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1. General information

Basis of preparation

The Group's Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Swiss law.

The comparative numbers included in these Consolidated Financial Statements include the results of Firmenich AG as of the merger date 8 May 2023.

In the following notes all amounts are shown in millions of euros (€), unless otherwise stated.

Changes in accounting policies

With effect from 1 January 2024, dsm-firmenich has applied the amendments, as stipulated in Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), which requires additional disclosures about its supplier finance arrangements. See also Note 21 Current liabilities for the corresponding disclosures.

On 9 April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which becomes effective from 1 January 2027. IFRS 18 includes requirements on the presentation of new defined subtotals in the consolidated income statement, the disclosure of management-defined performance measures, and enhanced requirements for the aggregation and disaggregation of information. While dsm-firmenich has started to perform preliminary impact assessments, it is too early to elaborate on the impact of IFRS 18 on the Group's Consolidated Financial Statements.

Other new or amended standards that are effective from 1 January 2024 do not have a material effect on dsm-firmenich's Consolidated Financial Statements. In addition, other new or amended standards effective after 1 January 2025 were neither adopted early, nor expected to have significant impact.

Group material accounting policies

The below information outlines the general Group material accounting policies. Other specific material accounting policies that management considers to be the most important for the presentation of the financial position and results of dsm-firmenich's operations are included in the relevant notes and applied throughout the Consolidated Financial Statements.

Principles of consolidation

As a parent company, DSM-Firmenich AG is exposed, or has a right, to the variable returns from its involvement with its subsidiaries and has the ability to affect the returns through its power over the subsidiaries. The financial data of subsidiaries are fully consolidated. Non-controlling interests in the Group's equity and profit and loss are stated separately. Subsidiaries are consolidated from the acquisition date until the date on which dsm-firmenich ceases to have control. From the acquisition date onwards, all intra-group balances and transactions and unrealized profits or losses from intra-group transactions are eliminated.

A joint arrangement is an entity in which dsm-firmenich holds an interest and which is jointly controlled by dsm-firmenich and one or more other venturers under a contractual arrangement. A joint arrangement can either be a joint venture whereby dsm-firmenich and the other partner(s) have rights to the net assets of the arrangement, or a joint operation where dsm-firmenich and the partner(s) have rights to the assets and obligations for the liabilities of the arrangement. For joint ventures, the investment in the net assets is recognized and accounted for in accordance with the equity method, see also Note 10 Associates and joint arrangements. For a joint operation, assets, liabilities, revenues, and expenses are recognized in the financial statements of dsm-firmenich in accordance with the contractual entitlement or obligations of dsm-firmenich.

Foreign currencies

The Group's presentation currency is the euro (€), which is also the parent company's functional currency.

Each entity of the Group records transactions and balance sheet items in its functional currency. Transactions denominated in a currency other than the functional currency are recorded at the spot exchange rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in a currency other than the functional currency of the entity are translated at the closing rates. Exchange differences resulting from the settlement of these transactions and from the translation of monetary items are recognized in the income statement. Non-monetary items that are measured on the basis of historical costs denominated in a currency other than the functional currency continue to be translated against the rate at initial recognition and will not result in exchange differences.

On consolidation, the balance sheets of subsidiaries that do not have the euro as their functional currency are translated into euros at the closing rate. The income statements of these entities are translated into euros at the average rates for the relevant period. The functional currency in which goodwill paid on acquisition is recorded is based on the business case underlying the corresponding business combination. Exchange differences arising from the translation of the net investment in entities with a functional currency other than the euro are recorded in Other comprehensive income. The same applies to exchange differences arising from borrowings and other financial instruments insofar as those instruments hedge the currency risk related to the net investment.

On disposal of an entity with a functional currency other than the euro, the cumulative exchange differences relating to the translation of the net investment are recognized in profit or loss.

The currency exchange rates that were used in preparing the Consolidated Financial Statements are listed below for the most important currencies.

1 euro =	Exchange rate at 31 December		Average exchange rate	
	2024	2023	**2024**	2023
US dollar	1.04	1.11	1.08	1.08
Swiss franc	0.94	0.93	0.95	0.97
Brazilian real	6.43	5.36	5.83	5.40
Chinese renminbi	7.58	7.85	7.79	7.66

Emission rights

dsm-firmenich is subject to legislation encouraging reductions in greenhouse gas emissions and has been awarded emission rights (principally CO_2 emission rights) in a number of jurisdictions. Emission rights are reserved for meeting delivery obligations and are recognized at cost. Income is recognized when surplus emission rights are sold to third parties. When actual emissions exceed the emission rights available to dsm-firmenich, a liability is recognized for the expected additional costs.

Significant accounting estimates and judgments

The preparation of the Consolidated Financial Statements requires management to make estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, disclosure of contingent assets and liabilities at the date of the financial statements. Actual outcomes could differ from those estimates. The estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Furthermore, the application of the Group's accounting policies may require management to make judgments, apart from those involving estimates, that can have a significant effect on the amounts recognized in the financial statements. Areas of management estimates and judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed along with the material accounting policies in the relevant notes.

Presentation of Consolidated income statement

dsm-firmenich presents expenses in the Consolidated income statement in accordance with their function. This allows the presentation of gross profit on the face of the income statement, which is a widely used performance measure in the industry. The composition of the costs allocated to the individual functions is explained below.

Cost of sales encompasses all manufacturing costs (including raw materials, employee benefits, and depreciation and amortization) related to goods and services captured in net sales. These are measured at their actual cost based on weighted average cost, or FIFO.

Marketing & Sales relates to the selling and marketing of goods and services, and also includes all costs that are directly related to the sale of goods, but are not originated by the manufacturing of the goods (e.g., outbound freight).

Research & Development consists of:

- Research, which is defined as original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding
- Development, which is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use that do not meet the accounting requirements for capitalization

General & Administrative relates to the strategic and governance role of the general management of the company as well as the representation of dsm-firmenich as a whole in the financial, political, or business community. It also relates to business support activities of staff departments that are not directly related to the other functional areas.

2. Alternative performance measures

Accounting policy

In monitoring the financial performance of dsm-firmenich, management uses certain Alternative performance measures (APMs) not defined by IFRS. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

APM adjustments

To arrive at these APMs, adjustments are made (i.e., APM adjustments) for material items of income and expense arising from circumstances such as acquisitions, divestments, restructuring, impairments, and other events. Other APM-adjusting events include site closure costs, environmental cleaning, litigation settlements, or other non-operational (contractual) arrangements. Except for items related to acquisitions, business divestments (as of 2024, including book results), and integration costs incurred from the transaction date (including non-recurring inventory value adjustments) as well as adjustments due to previously recognized APM adjusting events, the threshold for APM adjustments is €10 million.

Estimates and judgments

Significant judgment in using APMs relates to the identification of material items in the consolidated income statement as 'APM adjustments'.

Definitions

- **Earnings before interest, tax, depreciation and amortization (EBITDA)** is the IFRS metric operating profit, with depreciation, amortization, and impairments added back
- **Adjusted earnings before interest, tax, depreciation and amortization (Adj. EBITDA)** is EBITDA adjusted for material items of profit or loss, as defined under 'APM adjustments'
- **Adjusted operating profit (Adj. EBIT)** is the IFRS metric operating profit adjusted for material items of profit or loss, as defined under 'APM adjustments'
- **Core adjusted EBIT (Core adj. EBIT)** is calculated as the IFRS metric operating profit adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA)
- **Adjusted net profit (Adj. net profit)** is the IFRS metric net profit adjusted for material items of profit or loss, as defined under 'APM adjustments'
- **Core adjusted net profit (Core adj. net profit)** is the IFRS metric net profit from continuing operations adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA)
- **Adjusted gross operating free cash flow (AGOFCF)** is defined as the IFRS metric operating profit plus depreciation, amortization, and impairments, adjusted for material items of profit or loss, as defined under 'APM adjustments', adjusted for intrinsic changes in the working capital, minus capital expenditures. This metric is based on continuing operations
- **Adjusted earnings per share (Adj. EPS)** is calculated as the net profit available to holders of ordinary shares adjusted for material items of profit or loss, as defined under 'APM adjustments', divided by the average of ordinary shares outstanding
- **Core adjusted earnings per share (Core adj. EPS)** is calculated as the net profit from continuing operations available to holders of ordinary shares adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA), divided by the average of ordinary shares outstanding
- **Capital employed** is the total of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables, other current liabilities, investment grants and customer funding. Average capital employed is calculated as the average of the capital employed at the end of the preceding five quarters, including the current quarter

APM adjustments

APM adjustments mainly impact the EBITDA, operating profit, net profit, and EPS and can be specified as per the table on the right.

2024

The main APM adjustments in 2024 were:

- Book result of divestments of €63 million mainly relates to €93 million on the divestment of the Yeast Extract business (excluding the impairment on the manufacturing facility of €73 million), partly offset by smaller divestment losses
- Acquisition (merger), divestment, and integration costs of €103 million relate mainly to the further integration between DSM and Firmenich, the preparation for the carve-out of the ANH business, the sale of the Jiangshan vitamin C business, the divestment of the Yeast Extract business and the deconsolidation of Olatein
- Restructuring costs of €45 million relates to various restructuring programs within dsm-firmenich, including the vitamin transformation program and the additional costs following the closure of the Pinova ingredients plant
- Impairments of PPE, goodwill and intangible assets of €238 million are mainly related to the intangible assets of €54 million concerning specific molecule technologies, for which the supply rights were transferred, to the impairment of the Marine Lipids business of €74 million, and the manufacturing facility of €73 million, following the divestment of the Yeast Extract business; see also above
- Other costs of €42 million mainly relates to costs of litigation and claims

2023

The main APM adjustments were:

- Acquisition (merger) and divestment costs of €363 million relate mainly to the merger and integration between DSM and Firmenich, including the impact of the inventory step-up of €197 million, following the purchase price allocation of Firmenich
- Restructuring costs of €234 million relate mainly to restructuring projects, following the announced restructuring of the vitamin asset footprint, the closure of the Pinova ingredients plant, and restructuring costs following the merger
- Impairments of PPE, goodwill, and intangible assets of €294m are mainly related to the restructuring of our vitamin asset footprint. This includes the closure of the Xinghuo vitamin B6 plant in China and the refocusing of the company's vitamin C activities on its specialty Quali®-C from Dalry (UK) only.
- The production of vitamin C in Jiangshan, China, which had already been significantly reduced since the end of 2022, was completely shut down in mid-May. dsm-firmenich is committed to the sale of its vitamin C business in Jiangshan (China), and therefore classified end of 2023 the assets and liabilities as held for sale
- Other costs of €36 million and financial income and expense of €34 million mainly include the overnight devaluation of the Argentine peso by more than 50% at the inauguration of the new president, together with several litigation costs

APM Adjustments (continuing operations)

	2024	2023
APM Adjustments (continuing operations)		
- Book result of divestments	(63)	-
- Acquisition/divestment/integration costs	103	363
- Restructuring	45	234
- Other	42	36
- Impairments/(reversals) of PPE, goodwill, and intangible assets	238	294
- Financial income and expense	5	34
- Income tax related to adjustments	(45)	(135)
- Adjustments to result from associates and joint ventures	(4)	-
Total APM adjustments (income)/expense	**321**	**826**

Reconciliation Alternative performance measures (APMs) (continuing operations)

A reconciliation of the APMs to the most directly comparable IFRS measures can be found in the table Alternative performance measures (APMs) opposite.

Alternative performance measures (APMs)

	2024	2023
Operating profit (loss)	561	(497)
Depreciation, amortization and impairments	1,430	1,307
EBITDA	**1,991**	**810**
APM adjustments to EBITDA:		
- Acquisitions/divestments/integration	40	363
- Restructuring	45	234
- Other	42	36
Total APM adjustments to EBITDA	127	633
Adjusted EBITDA	**2,118**	**1,443**
Operating profit (loss)	**561**	**(497)**
APM adjustments to Operating profit:		
- APM adjustments to EBITDA	127	633
- Impairments/(reversals) of PPE and Intangible assets	238	294
Total APM adjustments to operating profit	365	927
Adjusted operating profit	**926**	**430**
PPA adjustments dsm-firmenich	287	184
Core adjusted EBIT	**1,213**	**614**
Net profit (loss) from continuing operations	**280**	**(636)**
APM adjustments to net profit from continuing operations:		
- Operating profit	365	927
- Financial income and expense	5	34
- Result relating to associates / joint ventures	(4)	-
Income tax related to APM adjustments	(45)	(135)
Total APM adjustments to net profit from continuing operations	321	826
Adjusted net profit from continuing operations	**601**	**190**
PPA adjustments dsm-firmenich	248	190
Core adjusted net profit from continuing operations	**849**	**380**
Profit attributable to non-controlling interests	(30)	(16)
Dividend on Cumulative Preference Shares	-	(6)
Core adjusted net profit continuing operations available to holders of ordinary shares	**819**	**358**
Adjusted net profit continuing operations available to holders of ordinary shares	**571**	**168**

Capital employed and adjusted gross operating free cash flow

	2024	2023
Capital employed		
Intangible assets	18,078	18,738
Property, plant and equipment	5,725	5,549
Investment grants and customer funding	(63)	(70)
Inventories	3,290	3,390
Current receivables	2,769	2,843
Current liabilities	(3,325)	(3,684)
Capital employed at 31 December	**26,474**	**26,766**
Average capital employed		
Capital employed at 1 January	26,766	10,660
Capital employed at 31 March	26,848	10,775
Capital employed at 30 June	26,648	26,954
Capital employed at 30 September	26,480	27,724
Capital employed at 31 December	26,474	26,766
Average capital employed	**26,643**	**20,576**
Adjusted EBITDA	2,118	1,441
Change working capital, total group	198	160
Capital expenditures, total group	(764)	(692)
Excluding discontinued operations	-	(53)
Adj. gross operating free cash flow	**1,552**	**856**

Earnings per share

	2024		2023	
	Continuing operations	Total	Continuing operations	Total
Earnings per share (EPS)				
Average number of ordinary shares outstanding (x million)	264.6	**264.6**	233.2	233.2
Effect of dilution (x million)	-	**-**	0.2	0.2
Diluted average number of ord. shares outstanding (x million)	264.6	**264.6**	233.4	233.4
In € million				
Net profit available to holders of ordinary shares	250	**250**	(658)	2,131
Adjusted net profit available to holders of ordinary shares	571	**571**	168	161
Core adj. net profit available to holders of ordinary shares	819	**819**	358	351
in €				
EPS	0.94	**0.94**	(2.82)	9.14
Diluted EPS	0.94	**0.94**	(2.82)	9.13
Adj. EPS	2.16	**2.16**	0.72	0.69
Diluted Adj. EPS	2.16	**2.16**	0.72	0.69
Core adj. EPS	3.10	**3.10**	1.54	1.51

3. Change in the scope of consolidation

Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method from the moment control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, including assets transferred, shares issued, and liabilities incurred, measured at acquisition date fair value. Acquisition-related costs incurred are expensed, except if related to the issue of debt or equity securities.

As of the acquisition date, identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree are recognized separately from goodwill. Identifiable assets acquired and the liabilities assumed are measured at acquisition date fair value. For each business combination, dsm-firmenich elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any contingent consideration payable is measured at fair value at the acquisition date; subsequent changes in the fair value of the contingent consideration resulting from events after the acquisition date are recognized in profit or loss.

For business combinations with the acquisition date in the prior reporting period, comparative information is revised in case adjustments are made during the measurement period to the provisional amounts, determined as part of the purchase price allocation (PPA), based on information available at the acquisition date.

Non-current assets and disposal groups held sale

Non-current assets and disposal groups (assets and liabilities relating to an activity that is to be sold) are classified as 'held for sale' if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met as from the date on which a letter of intent or agreement to sell is ready for signing. Non-current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

Discontinued operations

Discontinued operations comprise those activities that were disposed of during the period or which were classified as held for sale at the end of the period and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale.

Estimates and judgments

Key estimates dsm-firmenich makes in the accounting for changes in the scope of consolidation relate to the determination of fair values for assets acquired and liabilities assumed in business combinations. These estimates are based on historical quoted market prices and experience, and are validated by external valuation specialists, where deemed necessary by management.

Merger and acquisitions

In 2024, dsm-firmenich did not acquire any business (in 2023: €290 million consideration for acquisitions and €14,277 million related to the business combination of DSM and Firmenich).

In 2023, the business combination of DSM and Firmenich contributed €3,110 million to net sales, €312 million to operating result and €624 million to Adjusted EBITDA during the period from 8 May until 31 December 2023. If the merger had occurred on 1 January 2023, additional net sales would have been approximately €4,807 million, operating result €506 million and Adjusted EBITDA €958 million in 2023.

Finalization of the PPA related to the merger of equals between DSM and Firmenich

In the reporting year, the Purchase Price Allocation (PPA) related to the merger of equals between DSM and Firmenich in 2023 was finalized without any changes in relation to the purchase price allocation as disclosed in the annual report of 2023.

Finalization of Adare Biome PPA

The Purchase Price Allocation (PPA) related to the acquisition of Adare Biome in France in 2023 was finalized without any changes in relation to the purchase price allocation as disclosed in the annual report of 2023.

Divestments

Jiangshan

At the end of 2023, dsm-firmenich committed to the sale of its vitamin C business in Jiangshan (China) and therefore classified the assets and liabilities as held for sale at the end of the reference year. On 8 March 2024, dsm-firmenich completed the sale and transfer of its 100% equity interest in DSM Jiangshan Pharmaceutical Co., Ltd. to Jingjiang Cosfocus Health Technology Co., Ltd. Besides the derecognition of the assets and liabilities held for sale, the liability that was recognized in 2023 toward the buyer was settled at closing of the transaction.

CanolaPRO®

On 15 February 2024, dsm-firmenich and Avril entered into an Implementation Agreement setting out certain amendments to the Olatein joint arrangement, leading to a change of dsm-firmenich's share from a controlling stake of 75% into a 50/50 joint-control partnership with Avril. As a consequence, dsm-firmenich has deconsolidated the CanolaPRO® business and accounts for its interest in Olatein as a joint venture applying the equity method. The fair value of the remaining share in the joint venture at the date when control was lost amounted to €30 million.

DRT-Anthea

On 10 December 2024, dsm-firmenich reduced its stake in the partnership DRT-Anthea in India from a controlling shareholding of 50% to a minority shareholding of 25%. As a consequence, dsm-firmenich has deconsolidated the DRT-Anthea business and accounts for its interest as an associate applying the equity method. The fair value of the remaining share in the associate at the date when control was lost amounted to €23 million.

dsm-firmenich performed a strategic review process and announced the outcome on 3 June 2024. As part of dsm-firmenich's tuning of its portfolio, the company de-prioritized certain business segments and decided to divest the yeast extract and MEG-3® fish oil businesses.

Marine lipids

On 30 September 2024, the company completed the divestment of its MEG-3® fish oil business to KD Pharma Group SA, a contract development and manufacturing organization (CDMO) active in pharmaceutical and nutritional lipids. As part of the transaction, dsm-firmenich has obtained a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH. The fish-oil business was part of the Business Unit Health, Nutrition & Care, and represented approximately €170 million sales in 2023, with approximately 200 employees who were transferred to KD Pharma.

Yeast extracts

On 1 October 2024, the company completed the divestment of its yeast extract business to Lesaffre, a key global player in fermentation and micro-organisms. Yeast extracts was part of dsm-firmenich's Business Unit Taste, Texture & Health, with annual sales of about €120 million. After the completion of the deal, dsm-firmenich will continue to supply yeast extracts produced in Delft to Lesaffre until the end of 2025, after which point the production of yeast extracts in Delft will be discontinued. Upon divestment, dsm-firmenich recognized a provision for onerous contracts and severance payments amounting to €50 million. See also Note 18 Provisions.

As these businesses were not considered a major line of business, the results of these businesses (the 'disposal groups') were not reclassified to discontinued operations.

Summary of divestments in 2024

See the table on the right for the book result and the impact on the cash flow statement of the divestments and deconsolidations that took place in the reporting year.

	MEG-3 business (divestment)	Yeast extract business (divestment)	Jiangshan vitamin C (divestment)	Olatein (deconsolidation)	DRT-Anthea (deconsolidation)	Other	Total
Assets							
Goodwill and intangible assets	(40)	-	-	(43)	(15)	(1)	(99)
Property, plant and equipment	(64)	(73)	-	(50)	(23)	-	(210)
Other non-current assets	-	-	-	5	-	-	5
Inventories	(117)	(5)	1	(1)	(21)	-	(143)
Receivables and other current assets	(4)	-	(9)	13	(5)	-	(5)
Cash and cash equivalents	(10)	-	(3)	-	(8)	-	(21)
Total assets	**(235)**	**(78)**	**(11)**	**(76)**	**(72)**	**(1)**	**(473)**
Liabilities							
Provisions	-	50	-	-	3	-	53
Non-current liabilities	-	-	-	(42)	(3)	-	(45)
Current liabilities	(5)	8	(57)	(6)	(13)	-	(73)
Total liabilities	**(5)**	**58**	**(57)**	**(48)**	**(13)**	**-**	**(65)**
Net assets	**(230)**	**(136)**	**46**	**(28)**	**(59)**	**(1)**	**(408)**
Non-controlling interest	-	-	-	4	(19)	-	(15)
Net assets dsm-firmenich shareholders	**(230)**	**(136)**	**46**	**(32)**	**(40)**	**(1)**	**(393)**
Consideration (net of selling costs, translation differences and net debt)	156	157	(65)	9	48	7	312
Book result 2024	(74)	21	(19)	(23)	8	6	(81)
Income tax	5	(5)	-	(3)	(4)	(2)	(9)
Net book result	**(69)**	**16**	**(19)**	**(26)**	**4**	**4**	**(90)**
Impact on the cash flow statement							
Consideration (net of selling costs, translation differences and net debt)	156	157	(65)	9	48	7	312
Of which via an equity stake in target company	(159)	-	-	(30)	(23)	-	(212)
Of which deferred payments, non-cash and internal financing	(3)	(13)	14	21	-	(1)	18
Consideration in cash	**(6)**	**144**	**(51)**	**-**	**25**	**6**	**118**
Cash in divested company	(10)	-	(3)	-	(8)	-	(21)
Other divestment-related cash-in/(out)	-	-	-	-	(3)	(52)	(55)
Total cash-in/(out) related to disposals	**(16)**	**144**	**(54)**	**-**	**14**	**(46)**	**42**

Discontinued operations

In 2024, no business was classified as discontinued operations.

Assets and liabilities held for sale

End of 2024, dsm-firmenich is not committed to the sale of any of its businesses, and therefore has not classified assets and liabilities as held for sale.

Breakdown net profit into continuing and discontinued operations

	2024			2023		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net sales	12,799	-	**12,799**	10,627	388	11,015
Adjusted EBITDA	2,118	-	**2,118**	1,443	(2)	1,441
EBITDA	1,991	-	**1,991**	810	2,827	3,637
Total expenses	12,238	-	**12,238**	11,124	(2,439)	8,685
Adjusted operating profit	926	-	**926**	430	(2)	428
Operating profit	561	-	**561**	(497)	2,827	2,330
Financial income and expense	(134)	-	**(134)**	(150)	(1)	(151)
Profit (loss) before income tax expense	**427**	**-**	**427**	**(647)**	**2,826**	**2,179**
Income tax expense	(147)	-	**(147)**	18	(37)	(19)
Results related to associates and joint ventures	-	-	**-**	(7)	-	(7)
Net profit (loss) for the year	**280**	**-**	**280**	**(636)**	**2,789**	**2,153**
Of which:						
- Attributable to non-controlling interests	30	-	**30**	16	-	16
- Dividend on Cumulative Preference Shares	-	-	**-**	6	-	6
- Available to holders of ordinary shares	250	-	**250**	(658)	2,789	2,131
Earnings per share (EPS)						
- Net basic EPS	0.94	-	**0.94**	(2.82)	11.96	9.14

Impact on cash flow statement (discontinued operations)

	2024	2023
Net cash provided by / (used in):		
- Operating activities	-	70
- Investing activities	-	3,517
Net change in cash and cash equivalents	**-**	**3,587**

4. Segment information

Accounting policy

dsm-firmenich has segmented its operations by business activity from which revenues are earned and expenses incurred.

These operating results are regularly reviewed by the Executive Committee (ExCo), dsm-firmenich's Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the operating segments and assess their performance. dsm-firmenich uses Adjusted EBITDA as the main indicator to evaluate the consolidated performance as well as the performance per operating segment. Discrete financial information is available for each identified operating segment.

The same accounting policies that are applied for the Consolidated Financial Statements of dsm-firmenich are also applied for the operating segments. Prices for transactions between segments are determined on an arm's length basis at market-based prices.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can reasonably and consistently be allocated. Interest income, interest expense, and income tax expense or income are not allocated to segments as these amounts are not included in the measure of segment profit or loss reviewed by the ExCo, or otherwise regularly provided to the ExCo. Selected information on a country and regional basis is provided in addition to the information about operating segments.

Operating segments

dsm-firmenich is organized into four distinct Business Units:

- **Perfumery & Beauty (P&B)** creates premium scents with proven benefits, using the best and largest palette of natural, synthetic, and biotech ingredients
- **Taste, Texture & Health (TTH)** helps customers create food and beverage products that are delicious, nutritious, affordable, and sustainable – providing enjoyment and nourishment for consumers, and better health for People and Planet
- **Health, Nutrition & Care (HNC)** provides people a way to look after their health by adding critical nutrients to their diets, driving medical innovation forward, speeding up recovery, and enhancing quality of life
- **Animal Nutrition & Health (ANH)** delivers healthy animal proteins efficiently and sustainably, harnessing power of data to make animal farming practices more sustainable, productive, and transparent

The Business Units are created with clear end-market orientation and large addressable markets. They are clustered in coherent product and market combinations with similar customers and distribution channels, and their operating results are regularly reviewed by the ExCo. Therefore, these Business Units have been identified as the reportable operating segments of dsm-firmenich.

Any consolidated activities outside the four reportable operating segments above are reported as the reportable segment 'Corporate Activities'. These consist of corporate operating and service activities that are not further allocated to the operating segments. dsm-firmenich does not have a single external customer that represents 10% or more of total sales.

Geographical information

	Switzer-land	Nether-lands	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
2024								
Net sales (by destination)								
In € millions	214	420	3,938	2,928	1,887	1,096	2,316	**12,799**
In %	2	3	30	23	15	9	18	**100**
Workforce at period-end (headcount)	3,734	1,776	8,134	4,155	3,565	3,365	3,485	**28,214**
Intangible assets and property, plant and equipment at year-end (carrying amount)	14,946	1,618	3,220	2,689	428	603	299	**23,803**
2023								
Net sales (by destination)								
In € millions	204	424	3,103	2,420	1,653	997	1,826	**10,627**
In %	2	4	29	23	16	9	17	**100**
Workforce at year-end (headcount)	3,647	1,783	7,953	4,264	3,617	4,664	3,373	**29,301**
Intangible assets and property, plant and equipment at year-end (carrying amount)	15,474	1,665	3,147	2,600	506	612	283	**24,287**

Reportable segments

	Perfumery & Beauty	Taste, Texture & Health	Health, Nutrition & Care	Animal Nutrition & Health	Corporate Activities	Total continuing operations	Discontinued operations	TOTAL
2024								
Net sales	3,964	3,245	2,214	3,324	52	**12,799**	-	**12,799**
Adjusted EBITDA[1]	882	615	371	343	(93)	**2,118**	-	**2,118**
EBITDA	877	671	353	301	(211)	**1,991**	-	**1,991**
Adjusted operating profit[1]	491	279	188	124	(156)	**926**	-	**926**
Operating profit	486	262	7	81	(275)	**561**	-	**561**
Capital expenditures	189	161	127	287	-	**764**	-	**764**
Adjusted EBITDA margin (in %)	22.3	19.0	16.8	10.3		**16.5**	-	**16.5**
2023								
Net sales	2,619	2,471	2,246	3,223	68	**10,627**	388	**11,015**
Adjusted EBITDA[1]	579	437	377	128	(78)	**1,443**	(2)	**1,441**
EBITDA	417	361	277[2]	48[2]	(293)	**810**	2,827	**3,637**
Adjusted operating profit[1]	317	169	158	(80)	(134)	**430**	(2)	**428**
Operating profit	154	93	(101)[2]	(285)[2]	(358)	**(497)**	2,827	**2,330**
Capital expenditures	112	86	129	252	121	**700**	5	**705**
Adjusted EBITDA margin (in %)	22.1	17.7	16.8	4.0		**13.6**	(0.5)	**13.1**

1 See Note 2 Alternative performance measures for the reconciliation to IFRS performance measures.
2 Restated for comparative purposes.

5. Net sales and costs

Accounting policy

Revenue from contracts with customers is recognized by identifying the contract and its performance obligations as well as by determining and allocating the transaction price to these performance obligations. Net sales represent the invoice value less estimated rebates, cash discounts, and indirect taxes. No element of financing is deemed present as sales are made with a short-term credit term.

The payment terms are determined per business segment on a customer basis. dsm-firmenich has neither specific obligations for returns or refunds, nor specific warranties or other related obligations.

Sale of goods

At dsm-firmenich, revenue related to the sale of goods is recognized in the income statement when the performance obligation is satisfied. This is at the point in time when transfer of control of the goods passes to the buyer. Fulfilment of the performance obligations related to goods sold is measured using the commercial shipment terms as an indicator for the transfer of control. Revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

Rendering of services

Income coming from the rendering of services is recognized when the service, i.e., the performance obligation, has been performed. Fulfilment of the performance obligations for services rendered is identified according to the individual contract. The revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

Licensing (royalties)

Income related to the sale or licensing of technologies or technological expertise is recognized in the income statement either at a point in time or over time, depending on when the contractually identified performance obligations are satisfied. Performance obligations related to license income include the transfer of rights and obligations associated with those technologies. License income is reported in Net sales as it is part of the ordinary and recurring activities of the business.

Net sales

	2024	2023
Goods sold	12,609	10,410
Services rendered	184	205
Royalties	6	12
Total	**12,799**	**10,627**

Disaggregation of net sales

	2024	2023
Perfumery & Beauty	**3,964**	**2,619**
- Perfumery	2,443	1,480
- Ingredients	903	551
- Personal care	618	588
Taste, Texture & Health	**3,245**	**2,471**
- Taste	1,842	1,139
- Ingredients solutions	1,403	1,332
Health, Nutrition & Care	**2,214**	**2,246**
- Dietary supplements and I-Health	991	1,017
- Early life nutrition	413	411
- Biomedical solutions	208	204
- Other	602	614
Animal Nutrition & Health	**3,324**	**3,223**
- Essential Products	2,469	2,434
- Performance Solutions	855	789
Corporate Activities	**52**	**68**
Total	**12,799**	**10,627**

Total costs

In 2024, total operating costs (the total costs included in operating profit) amounted to €12.2 billion, €1.1 billion higher than in 2023, when these costs stood at €11.1 billion. The difference is mainly attributable to the inclusion of Firmenich for the full year in 2024, compared to eight months in 2023, following the merger.

Total operating costs in 2024 included Cost of sales amounting to €8.6 billion (2023: €8.0 billion); gross profit as a percentage of net sales increased to 33% (2023: 25%), thanks to the improved margins in the business (particularly the ANH business) and the full year inclusion of the Firmenich results.

Employee benefit costs

	2024	2023
Wages and salaries	2,460	2,009
Social security costs	325	262
Pension costs (see also Note 24)	201	159
Share-based compensation (see also Note 27)	35	29
Total	**3,021**	**2,459**

Depreciation, amortization and impairments

	2024	2023
Amortization of intangible assets	609	477
Depreciation of property, plant and equipment owned	481	428
Depreciation of right-of-use assets	96	75
Impairment losses	244	327
Total	**1,430**	**1,307**

For impairment losses see Note 2 Alternative performance measures.

Other operating income

	2024	2023
Release of provisions	3	-
Gain on sale of assets and activities	47	17
Insurance benefits	21	53
Amendments / settlements to pension plans	-	-
Earn-out payments and other settlements	21	57
Lease income	-	4
Royalties	-	2
Sale of emission rights	-	8
Sundry	21	47
Total	**113**	**188**

Other operating expense

	2024	2023
Additions to provisions	7	22
Exchange differences	7	13
Acquisitions / disposals	39	59
Damages w.r.t insurance	-	-
Sundry	17	23
Total	**70**	**117**

6. Finance income and expense

	2024	2023
Finance income		
Interest income	70	95
Fair value change in derivatives	15	28
Sundry	6	10
Total finance income	**91**	**133**
Finance expense		
Interest expense	(153)	(134)
Interest relating to lease liabilities	(15)	(8)
Interest relating to defined benefit plans	(9)	(8)
Fair value change in derivatives	-	(33)
Capitalized interest during construction	6	4
Exchange differences	(34)	(73)
Unwinding of discounted payables	(5)	(22)
Sundry	(15)	(9)
Total finance expense	**(225)**	**(283)**
Total finance income and expense	**(134)**	**(150)**

In 2024, the interest rate applied in the capitalization of interest during construction was 2.5% (same as in 2023).

7. Income tax

Accounting policy

Income tax expense is recognized in the income statement except to the extent that it relates to an item recognized directly in Other comprehensive income or Shareholders' equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted at the balance sheet date, plus any adjustment to tax payable with respect to previous years. The current tax position also reflects any uncertainty related to income taxes. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date, and reflect any uncertainty related to income taxes and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled. Deferred tax assets, including assets arising from losses carried forward and tax credits, are reassessed over time and recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets and liabilities are stated at nominal value.

Deferred taxes are not provided for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset and presented net when there is a legally enforceable right to offset, and the assets and liabilities relate to income taxes levied by the same taxation authority.

Estimates and judgments

Key estimates for income tax generally relate to uncertain tax positions that could result from different interpretation of tax legislation by local tax authorities in the countries where dsm-firmenich operates. For the measurement of the uncertainty, dsm-firmenich uses the most likely amount or the expected value method to estimate the underlying risk. This requires judgements and final outcome may deviate from the estimates.

Income Tax

The income tax expense on continuing operations was €147 million, which represents an effective income tax rate of 34.4% (2023: tax benefit of €18 million, representing an effective income tax rate of 2.8%). The breakdown of the income tax expense is shown in the table opposite.

Pillar Two legislation has been enacted in a number of jurisdictions in which dsm-firmenich operates. dsm-firmenich applies the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The income tax expense relating to Pillar Two legislation was less than €1 million in 2024 because of a combination of the geographical spread of the business results and the Pillar Two legislation in Switzerland, which was limited to the domestic top-up tax in 2024. As Pillar Two legislation was not yet enacted in the countries in which dsm-firmenich operated in 2023, there was no income tax expense relating to Pillar Two in that year.

The total effective tax rate on the taxable result in 2024 was 34.4% (2023: 2.8%). Excluding APM adjustments, this was 24.1% (2023: 37.3%). The effective tax rate in 2024 compared to the Swiss statutory rate was negatively impacted by the geographical spread, changes in tax rates under local tax law in various countries, and non-deductible expenses. The effective tax rate in 2024 excluding APM adjustments compared to previous year was positively impacted because of the strong improvement of the financial results. The effective tax rate including APM adjustments is primarily affected by three elements, being our financial results, the spread of these result across the countries where dsm-firmenich operates and non-deductible items. In 2023, the negative profit before tax including APM adjustments in conjunction with the other two elements led to a lower effective tax rate. Conversely, in 2024, the positive profit before tax, combined with mainly the geographic spread of the results and the non-deductible items, causes an increase of the higher effective tax rate.

Income tax

	2024	2023
Current tax (expense) / benefit:		
- Current year	(343)	(179)
- Prior-year adjustments	7	2
- Tax credits compensated	13	2
- Non-recoverable withholding tax	(1)	(13)
Total current tax (expense) / benefit	**(324)**	**(188)**
Deferred tax (expense) / benefit:		
- Originating from temporary differences and their reversal	162	245
- Prior-year adjustments	3	3
- Change in tax rate	3	(10)
- Changes arising from write-down of deferred tax assets	(4)	(41)
- Changes in previously and newly recognized tax losses and tax credits	13	9
Total deferred tax (expense) / benefit	**177**	**206**
Total tax (expense) / benefit	**(147)**	**18**
Of which related to:		
- Taxable result excl. APM adjustments	(192)	(117)
- APM adjustments	45	135

The relationship between the income tax rate in Switzerland and the effective tax rate on the taxable result can be explained as follows.

Effective tax rate (continuing operations)

In %	2024	2023
Domestic income tax rate	15.1	16.3
Tax effects of:		
- Deviating rates	9.8	19.3
- Change in tax rates	0.5	1.5
- Tax-exempt income and non-deductible expense	(1.6)	(2.5)
- Other effects	0.3	2.7
Effective tax rate taxable result, excl. APM adjustments	**24.1**	**37.3**
APM adjustments (see Note 2)	10.3	(34.5)
Total effective tax rate	**34.4**	**2.8**

Deferred tax assets and liabilities

The balance of the deferred tax assets and deferred tax liabilities decreased by €267 million owing to the changes presented in the table opposite.

In various countries, dsm-firmenich has taken standpoints regarding its tax position which may at any time be challenged, or have already been challenged, by the tax authorities, because the authorities in question interpret the law differently. For particular tax treatments for which there exists uncertainty that they are accepted by tax authorities, dsm-firmenich either recognizes a liability or reflects the uncertainty in the recognition and measurement of its current and deferred tax assets and liabilities. In 2024 the recognized liabilities for uncertainties were reclassed from deferred tax liability to current tax liability as a result of a change of dsm-firmenich's interpretation of the guidance on the presentation of these uncertainties.

The deferred tax assets and liabilities relating to the balance sheet items are shown in the second table opposite.

The valuation of deferred tax assets depends on the probability of the reversal of temporary differences and the utilization of tax loss carry forwards, tax credits, and withholding tax. Deferred tax assets are recognized for future tax benefits arising from temporary differences and for tax loss carryforwards to the extent that the tax benefits are probable. dsm-firmenich has to assess the likelihood that deferred tax assets will be recovered from future taxable profits. Deferred tax assets are reduced if, and to the extent that, it is not probable that all or some portion of the deferred tax assets will be realized. In the event that actual future results differ from estimates, and depending on tax strategies that dsm-firmenich may be able to implement, changes to the measurement of deferred taxes could be required, which could have an impact on the company's financial position and profit for the year.

No deferred tax assets were recognized for loss carryforwards amounting to €560 million (2023: €566 million). Unrecognized loss carryforwards amounting to €66 million will expire in the years up to and including 2029 (2023: €93 million up to and including 2028), nil losses between 2030 and 2034 (2023: €1 million between 2029 and 2033) and the remaining €494 million in 2035 and beyond (2023: €472 million between 2034 and beyond). In addition, an amount of €15 million (2023: €9 million) of withholding taxes was unrecognized.

No deferred tax liability is recognized on temporary differences relating to unremitted retained earnings of subsidiaries, as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The amount of unremitted retained earnings on which no deferred tax liability has been provided for represents €2,957 million (2023: €2,253 million).

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Deferred tax assets and liabilities

	2024	2023
Balance at 1 January		
Deferred tax assets	228	95
Deferred tax liabilities	(1,751)	(476)
Total	**(1,523)**	**(381)**
Changes:		
- Income tax income / (expense) in income statement	177	193
- Income tax: change in tax percentage	-	-
Total income statement	177	193
- Income tax expense in OCI	2	21
- Acquisitions and disposals	2	(1,264)
- Transfers	71	-
- Exchange differences	14	(108)
- Reclassification to held for sale	-	16
Balance at 31 December	**(1,257)**	**(1,523)**
Of which:		
- Deferred tax assets	299	228
- Deferred tax liabilities	(1,556)	(1,751)

Deferred tax assets and liabilities by balance sheet item

	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	60	(1,357)	54	(1,485)
Property, plant and equipment	31	(283)	29	(279)
Right-of-use assets	1	(71)	-	(40)
Financial assets	41	(11)	59	(18)
Inventories	122	(24)	82	(20)
Receivables	15	(25)	11	(22)
Lease liabilities non-current	61	-	31	-
Other non-current liabilities	-	(26)	1	(88)
Non-current provisions	74	(56)	73	(46)
Other current liabilities	85	(5)	68	(2)
Lease liabilities current	11	-	10	-
	501	**(1,858)**	**418**	**(2,000)**
Tax losses carried forward	100	-	59	-
Set-off	(302)	302	(249)	249
Total	**299**	**(1,556)**	**228**	**(1,751)**

8. Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over dsm-firmenich's share in the net fair value of the identifiable assets and liabilities in a business combination. Goodwill paid on acquisition of a business is included in intangible assets. Goodwill paid on acquisition of joint ventures or associates is included in the carrying amount of these entities. Goodwill recognized as an intangible asset is tested for impairment annually, and when there are indications that the carrying amount may exceed the recoverable amount. A gain or loss on the disposal of an operation includes the goodwill allocated to the operation sold.

Intangible assets acquired as part of a business combination

Intangible assets acquired in a business combination are recognized at fair value on the date of acquisition and subsequently amortized on a straight-line basis over their expected useful lives. The expected useful lives vary from four to 20 years.

Separately acquired intangible assets

Separately acquired licenses, patents, application software and other purchased rights are carried at historical cost less straight-line amortization and less any impairment losses. The expected useful lives vary from four to 20 years.

Capital expenditure that is directly related to the development of application software is recognized as an intangible asset and amortized over its estimated useful life (five to eight years). Costs of software maintenance are expensed when incurred.

Internally generated intangible assets

Research costs are expensed when incurred. Development expenditure is capitalized if the recognition criteria are met and if it is demonstrated that it is technically feasible to complete the asset; that the entity intends to complete the asset; that the entity is able to sell the asset; that the asset is capable of generating future economic benefits; that adequate resources are available to complete the asset; and that the expenditure attributable to the asset can be reliably measured. Development expenditure that meets the recognition criteria is amortized over the asset's useful life on a straight-line basis. As long as internally generated intangible assets are under construction, they are not amortized as they are not yet available for use. Instead, they are subject to a review for impairment annually, or more frequently if events or circumstances indicate this is necessary. Any impairment is charged to the income statement as it arises.

Impairment of non-financial assets

When there are indications that the carrying amount of a non-financial asset (goodwill, an intangible asset, or an item of property, plant and equipment) may exceed the estimated recoverable amount (the higher of its value in use and fair value less costs of disposal), the possible existence of an impairment loss is investigated. If an asset does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market interest rates and the risks specific to the asset or CGU. When the recoverable amount of a non-financial asset or a CGU is less than its carrying amount, the carrying amount is impaired to its recoverable amount and an impairment charge is recognized in profit or loss. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized. Impairment losses for goodwill are never reversed.

Estimates and judgments

Key estimates and judgments dsm-firmenich makes in the accounting for goodwill and intangible assets relate to:

- The amortization period of intangible assets, which depends on their useful lives
- The determination of CGUs, which depends on the capacity of the asset or group of assets to generate independent cash flows
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of goodwill and intangible assets. These estimates are based on historical and current market rates, quoted prices, experience, current business outlooks, and are validated by external valuation specialists, where deemed necessary by management.

The amortization and impairment losses of goodwill and intangible assets are included in Cost of sales, Marketing & Sales, Research & Development, and General & Administrative expenses.

Where dsm-firmenich acquired entities in business combinations in the past, they were accounted for by the acquisition method, resulting in recognition of mainly goodwill, customer- and marketing-related, and technology-based intangible assets.

The main intangible assets recognized as a result of the merger in 2023 are customer relationships for €3,407 million, technology for €1,044 million, and trademarks for €648 million. Furthermore, an amount of €8,251 million was recognized as goodwill.

Other significant intangibles were mainly obtained during the acquisitions of Erber Group and Glycom in 2020, and F&F Amyris and First Choice Ingredients in 2021. Intangible assets are amortized on a straight-line basis and subject to impairment trigger testing.

There are no intangible assets with an indefinite useful life (same as in 2023). The carrying amount of the internally generated intangible assets includes €137 million (2023: €133 million) that relates mainly to strategic projects which are not being amortized yet. The recoverable amount of these projects was estimated based on the present value of the future cash flows expected to be derived from the projects (value-in-use).

	Goodwill	Customer base	Brands and trademarks	Technology and formulas	Software, licenses and patents	Internally generated	Other	Total
Balance at 1 January 2023								
Cost	2,989	1,249	124	1,005	612	576	270	**6,825**
Amortization and impairment losses	5	596	62	270	363	186	196	**1,678**
Carrying amount	**2,984**	**653**	**62**	**735**	**249**	**390**	**74**	**5,147**
Changes in carrying amount:								
- Capital expenditure	-	1	-	-	2	124	2	**129**
- Put into operation	-	2	2	1	57	(62)	-	**-**
- Acquisitions	8,398	3,451	658	1,149	71	52	10	**13,789**
- Disposal subs	-	-	-	-	(1)	-	-	**(1)**
- Amortization	-	(178)	(40)	(118)	(83)	(38)	(20)	**(477)**
- Impairment losses	(28)	(3)	(3)	(13)	(6)	(13)	(4)	**(70)**
- Exchange differences	(61)	174	30	53	8	13	(5)	**212**
- Reclassification to held for sale	-	-	-	-	-	2	-	**2**
- Transfers	-	-	22	(34)	40	(29)	6	**5**
- Other	-	3	1	-	24	-	(26)	**2**
	8,309	**3,450**	**670**	**1,038**	**112**	**49**	**(37)**	**13,591**
Balance at 31 December 2023								
Cost	11,315	4,880	837	2,174	813	676	258	**20,953**
Amortization and impairment losses	22	777	105	401	452	237	221	**2,215**
Carrying amount	**11,293**	**4,103**	**732**	**1,773**	**361**	**439**	**37**	**18,738**
- Of which acquisition-related	11,293	4,103	732	1,773	76	-	11	**17,988**
Changes in carrying amount:								
- Capital expenditure	-	-	-	-	1	113	3	**117**
- Put into operation	-	(1)	4	11	53	(70)	3	**-**
- Disposals and deconsolidations	(47)	(1)	-	-	-	(11)	(1)	**(60)**
- Amortization	-	(250)	(69)	(146)	(108)	(25)	(11)	**(609)**
- Impairment losses	(50)	(1)	(4)	(55)	(1)	(5)	-	**(116)**
- Exchange differences	51	(32)	(3)	(4)	(1)	(5)	1	**7**
- Transfers	-	(15)	(16)	31	10	(33)	24	**1**
	(46)	**(300)**	**(88)**	**(163)**	**(46)**	**(36)**	**19**	**(660)**
Balance at 31 December 2024								
Cost	11,302	4,682	858	2,068	1,013	632	231	**20,786**
Amortization and impairment losses	55	879	214	458	698	229	175	**2,708**
Carrying amount	**11,247**	**3,803**	**644**	**1,610**	**315**	**403**	**56**	**18,078**
- Of which acquisition-related	11,247	3,803	644	1,610	66	-	17	**17,387**

Goodwill

The annual impairment tests of goodwill are performed in the fourth quarter. The recoverable amount of the CGUs is based on a value-in-use calculation. More specifically, the cash flow projections are based on the budget for 2025, as approved by management, which is extrapolated throughout the remainder of the forecast period using management's internal forecasts. The key assumptions in the cash flow projections relate to the market growth for the CGUs and the related revenue projections, EBITDA developments, and the rates used for discounting cash flows.

The CGUs dsm-firmenich identified in 2024 are Perfumery & Beauty (P&B), Taste, Texture & Health (TTH), Health, Nutrition & Care (HNC), and Animal Nutrition & Health (ANH).

For ANH and HNC, the growth assumptions are based on the growth of the global food and feed markets, and the vitamin transformation program; for TTH on the growth assumptions of the global food and beverage markets; and for P&B on the growth assumptions of the global fragrances and personal care markets.

Based on the sensitivity tests performed on the impairment test of the CGUs P&B and TTH, it was identified that a reasonably possible adverse change in the pre-tax discount rate could cause the carrying amount of these CGUs to exceed their recoverable amount. Holding all other factors constant, increases of, respectively, 182 basis points and 175 basis points in the pre-tax discount rates of P&B and TTH would result in recoverable amounts equal to the carrying amounts of these CGUs. The headroom of P&B and TTH amounted to €2,553 million and €2,130 million, respectively. The remainder of the sensitivity tests performed indicates that the conclusions of the impairment test of the CGUs would not have been different if a reasonably adverse change in any other key parameter had been assumed.

Goodwill per Cash generating unit

	2024	2023
Perfumery & Beauty (P&B)	4,169	4,191
Taste, Texture & Health (TTH)	3,718	3,739
Health, Nutrition & Care (HNC)	1,782	1,784
Animal Nutrition & Health (ANH)	1,578	1,579
Total	**11,247**	**11,293**

Key assumptions for goodwill impairment tests

	2024	2023
Forecast period (years)		
- Mature business	5	5
- Emerging business	10	10
Terminal value growth	2.0%	2.0%
Pre-tax discount rate		
P&B	9.0%	8.7%
TTH	8.7%	8.6%
HNC	8.6%	7.9%
ANH	9.6%	9.2%
Organic sales growth (year 1–5)		
P&B	2%–4%	1%–4%
TTH	1%–6%	3%–8%
HNC	0%–7%	6%–8%
ANH	4%–13%	4%–8%

9. Property, plant and equipment

Accounting policy

Property, plant and equipment owned

Items of Property, plant and equipment owned are measured at cost less depreciation calculated on a straight-line basis over their estimated useful lives and less any impairment losses. Borrowing costs during construction are capitalized when the underlying asset under construction meets the recognition criteria of a qualifying asset.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group. Expenditures relating to major scheduled turnarounds are capitalized and depreciated over the period up to the next turnaround.

The estimated remaining lives of assets are reviewed every year, taking account of commercial and technological obsolescence as well as normal wear and tear. The initially assumed expected useful lives are in principle as follows:

- Buildings: 10-50 years
- Plant and equipment: 4-15 years
- Land is not depreciated

An item of property, plant and equipment owned is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use or the sale of the asset. Any gain or loss arising on derecognition of the asset is recorded in profit or loss.

Right-of-use assets (leases)

dsm-firmenich mainly leases offices, warehouses, vehicles, machinery, and other equipment.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost less any depreciation on a straight-line basis over the expected lease term, less any impairment losses, and adjusted for remeasurements of the lease liability. In line with the initially assumed expected useful life of the corresponding asset class within Property, plant and equipment, the minimum expected lease term for building leases is in principle 10 years. However, the contractual terms or specific circumstances could require applying the shorter non-cancellable period in determining the expected lease term. For vehicle leases, the expected lease term is set equal to the contractual term (4–5 years).

Impairment of Property, plant and equipment

If there is an indication of impairment, the carrying amount of an item of Property, plant and equipment or the cash generating unit (CGU) to which it belongs is reviewed and the recoverable amount of the asset or the CGU is estimated. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

Estimates and judgments

Key estimates and judgments dsm-firmenich makes in the accounting for items of property, plant and equipment relate to:

- The depreciation period of items of property, plant and equipment, which depend on their useful lives
- The determination of the lease term for lease contracts based on assessment of available renewal options. Estimates are based on the underlying asset class, past practices and current business outlooks
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of items of property, plant and equipment. These estimates are based on historical and current market rates, experience, and current business outlooks

Composition of Property, plant and equipment

	2024	2023
Property, plant and equipment owned	5,223	5,156
Right-of-use assets	502	393
Total	**5,725**	**5,549**

Property, plant and equipment owned

In 2024, impairment losses of €128 million (2023: €250 million) were recognized on Property, plant and equipment, mainly following the divestment of the Yeast Extract business (€73 million) and the Marine Lipids business (€38 million). See also Note 2 Alternative performance measures. For acquisitions, see Note 3 Change in the scope of consolidation.

	Land and buildings	Plant and equipment	Under construction	Not used for operating activities	Total
Balance at 1 January 2023					
Cost	1,929	4,625	572	6	**7,132**
Depreciation and impairments	839	2,891	-	-	**3,730**
Carrying amount at 1 January 2023	**1,090**	**1,734**	**572**	**6**	**3,402**
Changes in carrying amount:					
- Capital expenditure	13	48	510	-	**571**
- Put into operation	38	259	(297)	-	**-**
- Acquisitions	960	684	222	-	**1,866**
- Disposals and deconsolidations	(5)	10	(12)	-	**(7)**
- Depreciation	(107)	(321)	-	-	**(428)**
- Impairment losses	(68)	(200)	18	-	**(250)**
- Exchange differences	51	(34)	(4)	-	**13**
- Reclassification to held for sale	(5)	-	-	-	**(5)**
- Other reclassifications	65	129	(200)	-	**(6)**
	942	**575**	**237**	**-**	**1,754**
Balance at 31 December 2023					
Cost	2,956	5,642	809	6	**9,413**
Depreciation and impairments	925	3,332	-	-	**4,257**
Carrying amount at 31 December 2023	**2,031**	**2,310**	**809**	**6**	**5,156**
Changes in carrying amount:					
- Capital expenditure	11	57	645	-	**713**
- Put into operation	56	205	(261)	-	**-**
- Disposals and deconsolidations	(56)	(66)	(2)	-	**(124)**
- Depreciation	(122)	(359)	-	-	**(481)**
- Impairment losses	(35)	(90)	(3)	-	**(128)**
- Exchange differences	44	32	12	-	**88**
- Other reclassifications	35	235	(271)	-	**(1)**
	(67)	**14**	**120**	**-**	**67**
Balance at 31 December 2024					
Cost	2,880	5,651	930	6	**9,467**
Depreciation and impairments	916	3,327	1	-	**4,244**
Carrying amount at 31 December 2024	**1,964**	**2,324**	**929**	**6**	**5,223**

Right of use assets

	Land and buildings	Plant and equipment	Total
Balance at 1 January 2023	119	55	**174**
Changes in carrying amount:			
Acquisition	130	33	**163**
New leases / remeasurements	117	21	**138**
Depreciation	(48)	(27)	**(75)**
Exchange rate differences	1	(1)	**–**
Impairments	(7)	–	**(7)**
	193	**26**	**219**
Balance at 31 December 2023			
Cost	430	128	**558**
Depreciation and impairments	(118)	(47)	**(165)**
Carrying amount at 31 December 2023	**312**	**81**	**393**
Changes in carrying amount:			
Acquisition	–	–	**–**
New leases / remeasurements	170	28	**198**
Depreciation	(65)	(31)	**(96)**
Exchange rate differences	7	–	**7**
Impairments	–	–	**–**
	112	**(3)**	**109**
Balance at 31 December 2024			
Cost	577	131	**708**
Depreciation and impairments	(153)	(53)	**(206)**
Carrying amount at 31 December 2024	**424**	**78**	**502**

For the disclosures on the lease liabilities that correspond with the right-of-use assets, see Note 19 Borrowings.

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10. Associates and joint arrangements

Accounting policy

An associate is an entity over which dsm-firmenich has significant influence but no control or joint control, usually evidenced by a shareholding that entitles dsm-firmenich to between 20% and 50% of the voting rights. A joint venture is an entity over which dsm-firmenich has joint control and is entitled to its share of the net assets and liabilities.

Investments in associates and joint ventures are initially recognized at cost, including transaction costs. Subsequent to initial recognition, these investments are accounted for by the equity method, which involves recognition in the income statement of dsm-firmenich's share of the associate's or joint venture's profit or loss for the year determined in accordance with the accounting policies of dsm-firmenich. Any other results at dsm-firmenich in relation to associated companies are recognized under Other results related to associates and joint ventures. dsm-firmenich's interest in an associate or joint venture is carried in the balance sheet at its share in the net assets of the associate or joint venture together with goodwill paid on acquisition, less any impairment loss.

When dsm-firmenich's share in the loss of an associate or joint venture exceeds the carrying amount of that entity, the carrying amount is reduced to zero. No further losses are recognized unless dsm-firmenich has responsibility for obligations relating to the entity.

Associates and joint ventures

The table 'Carrying amount and share of profit of associates and joint ventures' on the next page analyses, in aggregate, the carrying amount and share of profit of associates and joint ventures. For acquisitions and divestments, see Note 3 Change in the scope of consolidation.

Joint operations

The operations Veramaris® and Avansya are accounted for in accordance with IFRS 11 for joint operations. dsm-firmenich therefore recognizes their amounts for the assets, liabilities, revenues and expenses in accordance with the contractual entitlement and obligations of dsm-firmenich, see also Note 1 General information.

The other consolidation change relating to MidCo Omega relates to the divestment of the Marine Lipids business to the KD Pharma group. As part of that transaction, dsm-firmenich has obtained a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH.

Carrying amount and share of profit of associates and joint ventures

	2024					2023
	MidCo Omega	Essential Labs	Other associates	JVs	Total	Total
Balance at 1 January	**-**	**43**	**72**	**15**	**130**	**61**
- Share of the profit of associates and joint ventures	(3)	4	1	(12)	(10)	(6)
- Other comprehensive income	-	-	-	-	-	(3)
- Capital payments	-	-	11	6	17	5
- Dividends received	-	(1)	(8)	-	(9)	(2)
- Acquisitions	-	-	-	-	-	74
- Disposals	-	-	-	-	-	-
- Other consolidation change	159	-	19	30	208	-
- Other	3	2	1	-	6	1
Balance at 31 December	**159**	**48**	**96**	**39**	**342**	**130**

Key figures of main associates on a 100% basis

	MidCo Omega		Essential Labs	
	2024	2023	2024	2023
Current assets	325	-	19	17
Non-current assets	395	-	14	13
Current liabilities	71	-	2	4
Non-current liabilities	249	-	7	8
Net assets (100% basis)	**400**	**-**	**24**	**18**
of which Non-controlling interest	1	-	-	-
Attributable to investee's shareholders	399	-	24	18
Summarized statement of profit or loss				
Revenue (net sales)	31	-	72	52
Profit for the year (continuing operations)	**(9)**	**-**	**7**	**6**
Other comprehensive income	-	-	-	-
Total comprehensive income	**(9)**	**-**	**7**	**6**
of which Non-controlling interest	-	-	-	-
Attributable to investee's shareholders	(9)	-	7	6

11. Other non-current assets

Accounting policy

Other non-current assets comprise loans to associates and joint ventures, other participating interests, and other long-term investments and receivables. Other participating interests comprise equity interests in entities in which dsm-firmenich has no significant influence. We generally apply the irrevocable election upon initial recognition to present subsequent changes in the fair values of these interests in Other comprehensive income (OCI) as these represent investments that dsm-firmenich intends to hold for a longer term for strategic purposes. Fair value changes in OCI will not be recycled through profit and loss upon disposal of the interest. All dividends received will be presented in profit or loss.

dsm-firmenich's business model objective for loans granted is 'held-to-collect contractual cash flows only'. Held-to-collect loans, other receivables and other deferred items, for which the contractual cash flows consist solely of principal and interest, are measured at amortized cost, using the effective interest method, which generally corresponds to the nominal value, less an adjustment for expected credit loss. Upon disposal of these assets, the gain or loss is recognized in profit or loss.

Other long-term investments and receivables, for which the contractual cash flows are not solely principal and interest, are recognized at fair value, with changes in fair value recognized in profit or loss.

The company is focusing on its consumer activities after having announced plans to separate the Animal Nutrition & Health business from the Group and after tuning the portfolio by deprioritizing certain activities. As part of that portfolio change, the company disposed of its 386,732 shares and 102,000 share certificates of Robertet S.A. for a consideration of €387 million. Results on this investment are recognized via FVOCI. The accumulated result in the Fair value reserve amounting to €24 million was recycled to Retained earnings.

In 2024, all investments under other participating interests were classified as FVOCI. These other participating interests mainly include investments in dsm-firmenich's venturing portfolio.

The 'Expected credit loss (ECL) adjustment and impairment' of €45 million relates to the loan that was waived as part of the Jiangshan divestment (see also Note 3 Change in the scope of consolidation).

Other non-current assets

	Loans associates and joint ventures	Other participating interests	Other receivables	Other	Total
Balance at 1 January 2023	**2**	**125**	**158**	**10**	**295**
Changes:					
- Charged to the income statement	-	-	(1)	-	**(1)**
- Acquisitions	7	491	33	7	**538**
- Disposals	-	(10)	-	-	**(10)**
- Capital payments	-	10	-	-	**10**
- Loans granted / prepayments	3	-	13	-	**16**
- Repayments / (receipts)	-	-	-	(4)	**(4)**
- Exchange differences	-	23	(1)	(1)	**21**
- Transfers	-	-	(24)	4	**(20)**
- Changes in fair value through OCI	-	(65)	-	-	**(65)**
- Changes in fair value through income statement	-	(5)	-	-	**(5)**
- Other changes	(1)	7	(89)	(1)	**(84)**
Balance at 31 December 2023	**11**	**576**	**89**	**15**	**691**
Changes:					
- Charged to the income statement	-	-	8	-	**8**
- Acquisitions	-	-	-	-	**-**
- Disposals	-	(387)	-	-	**(387)**
- Capital payments	-	6	-	-	**6**
- Loans granted / prepayments	47	-	55	-	**102**
- Repayments / (receipts)	-	-	(48)	-	**(48)**
- Exchange differences	-	(9)	(2)	1	**(10)**
- Transfers	(3)	11	54	-	**62**
- Changes in fair value through OCI	-	10	-	-	**10**
- Changes in fair value through income statement	-	2	-	-	**2**
- Expected credit loss (ECL) adjustment and impairments	(1)	-	(45)	-	**(46)**
- Other changes	-	-	-	1	**1**
Balance at 31 December 2024	**54**	**209**	**111**	**17**	**391**

12. Inventories

Accounting policy

Inventories are stated at the lower of cost and net realizable value. The cost of intermediates, work-in-progress, and finished goods includes directly attributable costs and related production overhead expenses.

Net realizable value is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Products whose manufacturing cost cannot be calculated because of joint cost components are stated at net realizable value after deduction of a margin for selling and distribution efforts. Value adjustments for slow-moving and obsolete inventories are made.

Cost is generally determined using the weighted average cost formula, unless the nature of the inventories warrants the use of the first in, first out (FIFO) method of valuation.

Composition of inventories

	2024	2023
Raw materials and consumables	926	1,018
Intermediates and finished goods	2,481	2,479
	3,407	**3,497**
Adjustments to lower net realizable value	(117)	(107)
Total	**3,290**	**3,390**

Changes in the adjustment to net realizable value

	2024	2023
Balance at 1 January	**(107)**	**(66)**
Additions charged to income statement	(82)	(65)
Utilization / reversals	75	109
Exchange differences	(5)	5
Disposal	2	27
Transfer	-	(90)
Reclassification to held for sale	-	(27)
Balance at 31 December	**(117)**	**(107)**

13. Current receivables

Accounting policy

Current receivables, for which the contractual cash flows are solely principal and interest, are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, which generally corresponds to their nominal, non-discounted value, less an adjustment for expected credit loss.

Loss allowances for trade receivables are always measured at lifetime expected credit loss – see also Note 23 Financial instruments and risks.

Information about the expected credit loss that relates to trade accounts receivable resulting in a loss allowance is included under Credit risk in Note 23 Financial instruments and risks.

Deferred items comprised €73 million (2023: €63 million) in prepaid expenses that include advance payments for any expenditure that would have otherwise been made during the next 12 months.

Current receivables

	2024	2023
Trade receivables		
Trade accounts receivable	2,238	2,173
Other trade receivables	306	343
Deferred items	61	62
Receivables from associates	4	2
	2,609	**2,580**
Expected credit loss	(20)	(27)
Total Trade receivables	**2,589**	**2,553**
Income tax receivable	**51**	**107**
Other current receivables		
Other taxes and social security contributions	24	16
Employee-related receivables	6	7
Acquisition-/disposal-related receivables	12	5
Interest	6	4
Loans	23	69
Other receivables	46	81
Deferred items	12	1
Total Other current receivables	**129**	**183**
Total current receivables	**2,769**	**2,843**

14. Financial investments

Accounting policy

Financial investments are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Deposits with banks with a maturity of between three and 12 months are classified as financial investments.

All fixed-term deposits have been placed with institutions with a high credit rating in line with our counterparty policy. The purpose of the deposits is either to meet short-term cash commitments, or to manage liquidity to such extent that yields are optimized while allowing dsm-firmenich sufficient freedom in fulfilling its (strategic) goals.

For more information regarding the counterparty policy, see Note 23 Financial instruments and risks.

Financial investments

	2024	2023
Fixed term deposits	50	107
Total	**50**	**107**

15. Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash at banks and in hand and deposits held at call with banks with a maturity of less than three months at inception.

Deposits will be classified as 'cash equivalent' if held at banks with a maturity of less than three months at inception. Deposits will be classified as financial investments if the maturity is more than three months but less than or equal to one year. Bank overdrafts are included in current liabilities. Included in cash and cash equivalents are investments in money-market funds that do not meet the SPPI (Solely Payments of Principal & Interest) criterion but are held to meet short-term cash demand and have a maturity of less than three months at inception. Money-market fund investments have been placed with institutions with a high credit rating in line with our counterparty policy.

Cash and cash equivalents are measured at amortized cost, or at fair value through profit and loss.

For dsm-firmenich, the purpose of holding cash in deposits and money-market funds is to meet short-term cash commitments and to manage liquidity to such an extent that yields are optimized, while allowing dsm-firmenich sufficient freedom in fulfilling its (strategic) goals.

Cash at year-end 2024 was not being used as collateral and therefore was not restricted (same as in 2023).

In a few countries, dsm-firmenich faces cross-border foreign exchange controls and/or other legal restrictions that limit its ability to make these balances available at short notice for general use by the Group. The amount of cash held in these countries was €233 million at year-end 2024 (2023: €211 million). The cash will generally be invested or held in the relevant country and, given the other liquidity resources available to the Group, does not significantly affect the ability of the Group to meet its obligations.

For more information regarding the counterparty policy, see Note 23 Financial instruments and risks.

Composition of cash and cash equivalents

	2024	2023
Deposits	687	384
Money-market funds	504	931
Cash at bank and in hand	1,472	1,139
Payments in transit	4	2
Total	**2,667**	**2,456**

16. Equity

Accounting Policy

dsm-firmenich classifies shares and other financial instruments, for which settlement of the contractual obligations is at the sole discretion of dsm-firmenich, as equity.

The price paid for repurchased dsm-firmenich shares (treasury shares), or the price to be paid for future repurchases of dsm-firmenich shares (equity forward contracts), is deducted from dsm-firmenich shareholders' equity until the shares are reissued. Treasury shares are presented in the treasury share reserve. When treasury shares are sold or reissued, the amount received is recognized as an increase in equity.

Dividend to be distributed to holders of ordinary shares is recognized as a liability when the Annual General Meeting approves the profit appropriation.

Share capital

On 31 December 2024, the capital amounted to €2.7 million, consisting of 266 million ordinary shares (same on 31 December 2023). All DSM-Firmenich AG shares have a nominal value of €0.01 each. The outstanding shares provide an entitlement of one vote per share at the Annual General Meeting. All rights attached to the company's shares held by the Group are suspended until those shares are reissued.

The changes in the number of issued and outstanding shares of DSM-Firmenich AG are shown in the table opposite.

Movements in equity

	2024	2023
Balance at 1 January	**23,070**	**10,845**
Net profit for the year	280	2,153
Other comprehensive income	173	30
Stock options and share units granted	31	23
Dividend	(667)	(582)
Proceeds from issuance of new shares	-	11,510
Expenditures related to issuance of new shares	(4)	(29)
Proceeds from reissue of shares	21	24
Acquisition of NCI without a change in control	-	48
Acquisition (divestment) of subsidiary with NCI	(17)	(4)
Repurchase of shares	(52)	(256)
Forward contracts to repurchase shares	(105)	-
Liability i.r.t. buy-out non-tendered shares DSM B.V.	-	(649)
Remuneration on deeply subordinated perpetual notes	(28)	(28)
Other changes	(5)	(15)
Balance at 31 December	**22,697**	**23,070**

Development issued and outstanding shares DSM-Firmenich AG

	Issued shares	Treasury shares (incl. forward contracts)
Balance at 1 January 2023	**-**	**-**
Issue of new shares via tender process	167,321,557	
Issue of new shares via placement in the market	98,354,831	
Swap treasury shares DSM B.V. to DSM-Firmenich AG		662,616
Reissue of shares in connection with share-based payments		(270,044)
Balance at 31 December 2023	**265,676,388**	**392,572**
Number of treasury shares at 31 December 2023	(392,572)	
Number of shares outstanding at 31 December 2023	**265,283,816**	
Balance at 1 January 2024	**265,676,388**	**392,572**
Repurchase of shares		500,000
Forward contracts to repurchase shares		1,000,000
Reissue of shares in connection with share-based payments		(488,387)
Balance at 31 December 2024	**265,676,388**	**1,404,185**
Number of treasury shares at 31 December 2024	(404,185)	
Forward contracts to repurchase shares at 31 December 2024	(1,000,000)	
Number of shares outstanding at 31 December 2024	**264,272,203**	

Share premium

The share premium decreased by €418 million (2023: increase by €11,260 million) mainly due to the part of the dividend that was distributed out of share premium in 2024 amounting to €414 million (2023: €425 million).

Other reserves in Shareholders' equity

	Translation reserve	Hedging reserve	Reserve for share-based compensation	Fair value reserve	Total
Balance at 1 January 2023	**424**	**(33)**	**44**	**(72)**	**363**
Changes:					
Fair-value changes of derivatives	–	34	–	–	**34**
Release to income statement	6	(7)	–	–	**(1)**
Fair-value changes of other financial assets	–	–	–	(65)	**(65)**
Exchange differences	144	–	–	–	**144**
Stock options and share units granted	–	–	23	–	**23**
Stock options and share units exercised/canceled	–	–	(23)	–	**(23)**
Transfer to retained earnings	–	–	–	(5)	**(5)**
Income tax	–	(1)	–	5	**4**
Total changes	150	26	–	(65)	**111**
Balance at 31 December 2023	**574**	**(7)**	**44**	**(137)**	**474**
Changes:					
Fair-value changes of derivatives	–	(40)	–	–	**(40)**
Release to income statement	10	–	–	–	**10**
Fair-value changes of other financial assets	–	–	–	13	**13**
Exchange differences	174	–	–	–	**174**
Stock options and share units granted	–	–	31	–	**31**
Stock options and share units exercised/canceled	–	–	(27)	–	**(27)**
Transfer to retained earnings	–	–	–	71	**71**
Income tax	–	6	–	(2)	**4**
Total changes	184	(34)	4	82	**236**
Balance at 31 December 2024	**758**	**(41)**	**48**	**(55)**	**710**

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Treasury shares and forward contracts to repurchase shares

In 2024, the Group repurchased 0.5 million shares for an amount of €52 million to fulfill its obligations under share-based compensation plans.

dsm-firmenich concluded an equity forward contract to repurchase 1.0 million shares. The total consideration amounted to €105 million; it will take delivery of the shares against payment of the forward price of €109 million on 24 April 2025.

At 31 December 2024, dsm-firmenich possessed 0.4 million (2023: 0.4 million) shares, or 0.15% (2023: 0.15%) of the share capital, for servicing share-option rights and share plans. The average purchase price of the ordinary treasury shares as at 31 December 2024 was €104.62 (2023: €112.34).

The increase in the Translation reserve in 2024 is mainly caused by a strengthening of the euro against the Swiss franc versus a weakening against the US dollar and Chinese renminbi. As a consequence, the total value of the subsidiaries increased, which led to a positive exchange difference of €174 million (2023: €144 million).

Additional information on the reserves is provided in Note 6 Share capital to the Parent Company Financial Statements.

Dividend

Prior to the merger in May 2023, dividend was paid to the holders of cumulative preference shares A and of non-tendered ordinary shares of DSM B.V. Since the merger date, the Group has paid dividend to the holders of DSM-Firmenich AG shares.

In 2024, the Group distributed dividend amounting to €660 million (2023: €582 million) partly out of share premium (€414 million; 2023: €425 million); the remaining dividend amounting to €246 million (2023: €157 million) was distributed out of retained earnings.

Deeply subordinated fixed rate resettable perpetual notes

Firmenich International SA issued deeply subordinated fixed rate resettable perpetual notes for the amount of €750 million on 3 June 2020 with a coupon of 3.75% payable annually at the sole discretion of the issuer until the first reset date i.e., 3 September 2025. Thereafter, the interest rate is reset every five years. In 2024, the remuneration on the deeply subordinated fixed rate resettable perpetual notes amounts to €28 million (2023: €28 million), as shown in the table 'Movements in equity'. In accordance with the provisions of IAS 32 Financial Instruments: Presentation, this instrument is accounted for in equity.

Dividend distribution in the reporting year

	2024	2023
Shareholders DSM B.V.		
Cumulative preference shares A: - (2023: €0.14)	-	6
Final dividend ordinary shares: - (2023: €22.58)	-	151
Shareholders DSM-Firmenich AG		
Dividend per share: €2.50 (2023: €1.60)	660	425
Total	**660**	**582**

17. Non-controlling interests

Accounting policy

Non-controlling interests in subsidiaries are measured at the proportionate share of the subsidiaries' identifiable net assets.

The shareholding owned by dsm-firmenich in Yimante Health Ingredients (Jingzhou) Company Ltd. is 75%. The profit will be distributed in a 50:50 proportion. The impact of this arrangement has led to a transfer of €19 million (2023: €9 million) within equity from shareholders' equity to non-controlling interest.

In the reporting period, dsm-firmenich divested half of its 50% equity stake in DRT-Anthea and lost control. Therefore, this investment is deconsolidated.

For acquisitions, see Note 3 Change in the scope of consolidation.

Non-controlling interests

	2024					2023
	DRT-Anthea Aroma	Andre Pectin	Yimante	Other	Total	
% of non-controlling interest	50% / 0%	25%	25%			
Balance at 1 January	**21**	**48**	**61**	**32**	**162**	**102**
Changes:						
- Share of profit/charged to income statement	2	4	19	5	**30**	16
- Dividend paid	(2)	-	-	(5)	**(7)**	-
- Acquisitions	-	-	-	-	**-**	48
- Divestments	(21)	-	-	4	**(17)**	(4)
- Other consolidation changes	-	-	-	(6)	**(6)**	-
- Transfers	-	-	19	-	**19**	9
- Exchange differences	-	2	2	1	**5**	(9)
Total changes	(21)	6	40	(1)	**24**	60
Balance at 31 December	**-**	**54**	**101**	**31**	**186**	**162**

Not fully-owned subsidiaries on a 100% basis

	2024				2023
	Andre Pectin	Yimante	Other	Total	
Assets					
Goodwill and intangible assets	37	19	1	**57**	122
Property, plant and equipment	38	121	31	**190**	275
Other non-current assets	2	40	25	**67**	95
Inventories	51	10	64	**125**	143
Receivables	31	111	73	**215**	186
Current investments	7	-	-	**7**	51
Cash and cash equivalents	73	9	63	**145**	103
Total assets	**239**	**310**	**257**	**806**	**975**
Liabilities					
Provisions (non-current)	10	1	2	**13**	24
Borrowings (non-current)	-	13	16	**29**	95
Other non-current liabilities	-	1	6	**7**	9
Borrowings and derivatives (current)	-	13	6	**19**	74
Other current liabilities	10	32	62	**104**	159
Total liabilities	**20**	**60**	**92**	**172**	**361**
Net assets (100% basis)	**219**	**250**	**165**	**634**	**614**
Net sales	96	277	333	**706**	620
Net profit for the year	19	74	30	**123**	70
Cash provided by / (used in) operating activities	27	71	55	**153**	154

18. Provisions

Accounting policy

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. The underlying assumptions in the recognition of provisions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In cases where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to time passing is recognized as financial expense. Differences in final obligations and initial estimates are recognized in the consolidated income statement in the period in which such determination is made.

In cases where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Estimates and judgments

Many estimates relate to determining the likelihood and timing of potential cash flows included in their measurement.

The rate used for discounting decreased from 3.5% to 3.4%. Depending on the risk profile, the discount rates used at the end of 2024 vary from 3.4% to 5.3% (2023: 3.5% to 5.7%). The balance of provisions measured at present value increased by less than €2 million in 2024 in view of the passage of time (similar to 2023). Provisions for restructuring costs and termination benefits mainly relate to the costs of redundancy schemes connected to the dismissal of employees and costs of termination of contracts. These provisions generally have a term of one to three years.

Regarding the provisions for restructuring costs and termination benefits, the additions related mainly to an addition of €4 million to the existing provisions in relation to the merger and integration, and the creation of a provision for an amount of €21 million in connection with the closure of a plant following the divestment of the Yeast Extract business. The usage of these provisions mainly related to the existing provisions for the merger and integration (€17 million), the restructuring of the vitamin asset footprint (€10 million), and the closure of the Pinova ingredients plant (€18 million). Other additions to provisions for restructuring costs and termination benefits in 2024 relate mainly to the various smaller restructuring projects (same as in 2023). The provisions for environmental costs relate to soil clean-up obligations, among other things and have an average life of around 30 years.

Several items have been combined under Other provisions, e.g., demolition costs, onerous contracts and legal claims. These provisions have an average life of one to 10 years. Following the divestments in 2024, provisions for onerous contracts amounting to €32 million were created.

Provisions

	Restructuring costs and termination benefits	Environmental costs	Other provisions	Total
Balance at 1 January 2023	**41**	**29**	**25**	**95**
Of which current	39	2	4	**45**
Changes:				
- Acquisition	3	-	46	**49**
- Additions	102	4	40	**146**
- Releases	(9)	-	(21)	**(30)**
- Uses	(66)	(3)	(16)	**(85)**
- Other change	1	3	(3)	**1**
Total changes	31	4	46	**81**
Balance at 31 December 2023	**72**	**33**	**71**	**176**
Of which current	25	3	6	**34**
Changes:				
- Acquisition	-	-	-	**-**
- Additions	38	-	66	**104**
- Releases	(4)	-	(24)	**(28)**
- Uses	(58)	(3)	(22)	**(83)**
- Other change	1	-	(6)	**(5)**
Total changes	(23)	(3)	14	**(12)**
Balance at 31 December 2024	**49**	**30**	**85**	**164**
Of which current	24	3	50	**77**

19. Borrowings

Accounting policy

Borrowings

Borrowings, including bonds, are not held for trading and are initially recognized at fair value of the proceeds received, net of transaction costs. Subsequently, borrowings are stated at amortized cost using the effective interest method, with any discount or premium on the borrowing amortized over the applicable term. The corresponding interest expenses are recorded as financial expense in profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, dsm-firmenich uses its incremental borrowing rate as the discount rate. In determining the incremental borrowing rate, dsm-firmenich applies the practical expedient to use a single discount rate to portfolios of leases with reasonably similar characteristics, as reflected in the contractual currency and expected lease term of these contracts.

In general, dsm-firmenich splits the contractual consideration into a lease and a non-lease component based on their relative stand-alone prices. For vehicle leases, however, dsm-firmenich applies the practical expedient not to make this split but rather accounts for the fixed consideration as a single lease component.

Over time, the lease liability is increased by the interest expense related to the unwinding of the lease liability and decreased by the lease payments made. The lease liability is remeasured to reflect any reassessment of or modification to the contractual terms and conditions of the lease, including indexation.

Payments related to short-term leases (leases with a term shorter than 12 months) are recognized on a straight-line basis in profit or loss.

Borrowings

In agreements governing loans with a residual amount at year-end 2024 of €4,451 million (31 December 2023: €4,133 million), negative pledge clauses have been included that restrict the provision of security.

At 31 December 2024, there was €2,212 million in borrowings outstanding with a remaining term of more than five years (at 31 December 2023, €1,340 million).

dsm-firmenich redeemed in full the 2.375% EUR bond 2014–2024 of €500 million on the maturity date of 3 April 2024.

On 2 July 2024, dsm-firmenich issued a 10-year €800 million bond. The bond, issued by DSM B.V. and guaranteed by DSM-Firmenich AG, has a coupon of 3.625% and matures on 2 July 2034.

Included in credit institutions is an amount of €108 million related to the liability for the forward contract to repurchase shares – see also Note 16 Equity.

Borrowings by type

	2024		2023	
	Total	Of which current	Total	Of which current
Bonds	4,451	500	4,133	500
Private loans	132	73	254	104
Lease liabilities	524	90	415	84
Credit institutions	173	173	28	28
Total	**5,280**	**836**	**4,830**	**716**

Borrowings by maturity

	2024	2023
Less than one year	836	716
One to two years	1,589	633
Two to three years	71	1,560
Three to four years	539	47
Four to five years	33	534
More than five years	2,212	1,340
Total	**5,280**	**4,830**

Borrowings by currency

	2024	2023
EUR	4,709	4,283
CNY	98	140
USD	216	142
CHF	104	102
BRL	19	23
Other	134	140
Total	**5,280**	**4,830**

Private loans

	2024	2023
CNY loan	76	128
Other loans	56	126
Total	**132**	**254**

On balance, total borrowings increased by €450 million due to the changes, presented in the table 'Movement of borrowings'.

The bonds issued by DSM B.V. have a fixed interest rate. The bonds issued in the period 2015-2020 are listed on the AEX. The bond issued in 2024 is listed on the Luxembourg Stock Exchange.

- The 2.375% EUR bond 2014–2024 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond of 3.97%, including the settlement of the pre-hedge
- The 1% EUR bond 2015–2025 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond at 3.65%, including the settlement of the pre-hedge
- The 0.75% EUR bond 2016–2026 of €750 million was pre-hedged by means of a collar, resulting in an effective interest rate for this bond of 1.08%, including the settlement of the pre-hedge
- The 0.25% EUR bond 2020–2028 of €500 million has an effective interest rate of 0.29%
- The 0.625% EUR bond 2020–2032 of €500 million has an effective interest rate of 0.70%
- The 3.625% EUR bond 2024-2034 of €800 million has an effective interest rate of 3.691%

The bonds issued by Firmenich Productions Participations SAS (guaranteed by Firmenich International SA) have a fixed interest rate and are listed on Euronext Dublin.

- The 1.375% EUR bond 2020–2026 of €750 million has an effective interest rate of 3.18%
- The 1.750% EUR bond 2020–2030 of €750 million has an effective interest rate of 3.47%

A breakdown of private loans is given on the previous page.

In addition to the contractual lease commitments, dsm-firmenich has identified explicit renewal options available to dsm-firmenich, which are currently not reasonably certain to be exercised and are therefore not included in the measurement of the lease. The associated future lease payments which are uncommitted and optional for dsm-firmenich, are estimated at around €196 million (undiscounted; 2023: €181 million). The interest expense on the lease liabilities was €15 million (2023: €8 million) and the total repayments of the lease liabilities amounted to €110 million in 2024 (2023: €73 million). These cash flows are reported as financing cash flows. dsm-firmenich's policy regarding financial risk management is described in Note 23 Financial instruments and risks.

Movements of borrowings

	2024	2023
Balance at 1 January	**4,830**	**3,064**
Loans taken up	833	15
Repayments	(623)	(549)
Unwinding (interest)	45	28
Acquisitions / consolidation changes	(39)	2,195
Transfers	-	28
Disposals	2	(2)
Reclassification to held for sale	-	-
Changes in debt to credit institutions	37	-
Forward contract to repurchase shares	105	-
New lease arrangements (incl. remeasurements)	198	128
Payment of lease liabilities	(110)	(73)
Exchange differences	2	(4)
Balance at 31 December	**5,280**	**4,830**

Bonds

			Nominal amount	2024	2023
EUR loan	2.38%	2014—2024	500	-	500
EUR loan	1.00%	2015—2025	500	500	500
EUR loan	0.75%	2016—2026	750	750	749
EUR loan	0.25%	2020—2028	500	499	498
EUR loan	0.63%	2020—2032	500	496	496
EUR loan	1.38%	2020—2026	750	719	711
EUR loan	1.75%	2020—2030	750	694	679
EUR loan	3.63%	2024—2034	800	793	-
Total			**5,050**	**4,451**	**4,133**

A breakdown of the lease liabilities is given below.

	2024	2023
Less than one year	99	92
One to two years	96	77
Two to three years	65	56
Three to four years	50	40
Four to five years	42	33
More than five years	291	196
Total undiscounted lease liabilities at 31 December	643	494
Lease liabilities included in the Balance Sheet at 31 December	**524**	**415**
Current	90	84
Non-current	434	331

20. Other non-current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

Government grants are recognized at their fair value if there is reasonable assurance that the grant will be received and that all related conditions will be complied with. Cost grants, which are grants that compensate dsm-firmenich for expenses incurred, are recognized as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. If the grant is an investment grant, its fair value is initially recognized as deferred income in Other non-current liabilities and then released to profit or loss over the expected useful life of the relevant asset.

Other non-current liabilities

	2024	2023
Investment grants / customer funding	63	70
Deferred items	36	30
Acquisition-/divestment-related liabilities	10	45
Other	-	1
Total	**109**	**146**

The decrease in the Other non-current liabilities is mainly caused by the transfer to current liabilities.

21. Current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

Included in trade accounts payable are amounts due to suppliers which could be part of a supply chain finance arrangement between the supplier and a third-party bank.

Our suppliers can enter into such arrangements with third-party banks, and access earlier payment on terms linked to our investment grade credit rating. If a supplier participates, this does not impact classification of the trade payable, as arrangements are concluded between them and banks and do not alter payment conditions between the supplier and us. Additionally, dsm-firmenich does not incur any additional interest toward the bank on the amounts due to the suppliers. Therefore, these amounts remain classified as trade payables and the related payments are included in operating cash flows.

dsm-firmenich applied transitional relief available under Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 and has not provided comparative information in the first year of adoption.

The decrease in acquisition- / divestment-related liabilities was mainly due to the settlement of the statutory buy-out of non-tendered shares of DSM B.V. See also Note 26 Notes to the cash flow statement.

Current liabilities

	2024	2023
Trade payables		
Received in advance	5	8
Trade accounts payable[1]	2,267	2,166
Notes and cheques due	4	-
Total Trade payables	**2,276**	**2,174**
Income tax payable	**223**	**177**
Other current liabilities		
Other taxes and social security contributions	87	85
Interest[1]	36	32
Pensions	1	2
Investment creditors	203	146
Employee-related liabilities	454	310
Payables associates and joint ventures relating to cash facility	-	3
Acquisition-/divestment-related liabilities	36	748
Other	9	7
Total Other current liabilities	**826**	**1,333**
Total current liabilities	**3,325**	**3,684**

1. 2023 figure restated for comparative purposes.

Supplier finance arrangements

	2024
Carrying amount of liabilities	
Presented within trade and other payables (beginning of the period)	207
Presented within trade and other payables (end of the period)	218
- Of which suppliers have received payment (by a third-party bank)	178
Range of payment due dates	
Liabilities that are part of supplier finance arrangements	30-120 days after invoice date
Comparable trade payables that are not part of a supplier finance arrangement	0-120 days after invoice date

22. Contingent liabilities and other financial obligations

Guarantee obligations

Guarantee obligations are principally related to VAT and duties on the one hand and to financing obligations of associated companies or related third parties on the other. Guarantee obligations will only lead to a cash outflow when called upon. At year-end, no obligations had been called upon. Most of the outstanding orders for projects under construction will be completed in 2025. Other relates mainly to contingent liabilities in contracts for catalysts.

Litigation

dsm-firmenich has a process in place to monitor legal claims periodically and systematically. dsm-firmenich is involved in several legal proceedings, most of which are related to the ordinary course of business. dsm-firmenich does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements and disclosed in Note 18 Provisions.

In 2015, an award was issued against DSM Sinochem Pharmaceuticals India Private Ltd. (DSP India) in a protracted arbitration case in India going back to 2004 involving a joint venture that DSP India had formed with Hindustan Antibiotics Ltd., which suspended its operations in 2003. DSP India (renamed to Centrient Pharmaceuticals after divestment by the former DSM in 2018) is covered by an indemnity from DSM B.V. for this case. In 2015, DSP India made an application with the Civil Court in Pune (India) to set aside the arbitral award. The award amounts to INR 127.5 crore (€14 million as at year-end 2024) excluding interest of 12% per year as of 2004. dsm-firmenich provided the Pune Court a bank guarantee of INR 410 crore (€45 million as at year-end 2024). At the end of 2024, application proceedings were still pending. dsm-firmenich views this case as unfounded and is of the opinion that the likelihood of the award being ultimately set aside is high. Therefore, no liability is recognized in respect of this case.

In 2019, Brazilian tax authorities disagreed with certain tax treatment as applied by the company in 2014–2016, which would have an effect on such prior year income tax returns of around BRL 134 million (€21 million as at year-end 2024), including penalties and interest. dsm-firmenich views this case as unfounded and considers that the possibility of winning this case is high, as confirmed by external legal counsel. Therefore, no liability relating to this case is recognized. Currently certain elements are subject to appeal at the Superior Chamber. In the event that dsm-firmenich receives an unfavorable decision, the case can still be taken to the Judicial Court.

In 2023, certain competition authorities commenced an industry-wide investigation into the fragrances sector. As part thereof, unannounced inspections were carried out at several of our offices and a subpoena was received from the Antitrust Division of the United States Department of Justice. The company is fully cooperating with the authorities. As per the date of release of this report, no further update on the status or outcome of the investigation is available. In addition, multiple lawsuits have been filed against the company relating to the investigations.

Contingent liabilities and other financial obligations

	2024	2023
Guarantee obligations on behalf of associates and third parties	173	170
Outstanding orders for projects under construction	13	15
Other	54	80[1]
Total	**240**	**265**

1. 2023 figure restated for comparative purposes.

The contingent liabilities and other financial obligations in the above table are not recognized in the balance sheet.

23. Financial instruments and risks

Policies on financial risks

As an international company, dsm-firmenich is exposed to financial risks in the normal course of business. A major objective for the company is to minimize the impact of market, liquidity and credit risk on the value of the company and its profitability. In order to achieve this, a systematic financial and risk management system has been established. Furthermore, an internal control framework is in place, and the controls are monitored and tested periodically.

The derivative contracts used by dsm-firmenich are entered into exclusively in connection with the corresponding underlying transaction (hedged item) relating to normal operating business. The instruments used are customary products, such as currency swaps, cross-currency interest rate swaps, collars, forward exchange contracts, and interest rate swaps.

An important element of dsm-firmenich's capital management is the allocation of cash flow. dsm-firmenich primarily allocates cash flow to investments aimed at strengthening its business positions and securing the payment of dividends to its shareholders. The remaining cash flow is further used for acquisitions and partnerships that strengthen dsm-firmenich's competences and market positions.

The net debt to equity ratio (gearing) is 10.1% (2023: 8.8%), see also Note 25 Net debt.

Liquidity risk

Liquidity risk is the financial risk that an entity does not have and/or cannot access enough liquid cash and/or assets to meet its obligations. This can happen if the entity's credit rating falls, or when it experiences sudden unexpected cash outflows or an unexpected drop in cash inflows, or some other event that causes counterparties to avoid trading with or lending to the entity. Additionally, an entity can be indirectly exposed to market liquidity risk if the financial markets on which it depends are subject to loss of liquidity.

The primary objective of liquidity management is to optimize the corporate cash position, among other means by securing availability of sufficient liquidity for the execution of payments by dsm-firmenich entities, at the right time and in the right place.

At 31 December 2024, dsm-firmenich had cash and cash equivalents of €2,667 million (2023: €2,456 million).

During 2024 dsm-firmenich concluded a new €1.8 billion revolving credit facility (RCF) to replace existing RCF arrangements which would have expired in 2025: DSM's €1 billion RCF and Firmenich's CHF 750 million RCF. The syndicated facility, which dsm-firmenich entered into with a group of 15 banks, has a tenor of five years and two one-year extension options. On 15 November 2024, dsm-firmenich entered into a €100 million bilateral revolving credit facility with the same commercial terms and maturity to provide additional financial flexibility. The agreements for the newly arranged committed credit facilities neither contain financial covenants nor material adverse change clauses. At year-end 2024, no loans had been taken up under the committed credit facilities.

In 2023, a bridge financing facility amounting to €1.0 billion was contracted by DSM B.V. The issuance by dsm-firmenich of an €800 million bond on 2 July 2024 reduced the undrawn amount of the bridge financing facility to €200 million. The remaining undrawn amount was canceled on 18 October 2024.

On 13 December 2024, dsm-firmenich concluded a €1.0 billion bridge facility to provide additional financial flexibility in light of upcoming bond maturities. The agreement neither contains financial covenants nor material adverse change clauses. At year-end 2024, no loans had been taken up under the bridge facilities.

Furthermore, DSM B.V. has a commercial paper program amounting to €2.0 billion (2023: €2.0 billion). At 31 December 2024, there were no ECP outstanding (same as 2023).

dsm-firmenich has no derivative contracts to manage currency risk or interest rate risk outstanding under which margin calls by the counterparty would be permitted.

Floating-rate and fixed-rate borrowings and monetary liabilities analyzed by maturity are summarized in the following table. Borrowings excluding credit institutions are shown after taking into account related interest rate derivatives in designated hedging relationships. dsm-firmenich manages financial liabilities and related derivative contracts on the basis of the remaining contractual maturities of these instruments. The remaining maturities presented in the following table provide an overview of the timing of the cash flows related to these instruments.

Liquidity risk of financial liabilities

	Carrying amount	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
2024							
Borrowings	5,280	836	1,589	71	539	33	2,212
Monetary liabilities	3,352	3,325	5	3	3	3	13
Guarantees	173	5	2	-	-	-	166
Derivatives	67	60	7	-	-	-	-
Interest payments	436	67	62	47	47	45	168
Cash at redemption[1]	100	30	26	12	12	12	8
Total	**9,408**	**4,323**	**1,691**	**133**	**601**	**93**	**2,567**
2023							
Borrowings	4,830	716	633	1,560	47	534	1,340
Monetary liabilities	3,747	3,690	35	6	3	3	10
Guarantees	170	18	1	4	-	-	147
Derivatives	36	28	-	8	-	-	-
Interest payments	201	52	41	33	18	18	39
Cash at redemption[1]	119	27	27	24	12	12	17
Total	**9,103**	**4,531**	**737**	**1,635**	**80**	**567**	**1,553**

1. Difference between nominal redemption and amortized costs.

The following table reflects the exposure of the derivatives to liquidity risk. It contains the cash flows from derivatives with positive fair values and from derivatives with negative fair values to provide a complete overview of the derivative-related cash flows. The amounts are gross and undiscounted.

Derivatives cash flow

	2024	2025	2026	2027	2028	2029	Total
2024							
Inflow		3,089	24	5	1	11	**3,130**
Outflow		(3,130)	(31)	(5)	(1)	(11)	**(3,178)**
2023							
Inflow	2,608	23	13	5			**2,649**
Outflow	(2,591)	(23)	(21)	(4)			**(2,639)**

Market risk

Market risk can be subdivided into price risk, interest rate risk, and currency risk.

Interest rate risk

Interest rate risk is the risk that adverse movements of interest rates lead to high costs on interest-bearing debt or assets, which negatively impact our ability to honor our commitments. The aim is to minimize the interest rate risks associated with the financing of the company and thus at the same time optimize the net interest costs. This translates into a certain desired profile of fixed-interest and floating-interest positions, including cash and cash equivalents, with the floating-interest position not exceeding 60% of net debt.

There were no outstanding fixed-floating interest rate swaps (end of 2023: none). The following analysis of the sensitivity of borrowings, assets, and related derivatives to interest rate movements assumes an instantaneous 1% change in interest rates for all maturities from their level on 31 December 2024, with all other variables held constant. A 1% reduction in interest rates would result in a €27 million pre-tax loss in the income statement and equity on the basis of the composition of financial instruments on 31 December 2024, as floating-rate borrowings are more than compensated for by floating-rate assets (mainly cash). The opposite applies in the case of a 1% increase in interest rates.

Sensitivity to change in interest rate

	2024			2023		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
		+1%	(1%)		+1%	(1%)
Loans to associates and joint ventures	54	–	–	4	–	–
Current investments	50	1	(1)	107	1	(1)
Cash and cash equivalents	2,667	27	(27)	2,456	25	(25)
Short-term borrowings	(836)	(1)	1	(716)	(1)	1
Long-term borrowings	(4,444)	–	–	(4,114)	(2)	2

For more information regarding fixed or floating interest, see Note 19 Borrowings.

Currency risk

Adverse movements of foreign currencies can negatively impact the results of operations and our financial condition, e.g., due to losses on assets or liabilities in foreign currencies. The aim is to hedge risks resulting from sales and purchases at the moment of recognition of the receivables and payables. This is done by transferring at spot rates the respective exposures to the Group, which are, then (on a netted basis), hedged externally.

Companies may opt to hedge currency risks from firm commitments and forecast transactions. The currencies involved are primarily USD and CHF. CNY has significant exposure for the Group. However, it does not meet the threshold for cash flow hedging. We use currency forward contracts, spot contracts, and average-rate currency forwards and options to hedge exposure to fluctuations in foreign exchange rates. At year-end, these instruments had remaining maturities of less than one year. For the hedging of currency risks from firm commitments and forecast transaction cash flows, hedge accounting is applied. Hedge accounting is not applied for hedges of recognized trade receivables and payables hedged with short-term derivatives. To hedge intercompany loans, receivables, and payables denominated in currencies other than the functional currency of the subsidiaries, we use currency swaps or forward contracts. The following table assumes a 10% change in all foreign currency rates against the euro from their level on 31 December 2024, with all other variables constant. A +10% change indicates a strengthening of the foreign currencies against the euro, and vice-versa.

Sensitivity to change in exchange rate

	2024			2023		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
		+10%	(10%)		+10%	(10%)
Loans to associates and joint ventures	54	1	(1)	4	-	-
Current investments	50	2	(2)	107	8	(8)
Cash and cash equivalents	2,667	48	(48)	2,456	48	(48)
Short-term borrowings (excluding lease liabilities)	(746)	(9)	9	(604)	(9)	9
Long-term borrowings (excluding lease liabilities)	(4,010)	(5)	5	(3,783)	(10)	10
Lease liabilities	(524)	(40)	40	(415)	(32)	32
Currency forward contracts	(2)	-	-	(12)	(43)	43
Average-rate forwards used for economic hedging[1]	(35)	(3)	3	25	(5)	5
Other derivatives	44	1	(1)	40	1	(1)

1. Fair-value change reported in Hedging reserve.

Sensitivity changes on these positions will generally be recognized in profit or loss or in the Translation reserve in equity, with the exception of the instruments for which cash flow hedge accounting or net-investment hedge accounting is applied. In case of a strengthening or weakening of the euro against USD, CHF and CNY (being the key currencies), this would affect the translation of financial instruments denominated in these currencies taking into account the effect of hedge accounting and assuming all other variables being constant.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
EUR				
USD (10% movement)	(38)	38	(345)	345
CHF (10% movement)	(17)	17	(630)	630
CNY (10% movement)	(38)	38	(92)	92

Price risk

Financial instruments that are subject to changes in stock exchange prices or indexes are subject to a price risk. At year-end 2024, mainly other participating interests are subject to price risks.

Credit risk

Credit risk is the risk that a (commercial or financial) counterparty may not be able to honor a financial commitment according to the contractual agreement with dsm-firmenich. The company manages the credit risk to which it is exposed by applying credit limits per institution and by dealing exclusively with institutions that have a high credit rating.

At the balance sheet date, there were no significant concentrations of credit risks.

For all financial assets measured at amortized cost, the estimation of the loss allowance for doubtful accounts receivable is based on an expected credit loss (ECL) model. For trade receivables, dsm-firmenich uses an allowance matrix to measure the lifetime ECL for trade receivables. The loss rates depend among other things on the specified aging categories and are based on historical write-off percentages, taking market developments into account.

For other financial assets, dsm-firmenich applies an ECL model that reflects the size and significance of dsm-firmenich's exposure to credit loss. The ECL is based on the allocation of a credit risk grade which is based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projections, and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from Moody's.

Risk of default is herewith considered as the risk of bankruptcy, or any legal impediment to the timely payment of either interest and/or principal, as well as missed or delayed disbursement of either interest and/or principal. The loss allowance on non-current financial assets taken into consideration at the end of 2024 was €2 million (2023: €0 million).

With regard to treasury activities (for example cash, cash equivalents, and derivatives held with banks or financial institutions) it is ensured that financial transactions are only concluded with counterparties that have at least a Moody's credit rating of A3 for long-term instruments. At Business Unit level, outstanding receivables are continuously monitored by management. Appropriate allowances are made for any credit risks that have been identified in line with the expected credit loss policy.

The development of the outstanding trade accounts receivable per aging category is as follows.

The second table on the following page provides information about the credit risk exposure per aging category and the ECL for trade accounts receivable of €20 million at 31 December 2024 (31 December 2023: €15 million), see Note 13 Current receivables.

The maximum exposure to credit risk is represented by the carrying amounts of financial assets that are recognized in the balance sheet, including derivative financial instruments. dsm-firmenich has International Swaps and Derivatives Association (ISDA) agreements in place with its financial counterparties that allow for the netting of exposures in case of a default of either party, but do not meet the criteria for offsetting in the balance sheet. The table 'Notional value of derivative financial instruments' further below presents the carrying amounts of the derivative financial instruments subject to these agreements. No significant agreements or financial instruments were available at the reporting date that would reduce the maximum exposure to credit risk.

Information about financial assets is presented in Note 10 Associates and joint arrangements, Note 11 Other non-current assets, Note 13 Current receivables, Note 14 Financial investments and Note 15 Cash and cash equivalents.

dsm-firmenich may grant corporate guarantees for credit support of subsidiaries and associates, to get access to credit facilities which are necessary for their operating working capital needs and which cannot be funded by the corporate cash pools and/or for bank guarantees needed for local governmental requirements. Information on guarantees is presented in Note 22 Contingent liabilities and other financial obligations.

The changes in the expected credit loss for trade accounts receivable can be found in the two tables on the next page.

Trade accounts receivable per aging category

	2024	2023
Neither past due nor impaired	2,026	2,008
1–29 days overdue	117	100
30–89 days overdue	56	29
90 days or more overdue	39	36
Total	**2,238**	**2,173**

Credit risk exposure per aging category

	2024			2023		
	Weighted average loss rate	Gross carrying amount	Expected credit loss	Weighted average loss rate	Gross carrying amount	Expected credit loss
Neither past due nor impaired	0.0%	2,026	(1)	0.1%	2,008	(2)
1–29 days overdue	0.2%	117	–	0.3%	100	–
30–89 days overdue	0.8%	56	–	1.2%	29	–
90 days or more overdue	48.7%	39	(19)	54.2%	36	(25)
Total		**2,238**	**(20)**		**2,173**	**(27)**

Changes in expected credit loss for trade accounts receivable

	2024	2023
Balance at 1 January	**(27)**	**(12)**
Net remeasurement of expected credit loss	4	(5)
Deductions	–	1
Disposals	3	–
Transfers	–	(12)
Exchange differences	–	1
Balance at 31 December	**(20)**	**(27)**

Exposure to credit risk related to derivatives

	2024	2023
Receivables from derivatives presented in the balance sheet	74	88
Related amounts not offset in the balance sheet	(18)	(14)
Net amount	**56**	**74**
Liabilities from derivatives presented in the balance sheet	(67)	(36)
Related amounts not offset in the balance sheet	18	14
Net amount	**(49)**	**(22)**

Notional value of derivative financial instruments

	2024			2023		
	Non-current	Current	Total	Non-current	Current	Total
Cross-currency interest rate swaps	(13)	-	**(13)**	(25)	(31)	(56)
Forward exchange contracts, currency options, currency swaps	-	(1,822)	**(1,822)**	(2)	(905)	(907)
Other derivatives	(6)	-	**(6)**	-	(5)	(5)
Total	**(19)**	**(1,822)**	**(1,841)**	**(27)**	**(941)**	**(968)**

Hedge accounting

dsm-firmenich uses derivative financial instruments to manage financial risks relating to business operations and does not enter into speculative derivative positions.

The purpose of cash flow hedges is to minimize the risk of volatility of future cash flows. These may result from a recognized asset or liability or a forecast transaction that is considered highly probable (firm commitment). dsm-firmenich determines the existence of an economic relationship between the hedging instrument and hedging item based on currency, amount, and timing of their respective cash-flows.

The purpose of a hedge of a net investment is to reduce the foreign currency translation risk of an investment in a company whose functional currency is not the euro. Changes in fair value are recognized in Other comprehensive income (Translation reserve), and ineffectiveness will be recognized in the income statement. The amount recognized in Other comprehensive income will be reclassified to the income statement, upon divestment of the respective foreign subsidiary.

The purpose of a fair value hedge is to hedge the fair value of assets or liabilities reflected on the balance sheet. Changes of fair value in hedging instruments, as well as hedged items, will be recognized in the income statement.

Cash flow hedges

In 2024, dsm-firmenich hedged USD 1,129 million (2023: USD 498 million) of its 2025 projected net cash flow in USD against the euro by means of average-rate currency forward contracts at an average exchange rate of USD 1.091 per EUR for the four quarters of 2025. Each quarter, the relevant hedges for that quarter will be settled and recognized in the income statement.

In 2024, dsm-firmenich also hedged JPY 1,850 million (2023: JPY 7,535 million) of its 2025 projected net cash flow in JPY against the EUR by means of average-rate currency forward contracts at an average exchange rate of JPY 154.4 per EUR for the four quarters of 2025. dsm-firmenich also hedged the projected CHF obligations against the EUR, namely CHF 380 million (2023: CHF 393 million) at an average exchange rate of CHF 0.937 per EUR. These hedges have fixed the exchange rate for part of the USD and JPY receipts and CHF payments in 2025. Cash flow hedge accounting is applied for these hedges. In 2024, €4 million loss was recognized in the operating profit of the segments involved in accordance with the realization of the expected cash flows. There was no ineffectiveness in relation to these hedges. As of the second quarter of 2024, the Group no longer hedges forecast JPY cash flows as the exposure is no longer deemed material.

Cash flow hedges foreign currency risk

	Cash flow hedges foreign currency risk	
	Inventory purchases	**Other**
2024		
Nominal amount hedged item	10	667
Carrying amount assets	1	6
Carrying amount liabilities	-	(41)
Line item balance sheet	Derivatives	Derivatives
Change in the value of the hedging instrument	-	59
Costs of hedging recognized in OCI	-	63
Reclassified from hedging reserve to income statement	(1)	4
Line item income statement	Cost of sales	Sales
2023		
Nominal amount hedged item	12	108
Carrying amount assets	1	25
Carrying amount liabilities	-	(1)
Line item balance sheet	Derivatives	Derivatives
Change in the value of the hedging instrument	-	(6)
Costs of hedging recognized in OCI	-	(30)
Reclassified from hedging reserve to income statement	2	(24)
Line item income statement	Cost of sales	Sales

Fair value of financial instruments

The fair values of derivatives and long-term instruments are based on calculations, quoted market prices or quotes obtained from intermediaries. The portfolio of derivatives consists of average-rate forward contracts that are valued against average foreign exchange, forward rates obtained from Bloomberg and other derivatives that are valued using a discounted cash flow model, applicable market yield curves and foreign exchange spot rates.

Inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable.

We use the following hierarchy for determining the fair value of financial instruments:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs with a significant effect on the fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs with a significant effect on the fair value that are not based on observable market data

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of the fair value.

	Carrying amount					Fair Value			
	Amort. Cost	Fair value hedging instr.	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Assets 2024									
Non-current derivatives	–	2	49	–	**51**	–	51	–	**51**
Other participating interests	–	–	–	210	**210**	90	93	27	**210**
Non-current loans to associates and JVs	54	–	–	–	**54**	–	–	–	**–**
Other non-current receivables	127	–	–	–	**127**	–	–	–	**–**
Trade receivables	2,589	–	–	–	**2,589**	–	–	–	**–**
Other current receivables	129	–	–	–	**129**	–	–	–	**–**
Current derivatives	–	23	–	–	**23**	–	23	–	**23**
Current investments	50	–	–	–	**50**	–	–	–	**–**
Cash and cash equivalents	2,163	–	504	–	**2,667**	504	–	–	**504**
Liabilities 2024									
Non-current borrowings	(4,444)	–	–	–	**(4,444)**	(3,877)	–	–	**(3,877)**
Non-current derivatives	–	(1)	(6)	–	**(7)**	–	(1)	(6)	**(7)**
Other non-current liabilities	(99)	–	(10)	–	**(109)**	–	–	(10)	**(10)**
Current borrowings	(836)	–	–	–	**(836)**	(493)	–	–	**(493)**
Current derivatives	–	(60)	–	–	**(60)**	–	(60)	–	**(60)**
Trade payables	(2,276)	–	–	–	**(2,276)**	–	–	–	**–**
Other current liabilities[1]	(284)	–	–	–	**(284)**	–	–	–	**–**
Assets 2023									
Non-current derivatives	–	2	44	–	**46**	–	46	–	**46**
Other participating interests	–	–	–	576	**576**	467	78	31	**576**
Non-current loans to associates and JVs	11	–	–	–	**11**	–	–	–	**–**
Other non-current receivables	104	–	–	–	**104**	–	–	–	**–**
Trade receivables	2,553	–	–	–	**2,553**	–	–	–	**–**
Other current receivables	183	–	–	–	**183**	–	–	–	**–**
Current derivatives	–	42	–	–	**42**	–	42	–	**42**
Current investments	107	–	–	–	**107**	–	–	–	**–**
Cash and cash equivalents	1,526	–	931	–	**2,456**	931	–	–	**931**
Liabilities 2023									
Non-current borrowings	(4,114)	–	–	–	**(4,114)**	(3,482)	–	–	**(3,482)**
Non-current derivatives	–	(3)	(5)	–	**(8)**	–	(3)	(5)	**(8)**
Other non-current liabilities	(101)	–	(45)	–	**(146)**	–	–	(45)	**(45)**
Current borrowings	(716)	–	–	–	**(716)**	(498)	–	–	**(498)**
Current derivatives	–	(28)	–	–	**(28)**	–	(28)	–	**(28)**
Trade payables	(2,174)	–	–	–	**(2,174)**	–	–	–	**–**
Other current liabilities[1]	(936)	–	–	–	**(936)**	–	–	–	**–**

1. This excludes pensions, employee-related liabilities, and other taxes and social security contributions for an amount of €542 million in 2024 (2023: €397 million) – see also Note 21 Current liabilities.

24. Employee benefits

Accounting policy

Short-term employee benefits

Short-term employee benefits are generally recognized as an expense in the period the employee renders services to dsm-firmenich.

Post-employment benefits: Defined contribution plans

For dsm-firmenich's defined contribution plans, the obligations are limited to the payment of contributions, which are recognized as employee benefit costs.

Post-employment benefits: Defined benefit plans

For defined benefit plans, the aggregate of the value of the defined benefit obligation and the fair value of plan assets for each plan is recognized as a net defined benefit liability or asset. Defined benefit obligations are determined using the projected unit credit method. Plan assets are recognized at fair value. If the fair value of plan assets exceeds the present value of the defined benefit obligation, a net asset is only recognized to the extent that the asset is available for refunds to the employer or for reductions in future contributions to the plan. Defined benefit pension costs consist of three elements: service costs, net interest, and remeasurements. Service costs are part of employee benefit costs and consist of current service costs. Past service costs and results of plan settlements are included in Other operating income or expenses. Net interest is part of Finance income and expenses and is determined on the basis of the value of the net defined benefit asset or liability at the start of the year, and on the interest on high-quality corporate bonds. Remeasurements are actuarial gains and losses, the return (or interest cost) on net plan assets (or liabilities) excluding amounts included in net interest and changes in the effect of the asset ceiling. These remeasurements are recognized in Other comprehensive income as they occur and are not recycled through profit or loss at a later stage. Post-employment defined benefit plans include pension plans and other post-employment benefits.

Other employee benefits

The service cost, the net interest on the net defined liability (asset) and remeasurements of the net defined liability (asset) related to other long-term employee benefits, such as jubilee and incentive plans, are recognized in profit or loss.

Estimates and judgments

Management makes assumptions regarding variables such as discount rate, future salary increases, life expectancy, and future healthcare costs. Management consults with external actuaries regarding these assumptions at least annually for significant plans. Changes in these key assumptions can have a significant impact on the projected defined benefit obligations, funding requirements, and periodic costs incurred.

Liabilities

The employee benefit liabilities of €550 million (2023: €569 million) consist of €367 million related to pensions (2023: €388 million), €60 million related to other post-employment benefits (2023: €58 million), and €123 million related to other employee benefits (2023: €123 million). See also the table at the end of this note.

The Group also operates a number of defined benefit plans and defined contribution plans throughout the world, the assets of which are generally held in separately administered funds. The pension plans are generally funded by payments from employees and from the relevant Group companies. The Group also provides certain additional healthcare benefits to retired employees in the US and Switzerland.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit accounting is intended to reflect the recognition of post-employment benefits over the employee's approximate service period, based on the terms of the plans and the investment and funding.

For 2025, costs for the defined benefit plans relating to pensions are expected to be €90 million.

Changes in net liabilities of the post-employment benefits recognized in the balance sheet are shown in the overview on the following page.

Employee benefit liabilities

	2024	2023
Employee benefit liabilities		
Pension plans and other post-employment benefits	427	446
Other employee benefits	123	123
Total	**550**	**569**
Of which current	63	49

Post-employment benefit costs

	2024	2023
Defined benefit plans:		
- Current service costs pension plans	75	55
- Other post-employment benefits	4	4
Defined contribution plans	122	100
Total pension costs included in employee benefit costs	**201**	**159**
- Pension costs included in Other operating (income) / expense	-	(1)
Total in operating profit, continuing operations	**201**	**158**
Pension costs included in Financial income and expense	9	8
Total continuing operations	**210**	**166**
Discontinued operations	-	4
Total	**210**	**170**
Of which:		
- Defined contribution plans	122	103
- Defined benefit plans	88	67

Changes in net liabilities of post-employment benefits

	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/asset ceiling	2024 Net liabilities/(assets) recognized in the balance sheet	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/asset ceiling	2023 Net liabilities/(assets) recognized in the balance sheet
Balance at 1 January	3,339	(3,030)	93	402	1,708	(1,593)	129	244
Net defined benefit assets				(44)				(19)
Net defined benefit liabilities				446				263
Total				402				244
- Current service cost	79	-	-	79	59	3	-	62
- Interest (expense) / income	60	(52)	1	9	74	(69)	3	8
Total included in income statement	139	(52)	1	88	133	(66)	3	70
Included in other comprehensive income:								
- Loss / (gain) from change in demographic assumptions	2	-	-	2	(6)	-	-	(6)
- Loss / (gain) from change in financial assumptions	70	-	-	70	203	-	-	203
- Experience loss / (gain)	82	-	-	82	20	-	-	20
- Return on plan assets excluding interest income	-	(169)	-	(169)	-	(61)	-	(61)
- Asset ceiling change, excluding movement through income statement	-	-	7	7	-	-	(62)	(62)
Other changes	-	(2)	-	(2)				-
Total included in other comprehensive income	154	(171)	7	(10)	217	(61)	(62)	94
Other								
- Benefits paid (including transfers in and out)	(174)	146	-	(28)	(186)	154	-	(32)
- Contributions by plan participants	48	(48)	-	-	44	(44)	-	-
- Employer contributions	-	(84)	-	(84)	-	(63)	-	(63)
- Settlements	-	-	-	-	(190)	186	-	(4)
- Balance sheet transfer	-	-	-	-	3	-	-	3
- Acquisition / disposals	-	-	-	-	1,480	(1,407)	18	91
- Currency translation adjustment and other	(20)	18	(1)	(3)	130	(136)	5	(1)
Total other	(146)	32	(1)	(115)	1,281	(1,310)	23	(6)
Balance at 31 December	3,486	(3,221)	100	365	3,339	(3,030)	93	402
Net defined benefit assets				(62)				(44)
Net defined benefit liabilities				427				446
Total				365				402

The fair value of the plan assets consists of 74% of quoted assets (2023: 78%).

The pension-plan assets do not include dsm-firmenich shares. In 2025, dsm-firmenich is expected to contribute €78 million (actual 2024: €84 million) to its defined benefit plans in the core countries.

The countries with the most significant defined benefit obligations for dsm-firmenich are specified in the table on the next page.

Pension-plan assets by category

	2024	2023
Equities	896	843
Bonds	1,104	1,061
Derivatives	–	1
Property	603	577
Insurance policies	69	48
Other	447	417
Cash and bank deposits	102	83
Total plan assets	**3,221**	**3,030**

Defined benefit plans in core countries

	Switzerland	United States of America	United Kingdom	Germany	Other countries	Total
Defined benefit plans 2023						
Funded and unfunded defined benefit obligations	2,633	197	210	256	43	**3,339**
Fair value of plan assets	(2,621)	(196)	(200)	(10)	(3)	**(3,030)**
Net excess of liabilities/(assets) over obligations	**12**	**1**	**10**	**246**	**40**	**309**
Unrecognized assets due to asset ceiling	93	–	–	–	–	**93**
Net excess of liabilities/(assets) over obligations recognized	**105**	**1**	**10**	**246**	**40**	**402**
Composed of						
Net defined benefit assets	(30)	(14)	–	–	–	**(44)**
Net defined benefit liabilities	135	15	10	246	40	**446**
Total changes	**105**	**1**	**10**	**246**	**40**	**402**
Defined benefit plans 2024						
Funded and unfunded defined benefit obligations	2,800	201	196	242	47	**3,486**
Fair value of plan assets	(2,803)	(214)	(190)	(12)	(2)	**(3,221)**
Net excess of liabilities/(assets) over obligations	**(3)**	**(13)**	**6**	**230**	**45**	**265**
Unrecognized assets due to asset ceiling	100	–	–	–	–	**100**
Net excess of liabilities/(assets) over obligations recognized	**97**	**(13)**	**6**	**230**	**45**	**365**
Composed of						
Net defined benefit assets	(35)	(27)	–	–	–	**(62)**
Net defined benefit liabilities	132	14	6	230	45	**427**
Total changes	**97**	**(13)**	**6**	**230**	**45**	**365**

Actuarial assumptions for major plans

	Switzerland	United States of America	United Kingdom	Germany
2023				
Discount rate	1.30%	5.00%	4.50%	3.20%
Salary increase	2.25%	3.00%	0.00%	2.80%
Pension increase	0.00%	0.50%	2.93%	2.20%
2024				
Discount rate	0.90%	5.50%	5.50%	3.40%
Salary increase	2.25%	3.00%	0.00%	2.60%
Pension increase	0.00%	1.00%	2.99%	2.00%

Sensitivities of significant actuarial assumptions

The discount rate, the future increase in wages and salaries, and the pension increase rate were identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected.

- A 0.25% increase/decrease in the discount rate would lead to a decrease/increase of 3.2% (2023: 2.9%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected increase in salaries/wages would lead to an increase/decrease of 0.3% (2023: 0.3%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected rate of pension increase would lead to an increase/decrease of less than 1.7% (2023: 1.6%) in the defined benefit obligation

The sensitivity analysis is based on realistically possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Main defined benefit plans description

The dsm-firmenich Group companies have various pension plans, which are geared to the local regulations and practices in the countries in which they operate. As these plans are designed to comply with the statutory framework, tax legislation, local customs, and economic situation of the countries concerned, it follows that the nature of the plans varies from country to country. The plans are based on local legal and contractual obligations.

dsm-firmenich's current policy is to offer defined contribution retirement benefit plans to new employees wherever possible. However, dsm-firmenich still has a (small) number of defined benefit pension and healthcare schemes from the past or in countries where legislation does not allow us to offer a defined contribution scheme. Generally, these schemes have been funded through external trusts or foundations, where dsm-firmenich faces the potential risk of funding shortfalls. The most significant defined benefit schemes are:

- DSM Nutritional Products (DNP) AG Pension Plan in Switzerland (DNP AG)
- Pension Plan at Firmenich SA in Switzerland
- DSM UK Pension Scheme in the UK
- Pension plan at Firmenich, Inc. in the US
- Pension Plan at DSM Nutritional Products GmbH in Germany (DNP GmbH)

For each plan, the following characteristics are relevant:

DNP AG Pension Plan and Firmenich SA Pension Plan in Switzerland

Both the DNP AG Pension Plan and the Firmenich SA Pension Plan are typical Swiss Cash Balance plans. For accounting purposes, these plans are qualified as defined benefit plans. They are contribution-based plans, with no promise of indexation for on-going pensions. The Swiss state minimum requirements for occupational benefit plans have, however, to be respected.

The purpose of the plans is to protect the dsm-firmenich employees against the economic consequences of retirement, disability, and death. The employer and employees pay contributions into the pension plan at rates set out in the pension plans rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital.

The weighted average duration of the defined benefit obligation for the DNP AG pension plan is 13.9 years (2023: 13.5 years) and for the Firmenich SA pension plan 15.1 years (2023: 14.3 years), which could be seen as an indication of the maturity profile of the schemes.

According to the Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP/BVG), the Swiss Pension plans are managed by independent and legally autonomous entities which have the legal structure of a foundation. Both plans are managed by different foundations. For both foundations, the Pension Board is composed of employee and employer representatives in equal numbers. Each year, the Pension Boards decide on the level of interest, if any, to apply to the retirement accounts in accordance with the pension policy of the respective pension plan.

The Pension Boards are also responsible for the investment of the assets and defining the investment strategy for long-term returns with an acceptable level of risk. Within each foundation, the plan assets are invested collectively (no individual investment choice is offered).

DSM UK Pension Scheme

The DSM UK Pension Scheme was closed as of 30 September 2016 for all pension accruals. An unconditional indexation policy is applicable for the vested pension rights.

The weighted average duration of the defined benefit obligation is 12.9 years (2023: 13.9 years), which could be seen as an indication of the maturity profile of the scheme.

The pension plan is managed and controlled by a dsm-firmenich company pension fund. The Board of Trustees consists of representatives of the employer and the employees, who have an independent role.

There is a long-term de-risking strategy for the DSM UK Pension Scheme in place with the objective to align the company's intentions and the Trustees' responsibility with respect to this plan.

Pension plan at Firmenich, Inc. in the US

The plan provides benefits on a defined benefit basis and is closed to all new employees. The plan was also frozen to the majority of current employees for future benefit accruals. The grandfathered group of participants to the defined benefit plan continues to accrue benefits that are payable at retirement and on death in service. With exceptions for optional lump sum amounts for certain sections of the plan, the benefits are paid out as annuities.

The US pension plan is qualified under, and is managed in accordance with, the requirements of US federal law. In accordance with federal law, the assets of the plan are legally separate from the employer and are held in a pension trust. The law requires minimum and maximum amounts that can be contributed to the trust, together with limitations on the amount of benefits that may be provided under the plan. There are named fiduciaries that are responsible for ensuring the plan is managed in accordance with the law.

The fiduciaries are responsible for defining the investment strategy for long-term returns with an acceptable level of risk as well as the oversight of the investment of plan assets.

The employees do not contribute to the plan and the employer contributes to the plan amounts which are at least equal to the minimum required by the law and not more than the maximum that would limit the tax deductibility of the contributions.

The weighted average duration of the defined benefit obligation is 8.8 years (2023: 9.6 years), which could be seen as an indication of the maturity profile of the scheme.

DNP GmbH Pension Plan in Germany

The DNP GmbH Pension Plan in Germany has been closed to new entrants as of 31 December 2008. The accrual is still applicable for employees who have been participating in the plan since 2008. The pension plan is a final-pay pension plan (averaged over the last 12 months prior to retirement) and service-related benefit.

The liability is on the balance sheet of DSM Nutritional Products GmbH. No assets are allocated to this liability. All reimbursements will be paid out by the local company. The weighted average duration of the defined benefit obligation is 11.4 years (2023: 12.0 years), which could be seen as an indication of the maturity profile of the scheme.

Other employee benefits

Other employee benefits comprise jubilees, long-term incentive (LTI) plans to senior management, and deferred compensation liabilities. The changes in other employee benefits are listed in the table opposite.

Other employee benefits

	Other employee benefits
Balance at 1 January 2023	**29**
Of which current	4
Changes:	
- Acquisition	97
- Additions	54
- Releases	(15)
- Uses	(43)
- Other change	1
Total changes	94
Balance at 31 December 2023	**123**
Of which current	49
Changes:	
- Acquisition	-
- Additions	42
- Releases	(1)
- Uses	(50)
- Other change	9
Total changes	-
Balance at 31 December 2024	**123**
Of which current	63

25. Net debt

The development of the components of net debt is as in the table opposite.

In 2024, the gearing (net debt / equity plus net debt) was 10.1% (in 2023: 8.8%).

	Cash and cash equivalents	Current investments	Non-current borrowings	Current borrowings	Derivatives	Total
Balance at 1 January 2023	**2,755**	**125**	**(2,978)**	**(86)**	**97**	**(87)**
Change from operating activities	1,265	-	-	-	(49)	**1,216**
Change from investing activities	(726)	(18)	(1,652)	(569)	-	**(2,965)**
Reclassification from non-current to current	-	-	578	(578)	-	**-**
Transfers	(610)	-	90	516	4	**-**
Dividend	(610)	-	-	-	-	**(610)**
Interest	(61)	-	(19)	-	-	**(80)**
Proceeds from reissued shares	757	-	-	-	-	**757**
New/unwinding leases	-	-	(136)	-	-	**(136)**
Repurchase of shares	(256)	-	-	-	-	**(256)**
Other	(40)	-	-	-	-	**(40)**
Change from financing activities	**(820)**	**-**	**513**	**(62)**	**4**	**(365)**
Exchange differences	(18)	-	3	1	-	**(14)**
Total changes	**(299)**	**(18)**	**(1,136)**	**(630)**	**(45)**	**(2,128)**
Balance at 31 December 2023	**2,456**	**107**	**(4,114)**	**(716)**	**52**	**(2,215)**
Change from operating activities	1,778	-	-	-	(47)	**1,731**
Change from investing activities	(252)	(57)	39	2	-	**(268)**
Reclassification from non-current to current	-	-	670	(670)	-	**-**
Transfers	138	-	(810)	671	1	**-**
Dividend and remuneration perpetual notes	(695)	-	-	-	-	**(695)**
Interest	(67)	-	(37)	(8)	-	**(112)**
Proceeds from (re)issued shares	21	-	-	-	-	**21**
New/unwinding leases	-	-	(189)	(8)	-	**(197)**
Repurchase of shares	(706)	-	-	(105)	-	**(811)**
Other	(25)	-	-	-	-	**(25)**
Change from financing activities	**(1,334)**	**-**	**(366)**	**(120)**	**1**	**(1,819)**
Exchange differences	19	-	(3)	(2)	1	**15**
Total changes	**211**	**(57)**	**(330)**	**(120)**	**(45)**	**(341)**
Balance at 31 December 2024	**2,667**	**50**	**(4,444)**	**(836)**	**7**	**(2,556)**

26. Notes to the cash flow statement

The cash flow statement explains the changes in cash and cash equivalents. It is prepared via a comparison of the balance sheets at 1 January and 31 December. Changes that do not involve cash flows, such as changes in exchange rates, amortization, depreciation, impairment losses, and transfers to other balance sheet items, are eliminated. Changes in working capital due to the acquisition or disposal of consolidated companies are included under Investing activities.

The consolidated cash flow statement includes an analysis of all cash flows in total, including continuing and discontinued operations. For amounts related to discontinued operations split by activities and a reconciliation of results from continuing operations to total, see Note 3 Change in the scope of the consolidation.

Most of the changes can be traced back to the detailed statements of changes for the balance sheet items concerned. For those balance sheet items for which no detailed statement of changes is included, the table opposite shows the link between the change according to the balance sheet and the change according to the cash flow statement.

Change in operating working capital

	2024	2023
Operating working capital		
Balance at 1 January	3,769	2,432
Balance at 31 December[1]	3,603	3,769
Balance sheet change	**(166)**	**1,337**
Adjustments:		
- Exchange differences	(4)	47
- Changes in consolidation (including acquisitions and disposals)	122	(1,899)
- Transfers/non-cash value adjustments[1]	7	251
Total change in operating working capital according to the cash flow statement	**(41)**	**(264)**

1. 2023 figure restated for comparative purposes.

In 2024, the operating working capital continuing operations was €3,603 million (2023: €3,769 million), which amounts to 27.7% of annualized fourth-quarter net sales (2023: 30.3%).

The cash flow relating to acquisitions (-€5 million) is limited in 2024. The disposal of businesses of €42 million consists of the cash-related part of the consideration (€118 million) minus the cash in the divested companies (€21 million) and the divestment-related costs and tax settlements (€55 million). See also Note 3 Change in the scope of the consolidation.

The proceeds from disposals of other financial assets of €397 million mainly relate to the sale of 386,732 shares and 102,000 share certificates of Robertet S.A. in November 2024. See also Note 11 Other non-current assets.

In the repurchase of shares of €706 million, an amount of €654 million was related to the statutory buy-out of 6.7 million non-tendered shares of DSM B.V. In 2024, the liability including interest of €5 million was settled by paying the fair share price plus statutory interest minus distributions (€572 million) to shareholders who transferred 5.9 million of their unencumbered right to the shares to the Company, and by paying €82 million into consignment with the Dutch consignment office for the remaining 0.8 million shares not offered within the transfer period. The unencumbered title to these shares transferred to the Company by operation of law.

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27. Share-based compensation

Accounting policy

Share-based compensation at dsm-firmenich consists of the award of Performance Share Units (PSUs), Restricted Share Units (RSUs), and stock options to eligible employees.

PSUs and RSUs generally vest after three years on the achievement of predefined vesting conditions. The cost of PSUs and RSUs is measured by reference to the fair value of the dsm-firmenich shares on the date on which the PSUs and RSUs were granted or modified. The cost is recognized in profit or loss (Employee benefit costs) during the vesting period, together with a corresponding increase in equity. Vesting conditions other than market conditions are considered by adjusting the number of equity instruments, so that the amount recognized during the vesting period in employee benefit costs is based on the number of share units that eventually vest.

Estimates and judgments

Key estimates related to share-based compensation costs for PSUs and RSUs are the estimation of fair values of the share units on the grant or modification date, and the number of share units that will vest. An independent third party conducts the fair value calculation as far as vesting is tied to market conditions, using the Monte Carlo method.

Restricted and Performance Share Unit Plan

The dsm-firmenich Restricted and Performance Share Unit Plan provides rules for the grant of RSUs and/or PSUs to eligible employees. Considering the plan rules that allow multiple grant dates, best practice is to effectuate the grant of share units on the last trading day at the Amsterdam Stock Exchange in March. In principle, PSUs will be granted; RSUs may be granted in specific circumstances.

Subject to the plan, the 2024 grant was conducted on 28 March 2024. This grant concerned the Members of the Executive Committee and the eligible members of the Global Management Team (i.e., the group of (senior) leaders considering their job level). The performance period of this grant ends on 31 December 2026; vesting will be effectuated on 28 March 2027.

The number of share units to be granted is based on job level, contribution, and the face value of the dsm-firmenich share over a reference period. As a result, the number of share units to be granted annually will fluctuate with the share price development.

RSUs and PSUs are subject to a vesting period of three years starting at the grant date. Vesting of RSUs is subject to continued employment until the vesting date ('time vesting'). In addition, vesting of PSUs is also subject to the achievement of predefined performance targets at the end of the performance period. In view of the merger of equals between DSM and Firmenich in 2023, it was decided (as included in the Offering Circular) that the PSUs granted under DSM's Long-Term Incentive plan in 2021 and 2022, respectively, shall vest against the average of the vesting result achieved over the vesting that occurred in 2020, 2021 and 2022. Non-vested share units will be forfeited. If employment is terminated prior to the vesting date, specific rules regarding vesting and forfeitures apply.

In line with the Articles of Association and the respective plan rules, fifty percent of the Base Fee due to the Members of the Board of Directors has been delivered in RSUs. The 2024 grant was implemented on 8 May 2024 and concerns the period between the 2024 AGM and the 2025 AGM. In principle, the vesting term is three years. However, if a board mandate ceases for whatever reason within such vesting period, outstanding unvested RSUs will vest (in full or pro-rated) as per the effective date of such cessation, subject to a one-year holding period.

The 2024 grant of PSUs under the dsm-firmenich Restricted- and Performance Share Unit Plan to Members of the Executive Committee and other eligible employees is based on the at target level; in 2024 this concerned 463,542 (2023: 413,083) share units.

The grant to the Members of the Board of Directors concerns 50% of the applicable Base Fee and involved 13,714 (2023: 18,239) RSUs in 2024.

At former DSM, the grants to the Executive Committee were based on the maximum number to vest while the grant to other eligible employees is – as of 2021 – based on the 'at-target' grant level (in previous years this was the 'maximum number' that could vest). This 'at-target' grant level includes RSUs as well as PSUs. The 2021 grant vested 31 March 2024. In accordance with the Offering Circular, the vesting percentage for the Managing Board/ Executive Committee was 123.75% of the at target grant (or 82.5% of the maximum to vest i.e., the number initially granted). For other eligible employees, all outstanding RSUs vested at the vesting date, while the vesting percentage for the PSUs was 160% of the at target grant. In total 47,430 RSUs and 106,509 PSUs vested.

In September 2022, a group of senior key employees (excluding the Co-CEOs) at former DSM received an RSU grant, which was subject to completion of the merger between DSM and Firmenich. As the merger was completed, the RSUs were finally granted. Upon vesting, the respective grant will be settled in cash. These cash-settled RSUs vest in September 2025 and have a fair value on 31 December 2024 of €97.72 (31 December 2023: €92.00).

Overview of share units granted to Members of the Board of Directors

Year of grant	Outstanding at 31 Dec. 2023	In 2024 Granted	Vested	Forfeited/ expired	Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
2023	18,239	-	(1,198)	-	17,041	80.21	30 Sep 2026
2024	-	13,714	-	-	13,714	106.05	08 May 2027
2024 Total	**18,239**	**13,714**	**(1,198)**	**-**	**30,755**		
	at 31 Dec. 2022				at 31 Dec. 2023		
2023 Total	-	18,239	-	-	18,239		

Overview of share units Executive committee and other eligible employees

Year of grant	Outstanding at 31 Dec. 2023	In 2024 Granted	Vested[1]	Forfeited/ expired	Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
2021	118,040		(113,475)	(4,565)	-	144.30	31 Mar 2024
2022	103,461		(17,357)	(6,700)	79,404	162.50	31 Mar 2025
2023	406,966	434	(22,378)	(28,923)	356,099	97.67	31 Mar 2026
2024	-	463,542	(729)	(13,565)	449,248	106.32	28 Mar 2027
2024 Total	**628,467**	**463,976**	**(153,939)**	**(53,753)**	**884,751**		
	at 31 Dec. 2022				at 31 Dec. 2023		
2023 Total	458,049	413,263	(216,153)	(26,692)	628,467		

1. Restricted- and Performance Share Units may partly vest upon termination of employment in connection with, for example, divestments, retirement or early retirement.

Overview of cash-settled RSUs

Year of grant	Outstanding at 31 Dec. 2023	In 2024 Granted	Vested	Forfeited/ expired	Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
2022	94,089	-	(11,860)	(5,823)	76,406	117.45	30 Sep 2025

Measurement of fair value

The following assumptions were used to determine the fair value of the equity-settled share units at grant date.

Assumptions equity-settled share units

	2024	2023
Share units granted to Board of Directors		
Risk-free rate[1]	3.34%	3.45%
Expected share life in years[2]	1	1
Nominal share life in years	1	1
Share price in €[1]	107.35	80.13
Expected dividend in €	2.50	1.00
Fair value of share granted in €	100.26	79.16
Share units granted to ExCo and other eligible employees		
Risk-free rate[1]	2.53%	2.79%
Expected share life in years	3	3
Nominal share life in years	3	3
Share price in €[1]	105.40	100.50
Expected dividend in €	2.50	1.00
Fair value of share granted in €	98.30	97.67

1. The differences in the risk-free rate and share price are due to different grant dates.

2. The RSUs granted to the BoD relate to a one-year service period (between two consecutive AGMs), they vest however only after three years.

Share-based compensation

An amount of €35 million is included in the costs for wages and salaries for share-based compensation (2023: €29 million).

Share-based compensation

	2024	2023
Equity-settled share units	31	23
Cash-settled share units	4	6
Total expense	**35**	**29**

28. Related parties

Accounting policy

We identified key management personnel, associates, and joint ventures as related parties. For associates and joint ventures, see also Note 10 Associates and joint arrangements.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, as defined by IAS 24 'Related Parties'. IAS 24 requires the disclosure of the remuneration of key management personnel divided into: short-term employee benefits (salary and short-term incentive), post-employment (pension expenditure) and other long-term benefits, termination benefits, and share-based payment cost (share-based compensation).

Transactions with associates and joint ventures

We may issue guarantees as credit enhancement of associates to acquire bank facilities for these associates. dsm-firmenich has provided guarantees to third parties for debts of associates for an amount of €21 million (2023: €28 million). Expected credit losses for receivables from related parties amount to zero (same as 2023).

Other related-parties disclosures relate entirely to key management of dsm-firmenich, being represented by the company's management.

Transactions with associates and joint ventures

	2024	2023
Sales to	44	12
Purchases from	139	105
Loans to	54	11
Receivables from	39	17
Payables to	18	5
Interest from	1	-
Commitments to	12	6

Key management personnel

The Members of the Board of Directors (BoD) and the Members of the Executive Committee (ExCo) of dsm-firmenich meet the definition of key management personnel. Personnel expenses are recognized in the corresponding service period.

The Members of the BoD and ExCo of dsm-firmenich were appointed effective 18 April 2023. The remuneration over the reporting year and over the reference period starting 18 April 2023 up to and including 31 December 2023 is shown in the first table on the right.

The second table on the right shows the remuneration expenses for the Supervisory Board, Managing Board and Executive Committee of former DSM who were in position up to and including 17 April 2023.

Remuneration expenses BoD and ExCo DSM-Firmenich AG

x € thousand	2024	2023[2]
Base salary / Committee fee in cash	9,183	6,841
Employer pension contribution	1,395	807
Short-Term Incentive	11,693	3,973
Share-based compensation[1]	8,261	4,401
Other	5,493	1,498
Subtotal	**36,024**	**17,520**
Employer social securities	1,646	585
Total	**37,670**	**18,105**

1. Represents the expenses of Performance Share Units (PSUs) awarded according to IFRS rules. These costs are considered over the vesting period and therefore cover several years.
2. This concerns the period from 18 April 2023 (inception of DSM-Firmenich AG) until 31 December 2023.

Remuneration expenses SB, MB, and EC of former DSM (for the period 1 January until 17 April 2023 inclusive)

x € thousand	2024	2023
Base salary / Supervisory Board fees	-	2,391
Employer pension contribution	-	471
Short-Term Incentive[1]	-	869
Share-based compensation[2]	-	2,518
Other[3]	-	16,562
Total	**-**	**22,811**

1. Short-Term Incentive (STI) based on target level minus weight of Adjusted EBITDA target.
2. Represents the expenses of Performance Share Units (PSUs) awarded according to IFRS rules. These costs are considered over the vesting period and therefore cover several years.
3. Includes benefits, severance payments for ExCo Members that left the company because of the merger, special payments as included in the Offering Circular (issued 22 November 2022) related to the merger, settlement DSM STI Deferral and Matching Plan, social security contributions and obligations following Article 32bb of the Dutch Wage Tax Act (1964).

29. Events after the balance sheet date

On 11 February 2025, dsm-firmenich announced the sale of its Feed Enzymes business to Novonesis, a global leader in biosolutions, for €1.5 billion. At dsm-firmenich, the feed enzymes business is currently part of the Animal Nutrition & Health Business Unit, which itself will be separated from the Group to operate under new ownership, as announced in February 2024, and represented approximately €300 million in total annual net sales in 2024. dsm-firmenich expects to receive approximately €1.4 billion net in cash, after transaction costs and capital gains tax, and anticipates a book profit on the transaction to be recognized upon closing. This transaction is expected to be completed in the course of 2025, subject to customary conditions and regulatory approvals. The announced sale of the feed enzymes business is subject to held-for-sale conditions only met after the reporting date and therefore do not impact the dsm-firmenich's Consolidated Financial Statements at year-end 2024.

On 25 February 2025, dsm-firmenich successfully launched a €750 million bond with an 11-year maturity due in 2036, at a coupon of 3.375%. The bond is issued by DSM B.V. and is guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure (see also Note 14 Guarantee obligations to the Parent Company Financial Statements). The proceeds of the new bond will be used for general corporate purposes, including the refinancing of existing indebtedness.

The re-offer price for the 11-year bond tranche was 98.875%. Based on this price, the yield is 3.500%. The bonds are listed on the Luxembourg Stock Exchange. As a consequence of the bond issuance the undrawn amount of €1.0 billion bridge facility will be reduced to €250 million (see also Note 23 Financial instruments and risks).