP software in the Nutrition segment. Investments in property, plant and equipment (excluding new lease contracts) amounted to approximately € 145 million (previous year: € 156 million). The largest investment projects included the expansion of production capacities for Menthols in Charleston (USA), the modernization of the production of Terpene Ingredients in the Aroma Molecules division in Jacksonville (USA), the construction of the new locations of Pet Food in Araucaria (Brazil) and Chuzhou (China) as well as the expansion of the production capacities of Cosmetic Ingredients in Charleston (USA).

1 Figures for 2019 adjusted for one-off effects related to acqusitions

All of the projects were funded through operating cash flow. As of December 31, 2020, the Group had obligations to purchase property, plant and equipment amounting to € 50 million (December 31, 2019: € 41 million). This mainly relates to production facilities and laboratory and office equipment. These obligations will mostly come due during the course of 2021.

On November 23, 2020, Symrise signed a sales agreement with Sensient Technologies Corporation (Milwaukee, USA) on the acquisition of their Fragrance and Aroma Chemicals business. These activities include various Aroma Molecules solutions and fragrances from natural and renewable sources. In the 2019 fiscal year, the business unit generated sales of around € 77 million. With this acquisition, Symrise is strengthening its backward integration and expanding its leading position as a provider of fragrances for applications in personal care and household products. Furthermore, Symrise is receiving access to additional customers and strengthening its presence in EAME and Latin America, in particular. For the future, Symrise plans to strengthen its production in Spain with targeted investments at the location to be acquired in Grenada. The transaction is subject to regulatory approval.

NET ASSETS

SELECT LINE ITEMS IN THE STATEMENT OF FINANCIAL POSITION

Adjusted previous year values

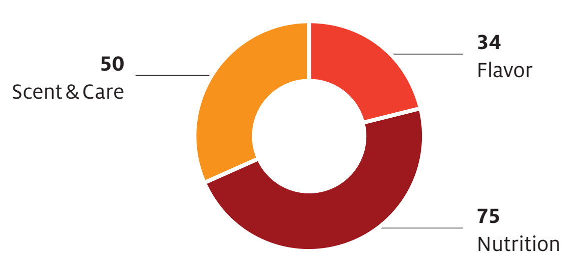
The purchase price allocation for the ADF/IDF business combination, which took place at the beginning of November 2019, was completed in the second half of 2020. Pursuant to IFRS 3.45, the provisional amounts set out in the consolidated financial statements as of December 31, 2019, had to be corrected retrospectively and the new information taken into account as if they had already been known at the time of the acquisition. Changes resulted mainly from subsequent depreciation and amortization on the adjusted fair values of property, plant and equipment and identified intangible assets, from the consumption of remeasured inventories, the recognition of a liability resulting from the final purchase price determination and the change in deferred taxes from all adjustments since the closing. In addition, the shares in the acquired joint venture were measured at fair value as of the acquisition date. The adjustments to the primary closing components are shown in detail in note 2.1 of the Notes to the consolidated financial statements. The adjusted previous year values are used as underlying values in the following explanation on the development of the financial position.

Development of the financial position

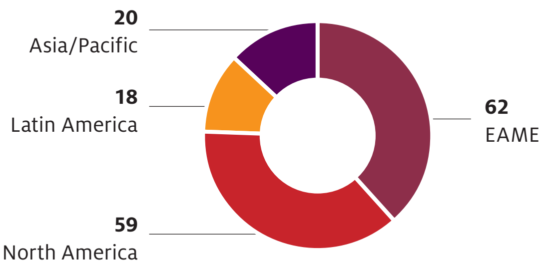
Total assets on December 31, 2020, are at the previous year's level with € 5,940 million (December 31, 2019: € 5,953 million).

The increase in cash and cash equivalents (€ + 279 million) is partially offset by a declining level of trade receivables (€ – 47 million) and inventories (€ – 29 million). For property, plant and equipment, the investment-related additions were overcompensated by the depreciation as well as primarily by translation effects, which resulted in an overall decline by € 40 million. As a result of the ADF/IDF business combination in the 2019 fiscal year, intangible assets subject to amortization increased significantly, which means that higher levels of amortization had to be reported than in the previous year. This reduction was – analogously to the development of property, plant and equipment – enhanced by translation effects. Intangible assets decreased by a total of € 194 million.

Investments by Segment in € million



Investments by Region in € million

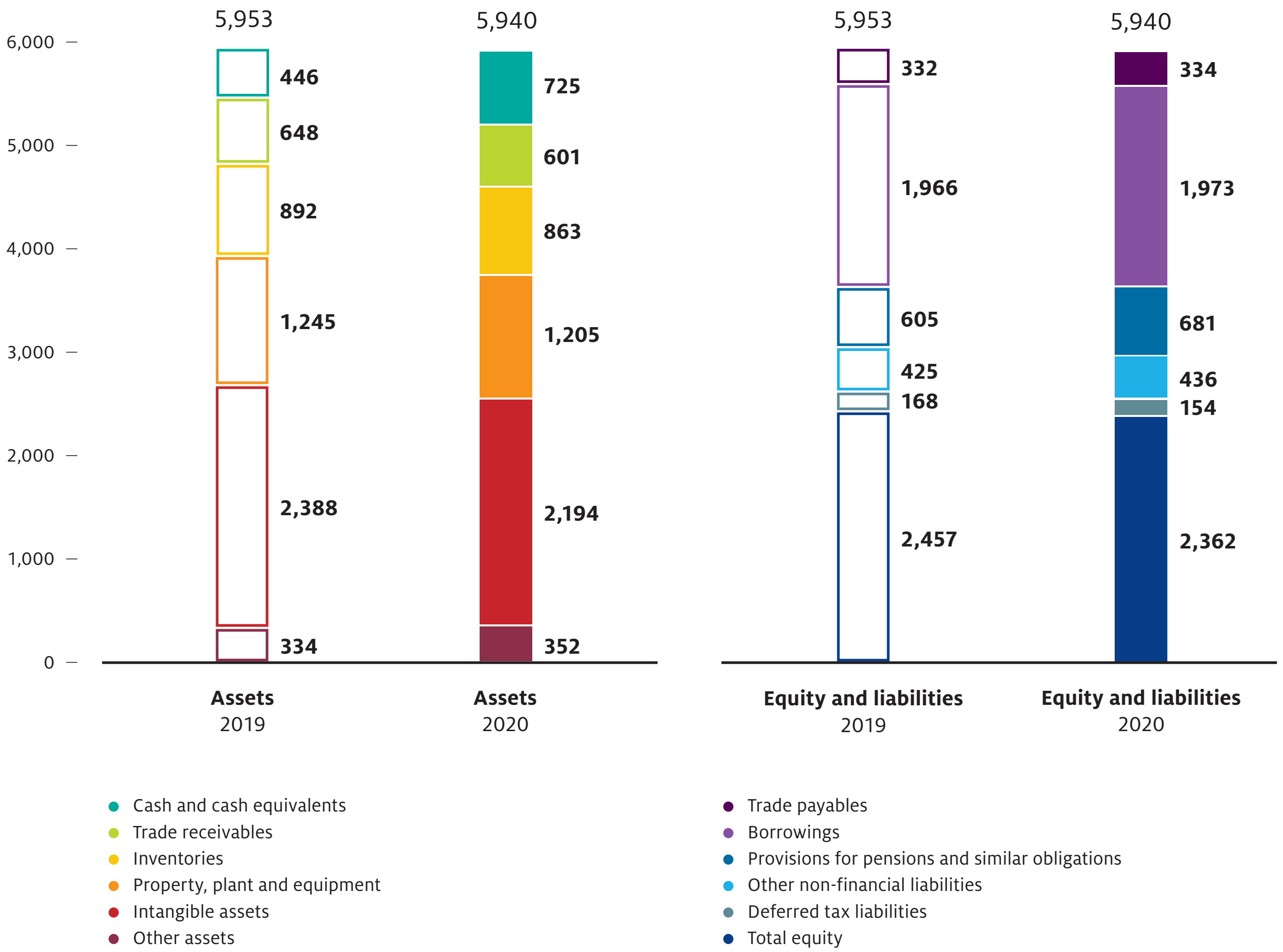


Changes to equity and liabilities mainly resulted from retirement benefit obligations as well as equity. The provisions for pensions and similar obligations increased due to a decrease of the discount rate in Germany by 0.53 percentage points to 0.67 % (overall € +76 million). Equity, which has been affected by this decrease as well as negative currency translation effects (including non-controlling interests), was € 2,362 million on December 31, 2020, therefore slightly below the level of the previous year. The equity ratio is 39.8 %, compared to 41.3 % in the previous year. A dividend of € 129 million was paid out in 2020 for the 2019 fiscal year.

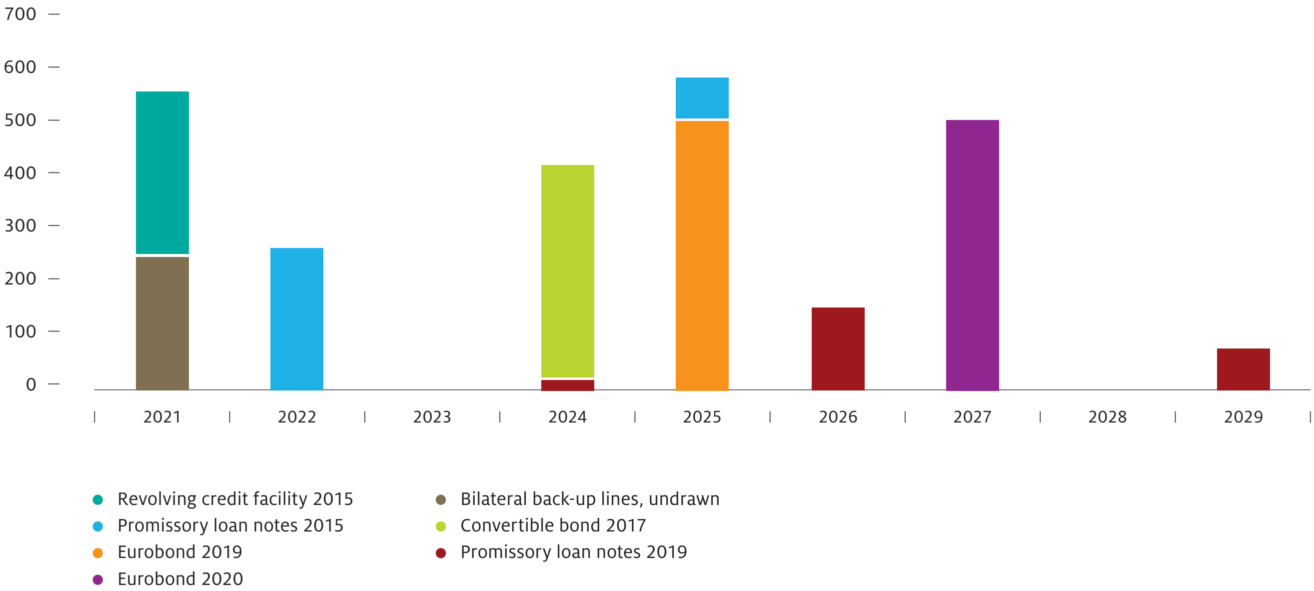
Net debt

€ million	2019	2020
Borrowings	1,966	1,973
Lease liabilities (according to IFRS 16)	96	99
Cash and cash equivalents	– 446	– 725
Net debt	**1,617**	**1,348**
Provisions for pensions and similar obligations	605	681
Net debt including provisions for pensions and similar obligations	**2,222**	**2,029**

Overview of the Statement of Financial Position as of December 31, 2020 in € million



Maturities as of December 31, 2020 in € million



Net debt including lease liabilities decreased in the 2020 fiscal year in particular due to the strong operative cash flow by € 269 million to € 1,348 million.

Net debt is calculated by deducting cash and cash equivalents from financial liabilities including lease liabilities. As a portfolio-oriented key figure based on figures from the statement of financial position, it provides information on the company's actual debt. To calculate the key figure net debt/EBITDA, the net debt is applied to the EBITDA of the past twelve months both with and without retirement benefit obligations. This results in a key figure for the net debt/EBITDA ratio of 1.8 in the reporting year (2019[1]: 2.3). The ratio of net debt including retirement benefit obligations and similar obligations/EBITDA decreased from 3.2 in 2019[1] to 2.7 in the reporting year despite increased provisions for pensions.

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.

1 2019: net debt/EBITDA(N)

CAPITAL STRUCTURE

	2019		2020		
€ million		*in % of total equity and liabilities*		*in % of total equity and liabilities*	Change in %
Equity	2,457	41	2,362	40	− 3.9
Current liabilities	1,146	19	657	11	− 42.7
Non-current liabilities	2,350	39	2,921	49	+ 24.3
Liabilities	3,496	59	3,578	60	+ 2.3
Balance sheet total	**5,953**	**100**	**5,940**	**100**	**− 0.2**

Significant obligations not reflected on the balance sheet exist in the form of obligations for the purchase of goods amounting to € 153 million (2019: € 174 million) and obligations to purchase property, plant and equipment amounting to € 50 million (2019: € 41 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 obligations toward these service providers amount to € 4 million accounting for extraordinary termination rights (December 31, 2019: € 9 million). Miscellaneous other financial obligations amounted to € 9 million as of December 31, 2020 (December 31, 2019: € 12 million) and are mostly obligations from consulting, service and cooperation contracts (€ 5 million; December 31, 2019: € 8 million).

Subsequent report

On February 3, 2021, Symrise announced changes to the Executive Board effective April 1, 2021. Heinrich Schaper, Executive Board member responsible for the Flavor segment, will leave the company and retire on March 31, 2021. As part of succession planning, the Supervisory Board decided that Dr. Jean-Yves Parisot should take on the global leadership of the Flavor segment in addition to his responsibility for the Nutrition segment. Achim Daub, President of the Scent & Care segment since 2006, is also leaving the company on good terms on March 31, 2021, to take on new professional challenges. The succession planning for the leadership of the Scent & Care segment has already been initiated. The CEO of Symrise AG, Dr. Heinz-Jürgen Bertram, will be in charge of the segment in the interim. Executive Board member Olaf Klinger will continue to be in charge of Finance, Legal, and IT.

General statement on the company's economic situation

The Executive Board regards the Symrise Group's economic situation as positive. In 2020, the Group was once again able to substantially increase its sales with sustained high profitability despite the challenging framework 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

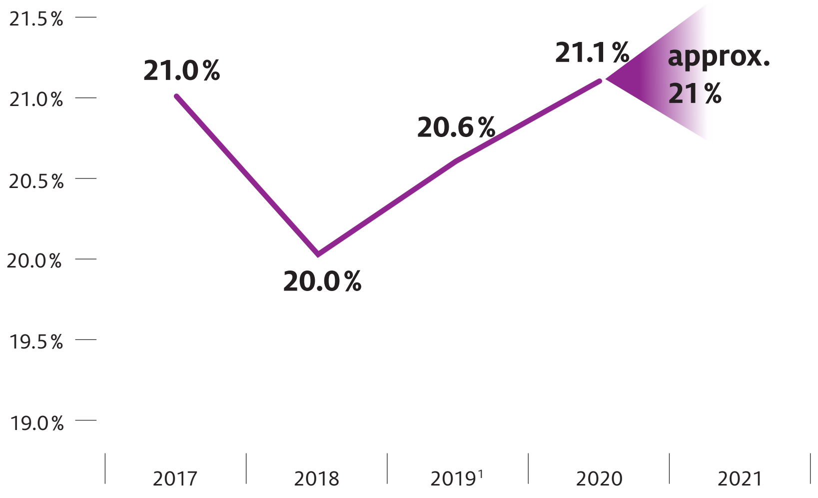
FRAMEWORK

Global economic growth
5.5 %

Market growth
3 – 4 %

Raw material costs slightly increasing

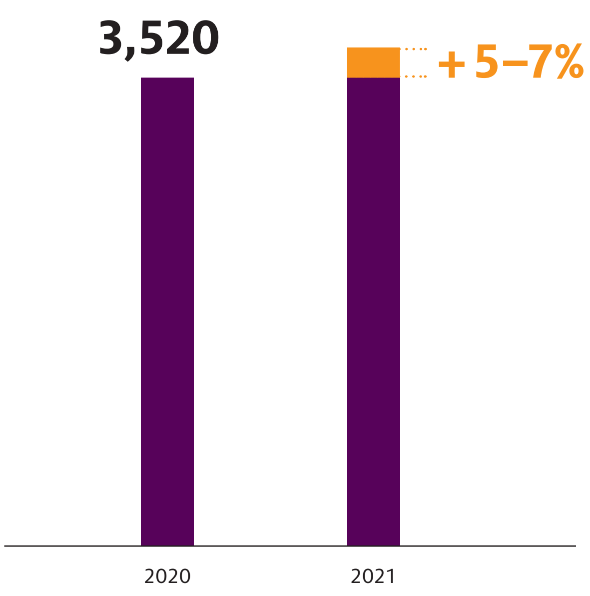
EBITDA(N) MARGIN



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
> 14 %

Net debt/
(including pensions and similar obligations as well as lease liabilities)
EBITDA(N)
2.3 – 2.5

Investments in relation to sales
4 – 5 %

FUTURE GENERAL CONDITIONS

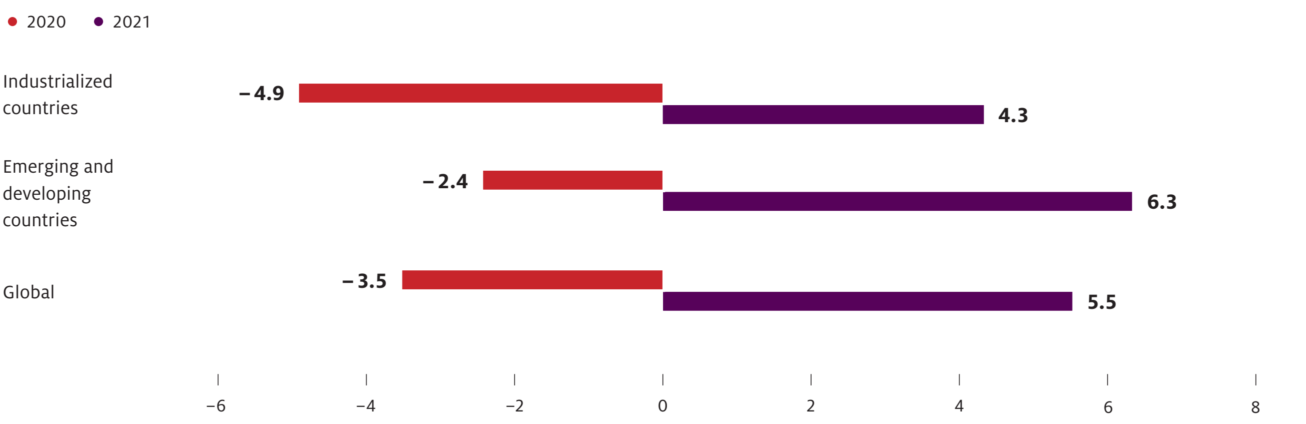
International economic development in 2021 will continue to be heavily influenced by the coronavirus pandemic. Assuming that widespread vaccination campaigns effectively contain the spread of the virus, the International Monetary Fund (IMF) forecasts that the global economy will grow by 5.5 % in 2021. The pace of economic recovery will vary from country to country. The USA and Japan could return to their pre-crisis economic levels in the second half of 2021, while economic output in the eurozone and the UK in 2022 is still likely to be below levels seen at the end of 2019. The IMF expects overall economic growth of 4.3 % in the industrialized countries in 2021, and 6.3 % in emerging and developing countries. Asia remains the center of growth of the global economy, with GDP growth at 8.1 % in China and 11.5 % in India. The situation remains particularly challenging in countries where economic strength is based primarily on crude oil exports or tourism.

The AFF market relevant for Symrise reached a volume of € 35.8 billion in 2020. Of this amount – according to estimates by the market research institute IAL Consultants – the submarket for flavorings and fragrances accounts for about € 28.5 billion, while the submarket for aroma chemicals and cosmetic ingredients accounts for about € 7.3 billion.

The long-term estimate of Symrise is for an annual, average growth rate of around 3 to 4 % for the relevant AFF market. In view of the strong economic output of some countries in the Asia/Pacific region, demand for flavors and fragrances as well as for aroma chemicals and cosmetic ingredients should rise here most sharply, according to IAL estimates. This region will be followed by North America, the EAME region and Latin America.

For the 2021 fiscal year, Symrise expects a slight 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 a 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.

GDP development 2020 / 2021 in %



Energy costs are expected to continue their slight upward trend in the 2021 fiscal year. The reasons for this are low gas purchasing costs and the fact that the electricity supplied by the combined heat and power plant at the Holzminden site covers a large part of the electricity needs. These measures reduce oil consumption substantially; the same is true for CO_2 emissions. Additionally, producing our own energy is also reducing network costs. However, fossil fuel types are subject to CO_2 taxation (Fuel Emissions Trading Act – SESTA) from 2021, meaning that procurement costs are expected to rise.

Electricity prices are also expected to increase for the remaining procurement volume due to slightly upward trending procurement prices on the EEX electricity exchange on the one hand and somewhat higher network costs from the upstream network on the other.

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

IMPACTS FROM THE BREXIT REFERENDUM

Symrise does not expect the withdrawal of the United Kingdom from the European Union to have a significant impact on the Group, as the Group companies based in the United Kingdom have their own production facilities and primarily sell their products to local customers. The partnership agreement negotiated between the EU and the United Kingdom entered into force provisionally on January 1, 2021. It puts the relationship between the EU and the United Kingdom on a new footing and seamlessly follows the transition period that expired on December 31, 2020. Symrise continues to actively work on mitigating measures to ensure the continuation of its business in the United Kingdom. To ensure a smooth production process during the transition phase, safety stocks for raw materials were established. Thanks to these and other comprehensive preparations by Symrise, there were only minor interruptions in the supply chain after the introduction of customs controls and other formalities at the border.

All key financing contracts are made with Symrise AG and are not subject to British law.

EFFECTS FROM HYPERINFLATIONARY COUNTRIES

The current hyperinflation in Venezuela and Argentina is of minor significance for the Group's consolidated earnings. An adjustment of the Iranian subsidiary's financial statements due to hyperinflation will be carried out from the 2021 fiscal year onwards if the effects resulting from it are considerable.

FUTURE CORPORATE DEVELOPMENT

For 2021, 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 2021.

The disciplined cost management and focus on high-margin business will be continued to further increase earnings. This includes initiatives to reduce the complexity of processes and workflows and the development of innovative, sustainable products and technologies. Assuming a slight increase in raw material costs, the Group expects an EBITDA margin of approximately 21 % in 2021. The ratio of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA(N) should be between 2.3 and 2.5 at the end of 2021. The company aims in this way to return to the targeted leverage range of 2.0 to 2.5 in 2021.

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

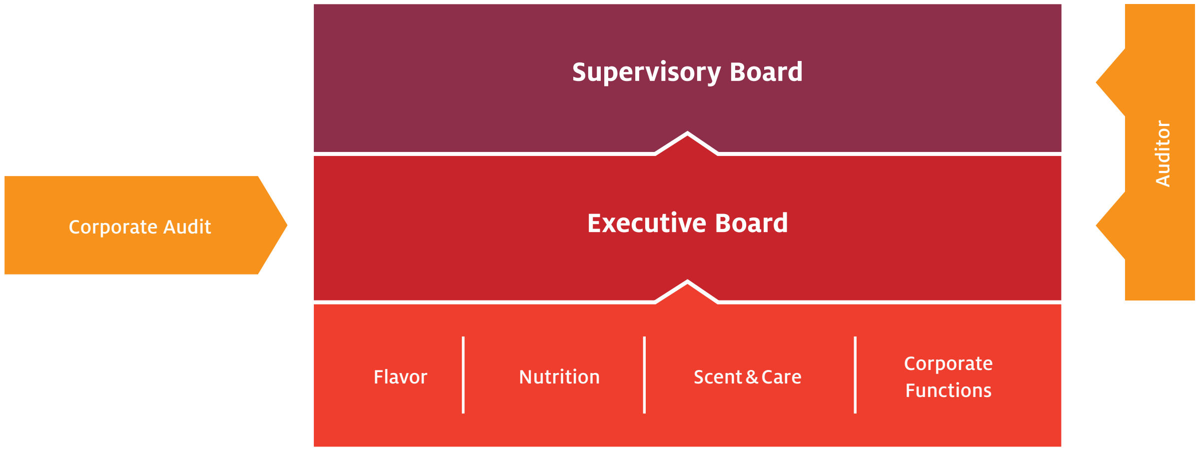
The Executive Board at Symrise AG sees the company as being optimally positioned to continue developing in every division and growth region. A proven strategy will be used to achieve the goals set. The three pillars of our strategy remain unchanged. They stand for the continued improvement of our competitive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

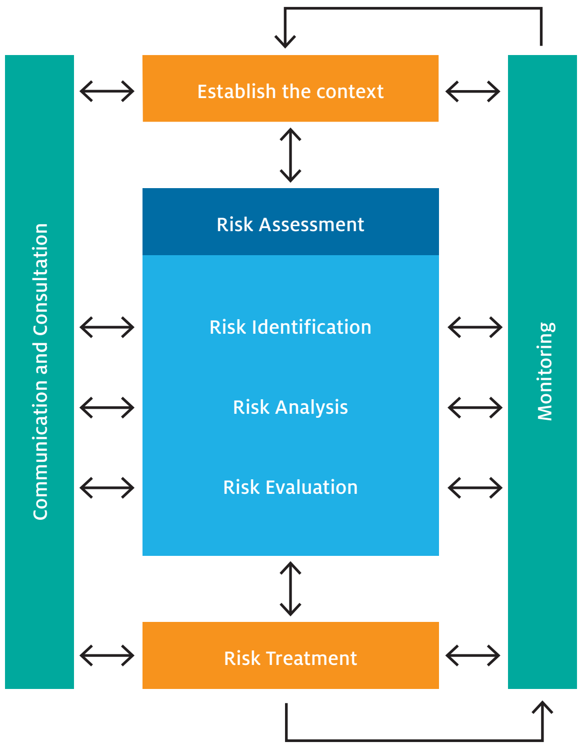
Symrise aims to grow primarily organically. Where it is sensible and creates added value, the Group will make acquisitions or forge strategic alliances to ensure access to new technologies, new markets and customers or ensure that it can obtain sustainable, renewable raw materials.

Opportunities and risk report

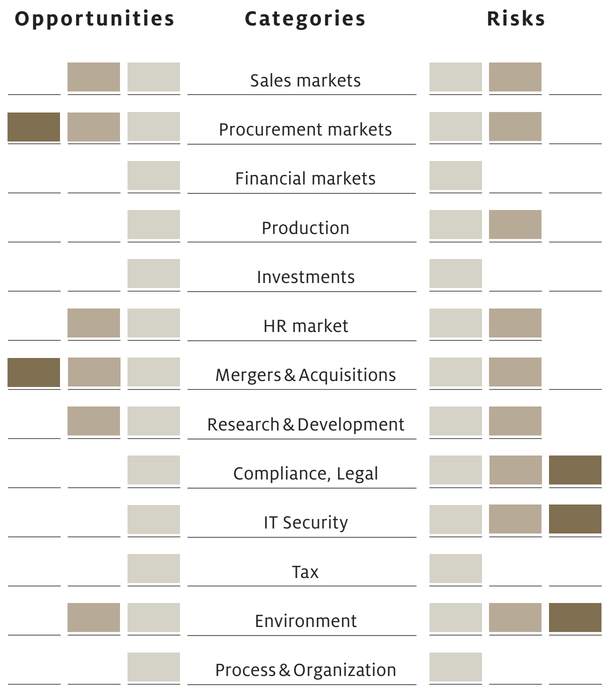
RISK MANAGEMENT



RISK MANAGEMENT STEPS



OVERVIEW OPPORTUNITIES AND RISKS



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

MANAGEMENT OF OPPORTUNITIES AND RISKS

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

Opportunities relate to future developments or events that could lead to business performance exceeding the company's set forecasts or goals. Accordingly, risks relate to future developments or events that could lead to business performance that does not meet the company's forecasts or goals. Seizing opportunities, as well as recognizing and avoiding risks at an early stage, continues to be of key importance for the further development of Symrise in view of the increased size and complexity of the Group stemming from the acquisitions of the past years. In taking advantage of opportunities, it is important that an acceptable risk profile is maintained. By means of appropriate guidelines, we ensure 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 our risk management, the heads of the business units periodically assess their risks. The risk report documents these risks accordingly 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. We value a high degree of responsibility in our employees. Therefore, we encourage all Symrise employees, including but 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.

From 2020, risks will be reported at the Group level by division, function and business unit. The previous approach on the basis of individual Group companies had led to a small-scale view of risks in which the overall picture could potentially be lost. In agreement with the Auditing Committee of the Supervisory Board, the process for risk reporting and consideration has been adapted.

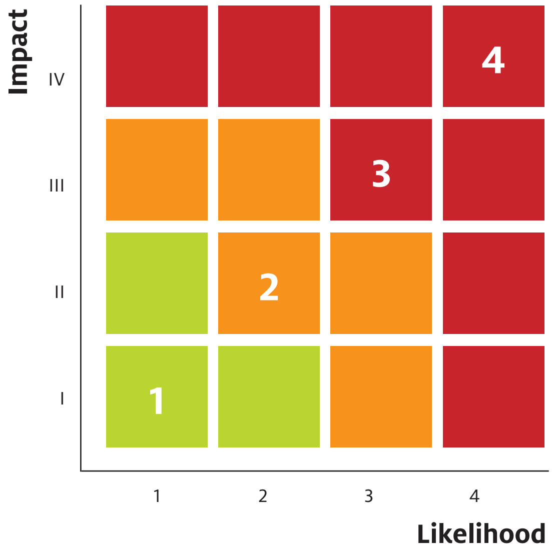
APPROACH TO EVALUATING RISKS

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 Supervisory Board of Symrise AG, most recently in October 2020. There, potential risks are identified and classified according to their effect on profit (net method) as well as the probability of their occurrence.

The result of the impact on earnings and the probability of occurrence or likelihood 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 lower left; combinations of a relatively high product of both variables are found upper right in the chart and thus describe a greater risk.

The thresholds were also adjusted to the relevant Group level as part of the process modification.



Impact (on Group EBIT)

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

Likelihood (probability of occurence)

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

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 three corporate segments equally. The order in which the individual opportunities and risks are explained does not represent an assessment of their significance for the Symrise Group.

OPPORTUNITIES AND RISKS IN DETAIL

SALES MARKETS

Fierce competition continues in the industries served by Symrise. Accordingly, it remains probable that the trend toward consolidation in the customers for Symrise products will continue. As a result, there is the risk that Symrise could lose customers and thus market shares. We react to this, in particular, with increased marketing of the innovations and products from our divisions that offer added benefits compared to competitors' products.

Symrise is countering the increased volatility of the global economy as a whole and of a number of larger economies (such as Brazil, China, 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 EU or in connection with Brexit. 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.

SOURCING MARKETS

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

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 level of our suppliers 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 raw materials for Symrise – in terms of availability and in terms of 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 our 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.

Similarly to 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 USA, China and the EU; or in connection with Brexit) due to the global positioning of Symrise with production sites on all continents. However, negative effects cannot be ruled out in the short term.

FINANCIAL MARKETS

Symrise uses the international financial markets to finance its ongoing business operations. Symrise is exposed to various risks here. 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 fulfilling obligations for existing credit covenants.

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. To secure liquidity in the context of the coronavirus pandemic, Symrise agreed backup lines with three banks totaling € 250 million in spring 2020. The lines have a term of one year and were not used. 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. We do 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 € 122 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 97 % of overall debt as of December 31, 2020. 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. We reduce 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, we continuously observe regulatory developments in the countries in which Symrise 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 our products or those of our 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 the operating result. There are contingency plans within the Symrise Group for extreme cases which call for other Symrise companies to step in to ensure supplies.

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.

Symrise successfully implemented several major investment projects in recent years. Some projects realized in 2020 were subject to delays, but these did not have a significant impact on the Group's business development.

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.

In line with the corporate strategy, Symrise acquired the Fragrance and Aroma Chemicals business of Sensient Technologies Corporation (Milwaukee, USA) in 2020 in order to expand the business activities of the Fragrance and Aroma Molecules divisions. The transaction is subject to regulatory approval.

In the Nutrition segment, the integration of the ADF/IDF Group, which was acquired in 2019, was completed on schedule.

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 is intended to identify potential problems in good time and enable necessary corrections to be made.

RESEARCH & DEVELOPMENT

Opportunities for Symrise often arise from our market-oriented research and development, which we see 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 digitization are becoming ever more important (IBM project for the development of fragrances with the help of artificial intelligence).

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

Opportunities and risks in research & 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 our compliance management system, we differentiate 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 us that our 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 problems and sell additional services. Furthermore, this expertise – also in combination with applications of artificial intelligence – 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 our products can have a negative effect on consumers' health. To minimize this risk, the products are continually tested as part of our quality management on the basis of scientific research as well as on international standards and internal safety regulations.

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

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 initiated and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and Group-internal 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, we analyze potential risks comprehensively by incorporating our 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

IT risks arise from damage to the Group stemming from data misuse and potential interruptions in the exchange and processing of data, which can lead to a disruption of operational processes. Symrise maintains a number of integrated IT and telecommunications systems whose programs and data are saved on different storage media and constantly further developed. Existing, established protection measures are also continuously updated and expanded to ensure the integrity and security of IT processes and the protection of data.

Nevertheless, Symrise – like other companies – fell victim to a serious cyberattack in December 2020. This was a criminal act by unknown perpetrators that temporarily caused considerable disruption to business operations. Immediately after the attack was discovered, Symrise shut down essential systems and completely shielded its IT infrastructure. This led to a short-term, temporary shutdown in production, logistics and sales. However, thanks to the highly integrated and comprehensively secured global IT infrastructure and an extraordinary effort by internal and external IT experts, virtually all crucial systems were able to resume regular operations within a short period of time.

In parallel to the internal defense and analysis measures taken, Symrise called in the relevant authorities immediately after the attack was discovered. Further measures were implemented with the help of external experts in cyber forensics to further increase the confidentiality, availability and reliability of IT systems against internal and external attacks. These measures include preventive and further corrective activities, such as additional increased protection against unauthorized access, the rapid isolation of potential malware, or the rapid recovery of data and systems that are no longer accessible.

In addition, the risk awareness of employees in dealing with sensitive data will be bolstered through heightened training.

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 us or by our suppliers and sub-suppliers. This in turn can lead to decreasing raw material availability or increasing raw material prices within our portfolio. Symrise is able to initiate risk minimization measures at an early stage by systematically analyzing and assessing corresponding environmental risks and consistently taking them into account in research, product development, purchasing and supply chain management. This starts with the development of substitution solutions for crucial raw materials and continues with reworking recipes in cooperation with our customers, through to identifying alternative suppliers and countries where materials are sourced.

The coronavirus pandemic has posed a major challenge to humanity 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 system relevant, 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 current 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 home office solutions to create physical distance, the temporal separation of shifts and laboratory activities and additional hygiene measures. At the same time, Symrise is largely suspending travel and relying instead on online meetings and video conferences. With a wide range of product solutions for food as well as for personal care and hygiene, Symrise is meeting the needs of daily life, especially during these times. In addition, Symrise has a strong international orientation with its own production sites in the most important sales markets. Due to this diversified and balanced business model, Symrise believes it is in a position to limit the risks in individual markets and to consistently take advantage of business opportunities which are available in many places even in this difficult situation.

PROCESS- AND ORGANIZATION-RELATED RISKS

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

OVERALL ASSESSMENT OF OPPORTUNITY AND RISK SITUATION

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 taken advantage of. The acquisitions of recent years have broadened the category and technology base of Symrise and increased backward integration. Above-average growth, increasing margins and additional innovations are the result of the Group's expanded footprint. We 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 accounting-related 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.

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 consists of documenting possible risks, the accompanying processes and their monitoring and of examining these processes and controls. Opportunities are also documented within the framework of corporate planning. To guarantee that the ICS is effective, the Group-wide control mechanisms are analyzed at the level of the individual companies and the Group for suitability and functionality. Here, the Corporate Internal Audit department examines how effectively those responsible adhered to the planned control mechanisms at both the decentralized and centralized level. The efficiency of the ICS can be limited by unforeseen changes in the control environment, criminal activities or human error.

To define existing control processes in the company and to expand them where necessary, Symrise has established a process to support documentation and analysis in the Group's business units and companies. The principles for the accounting-related 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. Based on reports issued by the Group's units and companies, an aggregate Group risk report is presented to the Executive Board regularly. The Executive Board discusses the efficacy of the ICS with the Supervisory Board or with the Auditing Committee of the Supervisory Board, as appropriate.

The ICS is monitored regularly 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 and evaluated.

- **Accounting-related risk management:** Using a risk-oriented approach, the companies and processes that are essential for accounting are first of all 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 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 effectiveness in preventing risks through the use of random sampling by Corporate Internal Audit, among other things. Whenever weaknesses have been documented, the potential risks for the consolidated financial statements stemming from the reports from the Group's units and companies are evaluated. In another step, the individual risks are consolidated at the company level. The risks and their corresponding effects on financial reporting are reported to the Executive Board. These reports form the basis for reporting vis-à-vis the Supervisory Board's Auditing Committee. If control weaknesses are determined, measures for improvement are developed. The efficacy of the new control methods is then analyzed in the next examination cycle.

Remuneration report

The remuneration report explains the guidelines applicable for setting total remuneration for the Executive Board members and describes the structure and amount of the Executive Board members' remuneration. Furthermore, the guidelines and amounts of the remuneration for the Supervisory Board members are also described.

REMUNERATION OF THE EXECUTIVE BOARD

In accordance with Section 87 (1) of the German Stock Corporation Act (AktG), the Supervisory Board decides on the remuneration system for the Executive Board and sets the remuneration of the individual Executive Board members. It aligns remuneration to the sustainable and long-term development of the company.

The objectives of the Symrise Executive Board remuneration system are as follows:

- promotion of the implementation of the long-term strategy including the sustainability objectives
- orientation of remuneration along the guidelines of the 'pay for performance' principle
- consistent orientation along the needs of the shareholders and other stakeholders of the company
- a transparent and clearly understandable presentation of the remuneration system closely aligned with the regulatory requirements in accordance with the German Stock Corporation Act
- an appropriate level of remuneration in line with the market in external and internal comparison, including consistency of the remuneration principles at the secondary management levels

In accordance with its articles of association, the Supervisory Board is supported in setting the remuneration by a Personnel Committee formed from among its members. The committee evaluates the individual performance of the Executive Board members once a year, most recently in March 2020, based on the approved remuneration system and determines the target total remuneration of the respective Executive Board member. The Personnel Committee also annually reviews the performance-related variable remuneration based on individual goal attainment and ensures that the maximum remuneration specified in the system ('cap') is not exceeded. Variable remuneration and monthly fixed remuneration therefore combine to form the total compensation of the individual Executive Board members.

The Symrise remuneration system fulfills all of the mandatory regulations of the German Corporate Governance Code in its version from December 16, 2019.

APPROPRIATENESS OF THE TARGET TOTAL REMUNERATION OF THE EXECUTIVE BOARD

Corresponding to the requirements of the German Stock Corporation Act (Section 87 of the German Stock Corporation Act) and the German Corporate Governance Codex (version from December 16, 2019), the remuneration of the Executive Board at Symrise is oriented toward a sustainable and long-term development of the company.

All members of the Executive Board receive a target total remuneration. This target remuneration consists of a fixed remuneration, contractually agreed supplementary payments, the annual variable share (known as the annual bonus or STI) as well as the long-term variable incentive (LTI) when their targets have each been met completely. This target total remuneration (= 100 %) is supplemented by a maximum remuneration for the annual bonus (= 150 %) and the long-term incentive (= 200 %) ('cap'). For the annual bonus, the goals and criteria for assessing goal attainment are ambitious for Executive Board members. For example, the bonus payment is completely voided if less than 85 % of sales and EBITDA targets and less than 96 % of margin targets are met ('threshold'). At around 67 % of total remuneration, the performance-related, variable component significantly exceeds the weight of the non-performance-related, fixed remuneration components (33 %).

As the performance criteria for the respective fiscal year are derived from the rolling medium-term plan, the annual incentive (STI) also supports the pursuit of long-term, multi-year corporate goals. This is how we ensure that the pursuit of operational goals is in line with the long-term orientation of our business goals. In contrast, the long-term incentive (LTIP) oriented along the share price plus dividends (total shareholder return) reflects how the company is viewed by the capital market and aligns the remuneration of the Executive Board members and the interests of the shareholders.

HORIZONTAL AND VERTICAL APPROPRIATENESS

The appropriateness of the remuneration depends upon the responsibilities and personal achievements of the individual Executive Board member as well as the economic situation and market environment of the company as a whole. Further, the customary level of remuneration at peer companies and the internal Symrise remuneration structure are also considered.

In order to verify the appropriateness of Executive Board remuneration, the Personnel Committee last had a comparative benchmark study (known as a horizontal comparison) carried out by an external consulting firm in March 2018. A Symrise-specific peer group of MDAX® and selected DAX® companies excluding real estate and financial services companies that roughly correspond to the size of Symrise in terms of sales, market capitalization and number of employees is used as a benchmark for determining the level of remuneration. The goal is to ensure that the total remuneration (fixed remuneration, annual bonus, and long-term incentive) of the Executive Board is in line with the median of comparable companies. This is ensured by the amount of remuneration for 2020.

In addition to this horizontal comparison of remuneration, the Supervisory Board considers the company's internal remuneration structures (vertical comparison) in addition to considering remuneration as a whole (no fixed relations). For this purpose, the Supervisory Board examines the ratio of Executive Board remuneration related to the remuneration of senior executives and the workforce around the world and in Germany. The total target remuneration of all Executive Board members corresponds in a vertical remuneration comparison to around 26 times the average remuneration of Symrise employees in Germany and worldwide, and around 27 times the highest collective wage group in Germany.

Overview of the Executive Board remuneration system

Remuneration not based on performance	33 %	Fixed remuneration
	+	
Performance-based remuneration	67 %	Short-term, annual remuneration (STI) Long-term, multi-year remuneration (LTIP)
	=	
Target total remuneration	100 %	Dependent on goal attainment

FIXED REMUNERATION AND SUPPLEMENTARY PAYMENTS

Every Executive Board member receives their annual fixed remuneration (equivalent to 33 % of the target total remuneration) in equal monthly payments. Supplementary payments mainly contain fringe benefits in the form of nonmonetary benefits from the use of a company car and inclusion in our group accident insurance in the case of inability to work or death.

ANNUAL VARIABLE REMUNERATION (BONUS)

The annual variable remuneration (equivalent to 33 % of the target total remuneration) consists of a bonus based on the operational key indicators from the corresponding fiscal year.

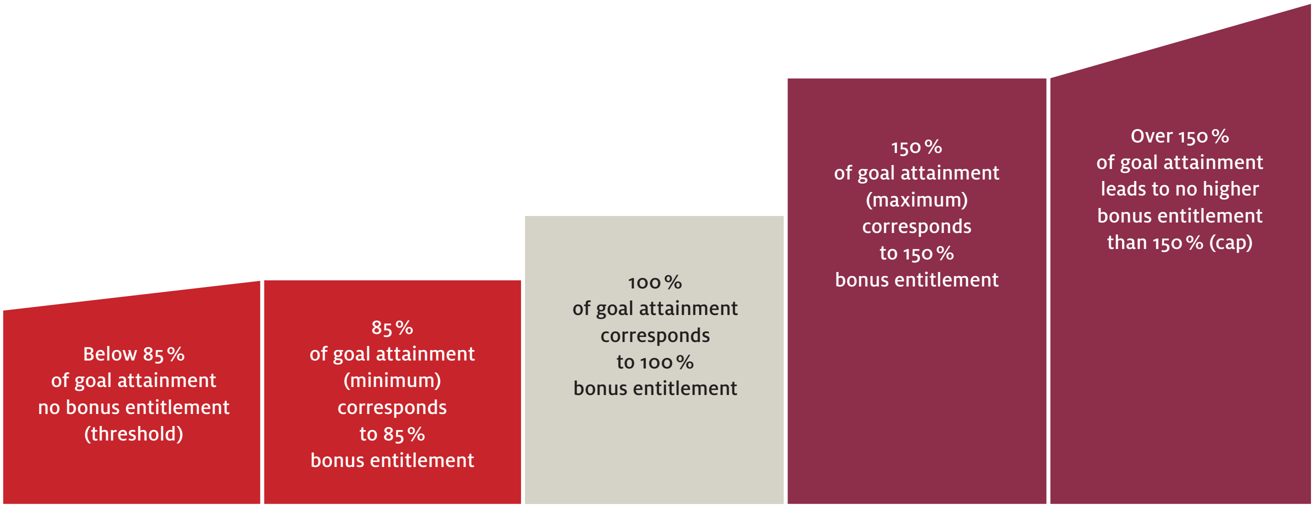
The annual bonus depends in particular on attaining certain profit and earnings-oriented financial goals (EBITDA, EBITDA margin, earnings per share) sales-oriented key figures (sales, sales growth) and cash-oriented key figures (business free cash flow). In addition, each member of the Executive Board has a goal that focuses on sustainable management. The annual variable remuneration is limited by a cap and can only reach a maximum of 150 % of the contractually agreed annual bonus. If the EBITDA target falls below a threshold of 85 % for EBITDA and sales targets, 96 % for the margin targets as well as 50 % or 60 % for the quantitative or qualitative sustainability objectives, no variable remuneration is paid out for that goal.

The goals for the annual variable remuneration were set by the Supervisory Board at the beginning of the 2020 calendar year individually for each member of the Executive Board, taking into account the annual business plan and the respective executive responsibility. Corresponding goals are also applied to the levels below the Executive Board along with other goals. This ensures the consistent pursuit of corporate goals adopted by the Supervisory Board within the company. The annual variable remuneration for the 2020 calendar year will be paid out in cash in the following year (2021) dependent on the degree of attainment on the basis of the approved consolidated financial statements for 2020. The Supervisory Board plans to set uniform quantitative and qualitative target achievement standards for the members of the Executive Board for the past 2020 fiscal year.

MULTI-YEAR VARIABLE REMUNERATION (LONG-TERM INCENTIVE PLAN)

Multi-year variable remuneration (long-term incentive or LTI; equivalent to 33 % of the target total remuneration) is a rolling, variable cash remuneration based on the long-term success of the company – expressed in the performance of the share price of Symrise – and is dependent upon the development of the goals subsequently listed over a period of three years. It serves to align the actions of the members of the Executive Board over the long-term with the performance of the share price in comparison to competitors and similar companies in the market (“peer group”).

Thresholds of the annual variable remuneration



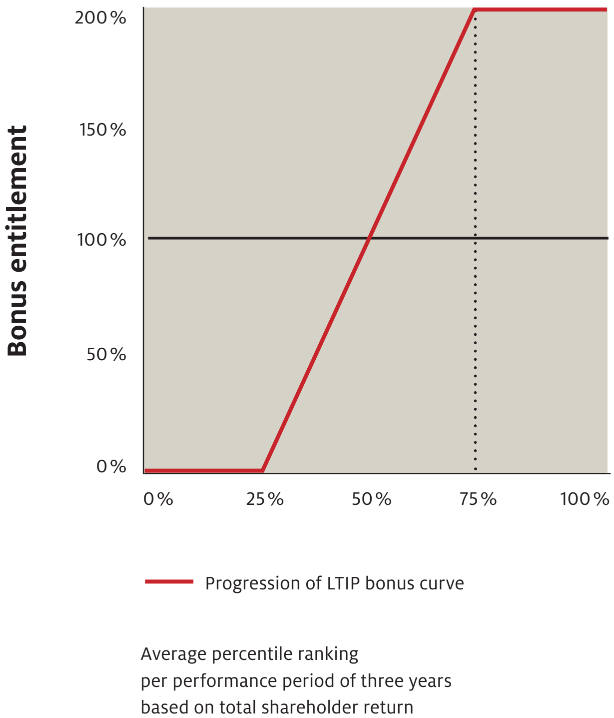
Overview of the annual variable remuneration

80 %	Financial goals	Absolute goals, i.e., sales, EBITDA and earnings per share	Minimum 85 %, maximum 150 %
		Margin goals, i.e., EBITDA margin, business free cash flow	Minimum 96 %, maximum 105 %
+ 20 %	Non-financial goals	Qualitative goals, i.e., sustainability projects	Minimum 50 %, maximum 100 %
= 100 %	Total goal attainment	Target annual bonus (STI)	Below 85 % no bonus (threshold) Above 150 % not applicable for bonus (cap)

Schematic illustration of examples	Three rolling performance periods					Payout
Performance-related, multi-year variable remuneration (LTIP)	2019	2020	2021			**March 2022**
		2020	2021	2022		March 2023
			2021	2022	2023	March 2024

Regarding the current incentive plans for 2018–2020, 2019–2021 and 2020–2022, performance is measured via a share-based index composed of listed companies in the fragrance and flavor industry as well as supplier companies in the food and cosmetics industry. The key indicator for measuring performance within the index peer group is the share price performance plus dividends or other payments (total shareholder return). The development of Symrise compared to the companies in the index is represented in the form of a percentile ranking. In order to ensure the best possible objectivity and transparency, the composition of the index and the determination of the percentile ranking are performed by an external consulting firm (Obermatt, Zurich). The index is calculated at daily prices. In the case of changes in the peer group (for example, through acquisition of a listed company), the Supervisory Board will make adjustments upon the recommendation of the external consultant.

For all currently running incentive plans (2018–2020, 2019–2021, as well as 2020–2022), there is a uniform bonus payment if Symrise performs better than 25 % of the peer companies (at least a 25th percentile rank in the peer group, the threshold) over three performance years. Beneath the 25th percentile, the bonus is forgone without replacement or substitution. 100 % goal attainment (target amount of the LTI – bonus of a member of the Executive Board) would correspond to a 50th percentile rank. Between the 25th and 75th percentile, the bonus is calculated linearly. This means that if the Symrise share performs better than all of the companies represented in the index and Symrise had a 75th percentile rank for each of the three years, this would be rewarded with a doubling of the 100 % goal attainment bonus. Here, too, there is a cap of 200 %.



For the LTIP offered in 2020, the multi-year variable remuneration awarded for 100 % goal attainment amounted to € 800,000 for Dr. Heinz-Jürgen Bertram. For Achim Daub, Olaf Klinger, Dr. Jean-Yves Parisot and Heinrich Schaper, it is € 500,000 each. This corresponds to around 33 % of their respective target total remuneration.

If an Executive Board member leaves the company at their own request before the performance period has ended, the member has essentially no entitlement to the ongoing long-term incentive programs, nor an entitlement to a pro rata payout. An exception exists if the Board member leaves because of retirement, inability to work or death (see Section “Early termination and expiration of employment contracts”).

For the LTIP program 2018–2020, provisions of € 1,550,933 were recognized for Dr. Heinz-Jürgen Bertram and € 969,333 for Olaf Klinger, Achim Daub, Heinrich Schaper and Dr. Jean-Yves Parisot as of the end of the reporting period. For the LTIP program 2019–2021, provisions of € 917,333 were recognized for Dr. Heinz-Jürgen Bertram and € 573,333 for Olaf Klinger, Achim Daub, Heinrich Schaper and Dr. Jean-Yves Parisot each as of the end of the reporting period. For the LTIP program 2020–2022, provisions of € 385,422 were recognized for Dr. Heinz-Jürgen Bertram and € 240,889 for Olaf Klinger, Achim Daub, Heinrich Schaper and Dr. Jean-Yves Parisot each as of the end of the reporting period.

INDIVIDUAL REMUNERATION IN ACCORDANCE WITH THE RECOMMENDATION FROM SECTION 4.2.5 (3) OF THE GERMAN CORPORATE GOVERNANCE CODE

The remuneration awarded to the Executive Board members Dr. Heinz-Jürgen Bertram, Achim Daub, Olaf Klinger, Dr. Jean-Yves Parisot and Heinrich Schaper for the 2020 fiscal year corresponds to the remuneration set by the resolution of the Supervisory Board and was reviewed in the meeting on March 4, 2020. Accordingly, the remuneration of the Executive Board members was determined against the background of the tasks and performance of the Executive Board members in addition to the general economic situation and the development of Symrise.

Table of financial contributions in the 2020 fiscal year

The following table of financial contributions in the 2020 fiscal year is based on the recommendations of the German Corporate Governance Code in its version from December 16, 2019. Here, values are provided for the minimum and maximum amount of remuneration that can theoretically be achieved.

ACTING EXECUTIVE BOARD MEMBERS IN THE 2020 FISCAL YEAR

	Dr. Heinz-Jürgen Bertram CEO since 2009				Olaf Klinger CFO since January 2016			
Financial Contributions €	**FY 2019**	**FY 2020**	**FY 2020 (min)**	**FY 2020 (max)**	**FY 2019**	**FY 2020**	**FY 2020 (min)**	**FY 2020 (max)**
Fixed remunerations	800,000	800,000	800,000	800,000	500,000	500,000	500,000	500,000
Supplementary payments*	22,739	23,186	23,186	23,186	22,859	23,306	23,306	23,306
Total	**822,739**	**823,186**	**823,186**	**823,186**	**522,859**	**523,306**	**523,306**	**523,306**
Annual variable remuneration**	800,000	800,000	0	1,200,000	500,000	500,000	0	750,000
Multi-year variable remuneration (total)***	800,000	800,000	0	1,600,000	500,000	500,000	500,000	1,000,000
LTIP 2019 (covering 2019 to 2021)	800,000	–	–	–	500,000	–	–	–
LTIP 2020 (covering 2020 to 2022)	–	800,000	0	1,600,000	–	500,000	500,000	1,000,000
Total	**2,422,739**	**2,423,186**	**823,186**	**3,623,186**	**1,522,859**	**1,523,306**	**1,023,306**	**2,273,306**
Service costs****	34,056	38,713	38,713	38,713	0	0	0	0
Total remuneration (GCGC)	**2,456,795**	**2,461,899**	**861,899**	**3,661,899**	**1,522,859**	**1,523,306**	**1,023,306**	**2,273,306**

	Achim Daub President Scent & Care since 2006				Dr. Jean-Yves Parisot President Nutrition since October 2016			
Financial Contributions €	**FY 2019**	**FY 2020**	**FY 2020 (min)**	**FY 2020 (max)**	**FY 2019**	**FY 2020**	**FY 2020 (min)**	**FY 2020 (max)**
Fixed remunerations	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Supplementary payments*	24,285	13,443	13,443	13,443	287,000	334,943	334,943	334,943
Total	**524,285**	**513,443**	**513,443**	**513,443**	**787,000**	**834,943**	**834,943**	**834,943**
Annual variable remuneration**	500,000	500,000	0	750,000	500,000	500,000	0	750,000
Multi-year variable remuneration (total)***	500,000	500,000	0	1,000,000	500,000	500,000	0	1,000,000
LTIP 2019 (covering 2019 to 2021)	500,000	–	–	–	500,000	–	–	–
LTIP 2020 (covering 2020 to 2022)	–	500,000	0	1,000,000	–	500,000	0	1,000,000
Total	**1,524,285**	**1,513,443**	**513,443**	**2,263,443**	**1,787,000**	**1,834,943**	**834,943**	**2,584,943**
Service costs****	0	0	0	0	0	0	0	0
Total remuneration (GCGC)	**1,524,285**	**1,513,443**	**513,443**	**2,263,443**	**1,787,000**	**1,834,943**	**834,943**	**2,584,943**

	Heinrich Schaper President Flavor since October 2016			
Financial Contributions €	**FY 2019**	**FY 2020**	**FY 2020 (min)**	**FY 2020 (max)**
Fixed remunerations	500,000	500,000	500,000	500,000
Supplementary payments*	25,019	25,466	25,466	25,466
Total	**525,019**	**525,466**	**525,466**	**525,466**
Annual variable remuneration**	500,000	500,000	0	750,000
Multi-year variable remuneration (total)***	500,000	500,000	0	1,000,000
LTIP 2019 (covering 2019 to 2021)	500,000	–	–	–
LTIP 2020 (covering 2020 to 2022)	–	500,000	0	1,000,000
Total	**1,525,019**	**1,525,466**	**525,466**	**2,275,466**
Service costs****	23,571	25,919	25,919	25,919
Total remuneration (GCGC)	**1,548,590**	**1,551,385**	**551,385**	**2,301,385**

* Supplementary payments include non-monetary benefits, for example, from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members. For Dr. Jean-Yves Parisot, the corresponding amount includes statutory social security contributions (employer contributions) to French social security.

** Annual variable remuneration contains the value for 100 % goal attainment. The "FY 2020 (max)" column shows the values for achieving the theoretical maximum bonus value of 150 %.

*** Multi-year variable remuneration contains the payments granted by the Supervisory Board in the respective fiscal year for 100 % goal attainment in the long-term incentive program. The "FY 2020 (max)" column shows the values for achieving the theoretical maximum bonus value of 200 %.

**** Service costs contain expenses pursuant to IAS 19 without interest expenses according to the recommendation of the German Corporate Governance Codex.

Table of accrued payments in the 2020 fiscal year

The following table shows the accrual of remuneration in or for the 2020 fiscal year. This is comprised of fixed remuneration, supplementary payments, annual variable remuneration and multi-year variable remuneration, differentiated according to the respective reference years and service costs. Contrary to the table above, this table contains the actual value of multi-year variable remuneration for Executive Board appointments earned from previous years and paid out in the 2020 fiscal year.

ACTING EXECUTIVE BOARD MEMBERS IN THE 2020 FISCAL YEAR

	Dr. Heinz-Jürgen Bertram CEO since 2009		Olaf Klinger CFO since January 2016		Achim Daub President Scent & Care since 2006	
Accruels €	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
Fixed remunerations	800,000	800,000	500,000	500,000	500,000	500,000
Supplementary payments*	22,739	23,186	22,859	23,306	24,285	13,443
Total	**822,739**	**823,186**	**522,859**	**523,306**	**524,285**	**513,443**
Annual variable remuneration**	809,840	824,000	510,800	514,250	448,200	513,500
Multi-year variable remuneration (total)***	636,738	1,550,933	435,663	969,333	435,663	969,333
LTIP 2017 (covering 2017 to 2019)	636,738	0	435,663	0	435,663	0
LTIP 2018 (covering 2018 to 2020)	0	1,550,933	0	969,333	0	969,333
Total	**2,269,317**	**3,198,119**	**1,469,322**	**2,006,889**	**1,408,148**	**1,996,276**
Service costs****	34,056	0	0	0	0	0
Total remuneration (GCGC)	**2,303,373**	**3,198,119**	**1,469,322**	**2,006,889**	**1,408,148**	**1,996,276**

	Dr. Jean-Yves Parisot President Nutrition since October 2016		Heinrich Schaper President Flavor since October 2016	
Accruels €	FY 2019	FY 2020	FY 2019	FY 2020
Fixed remunerations	500,000	500,000	500,000	500,000
Supplementary payments*	287,000	334,943	25,019	25,466
Total	**787,000**	**834,943**	**525,019**	**525,466**
Annual variable remuneration**	498,100	512,750	510,900	514,250
Multi-year variable remuneration (total)***	383,000	969,333	383,000	969,333
LTIP 2017 (covering 2017 to 2019)	383,000	0	383,000	0
LTIP 2018 (covering 2018 to 2020)	0	969,333	0	969,333
Total	**1,668,100**	**2,317,026**	**1,418,919**	**2,009,049**
Service costs****	0	0	23,571	0
Total remuneration (GCGC)	**1,668,100**	**2,317,026**	**1,442,490**	**2,009,049**

* Supplementary payments include non-monetary benefits, for example from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members. For Dr. Jean-Yves Parisot, the corresponding amount includes the statutory social security contributions (employer) for French social security.

** Annual variable remuneration contains the accruals for the bonus corresponding to the respective fiscal year..

*** Multi-year variable remuneration contains the accrued payments for the respective fiscal year from the respective long-term incentive program based on actual goal attainment.

**** Service costs contain expenses pursuant to IAS 19 without interest expenses according to the recommendation of the German Corporate Governance Codex.

DISCLOSURES PURSUANT TO SECTION 315E OF THE GERMAN COMMERCIAL CODE (HGB)

ACTING EXECUTIVE BOARD MEMBERS IN THE 2020 FISCAL YEAR

	Fixed components		Performance-based components		
€	Fixed remuneration	Supplementary payments*	Annual variable remuneration without long-term incentives**	Multi-year variable remuneration with long-term non-share-based incentives***	Total remuneration pursuant to Section 314 (1) no. 6a HGB
Dr. Heinz-Jürgen Bertram					
2020	**800,000**	**23,186**	**824,000**	**1,550,933**	**3,198,119**
2019	800,000	22,739	809,840	636,738	2,269,317
Olaf Klinger					
2020	**500,000**	**23,306**	**514,250**	**969,333**	**2,006,889**
2019	500,000	22,859	510,800	435,663	1,469,322
Achim Daub					
2020	**500,000**	**13,443**	**513,500**	**969,333**	**1,996,276**
2019	500,000	24,285	448,200	435,663	1,408,148
Dr. Jean-Yves Parisot					
2020	**500,000**	**334,943**	**512,750**	**969,333**	**2,317,026**
2019	500,000	287,000	498,100	383,000	1,668,100
Heinrich Schaper					
2020	**500,000**	**25,466**	**514,250**	**969,333**	**2,009,049**
2019	500,000	25,019	510,900	383,000	1,418,919

* Supplementary payments include non-monetary benefits, for example from the use of a company car and payments for insurances, such as group accident insurance, for all Executive Board members. For Dr. Jean-Yves Parisot, the corresponding amount includes the statutory social security contributions (employer) for French social security.

** Annual variable remuneration contains the accruals for the bonus corresponding to the respective fiscal year.

*** Multi-year variable remuneration contains the accrued payments for the respective fiscal year from the respective long-term incentive program based on actual goal attainment.

EXPANSION OF PENSIONS THROUGH PERSONAL CONTRIBUTIONS

Company-financed pensions are not granted by Symrise in new Executive Board member contracts. However, all members of the Executive Board have the possibility of accumulating deferred compensation benefits by converting their salaries. In 2020, Dr. Bertram, Mr. Klinger and Mr. Schaper made use of this option. There is no company contribution similar to the regulations applied to non-tariff employees and managers in connection with this “deferred compensation” arrangement.

In order to service future entitlements for the Executive Board members as part of a deferred compensation plan, Symrise made allocations to provisions based on an actuarial appraisal in 2020 for Dr. Bertram amounting to € 374,539 (previous year: € 423,439), € 235,946 for Mr. Klinger (previous year: € 166,664) and € 215,358 for Mr. Schaper (previous year: € 188,870).

Due to their prior employment contracts with Symrise, pension commitments exist for Dr. Bertram and Mr. Schaper, which were also offered to all other employees of the former Haarmann & Reimer GmbH. For these benefit obligations, the allocation to the provision for Dr. Bertram amounted to € 38,713 (previous year: € 34,056) while € 25,919 (previous year: € 23,571) were allocated to the provision for pensions for Mr. Schaper in the 2020 fiscal year.

As of December 31, 2020, the present value of the provisions for pensions or deferred compensation obligations for Dr. Bertram amount to € 3,561,688 (previous year: € 3,036,985),

€ 749,234 for Mr. Klinger (previous year: € 513,288) and
€ 1,922,290 for Mr. Schaper (previous year: € 1,609,204).

No provisions for pensions or deferred compensation obligations exist for Mr. Daub or Dr. Parisot.

CHANGE OF CONTROL

The employment contracts that form the basis for all Executive Board appointments include identical commitments for payments in case of an early termination of the Executive Board position resulting from a change of control.

In the case of a change of control, all Executive Board members have the right to terminate their employment contract.

In the case of a change of control and a corresponding termination by the employer or early recall by the Supervisory Board, all Executive Board members are to receive compensation for the remaining terms of their contracts with severance equal to at least three years' pay. The overall limit of payments to be made is set at 150 % of the severance payment cap for all Executive Board members according to the provisions of the German Corporate Governance Code of February 7, 2017 – in other words a maximum of three year's remuneration including supplementary payments.

Further, all the long-term incentive plans (LTIP) contain a special clause for the case of a change of control. If a member of the Executive Board is recalled as part of a change of control, this Executive Board member would receive all ongoing and not yet due multi-year variable remuneration paid out at the level of 100 % goal attainment.

EARLY TERMINATION AND EXPIRATION OF EMPLOYMENT CONTRACTS

The members of the Executive Board do not receive any special remuneration upon expiration of their contracts and do not receive any termination benefits. In the event of retirement or permanent disability, the long-term incentive programs running at the time of departure are paid out on a pro rata basis.

No termination benefits are provided if the termination of an Executive Board contract is done consensually upon the request of the Executive Board member.

A post-employment non-compete clause was agreed upon with all Executive Board members for twelve months, which the company may waive. In the event that is it utilized, the member concerned shall receive 50 % of their fixed remuneration for these twelve months as compensation.

D & O INSURANCE

While observing all legal requirements, Symrise AG took out a professional indemnity insurance (D & O insurance) for the members of the Executive Board with an appropriate deductible pursuant to Section 93 (2) sentence 3 of the German Stock Corporation Act (AktG).

REMUNERATION OF THE SUPERVISORY BOARD

The members of the Supervisory Board have received an annual remuneration amounting to € 70,000 since the 2018 fiscal year. The Chairman of the Supervisory Board receives an additional annual remuneration amounting to € 70,000. The Vice Chairperson of the Supervisory Board and the Chairperson of the Auditing Committee each receive an additional annual remuneration of € 35,000.

Furthermore, the members of the Supervisory Board receive a stipend of € 1,000 for their participation in Supervisory Board sessions and those of its committees. This is, however, limited to a maximum of € 1,500 per calendar day. Supervisory Board members whose inclusion on the Board comprised less than a full year are to receive one-twelfth of their appointed remuneration for every commenced month of activity. This also applies to members of Supervisory Board committees.

Remuneration shall be paid upon the completion of the Annual General Meeting, which is formally responsible for discharging the members of the Supervisory Board for the respective fiscal year for which remuneration is due.

The company shall reimburse Supervisory Board members of reasonable expenses upon presentation of receipts. Value-added tax is to be reimbursed by the company insofar as the members of the Supervisory Board are authorized to separately invoice the company for value-added tax and exercise this right. A breakdown of the total remuneration for each Supervisory Board member is shown in the following table.

In €	Remuneration	Stipends	Total remuneration as of December 31, 2020	Total remuneration as of December 31, 2019
Michael König (Supervisory Board member from January 15, 2020; Chairman from June 17, 2020)	110,833	7,500	118,333	–
Dr. Winfried Steeger (Chairman and Supervisory Board member until June 17, 2020)	70,000	4,500	74,500	109,167
Dr. Thomas Rabe (Chairman until August 7, 2019; Supervisory Board member until December 31, 2019)	–	–	–	121,167
Harald Feist (Vice Chairman)	105,000	11,000	116,000	115,500
Ursula Buck	70,000	9,500	79,500	79,500
Horst-Otto Gerberding	70,000	7,500	77,500	77,000
Jeannette Härtling	70,000	9,500	79,500	78,500
Bernd Hirsch	105,000	9,500	114,500	114,500
André Kirchhoff	70,000	6,000	76,000	76,000
Gerd Lösing (from April 1, 2020)	52,500	6,000	58,500	–
Prof. Dr. Andrea Pfeifer	70,000	7,500	77,500	77,000
Andrea Püttcher	70,000	6,000	76,000	76,000
Dr. Ludwig Tumbrink (until March 31, 2020)	17,500	1,500	19,000	77,000
Peter Vanacker (from June 17, 2020)	40,833	4,000	44,833	–
Peter Winkelmann	70,000	11,000	81,000	79,500
	991,667	**101,000**	**1,092,667**	**1,080,833**

D & O INSURANCE

In conformity with the German Corporate Governance Code, a professional indemnity insurance (D & O insurance) with an appropriate deductible was also taken out for the members of the Supervisory Board.

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

- The share capital of Symrise AG amounts to € 135,426,610. It is divided into no-par-value 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 million through one or more issuances of new, no-par-value shares against contribution 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 noncash contributions in kind for the granting of shares for the purpose of acquiring companies or share interests in companies or participating 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 or will be sold or 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 € 4,354,476.00 through the issue of up to 4,354,476 new no-par value bearer shares (conditional capital 2017). The conditional capital increase will only be implemented to the extent that the holders of the convertible bonds issued against cash payment on June 13, 2017, exercise their conversion or option 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 will be issued at the conversion price applicable under the bond terms and conditions. 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 the wording of Section 4 (6) of the articles of incorporation in accordance with the issue of the shares to be subscribed and to make all other related amendments to the articles of incorporation that only affect the wording. The same shall apply in the event that the conditional capital is not utilized after the expiration of the periods for exercising the conversion right of the convertible bonds issued on June 13, 2017.

- 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 (7) 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 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.

a) 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 applies until June 16, 2025.

b) 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.

aa) 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 %.

bb) 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 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 % threshold for exceeding or undercutting the price applies to this amount. The purchase offer, or respectively, the 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 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.

c) 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:

aa) The shares may be redeemed without the necessity for the redemption or its execution to be 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.

bb) 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 % 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 % 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.

cc) 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.

dd) 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.

d) 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 the 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.

e) The authorizations under Sections (c) and (d) 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 71 d sentence 5 of the German Stock Corporation Act 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.

f) The authorizations listed under (c) and (d) above may be made use of singly or repeatedly, wholly or partly, individually or jointly; the authorizations under c) subparagraphs bb), cc) and dd) may also be made use of by entities dependent on the company or by entities that are owned in the majority by the company, or for their account, or for the account of third parties acting on behalf of the company.

g) Shareholder subscription rights in respect of this treasury stock are excluded to the extent that these shares are disposed of in accordance with the aforementioned authorization contained in paragraph (c) subparagraphs bb), cc) and (dd) and (d).

h) 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.

- 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.

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

Corporate Governance Statement

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

Consolidated Financial Statements

SYMRISE AG, HOLZMINDEN

JANUARY 1 TO DECEMBER 31, 2020

Consolidated Income Statement

T€	Notes	2019 adjusted*	2020
Sales	4	3,407,854	3,520,451
Cost of goods sold	5	– 2,047,277	– 2,129,973
Gross profit		**1,360,577**	**1,390,478**
Selling and marketing expenses	7	– 533,269	– 533,527
Research and development expenses	8	– 213,351	– 212,297
Administration expenses	9	– 199,778	– 203,194
Other operating income	10	44,758	50,767
Other operating expenses		– 2,400	– 8,239
Result of companies accounted for using the equity method	20	– 1,185	3,525
Income from operations/EBIT		**455,352**	**487,513**
Financial income		6,147	3,471
Financial expenses		– 51,972	– 67,422
Financial result	**11**	**– 45,825**	**– 63,951**
Earnings before income taxes		**409,527**	**423,562**
Income taxes	12	– 111,643	– 108,611
Net income		**297,884**	**314,951**
of which attributable to shareholders of Symrise AG		291,055	306,873
of which attributable to non-controlling interests		6,829	8,078
Earnings per share (€)	**14**		
basic		2.16	2.27
diluted		2.12	2.22

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

Consolidated Statement of Comprehensive Income

T€	Notes	2019 adjusted*	2020
Net income		**297,884**	**314,951**
of which attributable to shareholders of Symrise AG		291,055	306,873
of which attributable to non-controlling interests		6,829	8,078
Items that may be reclassified subsequently to the consolidated income statement			
Exchange rate differences resulting from the translation of foreign operations			
Exchange rate differences that occurred during the fiscal year	28	– 3,764	– 214,203
Gains/losses from net investments		1,403	– 14,301
Cash flow hedge (currency hedges)	28		
Gains/losses recorded during the fiscal year		– 1,123	1,605
Reclassification to the consolidated income statement		1,423	– 1,469
Income taxes payable on these components	12	– 1,629	2,473
Items that will not be reclassified to the consolidated income statement			
Remeasurement of defined benefit pension plans and similar obligations	27	– 77,654	– 66,422
Income taxes payable on these components	12	22,156	18,981
Other comprehensive income		**– 59,188**	**– 273,336**
Total comprehensive income		**238,696**	**41,615**
of which attributable to shareholders of Symrise AG		231,595	35,170
of which attributable to non-controlling interests		7,101	6,445

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

Consolidated Statement of Financial Position

T€	Notes	December 31, 2019 adjusted*	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	15	445,900	725,136
Trade receivables	16	647,675	600,795
Inventories	17	891,689	862,887
Other non-financial assets and receivables		79,445	79,824
Other financial assets		11,919	15,175
Income tax assets	12	22,224	15,922
		2,098,852	**2,299,739**
Non-current assets			
Intangible assets	18	2,387,721	2,194,060
Property, plant and equipment	19	1,244,747	1,205,214
Other non-financial assets and receivables		17,817	19,531
Other financial assets		12,473	16,823
Investments in companies accounted for using the equity method	20	90,789	80,354
Deferred tax assets	21	100,749	124,048
		3,854,296	**3,640,030**
TOTAL ASSETS		**5,953,148**	**5,939,769**

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

Consolidated Statement of Financial Position

T€	Notes	December 31, 2019 adjusted*	December 31, 2020
LIABILITIES			
Current liabilities			
Trade payables	22	332,497	334,178
Borrowings	23	503,324	9,666
Lease liabilities	24	21,058	22,234
Other non-financial liabilities	25	192,723	205,739
Other provisions	26	10,857	15,309
Other financial liabilities		6,373	2,459
Income tax liabilities	12	79,533	67,253
		1,146,365	**656,838**
Non-current liabilities			
Borrowings	23	1,462,833	1,963,682
Lease liabilities	24	75,378	77,173
Other non-financial liabilities		5,033	5,428
Other provisions	26	29,212	34,680
Provisions for pensions and similar obligations	27	604,851	681,175
Other financial liabilities		1,597	1,428
Deferred tax liabilities	21	167,492	154,441
Income tax liabilities		3,263	3,263
		2,349,659	**2,921,270**
TOTAL LIABILITIES		**3,496,024**	**3,578,108**
EQUITY	28		
Share capital		135,427	135,427
Capital reserve		1,798,030	1,798,030
Reserve for remeasurements (pensions)		– 217,187	– 264,628
Cumulative translation differences		– 194,047	– 418,515
Accumulated profit		874,443	1,048,250
Other reserves		3,197	3,291
Symrise AG shareholders’ equity		**2,399,863**	**2,301,855**
Non-controlling interests		57,261	59,806
TOTAL EQUITY		**2,457,124**	**2,361,661**
LIABILITIES AND EQUITY		**5,953,148**	**5,939,769**

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

Consolidated Statement of Cash Flows

T€	Notes	2019 adjusted*	2020
Net income		**297,884**	**314,951**
Result of companies accounted for using the equity method	20	1,185	– 3,525
Income taxes	12	111,643	108,611
Interest result	11	46,539	54,835
Depreciation, amortization and impairment of non-current assets	18, 19	229,722	254,564
Increase (+)/decrease (–) in non-current liabilities		9,541	16,032
Increase (–)/decrease (+) in non-current assets		21,350	– 940
Gains (–)/losses (+) from the disposal of property, plant and equipment		– 161	– 673
Dividends from companies accounted for using the equity method		0	5,680
Other non-cash expenses and income		– 14,198	10,287
Cash flow before working capital changes		**703,505**	**759,822**
Increase (–)/decrease (+) in trade receivables and other current assets		– 11,558	– 7,159
Increase (–)/decrease (+) of inventories		– 7,917	– 21,745
Increase (+)/decrease (–) in trade payables and other current liabilities		– 14,121	43,165
Income taxes paid		– 123,153	– 138,402
Cash flow from operating activities		**546,756**	**635,681**
Payments for business combinations, minus acquired cash equivalents, for subsequent contingent purchase price components as well as for investments in companies accounted for using the equity method		– 763,036	– 3,222
Payments for investing in intangible assets		– 23,310	– 13,377
Payments for investing in property, plant and equipment		– 151,095	– 130,664
Payments for investing in non-current financial assets		– 2,612	– 5,082
Proceeds from the disposal of non-current assets		58,165	2,637
Cash flow from investing activities		– 881,888	**– 149,708**
Proceeds from (+)/redemption of (–) bank borrowings	23	32,888	– 177,581
Proceeds from (+)/redemption of (–) other borrowings	23	248,228	182,847
Transaction costs related to debt financing		– 2,540	0
Issue of new shares/capital increase		400,000	0
Transaction costs related to equity financing		– 2,030	0
Interest paid		– 37,169	– 39,420
Interest received		2,067	1,881
Dividends paid by Symrise AG		– 121,884	– 128,655
Dividends paid to non-controlling interests		– 2,672	– 3,977
Acquisition of non-controlling interests		– 195	– 3,982
Principal portion of lease payments		– 18,968	– 19,862
Cash flow from financing activities		**497,725**	**– 188,749**
Net change in cash and cash equivalents		162,593	297,224
Effects of changes in exchange rates		6,907	– 15,122
Loss on the net monetary position		– 3,195	– 2,866
Total changes		**166,305**	**279,236**
Cash and cash equivalents as of January 1		279,595	445,900
Cash and cash equivalents as of December 31	15	**445,900**	**725,136**

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

The consolidated statement of cash flows is explained in note 30.

Consolidated Statement of Changes in Equity

T€	Share capital	Capital reserve	Reserve for remeasure-ments (pensions)	Cumulative translation differences	Accumu-lated profit	Other reserves	Symrise AG share-holders' equity	Non-controlling interests	Total equity
January 1, 2019	**129,813**	**1,405,085**	**– 161,694**	**– 189,413**	**705,668**	**2,533**	**1,891,992**	**52,416**	**1,944,408**
Adjustment due to IFRS 16	–	–	–	3	136	–	**139**	73	**212**
January 1, 2019 (adjusted)	**129,813**	**1,405,085**	**– 161,694**	**– 189,410**	**705,804**	**2,533**	**1,892,131**	**52,489**	**1,944,620**
Net income	–	–	–	–	291,055	–	**291,055**	6,829	**297,884**
Other comprehensive income	–	–	– 55,493	– 4,631	–	664	**– 59,460**	272	**– 59,188**
Total comprehensive income	**–**	**–**	**– 55,493**	**– 4,631**	**291,055**	**664**	**231,595**	**7,101**	**238,696**
Dividends paid	–	–	–	–	– 121,884	–	**– 121,884**	– 2,672	**– 124,556**
Issue of new shares/capital increase minus transaction costs after taxes	5,614	392,945	–	–	–	–	**398,559**	–	**398,559**
Other changes	–	–	–	– 6	– 532	–	**– 538**	343	**– 195**
December 31, 2019 adjusted*	**135,427**	**1,798,030**	**– 217,187**	**– 194,047**	**874,443**	**3,197**	**2,399,863**	**57,261**	**2,457,124**

T€	Share capital	Capital reserve	Reserve for remeasure-ments (pensions)	Cumulative translation differences	Accumu-lated profit	Other reserves	Symrise AG share-holders' equity	Non-controlling interests	Total equity
January 1, 2020	**135,427**	**1,798,030**	**– 217,187**	**– 194,047**	**874,443**	**3,197**	**2,399,863**	**57,261**	**2,457,124**
Net income	–	–	–	–	306,873	–	**306,873**	8,078	**314,951**
Other comprehensive income	–	–	– 47,441	– 224,356	–	94	**– 271,703**	– 1,633	**– 273,336**
Total comprehensive income	**–**	**–**	**– 47,441**	**– 224,356**	**306,873**	**94**	**35,170**	**6,445**	**41,615**
Dividends paid	–	–	–	–	– 128,655	–	**– 128,655**	– 3,977	**– 132,632**
Other changes	–	–	–	– 112	– 4,411	–	**– 4,523**	77	**– 4,446**
December 31, 2020	**135,427**	**1,798,030**	**– 264,628**	**– 418,515**	**1,048,250**	**3,291**	**2,301,855**	**59,806**	**2,361,661**

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

The other changes result from the acquisition of non-controlling interests. Other equity developments are explained in note 28.

Notes

1. GENERAL INFORMATION

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

The consolidated financial statements and the Group management report of Symrise AG for the fiscal year ending December 31, 2020, were prepared by the Executive Board on March 1, 2021, and subsequently submitted to the Supervisory Board’s Auditing Committee for review and approval.

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

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

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

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

The purchase price allocation for the acquisition of American Dehydrated Foods, Inc./International Dehydrated Foods, Inc. (“ADF/IDF”) – headquartered in Springfield, USA – in early November 2019 was finalized in the second half of 2020 (see note 2.4). Pursuant to IFRS 3.45, the provisional amounts set out in the consolidated financial statements as of December 31, 2019, had to be adjusted retrospectively and the new information taken into account as if they had already been known at the time of the acquisition. Changes resulted mainly from subsequent depreciation and amortization on the adjusted fair values of property, plant and equipment and identified intangible assets, from the consumption of remeasured inventories, from the recognition of a liability resulting from the final purchase price determination and the change in deferred taxes from all adjustments since the closing. In addition, the shares in the acquired joint venture were measured at fair value as of the acquisition date.

The adjustments to the primary closing components are shown below:

CONSOLIDATED INCOME STATEMENT

T€	December 31, 2019 published	Change	December 31, 2019 adjusted
Cost of goods sold	**– 2,040,775**	**– 6,502**	**– 2,047,277**
Gross profit	**1,367,079**	**– 6,502**	**1,360,577**
Selling and marketing expenses	– 531,526	– 1,743	– 533,269
Research and development expenses	– 213,349	– 2	– 213,351
Administration expenses	– 200,984	1,206	– 199,778
Other operating income	45,587	– 829	44,758
Result of companies accounted for using the equity method	– 221	– 964	– 1,185
Income from operations/EBIT	**464,186**	– 8,834	**455,352**
Earnings before income taxes	**418,361**	– 8,834	**409,527**
Income taxes	– 113,224	1,581	– 111,643
Net income	**305,137**	– 7,253	**297,884**
of which attributable to shareholders of Symrise AG	298,308	– 7,253	291,055
Earnings per share (€)			
basic	2.21	– 0.05	2.16
diluted	2.17	– 0.05	2.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

T€	2019 published	Change	2019 adjusted
Net income	**305,137**	**– 7,253**	**297,884**
of which attributable to shareholders of Symrise AG	298,308	– 7,253	291,055
Items that may be reclassified subsequently to the consolidated income statement			
Exchange rate differences that occurred during the fiscal year	– 3,708	– 56	– 3,764
Other comprehensive income	**– 59,132**	**– 56**	**– 59,188**
Total comprehensive income	**246,005**	**– 7,309**	**238,696**
of which attributable to shareholders of Symrise AG	238,904	– 7,309	231,595

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

T€	December 31, 2019 published	Change	December 31, 2019 adjusted
ASSETS			
Current assets			
Inventories	889,239	2,450	891,689
Income tax assets	22,480	– 256	22,224
Non-current assets			
Intangible assets	2,500,682	– 112,961	2,387,721
Goodwill	1,863,856	– 428,723	1,435,133
Customer relationships and trademarks	465,226	206,652	671,878
Other intangible assets	142,022	109,110	251,132
Property, plant and equipment	1,215,010	29,737	1,244,747
Land and buildings	475,796	809	476,605
Plants and machinery	473,706	24,804	498,510
Equipment	94,775	4,124	98,899
Investments in companies accounted for using the equity method	15,396	75,393	90,789
Deferred tax assets	99,173	1,576	100,749
TOTAL ASSETS	**5,957,209**	**– 4,061**	**5,953,148**
LIABILITIES			
Current liabilities			
Other non-financial liabilities	192,470	253	192,723
Other financial liabilities	3,124	3,249	6,373
Non-current liabilities			
Deferred tax liabilities	167,748	– 256	167,492
TOTAL LIABILITIES	**3,492,776**	**3,248**	**3,496,024**
EQUITY			
Cumulative translation differences	– 193,991	– 56	– 194,047
Accumulated profit	881,696	– 7,253	874,443
Symrise AG shareholders' equity	**2,407,172**	**– 7,309**	**2,399,863**
TOTAL EQUITY	**2,464,433**	**– 7,309**	**2,457,124**
LIABILITIES AND EQUITY	**5,957,209**	**– 4,061**	**5,953,148**

CONSOLIDATED STATEMENT OF CASH FLOWS

T€	2019 published	Change	2019 adjusted
Net income	**305,137**	**– 7,253**	**297,884**
Result of companies accounted for using the equity method	221	964	1,185
Income taxes	113,224	– 1,581	111,643
Depreciation, amortization and impairment of non-current assets	226,689	3,033	229,722
Cash flow before working capital changes	**708,342**	**– 4,837**	**703,505**
Increase (–)/decrease (+) of inventories	– 13,973	6,056	– 7,917
Increase (+)/decrease (–) in trade payables and other current liabilities	– 12,892	– 1,229	– 14,121
Cash flow from operating activities	**546,766**	**– 10**	**546,756**
Effects of changes in exchange rates	6,897	10	6,907

The adjustment to the statement of changes in equity is included here.

2.2 Changes to accounting policies

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

The following new or revised standards and interpretations are mandatory from the 2020 fiscal year onwards:

- Amendments to IFRS 3 – Definition of a Business
- Amendments to IAS 1 and IAS 8 – Definition of Material
- Amendments to IFRS 9 – Simplifications in connection with the Interest Rate Benchmark Reform
- Amendments to the conceptual framework references for financial reporting

The aforementioned changes had no material impact on the consolidated financial statements.

The IASB published various standards and interpretations that were not yet mandatory to be applied in the 2020 fiscal year. These standards and interpretations are not being adopted early by Symrise. No material impacts are expected.

2.3 Estimates and assumptions

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

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

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

2.4 Consolidation principles and scope of consolidation

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

Full consolidation

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

The financial statements of the parent company Symrise AG and those of its subsidiaries are prepared as of the end of the reporting period using uniform accounting policies in the course of full consolidation. Adjustments are made to compensate for any differences in recognition and measurement deriving from local accounting policies. All internal balances, transactions and unrealized gains deriving from internal transactions are eliminated. Unrealized losses deriving from internal transactions are also eliminated unless Group cost cannot be recovered in the future. Subsidiaries are fully consolidated from the date of acquisition, i.e., from the date on which Symrise gains a controlling interest. Inclusion in the consolidated financial statements ceases on the date when the controlling influence ends. Assets, liabilities and contingent liabilities deriving from business combinations are generally recognized at fair value at the time of acquisition (purchase method). In circumstances where the acquisition cost relating to the business combination exceeds the proportionate share of the newly measured net asset value of the acquired object, the amount of such difference is recognized as goodwill. Non-controlling interests can be measured on admission at fair value or at the proportionate share of the identifiable net assets of the business acquired. Symrise uses the latter method. The expenses and income of any subsidiary companies that are acquired are included in the consolidated income statement from the point in time at which the subsidiary is acquired. Costs incurred in connection with the business combination are recognized as expenses.

Applying the equity method

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

Investments are initially recognized at cost including transaction costs. After initial recognition, the consolidated financial statements include the Group’s share of the total comprehensive income of the investments accounted for using the equity method until the joint control or significant influence ends. The consolidated income statement includes the Group’s share of net income of the joint venture and the associated company.

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

Scope of consolidation

In the 2020 fiscal year, the scope of consolidation developed as follows:

	December 31, 2019	Additions	Disposals	December 31, 2020
Fully consolidated subsidiaries				
Domestic	10	1	1	10
Foreign	92	1	3	90
Joint ventures accounted for using the equity method				
Foreign	1	–	–	1
Associated companies accounted for using the equity method				
Foreign	3	–	–	3
Total	106	2	4	104

In the 2020 fiscal year, one company was founded and one company was added as part of a business combination. The acquisition costs for the shares acquired in SMP GmbH, Germany, amounted to T€ 80. For reasons of materiality, this is not presented separately. Two companies ceased to exist due to mergers; two companies were liquidated.

Business combinations

ADF/IDF

Symrise acquired all shares in the ADF/IDF Group on November 1, 2019. The transaction was described in the previous consolidated financial statements in the notes under note 2.4 (Scope of consolidation). Therefore, only the changes from the previous description are presented in these consolidated financial statements.

The final acquisition costs were USD 864.0 million and were thus USD 3.6 million above the preliminary consideration reported as of December 31, 2019. The payment amount to be made as of the acquisition date consisted of an underlying component, which was adjusted on the acquisition date by contractually fixed items in the statement of financial position. At the time of payment, preliminary figures were used as the basis for the amount. This slight increase in the purchase price was based on the final figures. As of the reporting date of December 31, 2020, there were no outstanding payments, with the exception of USD 104.0 million held in various fiduciary accounts. This balance will be transferred to the seller following the expiration of a guarantee and warranty period, at the latest on April 30, 2021. Symrise therefore shows neither a receivable against the trustee nor a liability toward the seller as of the end of the reporting period.

The preliminary goodwill of USD 755.4 million recognized in the consolidated financial statements as of December 31, 2019, changed mainly by the intangible assets identified and the changed fair values of property, plant and equipment and inventories. Investments in companies accounted for using the equity method were also revalued as part of the purchase price allocation as of the acquisition date and are carried at fair value on first-time consolidation. Based on this, they are updated on an ongoing basis using the equity method. The recognized goodwill is fully deductible for tax purposes in the USA.

The purchase price allocation was concluded in the second half of 2020. The acquired assets and liabilities including contingent liabilities are recognized at the following fair values:

	Fair value in TUSD as of the acquisition date	Fair value in T€ as of the acquisition date
Cash and cash equivalents	22,683	20,332
Trade receivables	32,290	28,942
Inventories	36,662	32,862
Intangible assets	359,505	322,238
Property, plant and equipment	112,832	101,136
Investments in companies accounted for using the equity method	99,359	89,058
Other assets	6,833	6,126
Borrowings	– 26,237	– 23,518
Liabilities arising from transaction-related one-time payments	– 35,545	– 31,861
Trade payables	– 1,575	– 1,412
Other non-financial liabilities	– 16,965	– 15,206
Acquired net assets	**589,842**	**528,697**
Consideration transferred for acquiring the interests	**864,013**	**774,448**
Goodwill	**274,171**	**245,751**

2.5 Summary of significant accounting policies

FOREIGN CURRENCY TRANSLATION

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

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

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

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

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

		Closing rate = € 1		Average rate = € 1	
Currency		December 31, 2019	December 31, 2020	2019	2020
Brazilian Real	BRL	4.516	6.355	4.415	5.883
Chinese Renminbi	CNY	7.819	8.002	7.734	7.870
British Pound	GBP	0.847	0.895	0.878	0.889
Mexican Peso	MXN	21.197	24.380	21.555	24.528
US Dollar	USD	1.123	1.224	1.120	1.139

ACCOUNTING PRACTICES IN COUNTRIES WITH HYPERINFLATION

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

RECOGNITION OF SALES REVENUE

Revenue from the sale of merchandise and products to customers is recognized at the fair value of the amount received or expected to be received less any returns, trade discounts and rebates as well as accruals for core list payments. Sales revenue is recognized when the customer obtains control over the goods and products and is thereforeable to determine their use and to derive benefit from them (transfer of control) and the amount of the realizable sales revenue can be measured reliably. The date of transfer of control remains unchanged in accordance with the applicable Incoterms. The transaction prices and thus the amount of sales revenue are determined on the basis of the individual sale prices, taking into account the aforementioned variable considerations. No sales revenue is recognized if significant risks exist relating to receipt of consideration or relating to possible/probable return of the goods. Discounts and bonuses are estimated according to the most likely amount and monitored monthly. They are only recognized if it is highly unlikely that these components will be reversed in a later reporting period. Core list payments are recognized with effect on profit or loss over the term of the core list agreement. With regard to a remaining contractual obligation, Symrise makes use of the exemption in accordance with IFRS 15.121 (a) as permissible for practical reasons, with an expected contract term of a maximum of twelve months.

GOVERNMENT GRANTS

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

INCOME TAXES

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

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

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

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

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

EARNINGS PER SHARE

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

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

BUSINESS COMBINATIONS AND GOODWILL

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

Goodwill deriving from a business combination represents the excess fair value of the consideration transferred at the acquisition date of the business combination over the Group's share in the fair value of the identifiable assets and liabilities acquired. Goodwill is not subject to amortization. An impairment test is performed at least once per year to determine whether impairment is needed. Any acquired goodwill is allocated at the acquisition date to the cash-generating units that are expected to benefit from the synergies deriving from the business combination. Acquisition-related costs incurred are recognized with effect on profit or loss.

OTHER INTANGIBLE ASSETS

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

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

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

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

RESEARCH AND DEVELOPMENT EXPENSES

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

LEASES

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

FINANCIAL INSTRUMENTS

General information

A financial instrument is a contract that simultaneously gives rise to a financial asset for one contractual partner and to a financial liability or an equity instrument for the other contractual partner.

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

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

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

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

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

Derivative financial instruments

Symrise holds derivative financial instruments to hedge against currency risks. This also includes currency risks from business combinations. Derivative financial instruments are neither held nor issued for speculative purposes. Derivative financial instruments are recognized at fair value and are initially recorded at the time when the contract for the derivative financial instrument is entered into. As part of subsequent measurement, derivatives are measured at fair value. The resulting changes are generally recognized in the Group income statement.

Cash flow hedge

Symrise designates specific derivatives as hedging instruments to counter fluctuations in cash flows that are associated with the transactions most likely expected to result from changes, in particular from foreign currency rates. The hedging of currency risk occurs on a rolling basis over a period of up to 18 months up to a maximum hedging ratio of 75 % of the open currency items of a company.

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

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

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

Trade receivables and other receivables

Trade and other receivables are measured, where applicable by applying the effective interest method, with their fair value at the date they arose less any impairment amount. Other non-current receivables are measured by applying the effective interest method at amortized cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, balances on hand with banks and short-term liquid investments that can be converted into a fixed amount at any time and are subject to only insignificant fluctuations in value. Cash is principally measured at amortized cost and cash equivalents, depending on their classification, at amortized cost or at fair value through profit or loss. Due to the external credit rating of the respective counterparty, Symrise considers its cash and cash equivalents to be low-risk.

Other financial assets

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

Equity instruments do not meet the cash flow conditions, as the cash flows resulting from such instruments do not exclusively represent solely payments of principal and interest on the principal amount outstanding. They are therefore measured at fair value through profit or loss, and changes in measurement are thus recognized in net income (FVTPL).

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

Compound financial instruments

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

INVENTORIES

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

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

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

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

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

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

OTHER PROVISIONS

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

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

Symrise guarantees long-term remuneration programs with cash compensation. In estimating the fair value of these share-based programs, assumptions are made that are in part related to the expected volatility of a future stock index composed of comparable companies in the fragrance and flavor industry as well as suppliers and companies in the food and cosmetics industry. Furthermore, the amount of the final payout for these remuneration programs depends on the price of the Symrise share in comparison to this stock index as of the set target date. The assumptions of the option price model impact the determination of the fair value and therefore the amount and distribution of the expenses for long-term remuneration programs. Changes to these factors can significantly influence fair value estimates and future payments. Further information is available in the remuneration statements of the Group management report.

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

IMPAIRMENTS

Trade receivables

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

Information used to determine an objectively verifiable impairment includes information on a debtor's considerable financial difficulties, breaches of contract, concessions to customers due to economic or legal reasons in connection with the debtor's financial difficulties, a (probable) insolvency or the need for a major restructuring of the debtor. Indications through observable data show that there is a measurable decrease in expected future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with an individual financial asset in the group (general bad debt allowance). If, in subsequent periods, the reasons for impairment no longer exist, a reversal will be recognized with effect on profit or loss. If a receivable becomes classified as unrecoverable, it will be derecognized accordingly as a result. Determining the likelihood of collecting receivables involves making estimates and judgments regarding whether a default will occur and what the default amount might be. Past receivable defaults are not necessarily representative. Changes to our estimates in relation to the valuation allowances on doubtful receivables can have considerable impact on the assets and expenses recognized in our consolidated financial statements. Impairments are recognized under selling and marketing expenses.

Other financial assets

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

According to the general approach, an allowance for expected credit losses must be recorded based on two steps: For financial instruments whose credit risk has not increased significantly since their initial recognition, an allowance for credit losses expected to occur within the next twelve months must be recognized. For financial instruments for which the credit risk has increased significantly since initial recognition, an allowance for credit losses in the amount of the lifetime expected credit losses must be recognized. This is independent of when the default event occurs. An increase in the credit risk exists when there are objective indications that one or more events could have a negative influence on future cash flows deriving from the asset.

An impairment loss for financial assets recognized at amortized cost or at fair value in other comprehensive income is determined as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. An impairment loss for financial assets measured at fair value through profit or loss is determined by fair value.

Individually significant financial assets are tested for possible impairment on an individual basis. All other financial assets are collected in groups that share similar default risk profiles and then measured.

Non-financial assets

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

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

Goodwill

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

Any impairment loss is ascertained by determining the recoverable amount attributable to the cash-generating unit to which the goodwill relates. The recoverable amount of a cash-generating unit is the higher of the fair value less any costs to sell (Level 3) and its value in use. Both values are based on discounted cash flow methods. If one of the two values exceeds the carrying amount, it is not necessary to determine both values. For Symrise, the determined fair value less costs to sell was higher than the carrying amount, so the value in use was not determined. The cash flows are derived from corporate planning and are mainly based on assumptions relating to future selling prices and/or sales volumes and costs while taking into account any changed economic circumstances. Net cash inflows outside of the planning period are determined on the basis of long-term business expectations using individual growth rates derived from the respective market information. The planning information is based on a detailed planning horizon for the fiscal years 2021 to 2025. Symrise continues to expect it will grow faster than the relevant market again and will achieve the long-term growth and profitability goals described in the Group management report. A growth rate of 1 % was once again assumed for the measurement of perpetual annuity. The cash flows determined in this manner were discounted with a weighted average cost of capital factor (WACC) after taxes of 6.15 % for Scent & Care, 5.15 % for Flavor and 6.84 % for Nutrition (2019: 5.93 % for Scent & Care, 5.56 % for Flavor and 6.45 % for Nutrition). WACC before taxes was 8.12 % for Scent & Care, 6.75 % for Flavor and 8.07 % for Nutrition. Cost of equity and borrowing costs were weighted with a capital structure based on a group of comparable companies. Capital market data and data from comparable companies were used in determining cost of equity and borrowing costs. For this reason, different assumptions and estimates of future cash flows are used, which are of a complex nature and are associated with considerable discretionary judgments and assumptions regarding future developments. Actual cash flows and values can therefore widely vary from the forecast future cash flows and values that were determined by means of the discounted cash flows. Although Symrise believes that assumptions and estimates made in the past were reasonable, differing assumptions and estimates could substantially impact its net assets, financial position and results of operations. Additionally, the results of the impairment tests for goodwill are influenced by the allocation of this goodwill to cash-generating units.

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

There were no indications of impairment for the fiscal year. In performing the impairment test, Symrise carried out various sensitivity analyses for reasonably possible changes to the WACC or projected sales. These variations in the measurement parameters also did not result in any required impairment of goodwill as it is currently recognized.

DETERMINING FAIR VALUE

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

Financial instruments – General principles

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

- Input factors of Level 1 are (unadjusted) quoted prices for identical assets or liabilities in active markets that the company can access at the measurement date.
- Input factors of Level 2 are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Input factors of Level 3 are unobservable inputs for the asset or liability.

Property, plant and equipment

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

Intangible assets

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

Inventories

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

2.6 Significant events during the fiscal year

IMPACT OF THE CORONAVIRUS PANDEMIC ON SYMRISE

The consequences of the coronavirus pandemic have so far had little impact on business development of Symrise as a whole Group. As a result of the coronavirus pandemic, there was a shift in consumer demand. While product solutions for personal care and hygiene were in strong demand, luxury items such as fine fragrances recorded lower demand. Likewise, the trend toward cooking and eating at home led to strong demand for savory products as well as product solutions for baked goods and cereals. At the same time, reduced out-of-home consumption had a negative impact on demand for beverage products and sweets.

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 current situation at short notice.

IMPACT OF BREXIT ON SYMRISE

Symrise does not expect the withdrawal of the United Kingdom from the European Union (EU) to have a significant impact on the Group, as the Group companies based in the United Kingdom have their own production facilities and primarily sell their products to local customers. The partnership agreement negotiated between the EU and the United Kingdom entered into force provisionally on January 1, 2021. It puts the relationship between the EU and the United Kingdom on a new footing and seamlessly follows the transition period that expired on December 31, 2020. Symrise continues to actively work on mitigating measures to ensure the continuation of its business in the United Kingdom. To ensure a smooth production process during the transition phase, safety stocks for raw materials were established. Thanks to these and other comprehensive preparations by Symrise, there were only minor interruptions in the supply chain after the introduction of customs controls and other formalities at the border. All key financing contracts are made with Symrise AG and are not subject to British law.

CYBERATTACK ON SYMRISE

In mid-December 2020, Symrise was the victim of a cyberattack. This was a criminal act by unknown perpetrators with extortionate intent that temporarily caused considerable disruption to business operations. Immediately after the attack was discovered, Symrise shut down key systems and completely shielded the IT infrastructure and took comprehensive internal measures for defense and analysis. The relevant authorities were immediately called and external forensic cyber experts were brought in. For further details, please refer to the Group management report.

3. SEGMENT INFORMATION

DESCRIPTION OF REPORTABLE SEGMENTS

For internal reporting purposes, Symrise presents business activities in a number of different ways, mainly based on segments and geographical regions. Based on this reporting information, the Executive Board, which carries responsibility as chief operating decision-maker for the success of the various segments and the allocation of resources, assesses the business activities from a number of angles. Operating segments are divided into divisions. The organization of the three reportable segments, Scent & Care, Flavor and Nutrition, is product-based. The **Scent & Care** segment develops, produces and sells fragrance ingredients and compositions, cosmetic ingredients and mint flavors as well as specific application processes for such substances. The products and application processes developed by Symrise in the Scent & Care segment are used by customers in manufacturing perfumes, personal care and cosmetic products, cleaning products, detergents, air fresheners and oral care products. The **Flavor** segment develops, produces and sells flavors and functional ingredients used in the production of foods (savory and sweet foods as well as milk products), beverages and health products. Alongside functional ingredients, the **Nutrition** segment develops, produces and sells tailored solutions from natural raw materials. These are found in foods and beverages, pet foods and aquacultures. The segment reporting by region is aligned to the location of assets. Sales to customers are reported in the geographical region in which the customer is located. Countries are grouped together for internal accounting and reporting purposes into the regions EAME (Europe, Africa, Middle East), North America, Asia/Pacific and Latin America.

MEASUREMENT CRITERIA FOR THE SEGMENTS

Internal reporting in the Symrise Group is based on the IFRS accounting principles detailed in note 2.5. Transactions are only conducted between the segments to an immaterial extent. These are settled at market prices and have not been separately disclosed for materiality reasons. External sales represent the sales of the three segments to third parties and thus their sum equals consolidated sales of the Symrise Group. The revenue and expenditure of the Symrise Group's central units and functions are completely included in the three segments Scent & Care, Flavor and Nutrition based on performance-related, or utilization-related, criteria. The result-related determining factor for the management of the segments is the earnings before interest, taxes, depreciation and amortization (EBITDA). The depreciation and amortization charges that can be directly attributed to each segment are included in determining the segment contribution. The financial result is not included as the segments are mainly centrally financed. This is the reason why financial income and expenses are disclosed below at Group level and combined together in the form of the financial result. Taxes are treated in a similar manner so that net income after tax is reported combined to give the consolidated earnings. Investments made by a segment comprise all expenditure incurred during the reporting period for the purpose of acquiring intangible assets and property, plant and equipment. The Executive Board, which is the chief operating decision-maker, receives all information with respect to segment assets and liabilities in an aggregated form. The allocation of goodwill to segments is disclosed in note 18.

SEGMENT RESULTS

2019 adjusted* T€	Scent & Care	Flavor	Nutrition adjusted*	Segment total = Group total
External sales	1,419,064	1,257,333	731,457	**3,407,854**
Cost of goods sold	– 852,151	– 711,424	– 483,702	**– 2,047,277**
Gross profit	**566,913**	**545,909**	**247,755**	**1,360,577**
Selling and marketing expenses	– 208,321	– 201,707	– 123,241	**– 533,269**
Research and development expenses	– 105,162	– 77,945	– 30,244	**– 213,351**
Administration expenses	– 60,614	– 64,492	– 74,672	**– 199,778**
Other operating income	10,830	9,845	24,083	**44,758**
Other operating expenses	– 312	– 1,703	– 385	**– 2,400**
Result of companies accounted for using the equity method	– 24	– 486	– 675	**– 1,185**
Income from operations/EBIT	**203,310**	**209,421**	**42,621**	**455,352**
Amortization and impairment of intangible assets	29,925	14,756	61,209	**105,890**
Depreciation and impairment of property, plant and equipment	44,765	44,287	34,780	**123,832**
EBITDA	**278,000**	**268,464**	**138,610**	**685,074**
Financial result				**– 45,825**
Earnings before income taxes				**409,527**
Income taxes				**– 111,643**
Net income				**297,884**
Other segment information				
Investments[1]				
Intangible assets	15,114	9,294	1,573	**25,981**
Property, plant and equipment	83,121	45,240	47,893	**176,254**
of which from leases	12,637	4,323	3,652	**20,612**

[1] Without additions from business combinations.

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

2020 T€	Scent & Care	Flavor	Nutrition	Segment total = Group total
External sales	1,369,491	1,224,660	926,300	**3,520,451**
Cost of goods sold	– 816,015	– 687,109	– 626,849	**– 2,129,973**
Gross profit	**553,476**	**537,551**	**299,451**	**1,390,478**
Selling and marketing expenses	– 201,669	– 198,137	– 133,721	**– 533,527**
Research and development expenses	– 103,405	– 76,463	– 32,429	**– 212,297**
Administration expenses	– 64,222	– 64,359	– 74,613	**– 203,194**
Other operating income	11,680	12,442	26,645	**50,767**
Other operating expenses	– 3,009	– 3,236	– 1,994	**– 8,239**
Result of companies accounted for using the equity method	– 28	– 497	4,050	**3,525**
Income from operations/EBIT	**192,823**	**207,301**	**87,389**	**487,513**
Amortization and impairment of intangible assets	29,332	13,665	74,868	**117,865**
Depreciation and impairment of property, plant and equipment	49,348	46,056	41,295	**136,699**
EBITDA	**271,503**	**267,022**	**203,552**	**742,077**
Financial result				**– 63,951**
Earnings before income taxes				**423,562**
Income taxes				**– 108,611**
Net income				**314,951**
Other segment information				
Investments[1]				
Intangible assets	5,152	4,073	5,508	**14,733**
Property, plant and equipment	54,780	48,099	74,111	**176,990**
of which from leases	9,907	18,237	4,175	**32,319**

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

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

RESULT BY REGION

	Sales by region (point of delivery)		Investments[1]	
T€	2019	2020	2019	2020
EAME	1,430,636	1,391,699	75,331	74,409
North America	808,647	972,664	74,445	71,229
Asia/Pacific	757,890	750,201	28,273	27,151
Latin America	410,681	405,887	24,186	18,934
Total	**3,407,854**	**3,520,451**	**202,235**	**191,723**

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

Sales are generated in various countries; Germany accounts for € 309.3 million (2019: € 292.0 million). Sales in North America were mainly generated in the USA (€ 907.6 million; 2019: € 765.0 million).

Investments in property, plant and equipment include effects from leases amounting to € 32.3 million. These account for € 12.6 million in EAME (2019: € 3.0 million), € 12.2 million in North America (2019: € 13.0 million), € 6.7 million in Asia/Pacific (2019: € 3.9 million) and € 0.8 million in Latin America (2019: € 0.7 million). Of the non-current assets – excluding deferred tax assets, financial instruments and investments in companies accounted for using the equity method – amounting to € 3,418.8 million (December 31, 2019 adjusted: € 3,650.3 million), € 621.4 million is located in Germany (December 31, 2019 adjusted: € 674.2 million).

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

4. SALES

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 and from the pharmaceutical industry.

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

The following table shows these components for the three segments:

T€	Scent & Care	Flavor	Nutrition
Sales 2019	**1,419,064**	**1,257,333**	**731,457**
Organic growth	21,521	9,227	60,110
Portfolio effects	–	–	173,623
Exchange rate differences	– 71,094	– 41,900	– 38,890
Sales 2020	**1,369,491**	**1,224,660**	**926,300**

Sales are recognized at a specific point in time and due within one year. Portfolio effects resulted from the acquisition of the ADF/IDF group in November of the previous year and comprise the sales of this group in the period from January to October 2020.

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

5. COST OF GOODS SOLD

Cost of goods sold mainly consists of expenses for raw materials as well as production costs. Amortization and impairment for recipes and technologies as well as other production-related intellectual property and currency translation effects from operational activities are also included. Please refer to the segment reporting information for a presentation of cost of goods sold by segment (see note 3).

6. PERSONNEL EXPENSES

T€	2019	2020
Wages and salaries	– 562,607	– 597,885
Social security expenses	– 119,473	– 126,815
Pension expenses (excluding interest expenses)	– 16,117	– 20,314
Other personnel expenses	– 7,928	– 10,467
Total	**– 706,125**	**– 755,481**

The increase in wages and salaries as well as social security expenses compared to the previous year is primarily due to a higher number of employees as well as regular salary adjustments. Social security expenses include social security contributions that the organization is required to make by law. These include defined contribution plan benefits of € 25.0 million (2019: € 21.3 million). Pension expenses (excluding interest expenses) include the service cost of defined benefit plans (see note 27). Other personnel expenses include expenses for termination benefits and expenses for the multi-year performance-based remuneration of the Executive Board and selected employees. The annual bonuses and bonuses for other employees are recognized in wages and salaries.

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

Full-time equivalents (FTE)	2019	2020
Manufacturing & Technology	4,539	4,912
Sales & Marketing	2,337	2,402
Research & Development	1,743	1,797
Administration	826	871
Service companies	446	450
Number of employees	**9,891**	**10,432**
Apprentices and trainees	127	132
Total	**10,018**	**10,564**

7. SELLING AND MARKETING EXPENSES

Selling and marketing expenses from the period mainly include expenses for advertising and customer service as well as distribution and storage for finished products. They also contain transportation costs, expenses for commissions and licenses as well as amortization of customer relationships and trademarks recognized as assets. Selling and marketing expenses were at the level of the previous year. Higher amortization as a result of the acquisition of the ADF/IDF group is offset by lower expenses for trade shows and conferences as well as travel due to the coronavirus. Please refer to the segment reporting information for a presentation of selling and marketing expenses by segment (see note 3).

8. RESEARCH AND DEVELOPMENT EXPENSES

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

9. ADMINISTRATION EXPENSES

Administration expenses mainly contain expenses for information technology, finance, human resources and legal as well as for factory security, work safety and administration buildings. These increased mainly due to higher IT costs, including additional services in connection with the cyberattack. The previous year included transaction-related one-time effects related to the acquisition of the ADF/IDF group.

10. OTHER OPERATING INCOME

Other operating income includes items not related to the sale of products. This includes, for example, income from service companies (logistics, technology, safety and environment) as well as income from research, development and other services rendered to third parties (€ 18.1 million, 2019 adjusted: € 11.9 million). This item also includes income from government grants, which are mainly awarded to support research projects (€ 13.1 million, 2019: € 9.2 million), and income from the reversal of provisions and liabilities where utilization is no longer expected or where it is certain it will not be utilized (€ 4.3 million, 2019: € 6.8 million). Other income includes gains from the disposal of non-current assets, insurance and other reimbursements as well as other non-periodic income.

11. FINANCIAL RESULT

T€	2019	2020
Interest income from bank deposits	2,646	2,141
Other interest income	2,241	856
Interest income	**4,887**	**2,997**
Other financial income	1,260	474
Financial income	**6,147**	**3,471**
Interest expenses from bank borrowings	– 3,537	– 1,852
Interest expenses from other borrowings	– 30,716	– 32,109
Other interest expenses	– 17,173	– 23,871
Interest expenses	**– 51,426**	**– 57,832**
Other financial expenses	– 546	– 9,590
Financial expenses	**– 51,972**	**– 67,422**
Financial result	**– 45,825**	**– 63,951**
of which interest result	– 46,539	– 54,835
of which other financial result	714	– 9,116

Other interest expenses mainly comprise the compounding of provisions for pensions, interest expenses from the end of a tax audit and interest expenses for lease liabilities. Other financial expenses comprise predominantly currency translation effects. These mainly result from internal Group lending granted to foreign subsidiaries. Due to the very volatile nature of some currencies, there are regularly substantial changes in this position. The financial result of the previous fiscal year was impacted by a positive one-time effect of € 10.4 million from the currency hedging of the purchase price of the ADF/IDF group.

12. INCOME TAXES

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

T€	2019 adjusted*	2020
Current income taxes	**– 109,544**	**– 122,811**
Deferred tax expense/income from losses carried forward	14,179	– 24,630
Deferred tax expense/income from temporary differences	– 16,278	38,830
Deferred tax expense/income	**– 2,099**	**14,200**
Income taxes	**– 111,643**	**– 108,611**

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

Income taxes in the reporting year decreased by € 3.0 million to € 108.6 million. The tax rate also decreased compared with the previous year, amounting to 25.6 % (2019: 27.3 %).

The increase in current income taxes of € 13.2 million to € 122.8 million compared to the previous year is mainly due to the higher operating result and additional risk provisioning. The change to the deferred tax result is mainly due to the scheduled amortization and depreciation of assets, the utilization of losses carried forward and the reversal of an allowance on borrowings connected with the liquidation of Diana US Inc.

DERIVATION OF THE EFFECTIVE TAX RATE

Income taxes disclosed in the reporting year, amounting to € 108.6 million (2019: € 111.6 million), can be derived from an expected income tax expense, which would have arisen if the statutory tax rates, giving consideration to different local tax rates, had been applied to consolidated net income before income taxes in accordance with IFRS:

T€	2019 adjusted*	2020
Earnings before income taxes	**409,527**	**423,562**
Expected tax expense at local tax rates	– 100,621	– 89,171
Tax effect from previous periods	– 165	– 10,328
Tax effect from tax-free income	19,521	23,285
Tax effect from non-deductible expenses and taxable income	– 22,971	– 16,398
Non-recoverable withholding tax	– 4,756	– 5,016
Tax effect from value adjustments to deferred tax assets	– 5,374	– 594
Tax effect from change in tax rate	186	– 461
Other tax effects	2,537	– 9,928
Income tax expense	**– 111,643**	**– 108,611**

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

The resulting theoretical expected tax expense decreased in absolute terms compared with the previous year, with the tax rate also decreasing. This mainly resulted from the relatively high profit shares in countries with lower nominal tax rates. The tax effect from non-deductible expenses mainly arose from non-deductible interest from the tax reform introduced in the USA in the year 2018, commercial tax additions in Germany and the inclusion of effects from dividends received. The main factors influencing other tax effects are local taxes not related to income and adjustments to temporary differences. The proposed dividend for the 2020 fiscal year (see note 28) will not have any income tax consequences for Symrise. Future income and withholding taxes resulting from planned distributions of Group companies are recognized under deferred tax liabilities.

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

	2019 adjusted*			2020		
T€	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Exchange rate differences resulting from the translation of foreign operations	– 2,361	– 1,996	– 4,357	– 228,504	2,523	– 225,981
Cash flow hedge (currency hedges)	300	– 89	211	136	– 50	86
Remeasurement of defined benefit pension plans	– 77,654	22,156	– 55,498	– 66,422	18,981	– 47,441
Other comprehensive income	**– 79,715**	**20,527**	**– 59,188**	**– 294,790**	**21,454**	**– 273,336**
of which current taxes		253			3,734	
of which deferred taxes		20,274			17,720	

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

13. AMORTIZATION AND DEPRECIATION

Amortization of intangible assets and depreciation of property, plant and equipment are shown in the statement of changes in fixed assets in notes 18 and 19.

14. EARNINGS PER SHARE

	Unit	2019 adjusted*	2020
Consolidated net income attributable to shareholders of Symrise AG	**T€**	**291,055**	**306,873**
Weighted average number of ordinary shares	shares	134,802,828	135,426,610
Basic earnings per share	**€**	**2.16**	**2.27**

	Unit	2019 adjusted*	2020
Consolidated net income attributable to shareholders of Symrise AG	**T€**	**291,055**	**306,873**
Impact on net income from the convertible bond, after taxes	T€	3,953	3,984
Adjusted consolidated net income attributable to shareholders of Symrise AG	**T€**	**295,008**	**310,857**
Weighted average number of ordinary shares	shares	134,802,828	135,426,610
Weighted average number of dilutive potential shares	shares	4,354,476	4,355,697
Weighted average number of shares for diluted earnings	shares	139,157,304	139,782,307
Diluted earnings per share	**€**	**2.12**	**2.22**

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

For dividend distributions of more than € 0.90 per share, the terms of the convertible bond required an adjustment to the conversion price. By resolution of the Annual General Meeting on June 17, 2020, a dividend payment of € 0.95 per share was determined, reducing the conversion price per share from € 91.8595 to € 91.8112. The resulting number of dilutive potential shares is 4,356,766. They are included pro rata temporis in the calculation of diluted earnings in the current fiscal year. The terms of the convertible bond were adjusted and now stipulate a reference dividend of € 0.8995.

ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

T€	December 31, 2019	December 31, 2020
Cash	419,070	499,180
Cash equivalents	26,830	225,956
Total	**445,900**	**725,136**

Cash and cash equivalents comprise cash balances, balances on hand with banks and short-term liquid investments that can be converted into a fixed amount at any time and are subject to only insignificant fluctuations in value. Due to the coronavirus pandemic, Symrise has built up a strategic stock of liquidity; the issue volume of the Eurobond 2020 was larger than the volume to be refinanced. Overall, the 2020 fiscal year was characterized by strong cash flows, which increased the level of liquidity.

16. TRADE RECEIVABLES

T€	December 31, 2019	December 31, 2020
Trade receivables	657,660	611,760
Allowance	– 9,985	– 10,965
Total	**647,675**	**600,795**

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

The gross carrying amount of trade receivables includes € 521.1 million of trade receivables that are not overdue and with no allowance set up (December 31, 2019: € 574.0 million), € 67.0 million of trade receivables that are overdue and do not have an allowance set up or have partial or full allowances set up (December 31, 2019: € 71.5 million) and € 23.7 million of trade receivables that are not overdue but with a partial allowance set up (December 31, 2019: € 12.2 million). The impairment losses of € 11.0 million (December 31, 2019: € 10.0 million) recognized in the reporting year can be divided into a specific bad debt allowance of € 4.4 million (December 31, 2019: € 2.1 million) as well as a general bad debt allowance of € 6.6 million (December 31, 2019: € 7.9 million).

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

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

T€	2019	2020
January 1	**11,071**	**9,985**
Changes to the scope of consolidation	328	0
Allowances set up	2,932	6,201
Utilized in the reporting year	– 4,005	– 1,566
Reversals	– 429	– 2,337
Exchange rate differences	88	– 1,318
December 31	**9,985**	**10,965**

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

17. INVENTORIES

T€	December 31, 2019 adjusted*	December 31, 2020
Raw materials	280,140	275,178
Unfinished products	295,519	288,191
Finished products	338,205	327,119
Allowance	– 22,175	– 27,601
Total	**891,689**	**862,887**

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

The cost of goods sold includes material costs without currency translation effects amounting to € 1,509.8 million (December 31, 2019 adjusted: € 1,500.7 million). The decrease in inventories in the 2020 fiscal year resulted from a slight decline in procurement prices and a reduction in stock.

18. INTANGIBLE ASSETS

T€	Goodwill	Customer relationships and trademarks	Other intangible assets[1]	Capitalized development costs	Advance payments and intangible assets in development	Total
Costs						
January 1, 2019	**1,250,464**	**802,030**	**862,303**	**16,107**	**21,466**	**2,952,370**
Additions from business combinations	250,651	212,101	112,574	0	187	**575,513**
Additions from acquisitions	0	669	9,520	0	12,291	**22,480**
Additions from internal development	0	0	0	466	3,035	**3,501**
Disposals	0	– 4	– 6,684	– 253	– 175	**– 7,116**
Transfers	0	9,244	2,380	263	– 11,887	**0**
Exchange rate differences	– 21,314	3,150	5,371	– 161	6	**– 12,948**
December 31, 2019 adjusted*	**1,479,801**	**1,027,190**	**985,464**	**16,422**	**24,923**	**3,533,800**
Accumulated amortization and impairment losses						
January 1, 2019	**– 44,343**	**– 289,419**	**– 694,962**	**– 11,191**	**0**	**– 1,039,915**
Amortization for the fiscal year	0	– 64,025	– 40,973	– 892	0	**– 105,890**
Disposals	0	4	6,648	253	0	**6,905**
Exchange rate differences	– 325	– 1,872	– 5,045	63	0	**– 7,179**
December 31, 2019 adjusted*	**– 44,668**	**– 355,312**	**– 734,332**	**– 11,767**	**0**	**– 1,146,079**
Carrying amounts						
January 1, 2019	1,206,121	512,611	167,341	4,916	21,466	**1,912,455**
December 31, 2019 adjusted*	**1,435,133**	**671,878**	**251,132**	**4,655**	**24,923**	**2,387,721**

[1] Other intangible assets mainly include recipes and technologies, software and proprietary IT developments and patents and other rights.

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

T€	Goodwill	Customer relationships and trademarks	Other intangible assets[1]	Capitalized development costs	Advance payments and intangible assets in development	Total
Costs						
January 1, 2020	**1,479,801**	**1,027,190**	**985,464**	**16,422**	**24,923**	**3,533,800**
Additions from business combinations	424	0	0	0	0	**424**
Additions from acquisitions	0	51	3,485	0	10,238	**13,774**
Additions from internal development	0	0	0	583	376	**959**
Disposals	0	0	– 3,789	0	– 3	**– 3,792**
Transfers	0	1,531	2,836	143	– 4,510	**0**
Exchange rate differences	– 55,847	– 35,536	– 36,591	359	– 40	**– 127,655**
31. Dezember 2020	**1,424,378**	**993,236**	**951,405**	**17,507**	**30,984**	**3,417,510**
Accumulated amortization and impairment losses						
January 1, 2020	**– 44,668**	**– 355,312**	**– 734,332**	**– 11,767**	**0**	**– 1,146,079**
Amortization for the fiscal year	0	– 72,267	– 44,511	– 1,087	0	**– 117,865**
Disposals	0	0	3,476	0	0	**3,476**
Exchange rate differences	2,036	10,335	24,840	– 193	0	**37,018**
December 31, 2020	**– 42,632**	**– 417,244**	**– 750,527**	**– 13,047**	**0**	**– 1,223,450**
Carrying amounts						
January 1, 2020	1,435,133	671,878	251,132	4,655	24,923	**2,387,721**
December 31, 2020	**1,381,746**	**575,992**	**200,878**	**4,460**	**30,984**	**2,194,060**

[1] Other intangible assets mainly include recipes and technologies, software and proprietary IT developments and patents and other rights.

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

Please refer to note 2.4 for the additions from business combinations. Additions from acquisitions mainly relate to advance payments for software, primarily SAP applications.

Capitalized development costs, including those currently in progress, amounted to € 5.2 million as of the end of the reporting period (December 31, 2019: € 5.1 million).

The amortization of recipes and technologies is allocated to production and is therefore included in the cost of goods sold. Amortization on customer relationships and trademarks is recognized in selling and marketing expenses; amortization on other intangible assets is allocated to the corresponding functional areas in the consolidated income statement.

GOODWILL ACCORDING TO SEGMENT

T€	December 31, 2019 adjusted*	December 31, 2020
Scent & Care	237,532	220,649
Flavor	526,684	518,764
Nutrition	670,917	642,333
Total	**1,435,133**	**1,381,746**

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

19. PROPERTY, PLANT AND EQUIPMENT

T€	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2019	**603,652**	**866,981**	**258,480**	**223,763**	**1,952,876**
Adjustment due to IFRS 16	81,873	77	7,866	0	**89,816**
January 1, 2019 (adjusted)	**685,525**	**867,058**	**266,346**	**223,763**	**2,042,692**
Additions from business combinations	26,629	66,219	6,449	2,723	**102,020**
Other additions	20,257	11,364	17,964	126,669	**176,254**
Disposals	– 23,519	– 29,995	– 12,963	– 154	**– 66,631**
Transfers	44,954	132,094	8,396	– 185,444	**0**
Exchange rate differences	5,999	7,587	2,011	3,176	**18,773**
December 31, 2019 adjusted*	**759,845**	**1,054,327**	**288,203**	**170,733**	**2,273,108**
Accumulated depreciation and impairment losses					
January 1, 2019	**– 245,146**	**– 499,045**	**– 172,592**	**0**	**– 916,783**
Depreciation for the fiscal year	– 37,600	– 59,209	– 27,023	0	**– 123,832**
Disposals	1,486	6,358	11,355	0	**19,199**
Exchange rate differences	– 1,980	– 3,921	– 1,044	0	**– 6,945**
December 31, 2019 adjusted*	**– 283,240**	**– 555,817**	**– 189,304**	**0**	**– 1,028,361**
Carrying amounts					
January 1, 2019 (adjusted)	440,379	368,013	93,754	223,763	**1,125,909**
December 31, 2019 adjusted*	**476,605**	**498,510**	**98,899**	**170,733**	**1,244,747**

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

T€	Land and buildings	Plants and machinery	Equipment	Assets under construction	Total
Costs					
January 1, 2020	**759,845**	**1,054,327**	**288,203**	**170,733**	**2,273,108**
Additions	26,800	10,735	19,197	120,258	**176,990**
Disposals	– 3,082	– 9,668	– 8,305	– 969	**– 22,024**
Transfers	41,568	69,083	10,371	– 121,022	**0**
Exchange rate differences	– 39,013	– 54,090	– 17,796	– 12,585	**– 123,484**
December 31, 2020	**786,118**	**1,070,387**	**291,670**	**156,415**	**2,304,590**
Accumulated depreciation and impairment losses					
January 1, 2020	**– 283,240**	**– 555,817**	**– 189,304**	**0**	**– 1,028,361**
Depreciation for the fiscal year	– 40,617	– 68,819	– 27,263	0	**– 136,699**
Disposals	2,405	9,097	7,213	0	**18,715**
Exchange rate differences	11,031	25,396	10,542	0	**46,969**
December 31, 2020	**– 310,421**	**– 590,143**	**– 198,812**	**0**	**– 1,099,376**
Carrying amounts					
January 1, 2020	476,605	498,510	98,899	170,733	1,244,747
December 31, 2020	**475,697**	**480,244**	**92,858**	**156,415**	**1,205,214**

Additions include investments in capacity expansions such as the construction of the new Pet Food sites in Araucária (Brazil) and Chuzhou (China), the expansion of production capacities for Menthols and Cosmetic Ingredients in Charleston (USA) and the modernization of production for terpene ingredients in the Aroma Molecules division in Jacksonville (USA). Additions contain capitalized borrowing costs amounting to € 0.7 million (December 31, 2019: € 1.6 million). The underlying capitalization rate amounts to 1.40 % (December 31, 2019: 1.80 %).

The following table shows the leases recognized in property, plant and equipment:

T€	Land and buildings	Plants and machinery	Equipment	Total
Carrying amounts January 1, 2020	92,501	1,571	6,269	100,341
Additions	23,451	395	8,473	32,319
Depreciation for the fiscal year	– 16,169	– 373	– 5,490	– 22,032
Carrying amounts December 31, 2020	87,989	1,243	11,075	100,307

All rights of use of leased assets are accounted for in accordance with the provisions of IFRS 16. Within real estate, Symrise mainly leases warehouses and office buildings as well as land with hereditary building rights. Equipment includes the leased vehicle fleet; the contract term is generally 48 months. Leases can include extension and termination options, in rare cases also purchase options. Since contract terms are negotiated individually, there are a large number of variations.

Disclosures on the corresponding lease liabilities can be found in note 24.

20. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Symrise holds shares in a range of joint ventures and associated companies that are not material on an individual basis. The following table breaks down the carrying amount and the profit share of these companies in an aggregated form.

T€	December 31, 2019 adjusted*	December 31, 2020
Carrying amount of investments in joint ventures and associated companies	**90,789**	**80,354**
Share in total comprehensive income	**– 1,185**	**3,525**
of which in net income (prior year: net loss)	– 1,185	3,525
of which in other comprehensive income	–	–

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

A significant part of the carrying amount is attributable to the joint venture Food Ingredients Technology Company, L.L.C, which was added in the course of the acquisition of the ADF/IDF group (see note 2.4).

21. DEFERRED TAX ASSETS/LIABILITIES

	December 31, 2019 adjusted*			December 31, 2020		
T€	Tax assets	Tax liabilities	Income (+)/ Expenses (–)	Tax assets	Tax liabilities	Income (+)/ Expenses (–)
Intangible assets	8,948	147,509	25,252	11,798	131,755	19,190
Property, plant and equipment	7,150	109,306	– 44,615	8,522	94,169	16,509
Financial assets	378	2,908	– 3,294	378	19	2,889
Inventories	15,743	357	– 2,938	19,317	359	4,065
Trade receivables, prepayments and other assets	4,197	18,687	– 12,011	1,501	5,308	6,089
Provisions for pensions	96,907	0	810	116,433	0	891
Other provisions and other liabilities	47,279	7,705	20,518	38,235	9,164	– 10,503
Interests in subsidiaries	0	3,000	0	0	3,300	– 300
Losses carried forward	42,127	0	14,179	17,497	0	– 24,630
Subtotal	**222,729**	**289,472**	**– 2,099**	**213,681**	**244,074**	**14,200**
Offsetting	– 121,980	– 121,980	0	– 89,633	– 89,633	0
Total	**100,749**	**167,492**	**– 2,099**	**124,048**	**154,441**	**14,200**

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

Deferred tax income amounted to € 14.2 million in the reporting year compared to a deferred tax expense of € 2.1 million in the 2019 fiscal year (adjusted). The change to the deferred tax result is mainly due to the scheduled amortization and depreciation of assets, the utilization of losses carried forward and the reversal of an allowance on borrowings connected with the liquidation of Diana US Inc. Deferred tax income relating to trade receivables, prepayments and other assets is influenced by the valuation of receivables and foreign currencies. With regard to the change in provisions for pensions and the related change in deferred taxes, please see note 12. Overall, corporate tax losses carried forward amounting to € 95.2 million (December 31, 2019 adjusted: € 194.3 million) existed as of the end of the reporting date; deferred tax assets on corporate tax losses carried forward amounting to € 17.5 million were recognized. The reduction of tax losses carried forward compared with the previous year led to an increase in deferred tax expense. The use of tax losses carried forward and therefore the measurement of the corresponding deferred tax assets are substantiated through tax planning. The change in the nonrecognition of deferred tax assets as of December 31, 2020, amounts to € – 0.1 million (December 31, 2019: € 2.0 million). These losses carried forward can generally be used for an unlimited period.

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

Pursuant to IAS 12 "Income Taxes," deferred tax liabilities are to be recognized on the difference between a subsidiary's proportional equity as recognized in the consolidated statement of financial position and the carrying amount of the investment in the subsidiary as recognized in the parent's tax accounts if realization is to be expected. (This amount is known as an outside-basis difference.) The cause of these differences is mainly retained earnings from domestic and foreign subsidiaries. No deferred tax liabilities were recognized on these temporary differences of € 656.2 million in 2020 and € 452.3 million in the previous year since they will be reinvested for indefinite periods or are not subject to taxation. In the case of distributions from subsidiaries, these were subject to a dividend tax of 5 %. Distributions from foreign countries could trigger withholding taxes. As of December 31, 2020, deferred tax liabilities from shares in subsidiaries were recognized for planned dividend distributions of € 3.3 million (December 31, 2019: € 3.0 million).

22. TRADE PAYABLES

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

23. CURRENT AND NON-CURRENT BORROWINGS

	December 31, 2019			December 31, 2020		
T€	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings	180,004	490	180,494	2,010	416	2,426
Other borrowings	317,463	1,462,342	1,779,805	553	1,963,264	1,963,817
Accrued interest	5,857	1	5,858	7,103	2	7,105
Total	**503,324**	**1,462,833**	**1,966,157**	**9,666**	**1,963,682**	**1,973,348**

Bank borrowings decreased mainly due to early repayment of the term loan (€ 150.0 million).

Other borrowings mainly include liabilities from the Eurobonds issued in the 2019 and 2020 fiscal years, the convertible bond and the promissory note loans from 2015 and 2019. The increase is mainly due to the Eurobond (€ 500.0 million) issued by Symrise AG in the fiscal year. The repayment of the US private placement (USD 175.0 million) and two promissory note loans (€ 161.0 million) had the opposite effect.

Bilateral credit lines exist with various banks to cover short-term payment requirements. As of December 31, 2020, Symrise had unutilized credit lines available in nominal amounts of € 562.8 million (December 31, 2019: € 312.5 million), USD 29.0 million (December 31, 2019: USD 19.0 million), BRL 101.0 million (December 31, 2019: BRL 0.0 million), MGA 56.2 billion (December 31, 2019: MGA 68.1 billion), INR 200.0 million (December 31, 2019: INR 0.0 million), COP 1.0 billion (December 31, 2019: COP 0.0 billion), ARS 22.5 million (December 31, 2019: ARS 0.0 million) and SEK 0.0 million (December 31, 2019: SEK 195.1 million). The revolving credit facility EUR's value remains € 300.0 million with a residual term of less than one year. To date, no use has been made of the option to increase the volume to € 500.0 million.

Financial liabilities contain carrying amounts in foreign currencies totaling € 3.2 million (December 31, 2019: € 188.5 million).

The liability component of the convertible bond issued via a private placement with institutional investors developed as follows in the fiscal year:

T€	December 31, 2020
Liability component as of January 1, 2020	375,978
Compounding interest and amortized transaction costs	5,243
Liability component at the end of the reporting period	**381,221**

The equity component was recognized as part of the capital reserve when the convertible bond was issued.

	Maturity date	Nominal interest rate		Nominal volume in issue currency (T)
Symrise AG, Holzminden				
Eurobond 2020	July 2027	1.38%	fixed	500,000 EUR
Eurobond 2019	November 2025	1.25%	fixed	500,000 EUR
Convertible bond 2017	June 2024	0.24%	fixed	400,000 EUR
Promissory note loan 2015 (7 years)	December 2022	1.34%	fixed	224,000 EUR
Promissory note loan 2015 (7 years)	December 2022	0.85%	Euribor + 0.85%	37,500 EUR
Promissory note loan 2015 (10 years)	December 2025	1.96%	fixed	67,500 EUR
Promissory note loan 2015 (10 years)	December 2025	1.10%	Euribor + 1.10%	10,000 EUR
Promissory note loan 2019 (5 years)	March 2024	0.68%	fixed	16,000 EUR
Promissory note loan 2019 (7 years)	March 2026	0.75%	Euribor + 0.75%	10,000 EUR
Promissory note loan 2019 (7 years)	March 2026	1.02%	fixed	144,000 EUR
Promissory note loan 2019 (10 years)	March 2029	1.45%	fixed	80,000 EUR
Revolving credit facility EUR*	May 2021	0.45%	Euribor + 0.45%	0 EUR
Revolving credit facility USD*	May 2021	0.45%	Libor + 0.45%	0 USD
Proteinas Del Ecuador Ecuaprotein SA, Ecuador				
Shareholder loan	indefinite	5.00%	fixed	2,651 USD
Diana Food Canada Inc., Canada				
Promotional loan	April 2026	0.00%	fixed	1,683 CAD
Spécialités Pet Food SAS, France				
Promotional loan	June 2025	0.00%	fixed	503 EUR
Scelta Umami B.V., Netherlands				
Term loan	September 2029	1.30%	Euribor + 1.85%	593 EUR
Octopepper SAS, France				
Promotional loan	July 2022	4.90%	fixed	101 EUR
Term loan	April 2022	2.40%	fixed	133 EUR
Other borrowings				1,919 EUR

* The respective credit line used is stated as the nominal amount.

24. LEASES

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

The cash outflow for lease liabilities recognized as of the end of the reporting period amounts to € 22.7 million (2019: € 21.6 million). Details of future cash outflows in connection with leases are shown in the following table:

T€	December 31, 2019	December 31, 2020
Up to one year	20,764	22,854
Over one year and up to five years	44,672	51,138
Over five years	51,504	48,701
Total	**116,940**	**122,693**

In the 2020 reporting year, the following expenses are recognized directly in income from operations of the consolidated income statement:

T€	2020
Expenses for short-term leases	3,013
Expenses for leases on low-value assets	1,384
Expenses for variable lease payments	2,071

As of the end of the reporting period, there are obligations for future payments amounting to € 5.6 million (December 31, 2019: € 1.8 million) from the leases concluded and classified as short-term.

For information on the effects of leases on property, plant and equipment, please see note 19, and on liabilities from leases, note 30.

25. OTHER CURRENT NON-FINANCIAL LIABILITIES

T€	December 31, 2019 adjusted*	December 31, 2020
Employee-related liabilities	94,529	97,436
Liabilities to customers	27,909	30,602
Value added tax and other taxes	25,326	25,612
Taxes on wages/salaries, social security contributions and other social benefits	15,793	16,573
Miscellaneous other liabilities	29,166	35,516
Total	**192,723**	**205,739**

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

Employee-related liabilities mainly contain annual bonuses and other bonuses as well as accruals for unused vacation time. Liabilities to customers contain prepayments from customers. Miscellaneous other current liabilities mainly derive from diverse administration, selling and marketing expenses that arise during the normal course of operations.

26. OTHER CURRENT AND NON-CURRENT PROVISIONS

T€	Personnel provisions	Provisions for restoration obligations	Provisions for litigation	Miscellaneous other provisions	Total
January 1, 2020	**28,183**	**6,518**	**2,653**	**2,715**	**40,069**
of which non-current	19,952	6,487	2,255	518	**29,212**
Increases	9,542	0	7,310	216	**17,068**
Utilization	– 5,662	0	– 51	– 63	**– 5,776**
Reversals	– 623	– 29	– 14	– 37	**– 703**
Interest expenses	310	13	1,545	4	**1,872**
Exchange rate differences	– 879	– 425	– 1,023	– 214	**– 2,541**
December 31, 2020	**30,871**	**6,077**	**10,420**	**2,621**	**49,989**
of which non-current	20,243	5,342	8,614	481	**34,680**

The personnel provisions mainly comprise those for jubilees (€ 14.0 million; December 31, 2019: € 13.3 million), for multi-year performance-based remuneration (€ 10.0 million; December 31, 2019: € 6.5 million) and for termination benefits (€ 3.7 million; December 31, 2019: € 3.8 million). The jubilee obligations were discounted using an interest rate of 0.67 % p.a. in the reporting year compared to 1.2 % p.a. in the previous year.

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

The provisions for litigation exist for pending proceedings, mainly in Brazil. The increase compared to the previous year is mainly due to ongoing legal disputes there regarding the deductibility of input tax amounts. Every single legal dispute has no significant influence on the Group’s economic situation.

Miscellaneous other provisions do not contain any material items, which is why a separate disclosure was not provided. Symrise expects that the cash outflow for all current provisions will take place within the next few months and by the end of the year 2021 at the very latest.

27. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

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

With the pension plans, Symrise is not subject to any of the risks beyond standard actuarial risks such as longevity risks, interest rate risks and currency risks, or capital market risks usually associated with assets.

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

GERMANY

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

The active participation of employees of the former Haarmann & Reimer GmbH, Germany, in the Bayer mutual pension fund VVaG was terminated with effect from March 31, 2003. The employees of Haarmann & Reimer GmbH who had already acquired pension rights as of this date automatically became passive members of the pension fund from April 1, 2003, onwards. Active members, who had unvested rights as of March 31, 2003, had the option to have their pension entitlement (excluding employer contributions) paid out at this date in the form of a capital sum and from that point in time ceased to be members of the Bayer pension fund. For all individuals in the Bayer pension fund who were active members as of March 31, 2003, a benefit scheme was introduced in Germany with effect from April 1, 2003, in the form of a direct benefit promise, which is financed through a deferred gross compensation arrangement (3 % up to the respective maximum income threshold for assessment of contributions as defined by the German State Pension Authority West). For those people with components of remuneration that exceed the respective income threshold for assessment of contributions, employer-financed retirement benefits up to a maximum amount are provided based on a benefit scheme. At the time that the new benefit scheme was introduced, the former Haarmann & Reimer employees were guaranteed that their benefits under the company retirement benefit scheme would not worsen as a result of the business combination. The benefits have to be maintained at the same level that existed before the business combination took place. This is assured under the new benefit scheme. As a consequence of this guarantee, the company has also offered those former Haarmann & Reimer GmbH employees – whose earnings are regulated by tariff agreement – a further voluntary deferred compensation scheme in the form of a direct benefit promise. The employee contribution and the employer top-up contribution taken together are limited to a maximum of 4 % of the respective income threshold for the assessment of contributions as defined by the German State Pension Authority West.

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

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

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

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

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

USA

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

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

T€	2019	2020
Present value of defined benefit obligations January 1	**552,910**	**651,523**
Additions from business combinations	90	0
Recognized in income statement		
Current service cost	16,117	20,314
Interest expenses (+)	12,405	9,313
Recognized in other comprehensive income		
Actuarial gains (–)/losses (+)		
arising from changes in demographic assumptions	– 534	– 354
arising from changes in financial assumptions	82,958	72,417
arising from experience-based adjustments	953	– 200
Exchange rate differences	1,677	– 7,746
Other		
Benefits paid	– 15,053	– 15,359
December 31	**651,523**	**729,908**
of which pension plans	640,158	718,861
of which post-employment healthcare benefits	11,365	11,047
Fair value of plan assets January 1	**– 40,575**	**– 48,027**
Recognized in income statement		
Interest income (–)	– 1,455	– 1,158
Recognized in other comprehensive income		
Gains (–)/losses (+) on plan assets excluding amounts already recognized as interest income	– 6,085	– 5,595
Exchange rate differences	– 864	4,137
Other		
Employer contributions	– 1,107	– 2,083
Benefits paid	2,059	2,532
December 31	**– 48,027**	**– 50,194**
of which pension plans	– 48,027	– 50,194
Consideration of the effect of asset ceiling for plan assets January 1	**957**	**1,355**
Recognized in income statement		
Interest expense (+)/interest income (-)	4	4
Recognized in other comprehensive income		
Additions	362	154
Exchange rate differences	32	– 52
December 31	**1,355**	**1,461**
of which pension plans	1,355	1,461
Net defined benefit liability		
January 1	513,292	604,851
December 31	**604,851**	**681,175**
of which pension plans	593,486	670,128
of which post-employment healthcare benefits	11,365	11,047

As of the end of the reporting year, the entire present value of the defined benefit obligation contains T€ 417,901 for active employees (December 31, 2019: T€ 370,838), T€ 68,302 for former employees with vested claim entitlements (December 31, 2019: T€ 62,096) and T€ 243,705 for retirees and their surviving dependents (December 31, 2019: T€ 218,589). From this entire present value of the defined benefit obligation, T€ 717,084 (December 31, 2019: T€ 639,063) is allocated to vested claims, while the remaining T€ 12,824 (December 31, 2019: T€ 12,460) relates to non-vested claims.

The average weighted term for the present value of the defined benefit obligation from defined benefit plans amounts to a total of 22.5 years (December 31, 2019: 20.1 years). It breaks down with 24.6 years for active employees, 23.7 years for former employees with vested claim entitlements and 11.7 years for retirees and their surviving dependents.

The defined benefit plans are not covered by plan assets except for the pension schemes in the USA (Mass Mutual Plan), Japan and India. Plan assets secure a present value of the defined benefit obligation of T€ 66,779 (December 31, 2019: T€ 66,108) as of the end of the year. Financing for the obligations not covered by plan assets is made through the cash flow from operating activities of Symrise AG and its subsidiaries.

Plan assets of T€ 50,194 (December 31, 2019: T€ 48,027) are mainly used for provisions for pensions in the USA (T€ 44,321; December 31, 2019: T€ 42,117) and are invested in what is known as pooled separate accounts at the Massachusetts Mutual Life Insurance Company. Shares in fund assets are held in these accounts, which are invested in money market instruments and bonds as well as special growth and value-oriented securities. Price quotes for these shares are derived from active markets (Level 2). Plan assets also exist in Japan (T€ 5,512; December 31, 2019: T€ 5,229) and India (T€ 361; December 31, 2019: T€ 381). The assets in Japan are deposited at the Japan Master Trust Bank, which continued to invest the assets in Japanese and foreign bonds and shares as of the end of 2020 – the prices of which were also derivable from active markets. It exceeds the net defined benefit liability and was limited to the asset ceiling. The plan assets in India are deposited in a life insurance policy for which there is no active market for estimating the price.

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

T€	December 31, 2019	December 31, 2020
EAME	567,305	645,092
North America	30,183	28,481
Latin America	5,745	5,693
Asia/Pacific	1,618	1,909
Total	**604,851**	**681,175**

The actuarial measurements are based on the following assumptions:

%	2019	2020
Discount rate		
Germany	1.20	0.67
USA	3.01	2.28
Other countries	1.67	2.22
Salary trends		
Germany	2.25	2.25
Other countries	3.21	3.36
Pension trends		
Germany	1.50	1.50
Other countries	1.93	2.27
Medical cost trend rate		
USA	6.12	5.81
Other countries	8.37	7.69

The assumptions relating to mortality rates are based on published mortality tables. For the provisions for pensions established in Germany, the mortality rate is based on the reference tables 2018G by Prof. Dr. Klaus Heubeck. The Mass Mutual Plan in the USA is based on the reference table 2020 IRS 417(e) Mortality Table. All other actuarial measurements outside of Germany are based on country-specific mortality tables.

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

	Change in present value of the defined benefit obligation			
	Increase		Decrease	
T€	2019	2020	2019	2020
Discount rate	– 119,059	– 126,240	156,307	168,190
Salary trends	22,165	12,490	– 20,165	– 10,799
Pension trends	76,392	88,581	– 63,237	– 72,914
Medical cost trend rate	1,353	1,468	– 1,121	– 1,209

To determine the sensitivity regarding life expectancy, the mortality rate for the beneficiaries covered by the plans was increased or reduced by 10.0 %. The reduction to the mortality rate results in an increase of life expectancy and depends on the ages of the individual beneficiaries. A 10.0 % increase to the mortality rate results in a reduction of the present value of the defined benefit obligation by T€ 25,236 (December 31, 2019: T€ 27,236). In comparison, a 10.0 % reduction results in an increase of the present value of the defined benefit obligation by T€ 28,234 (December 31, 2019: T€ 29,812).

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

	Change in current service costs			
	Increase		Decrease	
T€	2019	2020	2019	2020
Medical cost trend rate	72	51	– 58	– 41

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

For the 2021 fiscal year, Symrise expects current service costs of T€ 20,737 as well as benefits to be paid totaling T€ 15,649.

28. EQUITY

SHARE CAPITAL

The share capital of Symrise AG amounts to € 135,426,610 (December 31, 2019: € 135,426,610) and is fully paid in. It is divided into 135,426,610 no-par-value bearer shares, each with a calculated nominal share value of € 1.00 per share.

AUTHORIZED CAPITAL

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

ACQUISITION OF TREASURY STOCK

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

CONDITIONAL CAPITAL

At the Annual General Meeting on May 22, 2019, conditional capital for issuing option/convertible bonds amounting to € 15,650,000 was authorized. The authorization to issue option/convertible bonds with or without term restrictions is limited to a nominal amount of € 1,500.0 million and expires on May 21, 2024 (“Conditional Capital 2019”).

CAPITAL RESERVE AND OTHER RESERVES

The capital reserve mainly comprises the share premium that arose as part of the initial public offering as well as three capital increases, two of which were performed in the 2014 fiscal year and one in the 2019 fiscal year. In addition, the equity component from the issue of the convertible bond in the 2017 fiscal year is taken into account. The capital reserve has not changed compared to December 31, 2019.

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

Cumulative translation differences include exchange rate gains and losses from the currency translation of foreign subsidiaries at the beginning and end of the respective reporting period. In the 2020 fiscal year, there were significant effects from the translation of US Dollars into Euros. The adjustment to the financial statements required by IAS 29 "Financial Reporting in Hyperinflationary Economies" for companies whose functional currency is one from a country with hyperinflation is also included in cumulative translation differences. Specifically, the subsidiaries in Venezuela and Argentina were affected by the adjustments pursuant to IAS 29. The financial statements for these companies are mainly based on the concept of historical cost. Due to changes in the general purchasing power of the functional currency, these financial statements had to be adjusted and are reported in the measuring unit applicable as of the end of the reporting period. In 2020, official inflation rates in Venezuela were only announced by the government until September. Symrise used the last published rate of 1,875.0 % for the preparation of the consolidated financial statements as of December 31, 2020 (2019: 16,751.0 %). In Argentina, the government announced official inflation rates as of December 31, 2020, which assume a change in general purchasing power of 36.1 % (2019: 53.8 %) for 2020. Hyperinflationary adjustments to the financial statement of the subsidiary in Iran will start to be made from the 2021 fiscal year onwards should the resulting effects be material.

Other reserves contain the revaluation reserve and the cash flow hedge reserve. The revaluation reserve results from an acquisition in stages made in the past. The cash flow hedge reserve contains the effective part of the fair value changes from derivative financial instruments held for hedging currency risks. Reclassifications of ineffective parts from cash flow hedges into the result for the period did not occur in the 2020 fiscal year.

RECONCILIATION OF EQUITY COMPONENTS AFFECTED BY OTHER COMPREHENSIVE INCOME

2019 adjusted* T€	Reserve for remeasure-ments (pensions)	Cumulative translation differences	Other reserves	Total other comprehen-sive income of Symrise AG shareholders	Non-controlling interests	Total other comprehen-sive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	– 5,597	–	**– 5,597**	274	**– 5,323**
Gains/losses from net investments	–	966	–	**966**	–	**966**
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	– 701	**– 701**	– 97	**– 798**
Reclassification to the consolidated income statement	–	–	909	**909**	100	**1,009**
Remeasurement of defined benefit pension plans	– 55,493	–	–	**– 55,493**	– 5	**– 55,498**
Change in tax rate	–	–	456	**456**	–	**456**
Other comprehensive income	**– 55,493**	**– 4,631**	**664**	**– 59,460**	**272**	**– 59,188**

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

2020 T€	Reserve for remeasure-ments (pensions)	Cumulative translation differences	Other reserves	Total other comprehen-sive income of Symrise AG shareholders	Non-controlling interests	Total other comprehen-sive income
Exchange rate differences resulting from the translation of foreign operations						
Exchange rate differences that occurred during the fiscal year	–	– 213,595	–	**– 213,595**	– 1,625	**– 215,220**
Gains/losses from net investments	–	– 10,761	–	**– 10,761**	–	**– 10,761**
Cash flow hedge (currency hedges)						
Gains/losses recorded during the fiscal year	–	–	1,047	**1,047**	– 15	**1,032**
Reclassification to the consolidated income statement	–	–	– 953	**– 953**	7	**– 946**
Remeasurement of defined benefit pension plans	– 47,441	–	–	**– 47,441**	–	**– 47,441**
Other comprehensive income	**– 47,441**	**– 224,356**	**94**	**– 271,703**	**– 1,633**	**– 273,336**

DIVIDENDS

In accordance with the German Stock Corporation Act (AktG), the distributable dividend for shareholders of Symrise AG is to be determined with reference to the accumulated profit as it is calculated in accordance with the rules of the German Commercial Code (HGB) and presented in the annual financial statements of Symrise AG. At the Annual General Meeting held on June 17, 2020, a resolution was passed to distribute a dividend for the 2019 fiscal year of € 0.95 for each ordinary share with a dividend entitlement (2018: € 0.90).

The Executive Board and the Supervisory Board will recommend a dividend of € 0.97 per share based on Symrise AG's accumulated profit under commercial law as of December 31, 2020.

NON-CONTROLLING INTERESTS

The non-controlling interests mainly relate to the Probi group. The shares of Probi AB, headquartered in Lund, Sweden, are authorized for trading on the Swedish Nasdaq Stockholm.

29. DISCLOSURES ON CAPITAL MANAGEMENT

The capital situation is monitored through the use of a number of key indicators. The relationship between net debt (including provisions for pensions and similar obligations) to EBITDA and the equity ratio are important key indicators for this purpose. The objectives, methods and processes in this regard have not changed from the previous year as of the end of the reporting period on December 31, 2020.

With an equity ratio (equity attributable to shareholders of Symrise AG in relation to total equity and liabilities) of 38.8 % (December 31, 2019 adjusted: 40.3 %), Symrise has a solid capital structure. One of the fundamental principles of Symrise is to maintain a strong capital basis in order to retain the confidence of investors, creditors and the market and to be able to drive future business development forward in a sustainable manner.

Net debt is determined as follows:

T€	December 31, 2019	December 31, 2020
Borrowings	1,966,157	1,973,348
Lease liabilities	96,436	99,407
Cash and cash equivalents	– 445,900	– 725,136
Net debt	**1,616,693**	**1,347,619**
Provisions for pensions and similar obligations	604,851	681,175
Net debt including provisions for pensions and similar obligations	**2,221,544**	**2,028,794**

To calculate the net debt/EBITDA ratio, the net debt – with or without provisions for pensions and, since 2019, in each case including lease liabilities – is applied to the EBITDA or normalized EBITDA, if reported, of the past twelve months. Based on EBITDA, net debt as of December 31, 2020, is 1.8 or 2.7 including provisions for pensions.

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

The average interest rate for liabilities (including provisions for pensions and similar obligations) was 1.2 % p.a. (2019: 1.5 % p.a.).

30. ADDITIONAL DISCLOSURES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

The cash flow from operating activities mainly includes non-cash currency translation effects from external and intragroup transactions under other non-cash expenses and income.

Payments for business combination within the cash flow from investing activities mainly comprise the subsequent purchase price payment in connection with the acquisition of the ADF/IDF group in 2019 (see note 2.4).

Within the cash flows from financing activities, interest paid includes interest resulting from the tax audit of Symrise AG for the years 2010 to 2013.

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

T€	Current borrowings	Non-current borrowings	Lease liabilities	Total liabilities from financing activities
January 1, 2019	**623,341**	**1,036,018**	**4,310**	**1,663,669**
Adjustment due to IFRS 16	0	0	88,785	**88,785**
January 1, 2019 (adjusted)	**623,341**	**1,036,018**	**93,095**	**1,752,454**
Cash-effective change	– 477,723	721,732	– 21,570	**222,439**
Non-cash-effective change	357,706	– 294,917	24,911	**87,700**
Additions from business combinations	5,713	17,804	880	**24,397**
Transfers	321,544	– 321,544	0	**0**
Accrued interest	27,135	7,118	3,173	**37,426**
Other changes	0	0	20,612	**20,612**
Exchange rate differences	3,314	1,705	246	**5,265**
of which with effect on other comprehensive income	– 570	101	113	– 356
of which with effect on profit or loss (financial result)	3,884	1,604	133	5,621
December 31, 2019	**503,324**	**1,462,833**	**96,436**	**2,062,593**

T€	Current borrowings	Non-current borrowings	Lease liabilities	Total liabilities from financing activities
January 1, 2020	**503,324**	**1,462,833**	**96,436**	**2,062,593**
Cash-effective change	– 520,145	494,419	– 22,675	**– 48,401**
Non-cash-effective change	26,487	6,430	25,646	**58,563**
Accrued interest	27,011	6,950	4,610	**38,571**
Other changes	0	0	30,029	**30,029**
Exchange rate differences	– 524	– 520	– 8,993	**– 10,037**
of which with effect on other comprehensive income	– 786	– 260	– 9,280	**– 10,326**
of which with effect on profit or loss (financial result)	262	– 260	287	**289**
December 31, 2020	**9,666**	**1,963,682**	**99,407**	**2,072,755**

For changes in borrowings, please also refer to note 23.

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

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

December 31, 2019 adjusted* T€	Carrying amount	Value recognized under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value
ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,082,987**	**1,082,987**	**–**	**–**	**1,082,987**
Cash	419,070	419,070	–	–	419,070
Trade receivables	647,675	647,675	–	–	647,675
Other financial assets	16,242	16,242	–	–	16,242
Financial assets at fair value through profit or loss (FVTPL)	**34,880**	**–**	**–**	**34,880**	**34,880**
Cash equivalents	26,830	–	–	26,830	26,830
Securities	724	–	–	724	724
Equity instruments	5,520	–	–	5,520	5,520
Derivative financial instruments without hedge relationship	1,806	–	–	1,806	1,806
Derivative financial instruments with hedge relationship (n.a.)	**100**	**–**	**100**	**–**	**100**
LIABILITIES					
Financial liabilities at amortized cost (FLAC)	**2,305,867**	**2,305,867**	**–**	**–**	**2,436,965**
Trade payables	332,497	332,497	–	–	332,497
Borrowings	1,966,157	1,966,157	–	–	2,097,255
Other financial liabilities	7,213	7,213	–	–	7,213
Financial liabilities at fair value through profit or loss (FVTPL)	**497**	**–**	**–**	**497**	**497**
Derivative financial instruments without hedge relationship	497	–	–	497	497
Derivative financial instruments with hedge relationship (n.a.)	**260**	**–**	**260**	**–**	**260**

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

December 31, 2020 T€	Carrying amount	Value recognized under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value
ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,155,963**	**1,155,963**	**–**	**–**	**1,155,963**
Cash	499,180	499,180	–	–	499,180
Cash equivalents	40,927	40,927	–	–	40,927
Trade receivables	600,795	600,795	–	–	600,795
Other financial assets	15,061	15,061	–	–	15,061
Financial assets at fair value through profit or loss (FVTPL)	**201,749**	**–**	**–**	**201,749**	**201,749**
Cash equivalents	185,029	–	–	185,029	185,029
Securities	755	–	–	755	755
Equity instruments	10,370	–	–	10,370	10,370
Derivative financial instruments without hedge relationship	5,595	–	–	5,595	5,595
Derivative financial instruments with hedge relationship (n.a.)	**217**	**–**	**217**	**–**	**217**
LIABILITIES					
Financial liabilities at amortized cost (FLAC)	**2,310,643**	**2,310,643**	**–**	**–**	**2,504,219**
Trade payables	334,178	334,178	–	–	334,178
Borrowings	1,973,348	1,973,348	–	–	2,166,924
Other financial liabilities	3,117	3,117	–	–	3,117
Financial liabilities at fair value through profit or loss (FVTPL)	**761**	**–**	**–**	**761**	**761**
Derivative financial instruments without hedge relationship	296	–	–	296	296
Other financial liabilities	465	–	–	465	465
Derivative financial instruments with hedge relationship (n.a.)	**9**	**–**	**9**	**–**	**9**

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

The cash equivalents and securities classified at fair value through profit or loss are assigned to Level 1 and the equity instruments to Level 3. Equity instruments comprise three investments, of which one investment with an acquisition cost of € 5.1 million was added in the fiscal year. The valuation and thus the present value of the expected benefit from these investments is based on a discounted cash flow calculation. Non-observable input factors were based on a weighted average cost of capital of 5.6 % or 9.8 % and a long-term growth rate of 1.0 %. Due to a lack of materiality, a sensitivity analysis was not performed. Other financial liabilities at fair value through profit or loss allocated to Level 3 include the contingent purchase price liability from the subsequent acquisition of further shares in Octopepper, the amount of which is based on the increase in members of an online platform. The valuation is based on the assumption that the limit defined in the purchase contract will be reached. The subsequent fair value changes relating to the contingent purchase price obligation are recognized in other operating income and expenses. Fair value changes arising as effects of interest accrued are recognized in the financial result. The valid forward exchange rates are used as the valuation rates for the mark-to-market valuation of currency forward contracts in Level 2 for currency forwards. These are established by the interest difference of the currencies involved while accounting for term duration. The fair values were not adjusted for the components of counterparty-specific risk (credit valuation adjustment – CVA/debt valuation adjustment – DVA) and the liquidity premium for the respective foreign currency (cross currency basis spread – CCBS) for reasons of materiality. There were no transfers between Levels 1 and 2 during the period under review. The determination of fair values is unchanged.

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

NET GAINS AND LOSSES ACCORDING TO VALUATION CATEGORY

T€	2019	2020
Financial assets at amortized cost (FAAC)	– 1,301	– 10,618
Financial instruments at fair value through profit or loss (FVTPL)	4,380	20,275
Financial liabilities at amortized cost (FLAC)	– 41,994	– 28,937
Total	**– 38,915**	**– 19,280**

The net gains and losses in the fiscal year are mainly due to interest rate effects as well as exchange rate effects due to higher volatility of the US Dollar against the Euro.

The targeted use of currency forward contracts related exclusively to hedging currency risks (€ 19.5 million).

Net income from financial assets measured at amortized cost includes interest income of € 1.5 million (2019: € 1.4 million). Interest expenses for financial liabilities measured at amortized cost amounted to € 33.8 million in the reporting year (2019: € 33.5 million).

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

32. DISCLOSURES RELATING TO FINANCIAL INSTRUMENT RISK MANAGEMENT

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

The management of risk is based on Group-wide guidelines in which objectives, principles, responsibilities and competencies are defined. These are monitored on a regular basis and adjusted to current market and production developments. Risk management has remained unchanged from the previous year.

INTEREST RISK

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

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

2019	Nominal	of which fixed	of which variable	of which unhedged	1.0 percentage point increase
T€	1,802,691	1,555,443	247,248	247,248	2,472
TUSD	195,992	185,992	10,000	10,000	100
TMGA	51,924,959	0	51,924,959	51,924,959	519,250

2020	Nominal	of which fixed	of which variable	of which unhedged	1.0 percentage point increase
T€	1,999,355	1,932,502	66,853	66,853	669
TUSD	2,651	2,651	0	0	0
TCAD	1,683	1,683	0	0	0

An increase to all relevant interest rates of one percentage point would have resulted in T€ 669 less net income as of December 31, 2020 (December 31, 2019: T€ 2,687). A decline in the interest rates would have had no material effect on net income due to provisions on negative interest rates stipulated in the credit agreements. The changes in interest rates from financial instruments have no impact on equity.

CURRENCY RISK

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

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

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

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

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

A significant currency risk for the Symrise Group in the reporting year resulted primarily in relation to the US Dollar, Chinese Renminbi and Japanese Yen. The foreign currency risk before hedging transactions amounted to JPY 2,747.6 million as of the end of the reporting period (December 31, 2019: JPY 2,596.9 million), CNY 187.9 million (December 31, 2019: CNY 199.5 million) and USD 88.5 million (December 31, 2019: USD 77.7 million). The increase in relation to the Japanese Yen results from a higher level of the internal Group liquidation settlement with the in-house bank in this currency, which was largely secured via currency forward contracts. The decrease in relation to the Chinese Renminbi primarily results from a lower level of trade receivables in this currency, which was largely secured via currency forward contracts. The increase in relation to the US Dollar resulted primarily from a higher level of cash in this currency.

T€	2019	2020
Sensitivity from a value increase/decrease in the EUR as compared to the USD of +/– 10 %		
Impact on earnings before income taxes	+/– 5,893	+/– 2,294
Impact on other comprehensive income before income taxes	–/+ 1,165	–/+ 1,165
Total	**+/– 4,728**	**+/– 1,129**
Sensitivity from a value increase/decrease in the EUR as compared to the CNY of +/– 10 %		
Impact on earnings before income taxes	+/– 708	+/– 3,811
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 708**	**+/– 3,811**
Sensitivity from a value increase/decrease in the EUR as compared to the JPY of +/– 10 %		
Impact on earnings before income taxes	+/– 186	+/– 179
Impact on other comprehensive income before income taxes	–/+ 0	–/+ 0
Total	**+/– 186**	**+/– 179**

Derivative financial instruments were used to reduce currency risk.

Currency forward contracts with positive market values amounted to T€ 5,812 as of the end of the reporting period (December 31, 2019: T€ 1,906), while currency forward contracts with negative market values totaled T€ 305 (December 31, 2019: T€ 757).

Further information on the positive and negative fair values for currency forward contracts with and without hedge relationships can be found in the table on financial instruments in note 31 as well as in the notes on liquidity risk.

LIQUIDITY RISK

The risk that Symrise is unable to meet its financial obligations is limited by creating the necessary financial flexibility within the existing financing arrangements and through effective cash management. Symrise manages the liquidity risk through the use of a twelve-month rolling financial plan. This makes it possible to finance deficits that can be forecast under normal market conditions at normal market terms. Based on current planning, no liquidity risks are foreseen at the moment. As of the reporting date, Symrise had access to credit lines that are explained in greater detail in note 23.

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

2019 adjusted* T€	Carrying amount	Expected outgoing payments	Maturity dates for expected payments up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,966,157	2,091,118	526,880	735,517	828,721
Trade payables	332,497	332,497	332,497	0	0
Other non-derivative financial obligations	7,213	7,237	5,616	1,621	0

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

2020 T€	Carrying amount	Expected outgoing payments	Maturity dates for expected payments up to 1 year	over 1 year to 5 years	over 5 years
Borrowings	1,973,348	2,119,602	31,318	1,334,276	754,008
Trade payables	334,178	334,178	334,178	0	0
Other non-derivative financial obligations	3,582	3,603	2,154	1,449	0

The fair value and the expected incoming and outgoing payments from derivative financial assets and liabilities are presented in the following table. The average term of the currency forward contracts existing as of December 31, 2020, is four months.

T€	2019	2020
Currency forward contracts		
Assets	1,906	5,812
Liabilities	757	305
Expected incoming payments	222,548	129,676
Expected outgoing payments	221,399	124,169

DEFAULT AND CREDITWORTHINESS RISK

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

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

Impairment losses on financial assets recognized in the consolidated income statement are almost entirely accounted for in trade receivables.

33. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

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

Symrise is confronted with lawsuits and legal proceedings as a result of its normal business activities, which generally relate to the areas of labor law, product liability, warranty claims, tax law and intellectual property. Symrise sets up provisions for such cases when it is probable that an obligation arises from past events, when the amount of the obligation can be measured with sufficient reliability and the settlement of which is expected to result in an outflow of resources embodying economic benefits. For all currently pending legal proceedings, Symrise has set up provisions of € 10.4 million (see note 26). The results of present and future proceedings are not foreseeable, meaning that legal or official decisions or settlement agreements could lead to expenses that are not or not completely covered by insurance services and that could therefore have material effects on the business and its results.

OTHER FINANCIAL OBLIGATIONS

As of December 31, 2020, the Group has obligations to purchase property, plant and equipment amounting to € 49.8 million (December 31, 2019: € 41.2 million). This mainly relates to production facilities and laboratory and office equipment. These obligations will mostly come due during the course of 2021. Other obligations amounting to € 152.7 million (December 31, 2019: € 174.2 million) exist from not yet fulfilled commitments for purchases of goods.

Symrise signed a sales agreement with Sensient Technologies Corporation, Milwaukee, USA in November 2020 on the acquisition of their Fragrance and Aroma Chemicals business. These activities include various Aroma Molecules solutions and fragrances from natural and renewable sources. Both parties agreed to keep the purchase price confidential. The transaction remains subject to regulatory approval.

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 € 4.2 million (December 31, 2019: € 8.9 million), accounting for extraordinary termination rights. Miscellaneous other financial obligations amounted to € 8.8 million as of December 31, 2020 (December 31, 2019: € 12.4 million) and are mostly obligations from consulting, service and cooperation contracts (€ 5.1 million; December 31, 2019: € 7.7 million).

34. TRANSACTIONS WITH RELATED PARTIES

Consolidated companies, joint ventures and associated companies, the members of the Executive Board and Supervisory Board and their close relatives are considered related parties. The sales and purchases from related companies were completed under the same terms and conditions as though they had been transacted with third parties. As in the previous year, only a small amount of goods was purchased from joint ventures and associated companies in 2020.

In addition to fixed remuneration and one-year variable remuneration, the members of the Executive Board also receive variable remuneration over several years (long-term incentive plan, LTIP). The individual remuneration components are explained in more detail in the remuneration report of the Group management report. The following table provides an overview of the remuneration of the members of the Executive Board and Supervisory Board pursuant to IAS 24.17:

			2019			2020
T€	Executive Board	Supervisory Board	Total	Executive Board	Supervisory Board	Total
Short-term benefits	8,234	1,081	**9,315**	8,583	1,093	**9,676**
Other long-term benefits	2,999	0	**2,999**	3,228	0	**3,228**
Post-employment benefits	58	0	**58**	0	0	**0**
Total	**11,291**	**1,081**	**12,372**	**11,811**	**1,093**	**12,904**

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

T€	2019	2020
Total remuneration for active members		
Executive Board	8,234	11,527
Supervisory Board	1,081	1,093
Total remuneration for former members and their surviving dependents		
Executive Board	343	403

Provisions for current pensions and pension entitlements contain contributions of € 13.8 million (December 31, 2019: € 12.9 million) for former members of the Executive Board and € 6.2 million (December 31, 2019: € 5.2 million) for current members of the Executive Board.

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

35. EXECUTIVE BOARD AND SUPERVISORY BOARD SHAREHOLDINGS

The direct or indirect total holding of shares in Symrise AG by all members of the Executive and Supervisory Boards as of December 31, 2020, amounted to more than 1 %. Of the 5.46 % of shares in Symrise AG held by members of the Executive and Supervisory Boards, 5.23 % is held by members of the Supervisory Board while 0.23 % is held by members of the Executive Board.

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

Please refer to the risk report, which is a component of the Group management report.

37. AUDIT OF FINANCIAL STATEMENTS

The Annual General Meeting of Symrise AG, held on June 17, 2020, appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditor for the 2020 fiscal year.

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

T€	2019	2020
Audit of financial statements	894	821
Other audit assurance services	91	92
Tax advisory services	9	0
Total	**994**	**913**

A total of € 2.8 million (2019: € 2.8 million) was incurred worldwide in connection with the audit of the financial statements.

38. LIST OF INTERESTS IN ENTITIES

Fully consolidated subsidiaries as of December 31, 2020

Name and registered office of the entity	Share
Germany	
Busiris Vermögensverwaltung GmbH, Holzminden	100.00 %
DrinkStar GmbH, Rosenheim	100.00 %
Haarmann & Reimer Unterstützungskasse Gesellschaft mit beschränkter Haftung, Holzminden	100.00 %
Schimmel & Co. Gesellschaft mit beschränkter Haftung, Holzminden	100.00 %
SMP GmbH, Munich	100.00 %
Symotion GmbH, Holzminden	100.00 %
Symrise Beteiligungs GmbH, Holzminden	100.00 %
Symrise BioActives GmbH, Hamburg	100.00 %
Symrise Financial Services GmbH, Holzminden	100.00 %
Tesium GmbH, Holzminden	100.00 %
France	
Arôme de Chacé SAS, Chacé	100.00 %
Diana Food SAS, Antrain	100.00 %
Diana SAS, Saint Nolff	100.00 %
Diana Trans SAS, Saint Nolff	100.00 %
Octopepper SAS, Bordeaux	100.00 %
Société de Protéines Industrielles SAS, Berric	100.00 %
Spécialités Pet Food SAS, Elven	100.00 %
Symrise SAS, Clichy-la-Garenne	100.00 %
Villers SAS, Villers Les Pôts	100.00 %
Rest of Europe	
Cobell Limited, Exeter, United Kingdom	100.00 %
Diana Food Limited, Spalding, United Kingdom	100.00 %
OOO “Symrise Rogovo,” Rogovo, Russia	100.00 %
Probi AB, Lund, Sweden	58.71 %

Rest of Europe (Continuation from page 134)	
Probi Feed AB, Lund, Sweden	58.71 %
Probi Food AB, Lund, Sweden	58.71 %
Scelta Umami B.V., Venlo, Netherlands	60.00 %
SPF Diana España SLU, Lleida, Spain	100.00 %
SPF Hungary Kft, Beled, Hungary	100.00 %
SPF RUS, Shebekino, Russia	100.00 %
SPF UK Ltd, Doncaster, United Kingdom	60.00 %
Symrise Group Finance Holding 1 BVBA, Brussels, Belgium	100.00 %
Symrise Iberica S.L., Parets de Valles, Spain	100.00 %
Symrise IP Holding GCV, Brussels, Belgium	100.00 %
Symrise Kimya Sanayi Ticaret Ltd., Sirketi, Turkey	100.00 %
Symrise Limited, Marlow Bucks, United Kingdom	100.00 %
Symrise Luxembourg S.a.r.l., Luxembourg, Luxembourg	100.00 %
Symrise Spółka z ograniczoną odpowiedzialnością, Warsaw, Poland	100.00 %
Symrise S.r.l., Milan, Italy	100.00 %
Symrise US Holding BV, Halle, Netherlands	100.00 %
Symrise Vertriebs GmbH, Vienna, Austria	100.00 %

North America	
American Dehydrated Foods Inc., Springfield, USA	100.00 %
Diana Food Canada Inc., Champlain (Québec), Canada	100.00 %
Diana Food Inc., Silverton, USA	100.00 %
International Dehydrated Foods Inc., Springfield, USA	100.00 %
IsoNova Technologies LLC, Springfield, USA	100.00 %
Probi US Inc., Seattle, USA	58.71 %
SPF Canada – Groupe Diana Inc, Chemin (Québec), Canada	100.00 %
SPF North America Inc., South Washington, USA	100.00 %
SPF USA Inc., Wilmington, USA	100.00 %
Symrise Holding Inc., Wilmington, USA	100.00 %
Symrise Holding II Inc., Wilmington, USA	100.00 %
Symrise Inc., Teterboro, USA	100.00 %
Symrise Re Inc., Burlington, USA	100.00 %
Symrise US LLC, Teterboro, USA	100.00 %

Latin America	
Aquasea Costa Rica, Canas, Costa Rica	100.00 %
Citratus Fragrâncias Indústria e Comércio Ltda., Vinhedo, Brazil	100.00 %
Diana-Food Ecuador SA, Machala, Ecuador	100.00 %
Diana Food Chile SpA, Buin, Chile	100.00 %
Diana Pet Food Colombia, Buenos Aires, Colombia	100.00 %
Proteinas Del Ecuador Ecuaprotein SA, Durán, Ecuador	91.50 %
Spécialité Pet Food S.A. de C.V., El Marquès queretato, Mexico	100.00 %
SPF Argentina, Buenos Aires, Argentina	100.00 %
SPF Do Brazil Indústria e Comércio Ltda, São Paulo, Brazil	100.00 %
Symrise Aromas e Fragrâncias Ltda., São Paulo, Brazil	100.00 %
Symrise C.A., Caracas, Venezuela	100.00 %
Symrise Ltda., Bogota, Colombia	100.00 %
Symrise S. de R.L. de C.V., San Nicolas de los Garza, Mexico	100.00 %
Symrise S.A., Santiago de Chile, Chile	100.00 %
Symrise S.R.L., Tortuguitas, Argentina	100.00 %

Asia and Pacific	
Diana Group Pte (Singapore) Ltd, Singapore, Singapore	100.00 %
Diana Petfood (Chuzhou) Company Limited, Chuzhou, China	100.00 %
Diana Naturals Private Ltd, Mumbai, India	100.00 %
P.T. Symrise, Jakarta, Indonesia	100.00 %
Probi Asia-Pacific Pte Ltd, Singapore, Singapore	58.71 %
SPF (Chuzhou) Pet Food Co., Ltd, Chuzhou, China	100.00 %
SPF (Qingdao) Trading Co., Ltd, Qingdao City, China	100.00 %
SPF Thailand, Bangkok, Thailand	51.00 %
SPF Diana Australia Pty Ltd, Beresfield, Australia	100.00 %
Symrise (China) Investment Co. Ltd., Nantong, China	100.00 %
Symrise Asia Pacific Pte. Ltd., Singapore, Singapore	100.00 %
Symrise Flavors & Fragrances (Nantong) Co. Ltd., Nantong, China	100.00 %
Symrise Holding Pte. Limited, Singapore, Singapore	100.00 %
Symrise Inc., Manila, Philippines	100.00 %
Symrise K.K., Tokyo, Japan	100.00 %
Symrise Limited, Seoul, South Korea	100.00 %
Symrise Ltd., Bangkok, Thailand	100.00 %
Symrise Private Limited, Chennai, India	100.00 %
Symrise Pte. Ltd., Singapore, Singapore	100.00 %
Symrise Pty. Ltd., Dee Why, Australia	100.00 %
Symrise SDN. BHD, Petaling, Malaysia	100.00 %
Symrise Shanghai Limited, Shanghai, China	100.00 %

Africa and Middle East	
Origines S.a.r.L., Antananarivo, Madagascar	100.00 %
Specialites Pet Food South Africa, Cape Town, South Africa	100.00 %
Symrise (Pty) Ltd., Isando, South Africa	100.00 %
Symrise Middle East Ltd, Dubai, United Arab Emirates	100.00 %
Symrise Middle East FZ-LLC, Dubai, United Arab Emirates	100.00 %
Symrise Nigeria Limited, Lagos, Nigeria	100.00 %
Symrise Parsian, Tehran, Iran	100.00 %
Symrise S.A.E., 6th of October City, Egypt	100.00 %
Symrise S.a.r.L., Antananarivo, Madagascar	100.00 %

Joint ventures as of December 31, 2020

Name and registered office of the entity	Share
Food Ingredients Technology Company, L.L.C., Springfield, USA	50.00 %

Associated companies as of December 31, 2020

Name and registered office of the entity	Share
Therapeutic Peptides Inc., Baton Rouge, USA	20.00 %
Californulations, LLC, Columbus, USA	34.00 %
VIDEKA, LLC, Kalamazoo, USA	49.00 %

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

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

40. CORPORATE GOVERNANCE

The Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) has been submitted for 2020 and has been made permanently available to shareholders through the website www.symrise.com.

41. EVENTS AFTER THE REPORTING PERIOD

Changes will be made to the executive ranks effective April 1, 2021: Heinrich Schaper, the Executive Board member responsible for the Flavor segment, will retire and leave the company on March 31, 2021. In the course of succession planning, the Supervisory Board decided that Dr. Jean-Yves Parisot should take over global management of the Flavor segment in addition to his responsibility for the Nutrition segment. Achim Daub, Executive Board member responsible for the Scent & Care segment worldwide since 2006, will also leave the company on March 31, 2021. Succession planning for the management of the Scent & Care business has already been initiated. Dr. Heinz-Jürgen Bertram will lead the segment in the transition period. Executive Board member Olaf Klinger will continue to head the Finance, Legal and IT departments.

Holzminden, Germany, March 1, 2021

Symrise AG

The Executive Board

Dr. Heinz-Jürgen Bertram — Olaf Klinger — Achim Daub

Dr. Jean-Yves Parisot — Heinrich Schaper

Statement of the Executive Board

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

Holzminden, Germany, March 1, 2021

Symrise AG

The Executive Board

Dr. Heinz-Jürgen Bertram

Olaf Klinger

Achim Daub

Dr. Jean-Yves Parisot

Heinrich Schaper

Independent auditor's report

To Symrise AG

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

OPINIONS

We have audited the consolidated financial statements of Symrise AG, Holzminden, and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the fiscal year from 1 January 2020 to 31 December 2020, and the consolidated statement of financial position as at 31 December 2020, consolidated statement of cash flows, consolidated statement of changes in equity for the fiscal year from 1 January 2020 to 31 December 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Symrise AG for the fiscal year from 1 January 2020 to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance that is part of the group management report and was published on the website cited in the group management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2020 and of its financial performance for the fiscal year from 1 January 2020 to 31 December 2020, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

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

BASIS FOR THE OPINIONS

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

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January 2020 to 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

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

1) IMPAIRMENT TESTING OF GOODWILL

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

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

The result of the impairment test performed as of 30 September 2020 to determine whether an impairment loss has to be recognized on goodwill is highly dependent on the executive directors' estimate of future cash flows and the respective discount rates and growth rates used.

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

Auditor's response

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

With respect to the rollforward of the medium to the long-term plan, we examined in particular the assumptions on the growth rate in the perpetual annuity. Our assessment of the results of the impairment tests as of 30 September 2020 was based among other things on a comparison with general and industry-specific market expectations underlying the expected cash inflows. Based on our understanding that even relatively small changes in the discount rates used can at times have significant effects on the amount of the business value calculated, we analyzed the inputs used to determine the discount rates and reperformed the calculation with regard to the relevant requirements of IAS 36. We also performed sensitivity analyses in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

We obtained evidence that the segments represent the lowest level within the Group at which independent cash inflows are generated and goodwill is monitored for internal management purposes.

As the Symrise Group carries out its impairment test as of 30 September each year, we performed additional procedures to ensure that there had been no significant changes as of the reporting date. This mainly involved analyzing the validity of the underlying valuation inputs and significant planning assumptions as of the reporting date.

Our procedures did not lead to any reservations relating to the valuation of goodwill.

Reference to related disclosures

With regard to the recognition and measurement policies applied for goodwill, refer to the disclosure on impairments in section "2.5 Summary of Significant Accounting Policies" of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to the disclosure in section "2.3 Estimates and Assumptions" and in note 18 "Intangible Assets" in the "Additional Disclosures on the Consolidated Statement of Financial Position" section of the notes to the consolidated financial statements.

2) RECOGNITION OF REVENUE FROM THE SALE OF PRODUCTS

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

Revenue from the sale of products is recognized in the consolidated financial statements of Symrise AG when control over the goods sold has been transferred to the customers.

The Symrise Group has a large number of customers and an extensive product range. This entails a large number of different contractual arrangements, calling for particular care in order to properly account for transactions, especially with regard to the correct application of the accrual basis accounting. In this light, revenue recognition was a key audit matter.

Auditor's response

The executive directors of Symrise AG have issued detailed accounting instructions and implemented processes for recognizing revenue from product sales. During our audit, we considered, based on the criteria defined in IFRS 15, the recognition and measurement requirements applied in the consolidated financial statements of Symrise AG for the recognition of revenue. Our response included an examination of whether control passed to the buyers upon the sale of the products. We analyzed the processes implemented by the Executive Board of Symrise AG and the recognition and measurement policies for the recognition of revenue from product sales. We tested the operating effectiveness of the controls relating to revenue recognition and the correct cut-off of revenue. To substantiate the existence of revenue, we examined whether it led to trade receivables and in turn, if payments were received in settlement of these receivables. In addition, based on analytical procedures and additional substantive procedures defined group-wide, we analyzed whether the revenue for fiscal year 2020 was recognized on an accrual basis. We analyzed the recognition of revenue based on the contractual arrangements on a sample basis with regard to the requirements of IFRS 15 for revenue recognition. We also obtained balance confirmations from customers.

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

Reference to related disclosures

With regard to the recognition and measurement policies applied for the recognition of revenue from the sale of products, refer to the disclosure on the recognition of revenue in section "2.5 Summary of Significant Accounting Policies" of the notes to the consolidated financial statements.

3) PURCHASE PRICE ALLOCATION FROM THE ACQUISITION OF THE ADF/IDF GROUP

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

In early November 2019, Symrise AG acquired the ADF/IDF Group, USA, for a purchase price of USD 864.0m. The initially tentative purchase price allocation in the consolidated financial statements dated 31 December 2019 was completed in the second half of 2020.

The assets and liabilities acquired are recognized at fair value as of the acquisition date. The remaining purchase price amount that is not allocated to the acquired assets and liabilities as part of the purchase price allocation is recognized as goodwill.

No observable market values are available for some of the acquired assets, especially brands, technology and customer and supplier relationships. Consequently, complex valuation models based on assumptions are used to determine the relevant fair values. The outcome of the valuation is highly dependent on the estimate of future cash flows and the discount rates used and is subject to uncertainty due to the considerable judgment exercised. Given the complexity of the valuation, the inherent assumptions subject to judgment and the significance of the acquisition for the consolidated financial statements, we consider the purchase price allocation to be a key audit matter.

Auditor's response
With the aid of our valuation specialists, we considered the appropriateness of the valuation model and the business plans on which the valuation was based. This included an assessment of the clerical accuracy of the valuation model and consideration of the significant planning assumptions, also on the basis of external market data and interviews with management.

In the course of our audit, we also focused on the identification of value drivers for the identified intangible assets being valued. We analyzed whether the assumptions used to determine the value are appropriate, especially in the areas of technology, brands and customer and supplier relationships.

We also focused on the assumptions and parameters used to determine the weighted cost of capital (discount rates), especially the proper determination of peer groups to derive the cost of capital, and considered the calculation method.

We also considered the technical and factual appropriateness of the method used to account for the outcome of the purchase price allocation.

Furthermore, we considered the allocation of goodwill to the nutrition cash-generating unit and the completeness and factual accuracy of the disclosures in the notes.

Our procedures did not lead to any reservations relating to the purchase price allocation or the disclosures thereon in the notes to the consolidated financial statements.

Reference to related disclosures
With regard to the recognition and measurement policies applied for the acquisition, refer to the disclosures in section 2.4 "Consolidation principles and basis of consolidation" in the notes to the consolidated financial statements.

OTHER INFORMATION

The Supervisory Board is responsible for the Report of the Supervisory Board. In all other respects, the executive directors are responsible for the other information. The other information comprises the statement on corporate governance referred to above. In addition, the other information comprises the group non-financial report, of which we obtained a version prior to issuing this auditor's report. Furthermore, the other information comprises additional parts to be included in the annual report, of which we obtained a version prior to issuing this auditor's report, in particular:

- the "Report of the Supervisory Board" included in the 2020 financial report,
- the responsibility statement pursuant to Sec. 297 (2) Sentence 4 HGB and Sec. 315 (1) Sentence 5 HGB contained in the "Statement of the Executive Board" section of the 2020 financial report,
- the information obtained in the "Corporate Governance" section of the 2020 financial report,

- the information obtained in the "Sustainability and Responsibility" section of the 2020 annual report

- and the information obtained in the other sections of the 2020 financial report and in the 2020 annual report

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

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the assurance in accordance with Sec. 317 (3b) HGB on the electronic reproduction of the consolidated financial statements and the group management report prepared for publication purposes

Opinion

We have performed assurance work in accordance with Sec. 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file Symrise_AG_KA+KLB_ESEF-2020-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the abovementioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the abovementioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2020 to 31 December 2020 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above.

Basis for the opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the group management report contained in the abovementioned attached electronic file in accordance with Sec. 317 (3b) HGB and Exposure Draft of IDW Assurance Standard: Assurance in Accordance with Sec. 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Our responsibilities under that standard are further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applied the standards for the quality assurance system set forth in IDW Standard on Quality Control: "Requirements for Quality Control in Audit Firms" (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and the audited group management report as well as other documents to be published to the operator of the Bundesanzeiger [German Federal Gazette].

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version valid as of the reporting date, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further information pursuant to Art. 10 of the EU Audit Regulation
We were elected as group auditor by the Annual General Meeting on 17 June 2020. We were engaged by the Supervisory Board on 20 October 2020. We have been the group auditor of Symrise AG without interruption since fiscal year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Christian Janze.

Hanover, 2 March 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig	Dr. Janze
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Corporate Governance

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

The actions of Symrise AG's management and oversight bodies are determined by the principles of good and responsible corporate governance. The Executive Board – also acting on behalf of the Supervisory Board – has issued the following Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code for Symrise AG and the Symrise Group (hereinafter collectively referred to as "Symrise"). This includes the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act, relevant disclosures on corporate governance practices, a description of the working methods of the Executive Board and the Supervisory Board as well as the composition and working methods of their committees, the target figures for the proportion of women in the Executive Board and for the two management levels below the Executive Board, together with deadlines for implementation, status of implementation and a description of the diversity concept with regard to the composition of the Executive Board and Supervisory Board.

In accordance with Principle 22 of the currently applicable version of the German Corporate Governance Code from December 16, 2019 ("DCGK 2020") published in the official section of the Federal Gazette by the German Federal Ministry of Justice and Consumer Protection on March 20, 2020, the Supervisory Board and Executive Board report annually on the corporate governance of the respective company in the Corporate Governance Statement. Due to the similarity of the contents of the Corporate Governance Report and the Corporate Governance Statement to each other, Symrise has integrated the Corporate Governance Report into the Corporate Governance Statement in previous years, thus making it easier for readers to follow.

The remuneration report that was required by commercial law to be prepared for the last time for the 2020 fiscal year in accordance with Sections 289a (2) sentence 1, 315a (2) sentence 1 of the German Commercial Code is no longer part of the corporate governance reporting. The remuneration report under commercial law is part of the management report included on pages 57 to 66 of the 2020 financial report.

Section 162 of the German Stock Corporation Act, newly introduced with the Act Implementing the Second Shareholders' Rights Directive (ARUG II), will require a remuneration report under stock corporation law in the future. This will be prepared for the first time for the fiscal year beginning after December 31, 2020, and will then replace the remuneration report under commercial law in accordance with Sections 289a (2) sentence 1, 315a (2) sentence 1 of the German Commercial Code. The remuneration report under stock corporation law pursuant to Section 162 of the German Stock Corporation Act is a separate report from the financial statements under commercial law. Therefore in the future, it will be neither part of the Corporate Governance Statement nor part of the management report.

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

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT FROM DECEMBER 2020

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

WORDING OF THE DECLARATION

On the basis of their deliberations, the Executive Board and the Supervisory Board of Symrise AG issued a new declaration of compliance on December 2, 2020, pursuant to Section 161 of the German Stock Corporation Act.

The declaration is worded as follows:

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

Up to December 2, 2020, Symrise AG has fully complied with all recommendations made by the Government Commission on the Corporate Governance Codex (version: February 7, 2017, "DCGK 2017") published by the German Federal Ministry of Justice and Consumer Protection on April 24, 2017, in the official part of the Federal Gazette and amended on May 19, 2017, without exception. With the following four exceptions, from December 2, 2020, Symrise AG has fully complied with all recommendations made by the Government Commission on the Corporate Governance Codex (version: December 16, 2019, “DCGK 2020”) published by the German Federal Ministry of Justice and Consumer Protection on March 20, 2020 in the official part of the Federal Gazette without exception and will continue to do so in the future:

1. The Chairman of the Supervisory Board of Symrise AG, Mr. Michael König, is the Chief Executive Officer of the listed company ELKEM ASA, Oslo, Norway. Mr. König is also a member of the Board of Directors of Conzzeta AG, Zurich, Switzerland. In accordance with Recommendation C 5 of the Corporate Governance Codex 2020, a person who is a member of the Executive Board of a listed company shall not hold more than two Supervisory Board positions in non-Group listed companies or comparable functions and shall not chair the Supervisory Board of a non-Group listed company. As justification, the Government Commission on the Corporate Governance Codex (“Government Commission”) states that the workload associated with chairing the Supervisory Board of a listed company or in a comparable function is generally incompatible with serving as a member of the Executive Board of a listed company. This rationale from the Government Commission is not convincing. It is a mere assertion. No supporting evidence is provided. No one but Mr. König himself can know whether the activities he performs are compatible. Mr. König’s activities as Chairman of the Supervisory Board of Symrise AG are characterized by extraordinary commitment, including in terms of his time. This proves that chairing the Supervisory Board of a listed company is very compatible with being a member of the Executive Board of a listed company. Mr. König has further stated that he will not renew his membership on the Board of Directors of Conzzeta AG, Zurich, Switzerland, which ends in 2021. In the future, he will therefore focus exclusively on his positions at ELKEM and Symrise.

2. The target total remuneration for the members of the Executive Board of Symrise AG consists of one third fixed basic remuneration, one third variable remuneration with regard to the achievement of short-term targets, and one third variable remuneration with regard to the achievement of long-term targets. In accordance with Recommendation G 6 of the Corporate Governance Codex 2020, the variable remuneration resulting from the achievement of long-term targets should exceed the share resulting from short-term targets. The Supervisory Board of Symrise AG has set the goal of weighing the long-term variable remuneration component at 35 % more heavily than the short-term variable remuneration component, which should generally be limited to 30 % of the target total remuneration. The current slight deviation from one third of the target total remuneration in each case is due to salary adjustments in the past. As we do not wish to interfere with current Executive Board contracts, the target distribution of 35 % fixed base salary, 30 % short-term variable remuneration and 35 % long-term variable compensation will only be applied when new Executive Board contracts are concluded.

3. In accordance with Recommendation G 10 of the Corporate Governance Codex 2020, members of the Executive Board should not be able to access the remuneration amounts granted to them on a long-term basis until after four years. The long-term remuneration system currently in place at Symrise consists of rolling long-term incentive plans, each with a term of three years, so that the Executive Board members can access the remuneration amounts granted to them on a long-term basis after just three years. The Executive Board remuneration system is currently being revised. It will be submitted to the Annual General Meeting on May 5, 2021, and will also include corresponding provisions.

4. The current contracts of the members of the Executive Board do not contain any provision under which variable remuneration components can be withheld or reclaimed (“clawback”) in justified cases. In this respect, Symrise AG does not currently comply with Recommendation G 11 of the Codex 2020. As we do not wish to interfere with current Executive Board contracts, a corresponding provision will only be included when new Executive Board contracts are concluded. The Executive Board remuneration system is currently being revised. It will be submitted to the Annual General Meeting on May 5, 2021, and will also include corresponding provisions.”

The Declaration of Compliance has also been made publicly available on Symrise AG’s website. It can be found at **https://www.symrise.com/investors/corporate-governance/declaration-of-compliance**.

RELEVANT INFORMATION ON COMPANY PRACTICES

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

OUR CODE OF CONDUCT

Our Code of Conduct applies to all Symrise companies. Our Code of Conduct applies to the Executive Board and the Supervisory Board and to all Symrise employees in Germany and abroad, i.e., to managers and all employees at Symrise equally.

With it, we have established a widely visible fundamental principle for uniform and exemplary action and behavior. Our Code of Conduct defines minimum standards and sets out behavior enabling all Symrise employees to cooperate in meeting these standards. The Code of Conduct helps in overcoming ethical and legal challenges in daily work. It provides concrete guidance for any conflict situations. In the interest of all employees and the Group, possible noncompliance with standards will be investigated and addressed and the causes will be remedied. This means that misconduct will be consistently prosecuted in accordance with local laws.

Our Code of Conduct provides the framework for interactions with our key stakeholders: employees and colleagues, customers and suppliers, shareholders and investors, neighbors and society, national and local governments as well as government agencies, media and the public.

The Code of Conduct is based on our values and principles. By following it, we guarantee that every person is treated fairly and with respect, while ensuring that our behavior and business activities remain transparent, honest and consistent throughout the world.

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

OUR COMPLIANCE MANAGEMENT SYSTEM

INTRODUCTION

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

The following guideline applies to all our employees in all countries: "Any business that cannot align with our fundamental principles is not business for Symrise."

The Group Compliance Officer as well as Internal Auditing report directly to the CFO. This ensures their independence and authority. The Group Compliance Officer and Internal Auditing report to the Auditing Committee of the Supervisory Board regularly at each of the committee's meetings.

TECHNICAL COMPLIANCE AND LEGAL COMPLIANCE

In our compliance management system, we differentiate 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 us that our products and processes comply with local regulations around the world. Legal Compliance activities concentrate on competition and antitrust law, the prevention of corruption and money laundering, and export controls. Here, the focus of activity is on education and prevention. The implementation and further development of Group guidelines on these topics also fall into this category.

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

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

OUR INTEGRITY HOTLINE

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

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

In 2020, less than one case per month on average was reported via the Integrity Hotline worldwide. In all cases, investigations were initiated and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and Group-internal regulations. In no cases were labor law sanctions imposed. No material damage to third parties or to our company resulted from these cases.

TRAINING COURSES ON COMPLIANCE ISSUES

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

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

CORPORATE GOVERNANCE

Corporate governance at Symrise is based on the German Corporate Governance Code 2020, which has established itself as the guideline and standard for good corporate governance in Germany. Today, we are convinced more than ever before that good corporate governance is a prerequisite and indispensable basis for the success of a company. This success depends especially on the trust of our business partners, financial markets, investors, employees and the public. Confirming and further strengthening this trust is a prioritized objective at Symrise. Achieving this objective calls for responsible leadership along with corporate management and control focused on creating sustainable value.

In the past, we have oriented ourselves toward internationally and nationally acknowledged standards of good and responsible corporate governance and will continue to do so in the future. In the 2020 fiscal year, the Executive and Supervisory Boards dealt intensively with all corporate governance issues on numerous occasions across all areas.

DESCRIPTION OF THE WORKING METHODS OF THE EXECUTIVE AND SUPERVISORY BOARDS

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

DUAL MANAGEMENT SYSTEM

Symrise AG is a company under German law, which is influenced by the Corporate Governance Code 2020. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Executive Board and the Supervisory Board, each of which is entrusted with independent competencies. Symrise AG's Executive Board and Supervisory Board cooperate closely and in a spirit of trust in managing and overseeing the company.

EXECUTIVE BOARD

The Executive Board of Symrise AG currently has five members. All members of the Executive Board are appointed by the Supervisory Board. The Executive Board is responsible for managing the company's business operations in the interest of the company with a view to creating sustainable value.

The current members of the Executive Board are:

Dr. Heinz-Jürgen Bertram, Chief Executive Officer. Dr. Bertram has been a member of the Executive Board since October 2006. In July 2009, he became Chief Executive Officer. His current contract ends on October 31, 2022.

Mr. Achim Daub, President Scent & Care segment. Mr. Daub has been a member of the Executive Board since October 2006. His current contract ends on December 31, 2021. Mr. Daub is a member of the Board of Directors of Phlur, Inc. in Austin, Texas, USA and the Supervisory Board of PiC-20, Inc. in Norwalk, Connecticut, USA.

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

Dr. Jean-Yves Parisot, President Nutrition segment. Dr. Parisot has been a member of the Executive Board since October 2016. His current contract ends on September 30, 2024. Dr. Parisot is a member of the Board of Directors of Probi AB, which is listed in Sweden and is headquartered in Lund, Sweden. Probi AB is a Symrise Group company. Dr. Parisot is a member of the Supervisory Board of VetAgro Sup headquartered in Lyon, France.

Mr. Heinrich Schaper, President Flavor segment. Mr. Schaper has been a member of the Executive Board since October 2016. His current contract ends on September 30, 2022.

The Executive Board develops the company's strategic direction, approves it with the Supervisory Board and is responsible for its implementation. The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant issues of corporate planning and strategic development, on company performance, on the status of the Group, including a risk profile, and on risk management. The reporting of the Executive Board also covers the compliance management system, i.e., the measures for adherence to legal regulations and internal corporate guidelines. The rules of procedure for the Executive Board specify reservations of consent of the Supervisory Board for significant business transactions.

In accordance with Recommendation B 5 of the Corporate Governance Codex 2020, there is an age limit for members of the Executive Board. Anyone who has reached the age of 65 at the time of appointment may no longer be appointed as a member of the Executive Board. This age limit is specified in Section 1 (5) of the rules of procedure for the Executive Board and has been in place since December 2009. These provisions are available to the public on our website at **https://www.symrise.com/rules-of-procedure-executive-board**.

The Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, has the aim of increasing the share of female managers holding upper management positions at companies and largely contributing to gender equality. Symrise AG aims to achieve a 20 % share of women on the Executive Board in the long term. Measures related to specific persons have been agreed between the Supervisory Board and the Executive Board for this purpose. Nevertheless, we must respect current employment contracts and ensure continuity in the Executive Board. The current members of the Executive Board have contracts that extend into the years 2021 to 2024. In addition, Symrise is a globally managed company, so senior management positions below the Executive Board also exist outside of Germany. The basis for the quota for female managers at Symrise is therefore the global management structure at Symrise AG. The share of women at the first level of management beneath the Executive Board amounted to 28 % in 2020. At the second level of management it amounted to 42 %. The intention is to increase the share of women at the first management level to 30 % and at the second management level to 45 % in 2025.

SUPERVISORY BOARD

The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company. The chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and externally represents the concerns of the body. An extraordinary Supervisory Board meeting may be convened if required when events of particular relevance occur. In the course of preparing for the Supervisory Board meetings, the representatives of shareholders and employees meet separately, if necessary. The Supervisory Board has adopted rules of procedure that find corresponding application in the committees of the Supervisory Board.

These rules have been made available on our website at **https://www.symrise.com/rules-of-procedure-supervisory-board**.

In accordance with Recommendation D 13 of the Corporate Governance Codex 2020, the Supervisory Board regularly assesses its effectiveness in fulfilling the tasks of the Supervisory Board and its committees. The last self-assessment occurred in the fall of 2020. It is carried out on the basis of an anonymous questionnaire completed by all members of the Supervisory Board, among other things. The results of the survey are presented and discussed at the full Supervisory Board meetings. These questionnaires were designed with external assistance.

COMPOSITION OF THE SUPERVISORY BOARD

Pursuant to Section 8 (1) of the company's articles of incorporation in conjunction with Section 96 (1) of the German Stock Corporation Act (AktG) and Section 7 (1) sentence 1 number 1 of the German Codetermination Act of May 4, 1976, the Supervisory Board consists of twelve members. Six members are elected by the Annual General Meeting and six by the company's employees in accordance with the provisions of the Codetermination Act. The period of office is identical for all members.

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

The following employee representatives were elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year: Ms. Ursula Buck, Managing Director at Top Managementberatung BuckConsult, Possenhofen; Mr. Horst-Otto Gerberding, Owner and Chairman of the Advisory Board at Gottfried Friedrichs GmbH & Co. KG, Holzminden; Mr. Bernd Hirsch, Chief Financial Officer at COFRA Holding AG, Neuler; Mr. Michael König, Chief Executive Officer at ELKEM ASA, Iserlohn; Prof. Dr. Andrea Pfeifer, Chief Executive Officer at AC Immune S. A., St. Légier, Switzerland and Mr. Peter Vanacker, President and Chief Executive Officer at Neste Corp., Espoo, Finland.

The following six employee representatives were chosen from among the German staff on February 24, 2016, in compliance with the legally prescribed election process, until the end of the Annual General Meeting that will decide on discharges for the fiscal year 2020: Mr. Harald Feist, Chairman of the works council and Chairman of the general works council at Symrise AG, Holzminden; Ms. Jeannette Härtling, Deputy Regional Head of IG BCE for the North region, Burgdorf; Mr. André Kirchhoff, independent member of the works council at Symrise AG, Bevern; Mr. Gerd Lösing, Vice President Global Quality Control at Symrise AG, Höxter; Ms. Andrea Püttcher, Vice Chairperson of the works council and Vice Chairperson of the general works council at Symrise AG, Bevern and Mr. Peter Winkelmann, Regional Head of the IG BCE district South Lower Saxony, Alfeld.

The Supervisory Board will continue to attempt to implement the regulations specified in the Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, insofar as it concerns the composition of the Supervisory Board and with the support of corresponding nominations regarding the election of the shareholder representatives by the Annual General Meeting and the election of employee representatives by the staff.

OBJECTIVES OF THE SUPERVISORY BOARD IN RELATION TO ITS COMPOSITION

In accordance with Recommendation C 1 of the Corporate Governance Codex 2020, the Supervisory Board should specify concrete goals for its composition and develop a competence profile for the entire Board. In doing so, the Supervisory Board should pay attention to diversity. Taking into account the specific company situation, diversity is defined by internationality, age, gender and education or professional background, among other things. The current Supervisory Board at Symrise AG includes four women: Ms. Buck, Ms. Härtling, Prof. Dr. Pfeifer and Ms. Püttcher.

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

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

Mr. Horst-Otto Gerberding has been a shareholder representative on the Supervisory Board since October 2006, i.e., for more than twelve years. In the opinion of the Supervisory Board, Mr. Gerberding is nevertheless to be classified as independent. He has no personal or business relationship with Symrise AG or one of its Group companies, with the corporate bodies of Symrise AG or with a shareholder with material interest in Symrise AG that could give rise to a conflict of interest. Mr. Gerberding indirectly holds 5.24 % of the voting shares of Symrise AG. In accordance with the statutes of the German stock exchange, these shares are not included in the free float.

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

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

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

THE COMPETENCE PROFILE OF THE SUPERVISORY BOARD

When nominating candidates for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required for the duties to be performed, as well as to the principle of diversity among the Supervisory Board's members. This ensures that the members of the Supervisory Board as a whole have knowledge, skills and professional experience required to properly perform their duties. In accordance with Recommendation C 1 of the Corporate Governance Codex 2020, the Supervisory Board has prepared a competence profile for the entire Board, which was used for its current composition and will be applied in future election proposals to the Annual General Meeting to guarantee the competence profile of the entire Board. The competence profile of the Symrise Supervisory Board includes various parameters. Each of these parameters on its own is significant in the competence profile of the entire Board. However, it is only by interlocking and complementing all parameters that the competence profile of the entire Board, which is necessary to support the business success of Symrise, can be guaranteed. Skills are required in the areas of accounting, auditing, risk management, information technology, issues regarding the remuneration of the Executive Board and compliance. Furthermore, expertise in the fragrance and flavor industry is required. This comprises the production of flavors, food ingredients, fragrances and cosmetic ingredients. The required competencies also include experience in the chemical, consumer goods and food industries. Here, the focus is on knowledge of the respective markets, products, customer and supplier relationships. Expertise in production, research and development and ESG (environmental, social, governance) are also of paramount importance.

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

SUPERVISORY BOARD COMMITTEES

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

The Personnel Committee is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. This also includes succession planning at the Executive Board level in accordance with Recommendation B 2 of the Corporate Governance Codex 2020. The Personnel Committee addresses succession planning for members of the Executive Board at least once a year (most recently at the Personnel Committee meeting on September 17, 2020). In particular, the term of existing employment contacts and the age structure of the Executive Board are taken into account. The Supervisory Board and Executive Board are committed to ensuring internal talent development for employees at levels below the Executive Board for all Executive Board positions. Skill sets and as diversity criteria are taken into account here. Evaluation for these is carried out by means of internal assessments as well as external assessments. In this process, candidates who have the potential to take over a position on the Executive Board undergo an assessment that leads directly from an individual analysis to an individual development plan. The aim is to be able to fill positions on the Executive Board internally. The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements and making corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee additionally resolved to incorporate the criterion of diversity when appointing future Executive Board members, striving in particular to give appropriate consideration to women. The Personnel Committee currently has six members, of which three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The members are: Michael König (Chairman), Harald Feist, Horst-Otto Gerberding, Gerd Lösing, Prof. Dr. Andrea Pfeifer and Peter Winkelmann. The Personnel Committee convened three times in the 2020 fiscal year. The Personnel Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

The Auditing Committee mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system and the audit of annual accounts. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discusses the interim reports in detail and approves them before they are published. The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. The regular agenda items also include the receipt of the reports from Internal Auditing and the Group Compliance office as well as the risk report. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. The members are: Bernd Hirsch (Chairman), Ursula Buck, Harald Feist, Jeannette Härtling, Michael König and Peter Winkelmann. The Auditing Committee convened five times in the 2020 fiscal year. The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to nominate Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover, as the new auditor. Furthermore, the Auditing Committee solicited a statement of independence from the auditor. It commissioned the auditor, established the main focuses of the audit and prepared the resolution for the Supervisory Board regarding the auditing fees. The Auditing Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly. Additionally, the Auditing Committee drew up its own regulation regarding its concrete procedure.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG). In the event that the appointment of a member of the Executive Board is not approved by the two-thirds majority required by law, it is responsible for submitting an alternative proposal to the Supervisory Board. The Arbitration Committee has four members. The current members are: Michael König (Chairman), Ursula Buck, Harald Feist and Gerd Lösing. Once again, it was not necessary to convene the Arbitration Committee during the 2020 fiscal year. The Arbitration Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

The Nominations Committee consists exclusively of shareholder representatives from the Supervisory Board. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The Nominations Committee consist of three members. Currently, these are Michael König (Chairman), Horst-Otto Gerberding and Prof. Dr. Andrea Pfeifer. The Nominations Committee did not convene during the 2020 fiscal year. The Nominations Committee does not have its own rules of procedure. The rules of procedure of the Supervisory Board are applied accordingly.

TRANSPARENCY

Pursuant to Section 19 of the EU Market Abuse Directive (previously Section 15a of the German Securities Trading Act), which came into force on July 3, 2016, the members of the Executive and Supervisory Boards of Symrise AG, as well as certain employees with management duties and persons with whom they have a close relationship, must disclose the purchase or sale of Symrise shares and related financial instruments. This duty of disclosure applies if the value of the transactions undertaken by one of the aforementioned persons reaches or exceeds the sum of € 5,000. Symrise immediately publishes disclosures on such transactions on its website and transmits this information to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistung/BaFin) and the company register for retention. All of the reports received by Symrise AG as of December 31, 2020, are published on our website at **https://www.symrise.com/investors/voting-rights-directors-dealings**. This includes all such reports since the IPO in December 2006, including any persons who have meanwhile left the Executive Board or the Supervisory Board.

CONFLICTS OF INTEREST

As in the previous year, conflicts of interest involving members of the Executive Board, which have to be disclosed to the Supervisory Board without delay, did not occur in fiscal year 2020. There were no consultant or service agreements or other exchange contracts between members of the Supervisory Board and the company in the 2020 fiscal year.

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

A summary of the respective mandates outside of the Symrise Group for the members of the Executive Board and the Supervisory Board can also be found on pages 171/172 of the 2020 Financial Report.

A report on relationships to related companies and parties can be found on page 133 of the 2020 financial report.

RISK MANAGEMENT

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

The early recognition system for risk in accordance with Section 91 (2) of the German Stock Corporation Act is monitored by auditors in Germany and abroad. Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management systems.

This also includes, for example, regular reporting by Internal Auditing and the Group Compliance office at Symrise.

This overlapping mechanism allows risks to be identified and assessed early on. The Executive Board regularly and in an on-going manner informs the Supervisory Board and Auditing Committee of existing risks and their development via the risk report. Specific measures are proposed and implemented right from this early stage to neutralize the identified risks.

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

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Symrise shareholders exercise their codetermination and control rights at the Annual General Meeting, which takes place at least once each year. The Meeting makes decisions on all statutory matters that are binding for all shareholders and for the company. For every decision, each share is entitled to one vote. All shareholders that register within the specified period are entitled to participate in the Annual General Meeting. Shareholders who are not able to attend the Meeting in person are entitled to have their voting rights exercised by a bank, a shareholder association, a voting proxy of Symrise who is bound by its instruments or another proxy of their own choosing.

As was the case in the 2020 fiscal year, the Annual General Meeting in the 2021 fiscal year will also be held virtually without the physical presence of shareholders or their proxies in accordance with Section 1 (2) of the COVID-19 Act. It is therefore not possible for shareholders or shareholder representatives to attend the Annual General Meeting in person. Shareholders can follow the Annual General Meeting in the livestream via the Company's AGM online portal and exercise their voting rights via absentee (in the form of electronic communication) or proxy voting. The right to ask questions and other rights can also be exercised electronically in the AGM online portal. The AGM online portal can be used to issue, change or revoke both the absentee ballot and the instructions to the proxies until the close of voting at the virtual Annual General Meeting.

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

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

INFORMATION SERVICE FOR OUR SHAREHOLDERS

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

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

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

OUR AUDITOR

With regard to the consolidated financial statements and the interim reports at Symrise, our accounting in the 2020 fiscal year was again based on the International Financial Reporting Standards (IFRS) as required to be applied in the European Union. The legally prescribed individual accounts of Symrise AG that are decisive for the payment of dividends have been prepared in accordance with the regulations of the German Commercial Code. Here, the 2020 annual financial statements, management report and consolidated annual financial statements of Symrise AG as well as the 2020 Group management report were audited by our auditors Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover. An agreement is also in place with the auditors to promptly notify the chairman of the Auditing Committee of any grounds for disqualification or prejudice that are identified during the audit, insofar as such circumstances cannot immediately be rectified.

The auditors are instructed to report without delay all findings and incidents of significance for the duties of the Supervisory Board that are identified during the audit to the Executive Board and the Supervisory Board. Moreover, the auditors are required to notify the Supervisory Board and make a note in the audit report if circumstances are identified during the audit that are incompatible with the Declaration of Compliance issued by the Executive Board and Supervisory Board in accordance with Section 161 of the German Stock Corporation Act.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hannover, has audited the annual financial statements of Symrise AG and the consolidated financial statements of Symrise AG since the 2017 fiscal year. The German Public Auditor responsible for the engagement has been Dr. Christian Janze since the 2017 fiscal year. Dr. Janze had not previously acted as a consultant or auditor for Symrise.

DIVERSITY CONCEPT FOR THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Sections 289f (2) number 6 and 315d of the German Commercial Code require Symrise to provide a description of the concept of diversity that is pursued with regard to the composition of the Executive Board and Supervisory Board in terms of aspects such as age, gender, educational or professional background, as well as the objectives of this concept of diversity, the manner in which it is implemented and the results achieved in the respective fiscal year. Symrise already has such a diversity concept due to the mandatory statutory regulations already in force for Symrise and the fact that all related recommendations of the Corporate Governance Code 2020 have been fully implemented. Consequently, Sections 289f (2) number 6 and 315d of the German Commercial Code have no further independent significance for Symrise. To avoid repetition, we refer to the statements made in this Corporate Governance Statement.

Report of the Supervisory Board of Symrise AG

Dear Shareholders,

In 2020, nearly 90 million people worldwide were infected with the coronavirus, with around 1.9 million victims of the pandemic to mourn. Global economic output fell by an estimated 3.5 %. Some economies, including those in Europe, suffered a double-digit percentage drop in their gross domestic product. Added to this were growing political tensions in some regions and the exit of United Kingdom from the EU that is fraught with great uncertainty. All in all, political, social and economic challenges in this crisis year were more serious than they had been for decades.

Against this background, the business development of our company in the reporting year was satisfactory. It continued on its robust growth course despite the global recession. Symrise has a broad international positioning with its own production sites in the most important sales markets. The product portfolio is diversified and extends well beyond the world of fragrances and flavors. The customer structure is balanced, and the sourcing of important raw materials is secured in many areas. Consistent company orientation toward sustainability is also becoming increasingly important. Symrise is pursuing the goal of being climate positive by 2030 with a clear action plan. The use and, at the same time, preservation of the natural diversity of our planet forms an essential basis for our business model that offers a high level of stability and sustainable growth potential – as evidenced by the 2020 fiscal year.

In this report, I would like to inform you about the key activities of the Supervisory Board. In 2020, the Supervisory Board of Symrise AG again fulfilled its responsibilities under the law and according to the articles of incorporation with great care. We regularly provided consultation to the Executive Board and supervised the company management. We are convinced that the company's business complied with all legal and regulatory requirements. The Supervisory Board was directly and intensely involved in all decisions of fundamental significance to the company. In the meetings of the Supervisory Board and its committees, we again discussed and reached agreements on a number of matters and business transactions subject to our approval. The Executive Board comprehensively discussed and coordinated the strategic planning and orientation of the company with us. As in the previous fiscal years, the Executive Board and Supervisory Board held a separate meeting in 2020 to examine and evaluate the Company's strategy.

MICHAEL KÖNIG, Chairman of the Supervisory Board of Symrise AG

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

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

Additionally, outside the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board and the Chairman of the Auditing Committee in particular were in close and continuous dialogue with the Executive Board.

As in the previous year, conflicts of interest of members of the Executive and Supervisory Boards, which must be disclosed to the Supervisory Board without delay and reported to the Annual General Meeting along with their underlying circumstances and a report of how they will be handled, did not occur in 2020.

FULL SUPERVISORY BOARD MEETINGS

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

The current members of the Supervisory Board of Symrise AG are:

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

a) none
b) Conzetta AG, Zurich, Switzerland, Member of the Board of Directors

Mr. König holds the following position in ELKEM Group:

- REC Solar Group, Oslo, Norway, Chairman of the Supervisory Board

Ursula Buck, Managing Director at Top Managementberatung BuckConsult. Ms. Buck has been a member of the Supervisory Board since May 2016 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Ms. Buck is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Harald Feist, Chairman of the works council and Chairman of the general works council at Symrise AG. Mr. Feist has been a member of the Supervisory Board since July 2013 and Deputy Chairman of the Supervisory Board since September 2018. He was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Mr. Feist is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Horst-Otto Gerberding, Owner and Chairman of the Advisory Board of Gottfried Friedrichs GmbH & Co. KG. Mr. Gerberding has been a member of the Supervisory Board since October 2006 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Mr. Gerberding is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Jeannette Härtling, Deputy Regional Head of IG BCE for the North region. Ms. Härtling has been a member of the Supervisory Board since May 2016 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Ms. Härtling is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Bernd Hirsch, Chief Financial Officer of COFRA Holding AG, Zug, Switzerland. Mr. Hirsch has been a member of the Supervisory Board since May 2018 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Mr. Hirsch is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

André Kirchhoff, independent member of the works council at Symrise AG. Mr. Kirchhoff has been a member of the Supervisory Board since May 2016 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Mr. Kirchhoff is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Gerd Lösing, Vice President Quality Control Global of Symrise AG. Mr. Lösing has been a member of the Supervisory Board since April 2020 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Mr. Lösing is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

Prof. Dr. Andrea Pfeifer, Chief Executive Officer at AC Immune S.A., Lausanne, Switzerland. Prof. Dr. Pfeifer has been a member of the Supervisory Board since May 2011 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Prof. Dr. Pfeifer is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

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

Andrea Püttcher, Vice Chairperson of the works council and Vice Chairperson of the general works council at Symrise AG. Ms. Püttcher has been a member of the Supervisory Board since September 2018 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Ms. Püttcher is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) none
b) none

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

a) none
b) none

Peter Winkelmann, Regional Head of the IG BCE district South Lower Saxony. Mr. Winkelmann has been a member of the Supervisory Board since May 2014 and was elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year. Mr. Winkelmann is a member of the statutory Supervisory Board of the following German companies listed at a) below and of a comparable supervisory body of the following domestic and foreign companies listed at b) below:

a) amedes Holding GmbH, Hamburg, Vice Chairman of the Supervisory Board
Apollo 5 GmbH, Starnberg, Vice Chairman of the Supervisory Board
b) none

In the 2020 reporting year, individual members of the Supervisory Board took part in training on topics including FREP auditing, CSR reporting, German Commercial Code annual financial statements based on the International Financial Reporting Standards (IFRS), innovations in corporate governance and digitalization in finance.

TOPICS OF THE SUPERVISORY BOARD MEETINGS

Important focal points of our work and subjects of regular discussions in the Supervisory Board were the growth in the global economic output that was already severely impacted by the COVID-19 pandemic, the ongoing trade disputes between the USA and China, the United Kingdom's withdrawal from the EU, which is fraught with great uncertainty, and the implications of this for current and future business development as well as the status of major projects and business transactions in our three segments. The ongoing European debt crisis and its possible impact on our company were also a subject of our deliberations.

In light of these matters, we discussed with the Executive Board in detail the measures it had enacted as well as those planned for the future. Regular deliberations within the Supervisory Board also covered the development of sales, earnings and employment at Symrise and its three segments in the individual regions given the economic conditions present there. It also discussed the company's financial and liquidity situation as well as important investment projects and their development as measured against the planned objectives.
In the 2020 fiscal year, the Supervisory Board held six ordinary sessions, two of which focused on specific topics. The first meeting on a specific topic centered around the company's strategy, its monitoring in view of the changing economic environment and the state of its implementation, while the second such meeting focused on the annual planning for 2021.

At our meeting on March 4, 2020, we focused on the audit of the 2019 annual financial statements and consolidated financial statements. The auditor was present at this meeting. In addition to our own analysis and discussion, we received the detailed report from our auditors and discussed the respective financial statements in detail with them. As a result, we approved the 2019 annual financial statements and the 2019 consolidated financial statements. At this meeting, we also discussed in detail the audit conducted by DQS CFS GmbH on behalf of the Supervisory Board of the separate non-financial report in accordance with Section 289b of the German Commercial Code (HGB) and its results. The Executive Board gave us an update on the company's current performance, focusing in particular on the business development of the US companies ADF and IDF, which were acquired in fall 2019. Together with the Executive Board, we also decided on the proposal to be submitted to the Annual General Meeting on the appropriation of accumulated profit, discussed and decided on the proposal to be submitted to the Annual General Meeting on the proposal of the Auditing Committee regarding the election of the auditor for the 2020 fiscal year, and discussed possible agenda items for the 2020 Annual General Meeting.

At our meeting on April 29, 2020, the Executive Board's report on the company's performance during the first three months of the 2020 fiscal year and its outlook for the rest of the year represented the main focus of our meeting. In view of the impact of the COVID-19 pandemic, we discussed with the Executive Board whether and to what extent we should make use of the option of holding a virtual Annual General Meeting instead of the usual face-to-face meeting. We also discussed with the Executive Board in detail the specific impact on Symrise of the Act Implementing the Second Shareholders' Rights Directive (ARUG II), which came into force on January 1, 2020. Furthermore, the Supervisory Board approved the granting of three additional bilateral credit lines as a purely precautionary measure due to the COVID-19 pandemic to secure liquidity in the total volume of € 250 million. The Executive Board additionally informed the Supervisory Board on the status of ongoing investment projects at this meeting.

At the constituent meeting of the Supervisory Board held immediately after the virtual Annual General Meeting on June 17, 2020, the Supervisory Board elected Mr. Michael König as Chairman of the Supervisory Board to replace Dr. Winfried Steeger, who had stepped down due to reaching the age limit. The Supervisory Board also discussed the succession of Dr. Steeger to the Personnel, Audit, Nominations and Arbitration Committees and the succession of Dr. Ludwig Tumbrink to the Personnel and Arbitration Committees. After detailed discussion, the Supervisory Board approved the Executive Board's planned new issue of a listed corporate bond in the amount of € 500 million and with a term of seven years to refinance a tranche from the 2015 promissory note loan maturing in December 2020 and the US private placement maturing in November.

The focus of our meeting on August 5, 2020, was mainly on business performance in the second quarter of 2020 and the first half of 2020 respectively. In addition, the Executive Board also explained its outlook for 2020 as a whole. At this meeting, we also dealt in detail with the current status of several acquisition projects. In addition to the strategic relevance of these projects, the Executive Board also explained to us in detail the expected operational and financial impact. Following this, we also developed and discussed the agenda for the strategy meeting of the Supervisory Board on September 17, 2020, together with the Executive Board. At this Supervisory Board meeting, we also amended the rules of procedure for the Executive Board with regard to the thresholds to be applied for the approval of the Supervisory Board.

At the strategy meeting on September 17, 2020, the Executive Board and the Supervisory Board intensively discussed the status of implementation and refinement of our corporate strategy, particularly with regard to dealing with the COVID-19 pandemic in the Symrise Group. The impact of constraints on public life necessitates permanent performance monitoring in terms of a possible need for strategy correction and, if necessary, repositioning. The impact of the COVID-19 pandemic on consumer behavior and certain consumer trends is at least partially permanent. Today's permanently changed market environment is also changing the environment of Symrise. We identified the need to develop Symrise outside the traditional scent and flavoring substances business as inevitable. New application areas must be developed and new business models identified and expanded. The COVID-19 pandemic has also proven to be a catalyst for change in this regard. The Scent & Care segment, as the largest segment of Symrise at present, has positioned itself as a pioneer of digitalization. Artificial intelligence and comprehensive data analysis will be the integral part of a future creative process and expand its status as the leading digital perfumery house. The alignment of the Nutrition segment's strategy is intended to accelerate the use of synergies between all three segments at Symrise, thereby contributing to better, healthier nutrition along with accompanying dietary education. Other topics of discussion were the annual investment volume for new technologies up to and including 2025. We also discussed the updated IT and digitalization strategy together with the Executive Board. This is closely interlinked with the growth plans of Symrise and tailored to individual investments planned up to 2025.

The meeting on December 2, 2020, was again devoted to the corporate planning for the upcoming 2021 fiscal year. The Supervisory Board approved the corporate planning for the 2021 fiscal year in this meeting. The Supervisory Board assessed the status of Corporate Governance at Symrise together with the Executive Board and coordinated the content of the Corporate Governance Report in the Corporate Governance Statement, taking into account the new Corporate Governance Codex 2020. In this context, the Executive Board and Supervisory Board have also issued a new Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act. We confirmed the goals regarding the composition of the Supervisory Board and adopted the competence profile for the full Supervisory Board to be drawn up in accordance with Recommendation C 1 of the Corporate Governance Codex 2020. Furthermore, at this meeting both the shareholder representatives and the employee representatives again objected to the overall fulfillment of the gender quota pursuant to Section 96 (2) sentence 3 German Stock Corporation Act. The group of shareholder representatives as well as of employee representatives on the Supervisory Board are each required to comply with the minimum distribution of 30 % for their group, so that the six representatives of each group must include at least two women and men respectively. At this meeting, we also received and discussed in detail the risk report of the Executive Board.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings. To the extent that it was legally admissible, the Supervisory Board delegated decision-making to its committees in individual cases. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the Supervisory Board meetings, the chairmen of the committees report regularly and extensively on the content and results of the committee meetings. As a result, the Supervisory Board always has a comprehensive basis of information for its consultations.

The **Auditing Committee** mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system, the audit of annual accounts and the compliance management system. The Auditing Committee also regularly deals in detail with issues relating to Group financing, liquidity planning and securing liquidity. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discusses the interim reports in detail and approves them before they are published. The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management reports and the proposal regarding appropriation of earnings. Receipt of the report from Internal Auditing, the Group Compliance office and the risk report are also regular agenda items at Auditing Committee meetings. The Auditing Committee prepares the Supervisory Board's proposal to the Annual General Meeting to appoint an auditor for the new fiscal year. Furthermore, the Auditing Committee obtains the relevant statements of independence from the auditor and commissions the auditor, agrees with the auditor on a risk-oriented audit approach if necessary and determines the individual focal points of the audit for the following fiscal year. The Auditing Committee is also responsible for preparing the decision of the Supervisory Board regarding auditing fees. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The current members are:

- **Bernd Hirsch** has been a member and Chairman of the Auditing Committee since May 2018.
- **Ursula Buck** has been a member of the Auditing Committee since May 2016.
- **Harald Feist** has been a member of the Auditing Committee since May 2016.
- **Jeannette Härtling** has been a member of the Auditing Committee since September 2018.
- **Michael König** has been a member of the Auditing Committee since June 2020.
- **Peter Winkelmann** has been a member of the Auditing Committee since August 2014.

The **Personnel Committee** is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. This also includes succession planning at the Executive Board level in accordance with Recommendation B 2 of the Corporate Governance Codex 2020. The Personnel Committee addresses succession planning for members of the Executive Board at least once a year (most recently at the Personnel Committee meeting on September 17, 2020). In particular, the term of existing employment contacts and the age structure of the Executive Board are taken into account. The Supervisory Board and Executive Board are committed to ensuring internal talent development for employees at levels below the Executive Board for all Executive Board positions. Skill sets and as diversity criteria are taken into account here. Evaluation for these is carried out by means of internal assessments as well as external assessments. In this process, candidates who have the potential to take over a position on the Executive Board undergo an assessment that leads directly from an individual analysis to an individual development plan. The aim is to be able to fill the majority of positions on the Executive Board internally. The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements and making corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee additionally resolved to incorporate the criterion of diversity when appointing future Executive Board members, striving in particular to give appropriate consideration to women. The Personnel Committee currently has six members, of which three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The current members are:

- **Michael König** has been a member and Chairman of the Personnel Committee since June 2020.
- **Harald Feist** has been a member of the Personnel Committee since August 2014.
- **Horst-Otto Gerberding** has been a member of the Personnel Committee since October 2006.
- **Gerd Lösing** has been a member of the Personnel Committee since June 2020.
- **Prof. Dr. Andrea Pfeifer** has been a member of the Personnel Committee since September 2012.
- **Peter Winkelmann** has been a member of the Personnel Committee since May 2016.

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

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

The **Nominations Committee** consists exclusively of shareholder representatives from the Supervisory Board in accordance with Recommendation D 5 of the Corporate Governance Codex. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The Nominations Committees consist of three members. The current members are:

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

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

LIST OF SUPERVISORY BOARD MEETINGS

Attendance at Supervisory Board meetings

Member name	March 4, 2020	April 29, 2020	June 17, 2020	August 5, 2020	September 17, 2020	December 2, 2020
Dr. Winfried Steeger (Chairman until June 17, 2020)	✓	✓	×	×	×	×
Michael König (Chairman as of June 17, 2020)	✓	✓	✓	✓	✓	✓
Ursula Buck	✓	✓	✓	✓	✓	✓
Harald Feist	✓	✓	✓	✓	✓	✓
Horst-Otto Gerberding	✓	✓	✓	✓	✓	✓
Jeanette Härtling	✓	✓	✓	✓	✓	✓
Bernd Hirsch	✓	✓	✓	✓	✓	✓
André Kirchhoff	✓	✓	✓	✓	✓	✓
Gerd Lösing (as of April 1, 2020)	×	✓	✓	✓	✓	✓
Prof. Dr. Andrea Pfeifer	✓	✓	✓	✓	✓	✓
Andrea Püttcher	✓	✓	✓	✓	✓	✓
Dr. Ludwig Tumbrink (until March 31, 2020)	✓	×	×	×	×	×
Peter Vanacker (as of June 17, 2020)	×	×	✓	✓	✓	✓
Peter Winkelmann	✓	✓	✓	✓	✓	✓

Participation in the Arbitration Committee

Member name	It was not necessary to convene the Arbitration Committee during the 2020 fiscal year.					
Dr. Winfried Steeger (Chairman until June 17, 2020)						
Michael König (Chairman as of June 17, 2020)						
Ursula Buck						
Harald Feist						
Gerd Lösing (as of June 17, 2020)						
Dr. Ludwig Tumbrink (until March 31, 2020)						

Participation in the Personnel Committee

Member name	March 4, 2020	September 17, 2020	December 2, 2020
Dr. Winfried Steeger (Chairman until June 17, 2020)	✓	×	×
Michael König (Chairman as of June 17, 2020)	×	✓	✓
Harald Feist	✓	✓	✓
Horst-Otto Gerberding	✓	✓	✓
Gerd Lösing (as of June 17, 2020)	×	✓	✓
Prof. Dr. Andrea Pfeifer	✓	✓	✓
Dr. Ludwig Tumbrink (until March 31, 2020)	✓	×	×
Peter Winkelmann	✓	✓	✓

Participation in the Auditing Committee

Member name	February 12, 2020	March 3, 2020	April 27, 2020	August 5, 2020	October 29, 2020
Bernd Hirsch (Chairman)	✓	✓	✓	✓	✓
Ursula Buck	✓	✓	✓	✓	✓
Harald Feist	✓	✓	✓	✓	✓
Jeanette Härtling	✓	✓	✓	✓	✓
Michael König (as of June 17, 2020)	×	×	×	✓	×
Dr. Winfried Steeger (until June 17, 2020)	✓	✓	✓	×	×
Peter Winkelmann	✓	✓	✓	✓	✓

Participation in the Nominations Committee

Member name	It was not necessary to convene the Nominations Committee during the 2020 fiscal year.				
Dr. Winfried Steeger (Chairman until June 17, 2020)					
Michael König (Chairman as of June 17, 2020)					
Horst-Otto Gerberding					
Prof. Dr. Andrea Pfeifer					

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2020

The auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover, audited the annual financial statements for the fiscal year from January 1, 2020, to December 31, 2020, which were prepared by the Executive Board according to HGB (German Commercial Code) standards, as well as the Symrise AG management report. The Auditing Committee issued the order for the audit in accordance with the June 17, 2020, resolution of the Annual General Meeting. The auditor issued an unqualified audit opinion.

The Symrise AG consolidated financial statements were prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor Ernst & Young also certified the consolidated financial statements and the Group management report without qualification.

The auditor's report on these financial statements as well as additional auditing reports and documentation were delivered to all members of the Supervisory Board in a timely manner. They were discussed thoroughly in the meetings of the Auditing Committee March 5, 2021, and in the full meeting of the Supervisory Board of March 8, 2021. The auditors participated in the deliberations on the annual and consolidated financial statements in both committees. Here they reported on the key audit results and were available to the Auditing Committee and the Supervisory Board to answer any questions and provide additional information.

Following our own review of the annual financial statements, the consolidated financial statements, the management report and the Group management report, we accepted the findings of the auditor. In our meeting of March 8, 2021, we approved the annual financial statements and the consolidated financial statements upon the recommendation of the Auditing Committee. The annual financial statements are thereby approved. After examining it, we endorsed the proposal of the Executive Board for the use of the accumulated profit for the year. The Supervisory Board considers the proposal regarding the use of profits to be appropriate.

The content of the separate non-financial report prepared for the 2020 fiscal year was audited by DQS CFS GmbH. The audit did not lead to any reservations. The separate non-financial report is available on the Symrise website at: **https://symrise.com/corporatereport/2020/sustainability/sustainability-record**.

CORPORATE GOVERNANCE

In accordance with Principle 22 of the currently applicable version of the German Corporate Governance Code from December 16, 2019 ("DCGK 2020") published in the official section of the Federal Gazette by the German Federal Ministry of Justice and Consumer Protection on March 20, 2020, the Supervisory Board and Executive Board report annually on the corporate governance of the respective company in the Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code.

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

The remuneration report that was required by commercial law to be prepared for the last time for the 2020 fiscal year in accordance with Sections 289a (2) sentence 1, 315a (2) sentence 1 of the German Commercial Code is no longer part of the corporate governance reporting. The remuneration report under commercial law is now part of the management report included on pages 57 to 66 of the 2020 financial report.

Section 162 of the German Stock Corporation Act, newly introduced with the Act Implementing the Second Shareholders' Rights Directive (ARUG II), will require a remuneration report under stock corporation law in the future. This will be prepared for the first time for the fiscal year beginning after December 31, 2020, and will then replace the remuneration report under commercial law in accordance with Sections 289a (2) sentence 1, 315a (2) sentence 1 of the German Commercial Code. The remuneration report under stock corporation law pursuant to Section 162 of the German Stock Corporation Act is a separate report from the financial statements under commercial law. Therefore in the future, it will be neither part of the Corporate Governance Statement nor part of the management report.

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

In 2020, we observed the refinement of corporate governance standards in Germany and abroad and will continue to do so in the future. On December 2, 2020, the Executive Board and the Supervisory Board submitted an updated Declaration of Compliance according to Section 161 of the German Stock Corporation Act and made this permanently available to the shareholders on the company's website. It is also included in the Corporate Governance Statement. With four exceptions, Symrise AG has fully complied with all recommendations made by the Government Commission on the German Corporate Governance Code (version: December 16, 2019, "DCGK 2020") published by the German Federal Ministry of Justice and Consumer Protection on March 20, 2020, in the official part of the Federal Gazette (Bundesanzeiger) and will continue to do so in the future.

CHANGES IN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

There were no personnel changes in the Executive Board in the reporting year.

Dr. Thomas Rabe terminated his membership in the Supervisory Board of Symrise AG at his own request with effect from the end of December 31, 2019. The District Court of Hildesheim appointed Michael König as a member of the Supervisory Board with effect from January 15, 2020. He was subsequently elected as a member of the Supervisory Board at the Annual General Meeting on June 17, 2020.

The term of office for the Chairman of the Supervisory Board, Dr. Winfried Steeger, expired at the end of the Annual General Meeting on June 17, 2020, due to reaching the age limit. In his place, Peter Vanacker was elected by the shareholders as a new member of the Supervisory Board at the same Annual General Meeting.

Dr. Ludwig Tumbrink retired from the Supervisory Board at the end of March 31, 2020. Gerd Lösing succeeded him as an elected substitute member of the Supervisory Board with effect from April 1, 2020.

More than 10,000 employees worldwide support the business development of the Symrise Group and shape the future of our company. In 2020, they were particularly challenged by the impact of the COVID-19 pandemic and demonstrated great commitment, flexibility and creativity. On behalf of the Supervisory Board, I would like to express my thanks and appreciation not only to the members of the Executive Board, but also in particular to all employees of the Group. I would also like to express my special thanks to the employee representatives on the Supervisory Board for their constantly constructive collaboration. All together, 2020 has once again provided outstanding work for our company and our customers.

On behalf of the Supervisory Board,

Michael König
Chairman

Holzminden, Germany, March 8, 2021

Bodies and Mandates – Executive Board and Supervisory Board

EXECUTIVE BOARD:

DR. HEINZ-JÜRGEN BERTRAM
Chief Executive Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

ACHIM DAUB
President Scent & Care

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International)
- Phlur, Inc., Austin/Texas, USA, Member of the Board of Directors
- PiC-20, Inc., Norwalk/Connecticut, USA, Member of the Supervisory Board (since January 2020)

OLAF KLINGER
Chief Financial Officer

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

DR. JEAN-YVES PARISOT
President Nutrition

Membership in Legally Mandated Domestic Supervisory Boards None

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

HEINRICH SCHAPER
President Flavor

Membership in Legally Mandated Domestic Supervisory Boards None

Membership in Comparable Supervisory Bodies (Domestic and International) None

SUPERVISORY BOARD:

MICHAEL KÖNIG (since June 17, 2020)
Chief Executive Officer of ELKEM ASA, Oslo, Norway

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

Membership in Comparable Supervisory Bodies (Domestic and International)
- Conzzeta AG, Zurich, Switzerland, Member of the Board of Directors

Positions in ELKEM Group:
- REC Solar Group, Oslo, Norway, Chairman of the Supervisory Board
- China National Bluestar, Beijing, China, Member of the Supervisory Board (until October 1, 2020)

URSULA BUCK
Managing Director at Top Managementberatung BuckConsult

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

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

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

HORST-OTTO GERBERDING
Owner and Chairman of the Advisory Board of Gottfried Friedrichs GmbH & Co. KG

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

Membership in Comparable Supervisory Bodies (Domestic and International) None

JEANNETTE HÄRTLING

Deputy Regional Head of IG BCE for the North region

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

BERND HIRSCH

Chief Financial Officer of Bertelsmann Management SE (until December 31, 2020)
Chief Financial Officer of COFRA Holding AG, Zug, Switzerland (since January 1, 2021)

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International)

- Bertelsmann Inc., Wilmington, USA, Chairman of the Supervisory Board (until December 31, 2020)
- Penguin Random House LLC, UK, Chairman of the Supervisory Board (until December 31, 2020)
- RTL Group S.A., Luxembourg, Member of the Supervisory Board (until December 31, 2020)

ANDRÉ KIRCHHOFF

Independent member of the works council at Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

GERD LÖSING (since April 1, 2020)

Vice President Quality Control Global of Symrise AG

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PROF. DR. ANDREA PFEIFER

Chief Executive Officer at AC Immune S.A.

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and international)

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

ANDREA PÜTTCHER

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

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PETER VANACKER (since June 17, 2020)

President and Chief Executive Officer of Neste Corp., Espoo, Finland

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board

Membership in Comparable Supervisory Bodies (Domestic and International) None

PETER WINKELMANN

Regional Head of the IG BCE district South Lower Saxony

Membership in Legally Mandated Domestic Supervisory Boards

- Symrise AG, Holzminden, Member of the Supervisory Board
- amedes Holding GmbH, Hamburg, Vice Chairman of the Supervisory Board
- Apollo 5 GmbH, Starnberg, Vice Chairman of the Supervisory Board (since November 5, 2020)

Membership in Comparable Supervisory Bodies (Domestic and International) None

Glossary

AFF
Aroma Molecules, Flavors & Fragrances

AKTG
Stock Corporation Act (Aktiengesetz)

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

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

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

CORE LIST
List of preferred suppliers

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

COVENANTS
Loan agreements (under the normal market conditions)

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

EAME
Region comprised of Europe, Africa and the Middle East

EBIT
Earnings before interest and taxes

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

FDA
U.S. Food and Drug Administration
The FDA controls the safety and effectiveness of medicinal products for human and veterinary medicine, biological products, medical products, foodstuffs and radiation-emitting devices. This applies to both US-made and imported products

F & F
Flavors & Fragrances / Flavorings and fragrances

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

FLAC
Financial liabilities measured at amortized cost

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

HGB
German Commercial Code (Handelsgesetzbuch)

IAL
Industrial and market research consultancy company

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

IKS
Internal Controlling System

INCOTERMS
International Commercial Terms

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

IN-VITRO-MODELL
Experiment carried out in a controlled artificial environment outside of a living organism (petri dish or test tube)

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

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

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

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

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

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

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

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

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

Financial Calendar 2021

April 28, 2021
Trading Statement January – March 2021

May 5, 2021
Virtual Annual General Meeting, Hanover

August 5, 2021
Interim Group Report January – June 2021

October 26, 2021
Trading Statement January – September 2021

The German version of this Financial Report is legally binding. German and English online versions are available on the Web at www.symrise.com.

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

Imprint

Publisher
Symrise AG
Mühlenfeldstrasse 1
Konzernkommunikation
37603 Holzminden
Germany
T +49 55 31. 90 – 0
F +49 55 31. 90 – 16 49

Concept and Editing
PvF Investor Relations, Oberursel

Concept, Design and Realization
3st kommunikation, Mainz

Translation
EnglishBusiness AG, Hamburg

Photography
Getty Images

Typography
BG media design GmbH, Darmstadt

Printed by
AC medienhaus GmbH, Wiesbaden-Nordenstadt

Publication Date of the Report
March 9, 2021

Symrise online
www.symrise.com
www.symrise.com/corporatereport/2020/sustainability/sustainability-record
www.symrise.com/investors
www.symrise.com/corporatereport/2020

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