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Invitation to the extraordinary general meeting DSM-Firmenich AG

Organisation concerned:

DSM-Firmenich AG
CHE-441.853.769
Wurmisweg 576
4303 Kaiseraugst

General meeting details:

29.06.2023, 14:00 Uhr, Wurmisweg 576
4303 Kaiseraugst

Invitation/Agenda:

The invitation to the Extraordinary General Meeting of Shareholders was published on the 26th of May 2023 in the SOGC. The interim Financial Statement of the Company is herewith published as supporting document to the invitation. Furthermore, on page 18/22 of the invitation the mentioned calendar year should read 2024 (instead of 204) - which typo is herewith corrected.

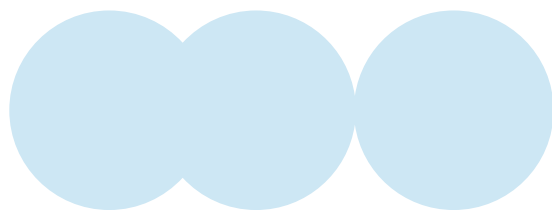
A photograph of a man diving into the ocean. The man is upside down, with his head near the water surface and his legs pointing upwards. He is wearing dark swim trunks. The water is a deep blue with some white foam from the splash. The sky is a clear, light blue. The text "We bring progress to life" is overlaid in white, sans-serif font.

We bring progress to life

Interim Financial Statements as at 8 May 2023

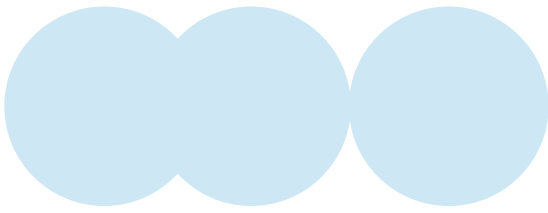
DSM-Firmenich AG

(formerly Danube AG)



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DSM–Firmenich AG, Kaiseraugst

Statutory Auditor's Report

to the General Meeting on the Audit of the

Interim Financial Statements as at 8 May 2023

Statutory Auditor's Report

To the General Meeting of DSM-Firmenich AG, Kaiseraugst

Report on the Audit of the Interim Financial Statements

Opinion

We have audited the interim financial statements of DSM-Firmenich AG (the Company), which comprise the balance sheet as at 8 May 2023, and the income statement and the cash flow statement for the period from 1 January 2023 to 8 May 2023, and notes to the interim financial statements, including a summary of significant accounting policies.

In our opinion, the interim financial statements (pages 8 to 18) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Interim Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



CONTRIBUTION OF INVESTMENT IN FIRMENICH INTERNATIONAL SA

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim financial statements of the current period. These matters were addressed in the context of our audit of the interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



CONTRIBUTION OF INVESTMENT IN FIRMENICH INTERNATIONAL SA

Key Audit Matter

The Company carries investments in subsidiaries of EUR 34,123 million (CHF 33,536 million) as at 8 May 2023. The investments consist of the direct equity shares in DSM N.V. and in Firmenich International SA. The shares in Firmenich International SA result from the contribution agreement executed on 8 May 2023.

Investments are valued at acquisition cost less impairment, if any.

In exchange for the contributed shares, the prior shareholders of Firmenich International SA were

Our response

With the support of our valuation specialists, we performed an independent valuation of the investment in Firmenich International SA to assess the appropriateness of the investment's value used as a basis for its initial recognition as an investment via a contribution in kind. Our valuation was based on the income approach (discounted cash flow method) and the market approach (multiples from comparable quoted companies) considering the average of both approaches.

We also assessed the proper accounting and presentation in the financial statements.

granted EUR 3.5 billion in cash and 34.5% of the DSM-Firmenich AG ordinary shares via a capital increase.

In determining whether the requirements for the contribution in kind regarding the valuation of the investment in Firmenich International SA is appropriate, management is required to make judgements in particular in relation to the discounted cash flow analysis and to the trading multiples analysis based on financial performances. As a result, the contribution of the investment in Firmenich International SA is a Key Audit Matter.

[For further information on investments refer to the following:](#)

— Note 2.2, Investments

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the interim financial statements of the Company and our auditor's report thereon.

Our opinion on the interim financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the interim financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the interim financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Interim Financial Statements

The Board of Directors is responsible for the preparation of the interim financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. 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 interim financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the interim financial statements, 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 opinion. 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 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee 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 the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the interim 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We confirm that the proposed repayment of legal capital reserve complies with Swiss law and the Company's articles of incorporation.

KPMG AG

Carlos Alvarez
Licensed Audit Expert
Auditor in Charge

Petra Groenland van der Linden
Licensed Audit Expert

Basel, 6 June 2023

Management Report

Business activities

DSM-Firmenich AG ('The Company') was established in 2022 as 'Danube AG' (incorporated and domiciled in Kaiseraugst, Switzerland) to facilitate a merger of equals by combining the businesses of DSM and Firmenich in 2023. These two companies entered into a business combination agreement on 30 May 2022 (as amended) to establish one group, DSM-Firmenich, a dynamic new creation and innovation partner in nutrition, beauty and well-being.

The merger unites Firmenich's industry-leading Perfumery and Taste businesses and associated co-creation capabilities with DSM's Health and Nutrition portfolio and renowned scientific expertise. DSM-Firmenich will be well positioned to accelerate growth by addressing current shifts in consumer preferences and customer needs driven by major global trends. These include the growing challenge of climate change and the need to deliver nutritional solutions that are accessible to all, to address social and economic inequalities, and to improve standards of hygiene and sanitation. These shifts are driving consumer preferences in favor of products that deliver proven health and sustainability benefits while at the same time providing superior experiences in areas such as taste and fragrance.

As a market-leader with enhanced creation and application capabilities, DSM-Firmenich will be able to serve both global and local customers, drawing on an extensive product portfolio informed by local consumer preferences, via regional and local hubs worldwide. Opportunities from pioneering new, as well as complementary, digitally-powered business models will build upon the more than 125-year heritage in purpose-led scientific discovery and innovation that characterizes both DSM and Firmenich.

The legal entity Danube AG was established on 18 May 2022 and was renamed to DSM-Firmenich AG on 20 April 2023. As of 8 May 2023, the Company is the new top holding of the combined businesses. The merger was effected in the second quarter of 2023 through an exchange offer by the Company to the DSM shareholders for all DSM ordinary shares; the subscription of 6,696,477 shares in DSM-Firmenich by Goldman Sachs at nominal value for the purposes of placing such shares in the market; and the contribution of all Firmenich Shares to the Company against issuance of such number of DSM-Firmenich ordinary shares representing 34.5% of the total issued share capital of the Company and payment of an amount in cash of €3.5 billion.

DSM-Firmenich AG is a stock corporation (*Aktiengesellschaft*) domiciled in Switzerland with the seat of the principal in Kaiseraugst (Switzerland) and listed on Euronext Amsterdam under the symbol 'DSFIR'. The ISIN code is CH1216478797. Trading in the DSM-Firmenich ordinary shares on Euronext Amsterdam commenced on 18 April 2023.

The purpose of the Company is to acquire, hold, manage and sell direct and indirect participations and other related assets in enterprises of any kind in Switzerland and abroad. The Company may provide loans and/or other forms of financing to other group companies.

The Company has a management structure consisting of a Board of Directors and an Executive Committee. The Board of Directors is the highest executive oversight body of the Company and has the ultimate responsibility for all matters not expressly reserved to other corporate bodies of the Company. The Board of Directors delegates management of the Company's business to the Executive Committee.

Management review

Management has performed a risk assessment that aims to identify and mitigate the company's significant risks. This resulted in the identification, assessment and mitigation of these risks. We believe that the execution of DSM-Firmenich's business objectives and its business conduct in the long term have been secured.

The Board of Directors of the Company consists of 12 persons and the Executive Committee of 10.

These interim financial statements cover the period from 1 January 2023 up to and including 8 May 2023. In this period, the preparations for the merger of DSM and Firmenich were executed and completed.

The following events took place: 1) First capital increase on 20 April 2023 ; 2) Second capital increase on 3 May 2023; 3) Third capital increase on 8 May 2023 and 4) Fourth capital increase and payment of €3.5 billion in exchange for the Firmenich business on 8 May 2023

The first and second capital increase were executed in the context of a tender procedure to transfer the DSM N.V. business into the Company. In total 167,321,557 DSM-Firmenich shares were issued in exchange for DSM N.V. shares (ratio 1:1).

A total number of 6,696,477 DSM N.V. shares were not tendered; the Company will commence a statutory buy-out procedure in accordance with section 2:359c of the Dutch Civil Code (DCC) or a buy-out procedure in accordance with section 2:92a of the DCC for the Company to acquire the DSM N.V. ordinary shares that have not been tendered. To recover these cash payments made by the Company in connection with the buy-out, DSM-Firmenich will sell ordinary shares prior to the end of 2023. On 5 May 2023, Goldman Sachs subscribed to 6,696,477 DSM-Firmenich ordinary shares at nominal value (third capital increase; settled on 8 May 2023). These shares will be placed on the market in the remainder of the year 2023. DSM-Firmenich AG expects a significant cash outflow in relation to the buy-out of the remaining shares that will occur after the end of the reporting period 8 May until the end of the year 2023. The Company expects to buy these shares at fair market value. The amount of this commitment is not recognized as a liability at the end of the reporting period because it does not meet the accounting requirements for recognizing a liability.

On 8 May 2023, Firmenich's shareholders contributed 8,019,000 of the shares in the capital of Firmenich International SA (100% minus 81,000 treasury shares held by Firmenich International SA) to DSM-Firmenich in exchange for 91,658,354 DSM-Firmenich ordinary shares (fourth capital increase) and €3.5 billion in cash (paid by DSM Finance B.V. on behalf of the Company). The previous transactions resulted in the companies DSM N.V. and Firmenich International SA as on 8 May 2023 being held under common ownership by DSM-Firmenich AG, a leader in nutrition, beauty and well-being.

The Company intends to retain part of its future profits in order to fund the ongoing growth and development of DSM-Firmenich's business and therefore targets paying 40–60% of its total net income in dividends to DSM-Firmenich's shareholders. Other than for the dividend relating to the financial year 2022 (to be paid in the year 2023), which will be paid out of capital contribution reserves only, the following applies: in case the dividend yield is below or equal to 2%, 50% of the dividend shall be paid out of the Company's normal reserves or retained earnings and 50% shall be paid out of the Company's capital contribution reserves. Any dividends paid out in excess of a 2% dividend yield shall be paid out of capital contribution reserves only (i.e. when the yield is 2.1, then a 1.0/1.1 split between retained earnings and capital contribution reserves). The dividend yield shall be calculated as a percentage based on the average share price of the previous financial year. It is intended that dividends will be paid annually, provided that the conditions of Swiss law and the relevant provisions in the Articles of Association are met.

Prior to the merger, Firmenich confirmed that on 7 March 2023 certain competition authorities commenced an industry-wide investigation into the fragrances sector. As part thereof, unannounced inspections were carried out at its offices in France, Switzerland and the UK. Unannounced inspections are a preliminary step in anti-trust investigations into suspected infringements of competition rules. Firmenich is fully cooperating with the investigators. As the date of this report no further update on the status of the investigations is available.

In preparing these financial statements, the Board of Directors has assessed the Company's ability to continue as a going concern and has concluded that there are no matters related to going concern that require disclosing or prohibit using the going concern basis of accounting. The Board of Directors neither intends to liquidate the Company or plans to cease operations, nor does it have a realistic alternative but to continue operations.

Interim Financial Statements

Balance sheet of DSM-Firmenich AG (formerly Danube AG) as at 8 May 2023

		08.05.2023	08.05.2023	31.12.2022	31.12.2022
Amounts x 1,000	Notes	EUR	values in CHF	EUR ¹⁾	CHF
Assets					
Cash and cash equivalents	2.1	66	65	711	700
Trade accounts receivable		3	3	0	0
Other short-term receivables from other group companies	2.1	653	642	0	0
Total current assets		722	710	711	700
Investments	2.2	34,123,351	33,536,429	0	0
Total non-current assets		34,123,351	33,536,429	0	0
TOTAL ASSETS		34,124,073	33,537,139	711	700
Liabilities and shareholders' equity					
Accrued expenses	2.3	14,039	13,798	0	0
Short-term interest-bearing liabilities	2.4	3,500,000	3,439,800	0	0
Total short term liabilities		3,514,039	3,453,598	0	0
Total long term liabilities		0	0	0	0
Total liabilities		3,514,039	3,453,598	0	0
Share capital	2.5	2,657	2,611	102	100
Legal capital reserves:					
- Reserves from capital contributions	2.6	22,866,206	22,472,907	609	600
- Other capital reserves	2.6	7,687,309	7,555,087	0	0
Legal retained earnings					
- Reserves for treasury shares	2.7	56,322	55,353	0	0
Available earnings:					
- Profit brought forward		0	0	0	0
- Result for the period		-2,460	-2,418	0	0
Total shareholders' equity		30,610,034	30,083,541	711	700
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		34,124,073	33,537,139	711	700

¹⁾ Unaudited

The Notes referred to in the table above are an integral part of these Interim Financial Statements.

Income statement

	Notes	01.01.2023 - 08.05.2023	01.01.2023 - 08.05.2023	18.05.2022 - 31.12.2022	18.05.2022 - 31.12.2022
Amounts x 1,000		EUR	values in CHF	EUR ¹⁾	CHF
Other operating income		0	0	0	0
Total income		0	0	0	0
Personnel expenses	2.8	-1,822	-1,791	0	0
Other operating expenses	2.9	-294	-289	0	0
Financial expenses	2.10	-344	-338	0	0
Total expenses		-2,460	-2,418	0	0
Result for the period		-2,460	-2,418	0	0

¹⁾ Unaudited

Cash flow statement

	01.01.2023 - 08.05.2023	01.01.2023 - 08.05.2023	18.05.2022 - 31.12.2022	18.05.2022 - 31.12.2022
Amounts x 1,000	EUR	values in CHF	EUR ¹⁾	CHF
Profit for the year	-2,460	-2,418	0	0
Changes in other short-term receivables, prepaid expenses and accrued income	-654	-643	0	0
Changes in other short-term liabilities, accrued expenses and deferred income	2,402	2,360	0	0
Cash flows from operating activities	-712	-701	0	0
Cash flows from investing activities	0	0	0	0
Proceeds from issue of share capital	67	66	711	700
Cash flows from financing activities	67	66	711	700
Change in cash and cash equivalents	-645	-635	711	700
Reconciliation:				
Cash and cash equivalents as at the beginning of the period	711	700	0	0
Cash and cash equivalents as at the end of the period	66	65	711	700
Change in cash and cash equivalents	-645	-635	711	700

¹⁾ Unaudited

Notes to the interim financial statements

1. Principles

1.1 General aspects

DSM-Firmenich AG is a stock corporation (*Aktiengesellschaft*) incorporated and domiciled in Switzerland. The Company is based in Kaiseraugst, Switzerland. DSM-Firmenich AG is the holding company of the operating companies of the dsm-firmenich Group, who is a leading supplier in nutrition, beauty and well-being.

The fiscal year-end of DSM-Firmenich AG (formerly Danube AG, 'the Company') is 31 December. These interim financial statements of DSM-Firmenich AG for the period 1 January up to and including 8 May 2023 were prepared in accordance with Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations) to comply with the requirements of Swiss Code of Obligations art. 675a para. 1 in anticipation of a distribution of an interim dividend.

The financial statements are presented in euros (EUR or €); the Swiss franc (CHF) values are presented for the purposes of comparison and have been calculated by applying the period-end FX-rate. The comparative figures of the period ending 31 December 2022 were audited in CHF; the EUR amounts are presented for the purposes of comparison. All values in the financial statements are rounded to the nearest thousand, except when otherwise indicated.

Any main accounting policies applied in the preparation of these financial statements that are not already specified by law, i.e., by the Swiss Code of Obligations, are outlined below in the applicable Notes. These policies have been applied to the interim financial statements for the period ending 8 May 2023 and to the audited financial statements for the comparative period ending 31 December 2022.

1.2 Currency

The Company's currency – as legally determined by the Articles of Association – is EUR, which is also the functional currency. The Company changed its currency, i.e., the denomination of its share capital in the Articles of Association of the Company, from CHF to EUR as of 1 January 2023 as adopted by the Extraordinary General Meeting on 18 April 2023. The Company has determined that for DSM-Firmenich AG as the holding company the primary economic environment is in EUR due to its public listing in EUR on the Euronext in Amsterdam (Netherlands) as of 18 April 2023.

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Assets and liabilities denominated in a foreign currency are translated into EUR at period-end exchange rates.

As required by the Swiss Code of Obligations (cf. art. 958d para. 3), the financial statements are also presented in the national currency, being CHF. The following EUR/CHF exchange rates have been applied in these interim financial statements to translate the balance sheet, income statement and cash flow statement:

- Closing rate on 31.12.2022: 0.9847
- Closing rate on 08.05.2023: 0.9828

For the opening balance sheet as at 1 January 2023, the last audited balances in CHF have been translated to EUR with the closing rate EUR/CHF 0.9847.

	Amounts x 1,000	Share Capital	Reserves from capital contributions
Opening Balance in CHF as of 1 January 2023		100	600
Opening Balance in EUR as of 1 January 2023 – translated at closing rate		102	609

2. Information on balance sheet and income statement items

2.1 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

The cash balance at the interim closing date amounts to €66,965 (CHF 64,830), consisting mainly of the capital contributions by DSM N.V. in the year 2022 (CHF 700,000) and of the issue of 100% of the DSM-Firmenich AG ordinary shares of the third capital increase to Goldman Sachs (€ 66,965 [CHF 65,813]) at nominal value (€ 0.01), minus the transfer of €710,109 (CHF 697,896) to the in-house cash pool (recognized in Other short-term receivable from other group companies).

2.2 Investments

Companies in which DSM-Firmenich AG holds an investment are valued at acquisition cost less adjustments for impairment of value.

Amounts in € x 1,000	Domicile	Carrying amount 08.05.2023 EUR	Carrying amount 08.05.2023 values in CHF	Share capital 08.05.2023	Share in capital / voting rights in % 08.05.2023
Company					
DSM N.V.	Heerlen (NL)	19,846,161	19,504,807	EUR 327,087	96.1 / 96.1
Firmenich International SA	Satigny (CH)	14,277,190	14,031,622	CHF 40,500	100 / 100
Total		34,123,351	33,536,429		

The investments consist of the direct equity share in DSM N.V. and in Firmenich International SA. See the attachment for all significant indirect investees in which DSM-Firmenich AG has control.

The Company did not impair any of its investments in the period.

The DSM business was transferred into the Company via the first and second capital increase event in the context of the tender procedure involving the exchange of shares of DSM N.V. After the second capital increase, the Company holds a total of 167,321,557 DSM N.V. ordinary shares, representing approximately 96.1% of DSM's aggregate issued and outstanding ordinary share capital. The acquisition cost amounts to €19.8 billion (CHF 19.5 billion). The remaining 3.9% of DSM's ordinary shares (6,696,477) will be acquired via a buy-out procedure in accordance with section 2:359c of the Dutch Civil Code (DCC) or via a buy-out procedure in accordance with section 2:92a of the DCC for the Company prior to the end of 2023. The buy-out price will be the closing price of the DSM-Firmenich share on 3 May 2023, which is €116.00. The amount of this commitment is not recognized as a liability at the end of the reporting period because it does not meet the accounting requirements for recognizing a liability.

The Firmenich shareholders contributed 8,019,000 shares out of 8,100,000 shares (100% minus any treasury shares held by Firmenich International SA) in the capital of Firmenich International SA to DSM-Firmenich AG in exchange for

91,658,354 DSM–Firmenich ordinary shares via the fourth capital increase and €3.5bn in cash. At the balance sheet date, the previous Firmenich shareholders own in aggregate 34.5% of DSM–Firmenich’s issued capital.

2.3 Accrued expenses

The expenditures related to the issuance of the shares of DSM–Firmenich AG have been incurred by DSM N.V. and will be charged to DSM–Firmenich AG. An amount of €11,635,400 (CHF 11,435,271) has been recognized in Accrued expenses. These expenditures have been posted as a debit item in Equity in the Legal capital reserves.

2.4 Short-term interest-bearing liabilities

Interest-bearing liabilities are recognized in the balance sheet at nominal value.

DSM–Firmenich AG acquired on 8 May 2023 Firmenich International SA by issuing 91,658,354 shares and paying €3.5 billion cash to the sellers of the Firmenich business in exchange for 8,019,000 shares out of 8,100,000 shares (100% minus any treasury shares held by Firmenich International SA) of Firmenich International SA. The cash amount was funded by a loan amounting to €3.5 billion (CHF 3.5 billion) granted by DSM N.V. According to the loan agreement, the usage of that loan amount is limited to the financing (directly or indirectly) of the cash component of the acquisition of the Firmenich shares, and the payment of costs, expenses and fees in connection with that transaction.

The loan has an initial maximum maturity term of 12 months with the option to extend this up to two times within the first six months (an option that had not been exercised as at the reporting date). The interest rate is calculated based on the EURIBOR in relation to the relevant interest period plus a margin based on the runtime of the loan (varying from 0.25% per annum in case of a utilization period of 6 months at maximum to 0.55% per annum for a utilization period of 18–24 months). The loan will be redeemed upon receipt of upstream dividends from DSM N.V., which is a 96.1% subsidiary of DSM–Firmenich AG. DSM N.V. will pay the dividend from the proceeds of its divestment of the Materials business that took place in the period 2021–2023.

In the reporting period, an amount of €343,413 (CHF 340,020) was accrued for interest incurred on 8 May 2023.

2.5 Share capital

On 31 December 2022, the Company's share capital amounted to CHF 100,000, divided into 100,000 fully paid-up registered shares with a par value of CHF 1.00 each.

On 20 April 2023, DSM–Firmenich AG decreased the share capital of the Company from CHF 100,000 to CHF 0 and changed the currency of its share capital from CHF to EUR with retrospective effect from 1 January 2023. Subsequently, DSM–Firmenich AG increased its share capital in four tranches. The tranches were completed on the following dates:

- First capital increase on 20 April 2023
- Second capital increase on 3 May 2023
- Third capital increase on 8 May 2023
- Fourth capital increase on 8 May 2023

Amounts x 1,000			
Nominal capital		EUR	Values in CHF
Opening balance in CHF on 1 January 2023			100
Capital decrease of 100,000 shares at CHF 1.00 - 20.04.2023			-100
Share capital increases in EUR			
Capital increase of 150,742,711 shares at EUR 0.01 - 20.04.2023		1,507	1,481
Capital increase of 16,578,846 shares at EUR 0.01 - 03.05.2023		166	163
Capital increase of 6,696,477 shares at EUR 0.01 - 08.05.2023		67	66
Capital increase of 91,658,354 shares at EUR 0.01 - 08.05.2023		917	901
Closing balance on 8 May 2023		2,657	2,611

The first and second capital increases were executed to facilitate the tender procedure whereby the DSM N.V. ordinary shares were exchanged for DSM-Firmenich ordinary shares (ratio 1:1).

The third capital increase was facilitated via investment bank Goldman Sachs, which subscribed to 6,696,477 million DSM-Firmenich ordinary shares at nominal value.

Via the fourth capital increase, DSM-Firmenich AG issued DSM-Firmenich ordinary shares to Firmenich's shareholders as part of the agreed consideration to contribute 8,019,000 shares out of 8,100,000 shares (100% minus any treasury shares held by Firmenich International SA) of the capital of Firmenich International SA.

On 8 May 2023, the total number of issued DSM-Firmenich AG ordinary shares amounted to 265,676,388.

2.6 Legal capital reserves

The Legal capital reserves result from the events as explained in Note 2.5 Share capital. The share issuance costs have been offset against the Legal capital reserves.

Amounts in € x 1,000			
Legal capital reserves		EUR	Values in CHF
- Cash contributions 2022 (opening balance 1 January 2023)		609	599
- Decrease share capital to zero - 20.04.2023		102	100
- Capital increase 1 - Contribution in kind - 20.04.2023		17,974,560	17,665,398
- Capital increase 2 - Contribution in kind - 03.05.2023		1,869,928	1,837,765
- Capital increase 3 - 08.05.2023 (issued at nominal value)		0	0
- Capital increase 4 - Contribution in kind - 08.05.2023		10,776,273	10,590,921
- To reserve for treasury shares		-56,322	-55,353
- Expenditures related to the share issuance		-11,635	-11,435
Closing balance on 8 May 2023		30,553,515	30,027,995
Of which:			
- Reserves from capital contributions		22,866,206	22,472,907
- Other capital reserves		7,687,309	7,555,087

The Company has not yet received confirmation from the relevant Swiss authorities for acceptance of the amount of reserves from capital contributions built in the year 2022 and in the period from 1 January 2023 till 8 May 2023.

2.7 Reserve for treasury shares

DSM-Firmenich AG holds no treasury shares.

Of the issued capital, 501,397 DSM-Firmenich AG ordinary shares were held by its investment DSM N.V. on 8 May 2023. The acquisition value of these shares amounts to €56.3 million (CHF 55.4 million), for which a Legal capital reserve has been recognized. The average cost price per share is €112.33 (CHF 110.40).

The Reserve for treasury shares has been built by reducing the Reserve from capital contributions accordingly.

2.8 Personnel expenses

Personnel expenses relate to the remuneration of the Members of the Board of Directors (BoD) and Executive Committee (ExCo). The members of the BoD and ExCo were appointed on 17 April 2023.

The remuneration to the members of the Board of Directors over the period starting 18 April 2023 up to and including 8 May 2023 is shown in the below table.

Amounts in € x 1,000		
Remuneration BoD	EUR	Values in CHF
Chair	46	45
Deputy chair	16	16
Members (10)	136	133
Subtotal	198	194
Employer social securities	11	11
TOTAL	209	205

The Executive Committee consists of 10 persons in total, including the two Co-CEOs.

Members of the Executive Committee (ex DSM) are entitled to the remaining rights of their prior LTI (Long-Term Incentive) plan, which consists of share-based payments. The share-based payment costs included for the reporting period relate to the pro-rata part of the full 2023 costs.

Should Members of the Executive Committee receive treasury shares as part of a share-based compensation program, the difference between the acquisition costs of the treasury shares and any consideration paid by the employees is recognized as personnel expenses. These expenses are allocated across the entire vesting period if the actual shares are handed over at a later date and if it depends on the Member remaining with the Company for a set period. Should the share-based compensation be related exclusively to performance during the year of the allocation, the entire expense is recorded in that year, regardless of the actual transfer date of the shares.

The personnel expenses of the Executive Committee over the period starting 18 April 2023 up to and including 8 May 2023 are shown in the below table.

Amounts in € x 1,000		
Remuneration ExCo	EUR	Values in CHF
Base salary	453	445
Short-term incentive	432	425
Long-term incentive	635	624
Benefits	199	195
Subtotal	1,719	1,689
Employer social securities	92	90
TOTAL	1,811	1,779

2.9 Other operating expenses

Other operating expenses mainly relate to audit and consultancy costs.

2.10 Financial expenses

The financial expenses relate mainly to the short-term loan from DSM N.V. See also Note 2.4 Short-term interest-bearing liabilities.

Other information

Personnel

DSM-Firmenich AG employed fewer than 50 persons or full-time equivalents per the end of the reporting period of these interim financial statements (O at the end of 2022).

Major shareholders (above 5%)

Shareholders who hold a substantial position in DSM-Firmenich AG, should notify this immediately to the Netherlands Authority for the Financial Market (AFM). DSM-Firmenich AG has not received notifications of any shareholder holding more than 5% of its share capital.

Shares or options on shares for members of the Board of Directors and Executive Committee

During the reporting year, no equity consideration rights were granted to any member of the Board of Directors and the Executive Committee.

Audit fees

Amounts x 1,000	01.01.2023 - 08.05.2023	01.01.2023 - 08.05.2023	18.05.2022 - 31.12.2022	18.05.2022 - 31.12.2022
	EUR	values in CHF	EUR ¹⁾	CHF
Audit services	42	41	13	13
Total	42	41	13	13

¹⁾ Unaudited

Events after the balance sheet date

On 5 May 2023, Goldman Sachs subscribed to 6,696,477 DSM-Firmenich ordinary shares at nominal value. On 25 May 2023 the Company announced it has raised total proceeds of €733 million following the sale of 6,696,477 existing DSM-Firmenich ordinary shares to institutional investors, representing approximately 2.5% of DSM-Firmenich's share capital, at a price of €109.50 per share. Closing and settlement of the share placement took place end of May 2023. The Company intends to use the net proceeds of this share placement to fund the cash consideration payable by the Company in relation to the buy-out procedure in accordance with Dutch law that the Company commenced in order to acquire the DSM ordinary shares that have not been tendered in the voluntary public exchange offer launched by the Company for all the issued and outstanding DSM ordinary shares. The results of this exchange offer were announced by the Company on May 1, 2023.

Appropriation of earnings available for distribution

	EUR 08.05.2023
Amounts in € x 1,000	
<i>Distribution capacity</i>	
Legal capital reserves	30,553,515
Profit (loss) brought forward	0
Profit (loss) for the period	-2,460
Non-distributable Legal capital reserves	-532
Reserves available for distribution	30,550,523
Legal capital reserves	30,553,515
- Reserves from capital contributions	22,866,206
- Other statutory reserves	7,687,309
Proposed dividend payment out of Reserves from capital contributions ¹⁾	-423,000
Balance of Legal capital reserves after dividend	30,130,515
- Balance of Reserves from capital contributions	22,443,206
- Balance of Other statutory reserves	7,687,309
Losses carried forward	-2,460

¹⁾ These figures are based on the share capital issued as at 8 May 2023, and may change depending on the number of shares issued as at 29 June 2023. Treasury shares held by DSM-Firmenich AG or its wholly owned subsidiaries do not receive dividends.

Subject to mandatory statutory provisions, the General Meeting may allocate the profits shown in the balance sheet, and in particular determine the amount of the dividend, at its discretion. Dividends and similar distributions that have not been collected within five years after their due date by the shareholders entitled to them shall lapse and accrue to the Company.

In alignment with art. 35 of the Articles of Association of the Company, the Board of Directors proposes to carry forward the loss for the period.

The Board of Directors of DSM-Firmenich AG has approved the interim financial statements on 6 June 2023. It proposes to the General Meeting to pay a dividend of €1.60 per share (totaling around €423 million), which will be paid fully out of the Swiss recognized capital contribution reserves. The dividend is based on the number of issued and outstanding ordinary shares at 8 May 2023.

After the dividend distribution of around €423 million, a remaining balance of €22,443,206 (x 1,000) Capital contribution reserve will be available.

The *ex-dividend date* is 3 July 2023, the record date is 4 July 2023, and the payment date is 6 July 2023.

This proposal is subject to adoption of the resolution by the Extraordinary General Meeting of Shareholders to be held on 29 June 2023.

Attachment: List of indirect investees of DSM–Firmenich AG

A. Significant investees in the Firmenich legacy (in which DSM–Firmenich AG has control):

Country	Entity name	Share in percentage ¹⁾	Currency	Share capital in thousands
Switzerland	Firmenich SA	100	CHF	30,000
	Firmenich Finance SA	100	CHF	100
	Fragar (America) SA	100	CHF	20,000
	Fragar Trading SA	100	CHF	2,500
	Fragar (Europe) SA	100	CHF	2,500
	Firmenich Trading Corporation	100	CHF	12,500
	Action Pin SARL	100	CHF	20
Argentina	Firmenich S.A.I.C. y F.	100	ARS	5,452
Australia	Firmenich Limited	100	AUD	2,780
Austria	Firmenich Ges.m.b.H	100	EUR	37
Belgium	Firmenich Belgium SA	100	EUR	1,240
Brazil	Firmenich & Cia Ltda.	100	BRL	83,115
	DRT Comercio Internacional Ltda	100	BRL	1,000
Bulgaria	Watt Burgas OOD KD	80	BGN	5
	Watt Burgas OOD	80	BGN	5
	Campus Balkans OOD	100	EUR	1,257
Canada	Firmenich of Canada Ltd.	100	CAD	1
China	Kunming Firmenich Aromatics Co. Ltd.	80	CNY	167,281
	Firmenich Aromatics (Shanghai) Co. Ltd.	100	CNY	4,139
	Firmenich Aromatics (China) Co. Ltd.	100	CNY	564,605
	Artsci Biology Technologies Co. Ltd.	90	CNY	20,000
	Zhejiang Quanteng import and export trading Co. Ltd	90	CNY	10,000
	Firmenich Aromatics (ZhangjiaGang) Co., Ltd	100	CNY	220,697
	Firmenich S.A.	100	COP	8,163,346
Colombia	Firmenich S.A.	100	COP	8,163,346
Denmark	Firmenich Denmark APS	100	DKK	11,625
Finland	Suomen Tarpatti Oy	100	EUR	0
France	Firmenich & Cie SAS	100	EUR	5,000
	Firmenich Productions SAS	100	EUR	13,600
	Firmenich Grasse SAS	100	EUR	25,756
	Alpha Beta International SAS	100	EUR	248,683
	Les Dérivés Résiniques et Terpéniques	100	EUR	19,961
	Société Béarnaise de Synthèse SASU	100	EUR	50
	Resimmo SCI	100	EUR	10
	DRT Approvisionnement Biomasse SAS	64.29	EUR	700
	Action Pin SA	100	EUR	1,372
Germany	Firmenich GmbH	100	EUR	6,300
	Firmenich Trostberg GmbH	100	EUR	25
India	Firmenich Aromatics Production (India) Private Ltd	100	INR	2,322,400
	VKL Seasoning Private Ltd	100	INR	12,750
	DRT India LLP	99.6	INR	20,000
	DRT-Anthea Aroma Chemicals Private Limited	50	INR	19,116
Indonesia	PT Firmenich Indonesia	85	IDR	5,305,000
	Firmenich Aromatics Indonesia	100	IDR	45,097,500
Italy	Firmenich S.p.A.	100	EUR	103
	Firmenich Holding (Italy) SPA	100	EUR	30,000
	Campus S.r.l.	100	EUR	501
Japan	Nihon Firmenich K.K.	100	JPY	90,000
Korea	Firmenich Co. Ltd.	100	KRW	500,000
Mexico	Firmenich de Mexico S.A. de C.V.	100	MXN	104,327
	Campus Italia de Mexico S. de R.L. de C.V.	100	MXN	91,123
Nigeria	Firmenich Western Africa Limited	100	NGN	10,000
Norway	Firmenich Bjørge Biomarin AS	100	NOK	125,250
	Campus Scandinavia AS	100	NOK	100
Philippines	Firmenich (Philippines) Inc.	100	PHP	13,075
Poland	Firmenich Sp. Z.o.o.	100	PLN	2,000

Country	Entity name	Share in percentage ¹⁾	Currency	Share capital in thousands
Russia	Firmenich LLC	100	RUB	44,481
Singapore	Firmenich Aromatics Pte Ltd.	100	SGD	0
Singapore	Firmenich Asia Pte Ltd.	100	SGD	6,000
South Africa	Firmenich (Pty) Ltd.	100	ZAR	220,000
Spain	Firmenich S.A.	100	EUR	300
Thailand	Firmenich Thailand Ltd.	100	THB	100,000
Turkey	Firmenich Dis Ticaret Limited Sirketi	100	TRY	166
	Gulcicek Kimya ve Ucan Yaglar Sanayi ve Ticaret A.S.	100	TRY	30,000
UAE	Firmenich FZ-LLC	100	USD	400
UK	Firmenich UK Ltd.	100	GBP	7,000
	Bergère Ltd.	100	USD	391
USA	Firmenich Inc.	100	USD	31,350
	Chem-Fleur Inc.	100	USD	27,641
	Intercit Inc.	100	USD	567
	MCP Food Inc.	100	USD	5,000
	Essex Laboratories LLC	75	USD	9,637
	Agilex Holdings, Inc.	100	USD	163,603
	DRT America Inc.	100	USD	97,474
	DRT America LLC	100	USD	56,232
	Pinova Inc.	100	USD	78,329
Vietnam	Firmenich Vietnam LLC	100	VND	6,308,700

¹⁾ Voting share is equal to the share in percentage

B. Significant investees in the DSM legacy (in which DSM-Firmenich AG has control):

Country	Entity name	Share in percentage ¹⁾	Currency	Share capital in thousands
Netherlands	DSM NL Services B.V.	100	EUR	15,882
	DSM Food Specialties B.V.	100	EUR	453
	DSM Finance B.V.	100	EUR	1,849,336
Austria	Biomin GmbH	100	EUR	35
Australia	DSM Nutritional Products Australia Pty Limited	100	AUD	17,500
Brazil	DSM Produtos Nutricionais Brasil S.A.	100	BRL	1,624,415
Canada	DSM Nutritional Products Canada Inc.	100	USD	228,000
China	DSM (China) Ltd.	100	USD	58,953
	DSM Vitamins (Shanghai) Ltd.	100	USD	66,950
	Yantai DSM Andre Pectin Co., Ltd	75	CNY	313,000
	DSM Vitamins Trading (Shanghai) Co., Ltd.	100	USD	200
	DSM Jiangshan Pharmaceutical (Jiangsu) Co., Ltd.	100	CNY	323,122
France	DSM Nutritional Products France SAS	100	EUR	63,998
Germany	DSM Nutritional Products GmbH	100	EUR	1,000
Italy	Istituto delle Vitamine S.p.A.	100	EUR	2,580
Japan	DSM Japan K.K.	100	JPY	100,000
Mexico	DSM Nutritional Products Mexico SA de CV	100	USD	10,000
USA	DSM Nutritional Products, LLC	100	USD	129,829
	DSM Holding Company USA, Inc.	100	USD	1
	DSM Biomedical, Inc.	100	USD	302
	DSM Food Specialties USA, Inc.	100	USD	0.1
	First Choice Ingredients, Inc.	100	USD	0.3
	I-Health, Inc.	100	USD	0.1
Singapore	DSM Singapore Industrial Pte Ltd.	100	SGD	200
Spain	DSM Nutritional Products Iberia SA	100	EUR	261
Switzerland	DSM Nutritional Products Europe AG	100	CHF	1,000
	DSM Nutritional Products AG	100	CHF	50,000

¹⁾ Voting share is equal to the share in percentage