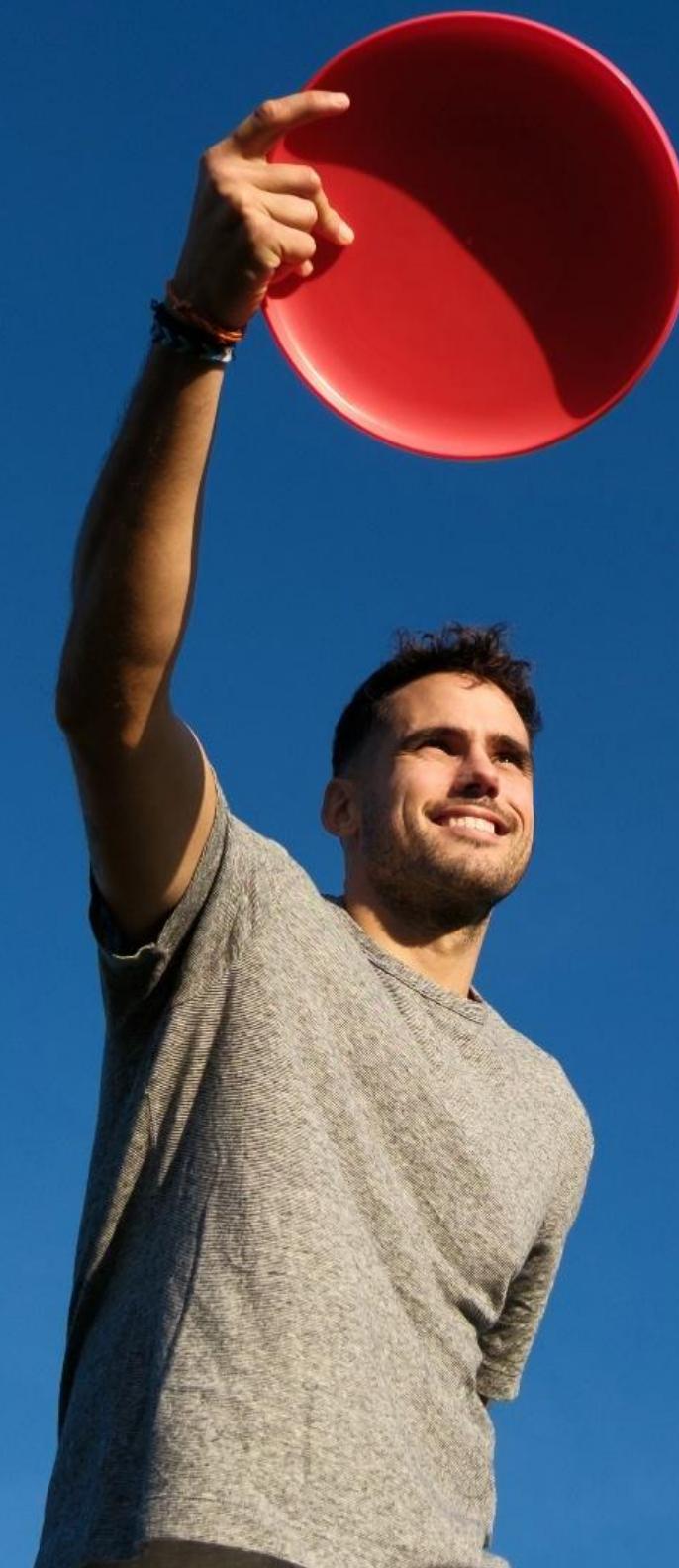


Consolidated Financial Statements



**CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Financial Statements

The financial statements of dsm-firmenich include both the Consolidated Financial Statements and the Parent Company Financial Statements.

The Group's parent company, DSM-Firmenich AG, is domiciled in Kaiseraugst (Switzerland) and listed on the Euronext Amsterdam stock exchange. The following Consolidated Financial Statements comprise DSM-Firmenich AG and its subsidiaries (the 'Group') and are prepared in accordance with IFRS. The Group is a leading supplier in nutrition, health, and beauty. See also [Note 1 General Information](#).

A list of the Group's main subsidiaries can be found in [Note 3 Investments](#) to the Parent Company Financial Statements. The financial year 2025 covers the period from January 1, 2025 to December 31, 2025. The Board of Directors of DSM-Firmenich AG approved these statements for issue on February 19, 2026 and they are subject to the approval of the Annual General Meeting on May 7, 2026.

The accompanying notes are an integral part of these Consolidated Financial Statements. See [Note 2 Alternative performance measures](#) for the reconciliation to Adjusted EBITDA of €1,772 million (2024: €1,751 million) and other non-IFRS performance measures.

Consolidated income statement

in € million	Notes	2025	2024
Continuing operations			
Net sales	<u>5</u>	9,034	9,054
Cost of sales	<u>5</u>	(5,504)	(5,501)
Gross profit		3,530	3,553
Marketing & Sales	<u>5</u>	(1,281)	(1,418)
Research & Development	<u>5</u>	(713)	(814)
General & Administrative	<u>5</u>	(925)	(786)
Other operating income	<u>5</u>	107	74
Other operating expense	<u>5</u>	(7)	(62)
Operating profit (loss)		711	547
Finance income	<u>6</u>	78	90
Finance expense	<u>6</u>	(221)	(214)
Profit (loss) before tax		568	423
Income tax expense	<u>7</u>	(118)	(64)
Share of net profit of associates and joint ventures	<u>10</u>	(102)	(9)
Other results related to associates and joint ventures	<u>10</u>	(6)	9
Net profit (loss) from continuing operations		342	359
Net profit (loss) from discontinued operations	<u>3</u>	(1,381)	(79)
Net profit (loss) for the period		(1,039)	280
Attributable to:			
- Holders of shares parent company	<u>16</u>	(1,081)	250
- Non-controlling interests	<u>17</u>	42	30
Interest on hybrid bonds (equity)	<u>16</u>	26	28
Earnings per share (EPS) total (in €): ¹	<u>2</u>		
- Basic EPS		(4.27)	0.84
- Diluted EPS		(4.27)	0.84
Earnings per share (EPS) continuing operations (in €): ¹	<u>2</u>		
- Basic EPS		1.21	1.21
- Diluted EPS		1.21	1.21

¹2024 EPS figures restated for comparison purposes.

Consolidated statement of comprehensive income	in € million	Notes	2025	2024
Net profit (loss) for the period			(1,039)	280
Other comprehensive income				
Remeasurements of defined benefit liability		<u>24</u>	75	10
Fair value changes in other participating interests and other financial instruments		<u>11</u>	(25)	13
Related tax			(3)	(5)
Items that will not be reclassified to profit or loss			47	18
Exchange differences on translation of foreign operations		<u>16</u>		
- Change for the period			(695)	179
- Reclassified to the income statement on loss of significant influence			61	10
Hedging reserve – cash flow hedges		<u>16</u>		
- Change for the period			69	(40)
- Reclassified to the income statement			-	-
Equity accounted investees – share of other comprehensive income			(2)	-
Related tax			(29)	6
Items that may subsequently be reclassified to profit or loss			(596)	155
Total other comprehensive income			(549)	173
Total comprehensive income for the period, net of tax			(1,588)	453
Attributable to:				
- Holders of shares parent company		<u>16</u>	(1,622)	418
- Non-controlling interests		<u>17</u>	34	35

**Consolidated balance sheet at December 31**

in € million	Notes	2025	2024	in € million	Notes	2025	2024
Assets				Equity and liabilities			
Goodwill and intangible assets	<u>8</u>	15,384	18,078	Shareholders' equity		18,244	22,511
Property, plant and equipment	<u>9</u>	4,174	5,725	Non-controlling interests	<u>17</u>	179	186
Deferred tax assets	<u>7</u>	227	299	Equity	<u>16</u>	18,423	22,697
Prepaid pension costs	<u>24</u>	51	62	Deferred tax liabilities	<u>7</u>	1,351	1,556
Share in associates and joint ventures	<u>10</u>	199	342	Employee benefit liabilities	<u>24</u>	193	487
Derivatives	<u>23</u>	60	51	Provisions	<u>18</u>	52	87
Other non-current assets	<u>11</u>	357	391	Borrowings	<u>19</u>	3,617	4,444
Non-current assets		20,452	24,948	Derivatives	<u>23</u>	14	7
Inventories	<u>12</u>	2,121	3,290	Other non-current liabilities	<u>20</u>	102	109
Trade receivables	<u>13</u>	1,841	2,589	Non-current liabilities		5,329	6,690
Income tax receivables	<u>13</u>	153	51	Employee benefit liabilities	<u>24</u>	12	62
Other current receivables	<u>13</u>	105	129	Provisions	<u>18</u>	51	77
Derivatives	<u>23</u>	41	23	Borrowings	<u>19</u>	1,660	836
Financial investments	<u>14</u>	121	50	Derivatives	<u>23</u>	14	60
Cash and cash equivalents	<u>15</u>	1,782	2,667	Trade payables	<u>21</u>	1,481	2,276
Assets held for sale	<u>3</u>	2,729	-	Income tax payables	<u>21</u>	303	223
Current assets		8,893	8,799	Other current liabilities	<u>21</u>	666	826
Total assets		29,345	33,747	Liabilities held for sale	<u>3</u>	1,406	-
				Current liabilities		5,593	4,360
				Total equity and liabilities		29,345	33,747

Consolidated statement of changes in equity

in € million	Share capital	Share premium	Treasury shares (incl. forward contracts)	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total Equity
Balance at January 1, 2024	3	11,731	(44)	474	10,744	22,908	162	23,070
Net profit for the period	-	-	-	-	250	250	30	280
Other comprehensive income	-	-	-	161	7	168	5	173
Total comprehensive income	-	-	-	161	257	418	35	453
Dividend	-	(414)	-	-	(246)	(660)	(7)	(667)
Stock options / share units granted	-	-	-	31	-	31	-	31
Stock options / share units vested / canceled	-	-	-	(26)	26	-	-	-
Reissued shares	-	-	54	-	(33)	21	-	21
Repurchase of shares	-	-	(52)	-	-	(52)	-	(52)
Forward contracts to repurchase shares	-	-	(105)	-	-	(105)	-	(105)
Expenditures issuance new shares	-	(4)	-	-	-	(4)	-	(4)
Divestment/deconsolidation of subsidiary with NCI	-	-	-	-	-	-	(17)	(17)
Remuneration of hybrid bonds (equity)	-	-	-	-	(28)	(28)	-	(28)
Transfer	-	-	-	70	(89)	(19)	19	-
Other changes	-	-	-	-	1	1	(6)	(5)
Balance at December 31, 2024	3	11,313	(147)	710	10,632	22,511	186	22,697
Net profit (loss) for the period	-	-	-	-	(1,081)	(1,081)	42	(1,039)
Other comprehensive income	-	-	-	(610)	69	(541)	(8)	(549)
Total comprehensive income	-	-	-	(610)	(1,012)	(1,622)	34	(1,588)
Dividend	-	(379)	-	-	(280)	(659)	(59)	(718)
Stock options and share units granted	-	-	-	38	-	38	-	38
Stock options and share units vested / canceled	-	-	-	(19)	19	-	-	-
Reissued shares	-	-	19	-	(14)	5	-	5
Repurchase own shares covering SBC plans	-	-	(80)	-	-	(80)	-	(80)
Repurchase own shares for cancellation purposes	-	-	(1,000)	-	4	(996)	-	(996)
Acquisition of NCI without a change in control	-	-	-	-	-	-	(101)	(101)
Remuneration and redemption of hybrid bonds (equity)	-	-	-	-	(776)	(776)	-	(776)
Transfer	-	-	-	(10)	(109)	(119)	119	-
Other changes	-	-	-	-	(58)	(58)	-	(58)
Balance at December 31, 2025	3	10,934	(1,208)	109	8,406	18,244	179	18,423

See also [Note 16 Equity](#).

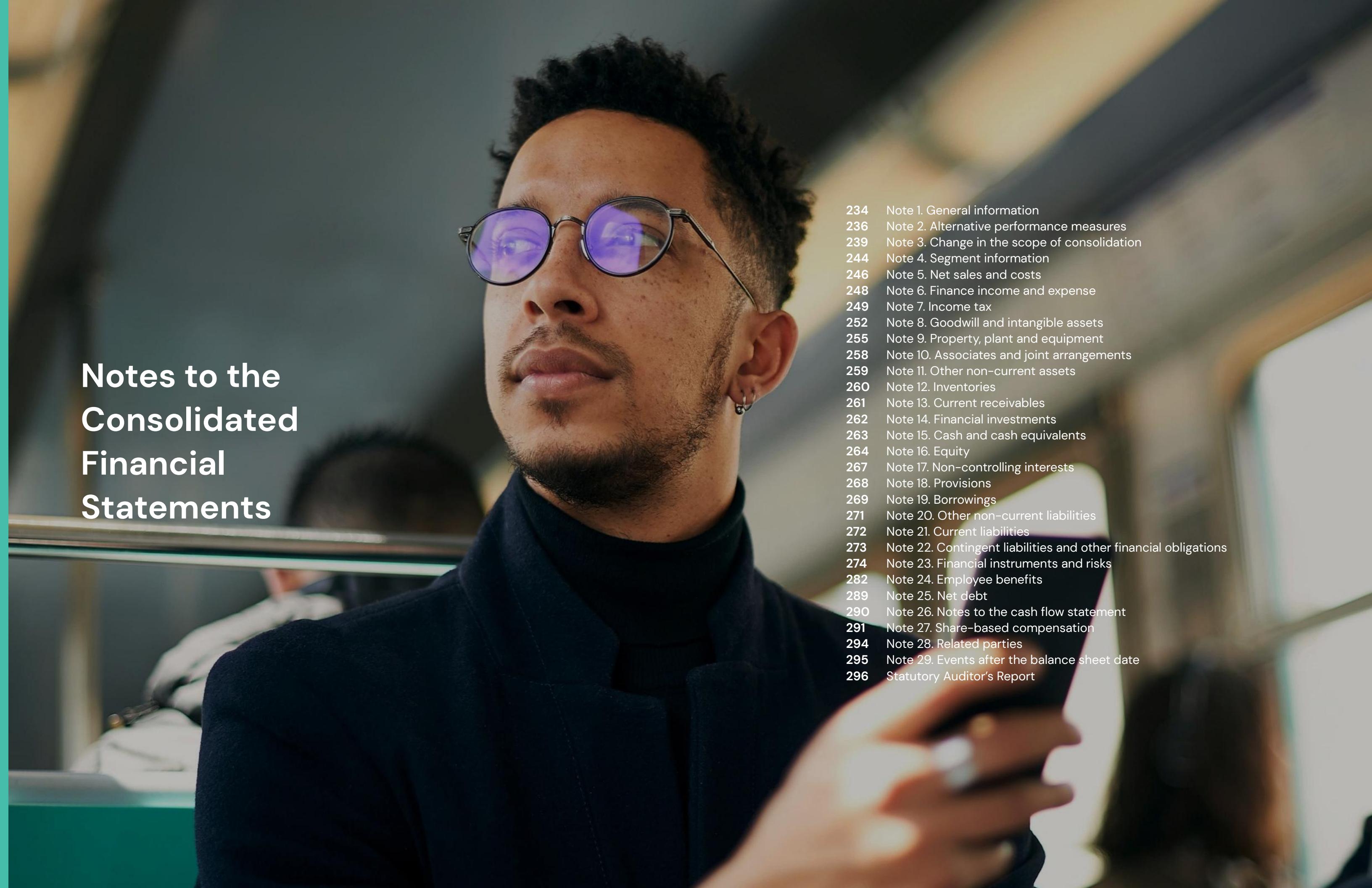
Consolidated cash flow statement

in € million	2025	2024
Operating activities		
Net profit (loss) from continuing operations	342	359
Net profit (loss) from discontinued operations	(1,381)	(79)
Net profit (loss) for the period	(1,039)	280
Share of profit of associates and joint ventures (including discontinued operations) ¹	107	–
Income tax income and expense (including discontinued operations) ¹	(98)	147
Profit (loss) before tax (including discontinued operations)¹	(1,030)	427
Finance income and expense (including discontinued operations) ¹	153	134
Operating profit (loss) (including discontinued operations)¹	(877)	561
Depreciation, amortization and impairments (including discontinued operations) ¹	3,122	1,430
EBITDA (including discontinued operations)¹	2,245	1,991
– (Gain) or loss from disposals	(114)	(47)
– Changes in provisions	(52)	(47)
– Changes in employee benefits	(58)	(42)
– Share-based compensation	38	31
– Income taxes paid / received	(320)	(275)
– Other non-cash items	(84)	(31)
Operating cash flow before changes in working capital	1,655	1,580
Changes in:		
– Inventories	(89)	(38)
– Trade receivables	(16)	(18)
– Trade payables	5	97
Changes in operating working capital	(100)	41
Changes in non-operating working capital	(110)	157
Changes in working capital	(210)	198
Cash provided by operating activities	1,445	1,778

1. The Consolidated cash flow statement includes an analysis of all cash flows in total, therefore including both continuing and discontinued operations. For the amounts related to discontinued operations split by activities and a reconciliation of profit from continuing operations to total, including discontinued operations, see [Note 3 Change in the scope of the consolidation](#).

See also [Note 26 Notes to the cash flow statement](#).

in € million	2025	2024
Cash provided by operating activities	1,445	1,778
Investing activities		
Capital expenditure for intangible assets	(136)	(119)
Capital expenditure for property, plant and equipment	(628)	(645)
Proceeds from disposal of property, plant and equipment	64	19
Acquisition of businesses	(19)	(5)
Disposal of businesses	1,270	42
Payments for short-term financial investments	(63)	–
Proceeds from short-term financial investments	–	43
Other financial assets (incl. associates):		
– Dividends received	4	14
– Capital payments and acquisitions	(30)	(8)
– Proceeds from disposals	31	397
– Additions to loans granted	(26)	(81)
– Repayment of loans granted	5	58
Interest received	33	33
Cash from / (used in) investing activities	505	(252)
Financing activities		
Acquisition of non-controlling interests	(106)	(26)
Proceeds from borrowings	740	833
Repayment of borrowings	(560)	(623)
Payments of lease liabilities	(109)	(110)
Change in debt to credit institutions	24	38
Proceeds from re-issued treasury shares	5	21
Repurchase of shares	(1,181)	(706)
Remuneration and redemption of hybrid bonds (equity)	(783)	(28)
Dividend paid	(718)	(667)
Interest paid	(64)	(67)
Other	–	1
Cash (used in) / from financing activities	(2,752)	(1,334)
Cash and cash equivalents at the beginning of the period	2,667	2,456
Net increase / (decrease) in cash and cash equivalents	(802)	192
Effect of movements in exchange rates on cash held	(72)	19
Cash and cash equivalents at the end of the period (including cash classified as held for sale)	1,793	2,667
Reclassification to held for sale	(11)	–
Cash and cash equivalents at the end of the period	1,782	2,667



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**NOTE 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.

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

Effect of new or amended standards

On April 9, 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which becomes effective from January 1, 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. As such, IFRS 18 will primarily affect the presentation of the consolidated income statement and the categorization of certain items of income and expenses. During 2025, dsm-firmenich has performed a preliminary impact assessment, but the company has not yet completed its detailed assessment.

Other new or amended standards that are effective from January 1, 2025 do not have a material effect on dsm-firmenich's Consolidated Financial Statements. In addition,

other new or amended standards effective after January 1, 2026 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 to, 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 partners 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 quasi-equity loans and 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 December 31		Average exchange rate	
	2025	2024	2025	2024
US dollar	1.18	1.04	1.13	1.08
Swiss franc	0.93	0.94	0.94	0.95
Brazilian real	6.44	6.43	6.31	5.83
Chinese renminbi	8.23	7.58	8.12	7.79

Emission rights

dsm-firmenich is subject to legislation encouraging reductions in greenhouse gas emissions and has been awarded emission rights (principally CO₂ 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, expert knowledge, 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 a 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.

**NOTE 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, divestments, 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 amortisation of intangible assets recognized through purchase price allocations (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 amortisation of intangible assets recognized through purchase price allocations (PPA) as well as the PPA impact on financial income and expense

- **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 weighted 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', adjusted for the impact of the amortisation of intangible assets recognized through purchase price allocations (PPA) as well as the PPA impact on financial income and expense, divided by the weighted average number 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
- **Core capital employed** is defined as capital employed, adjusted for the impact of the Firmenich purchase price allocation (PPA). Average core capital employed is calculated as the average of the core capital employed at the end of the preceding five quarters, including the current quarter.
- **Core adjusted return on capital employed (Core adj. ROCE)*** is core adjusted EBIT as a percentage of average core capital employed.

*In 2025, dsm-firmenich updated the definitions of 'Core adjusted EBIT' and 'Core adjusted net profit' to not only correct for the impact of merger-related purchase-price allocation (PPA) adjustments but also for PPA adjustments from all pre-merger acquisitions, to allow for easier comparison with industry peers



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.

In 2025, the main APM adjustments were:

- Acquisition (merger) and divestment costs of €45m, mainly related to costs related to the merger transaction
- Restructuring costs of €54 million, mainly related to the vitamin transformation program
- Other costs of a net amount of €16 million include legal costs related to litigation and claims
- Impairments of Property, Plant and Equipment (PPE), goodwill and intangible assets of €35 million, mainly related to the impairment loss recognized upon the classification of smaller business as held for sale
- Adjustments to result from associates and joint ventures of €57 million related to impairment losses on dsm-firmenich's share in associates and joint ventures

In 2024, the main APM adjustments were:

- Acquisition (merger), divestment, and integration costs of €101 million relate mainly to the further integration between DSM and Firmenich, the sale of the Jiangshan vitamin C business and the deconsolidation of Olatein
- Restructuring costs of €36 million relates to various restructuring programs within dsm-firmenich, including the additional costs following the closure of the Pinova ingredients plant
- Impairments of PPE, goodwill and intangible assets of €90 million are mainly related to the intangible assets of €54 million concerning specific molecule technologies, for which the supply rights were transferred
- Other costs of €42 million mainly relates to costs of litigation and claims

APM Adjustments (continuing operations)

	2025	2024
APM Adjustments (continuing operations)		
- Acquisition/divestment/integration costs	45	101
- Restructuring	54	36
- Other	16	42
- Impairments/(reversals) of PPE, goodwill, and intangible assets	35	90
- Financial income and expense	16	5
- Income tax related to adjustments	(35)	(40)
- Adjustments to result from associates and joint ventures	57	(4)
Total APM adjustments (income)/expense	188	230

Reconciliation alternative performance measures (continuing operations)

A reconciliation of the APMs to the most directly comparable IFRS measures can be found in the table alternative performance measures below.

	2025 Continuing operations	Total	2024 Continuing operations	Total
Operating profit (loss)	711	(877)	547	561
Depreciation, amortization and impairments	946	3,122	1,025	1,430
EBITDA	1,657	2,245	1,572	1,991
APM adjustments to EBITDA:				
- Acquisitions/divestments/integration	45	(32)	101	40
- Restructuring	54	50	36	45
- Other	16	16	42	42
Total APM adjustments to EBITDA	115	34	179	127
Adjusted EBITDA	1,772	2,279	1,751	2,118
Operating profit (loss)	711	(877)	547	561
APM adjustments to Operating profit:				
- APM adjustments to EBITDA	115	34	179	127
- Impairments/(reversals) of PPE and Intangible assets	35	1,957	90	238
Total APM adjustments to operating profit (loss)	150	1,991	269	365
Adjusted operating profit (loss)	861	1,114	816	926
PPA adjustments	429		461	
Core adjusted EBIT	1,290		1,277	
Net profit (loss)	342	(1,039)	359	280
APM adjustments to net profit (loss):				
- Operating profit (loss)	150	1,991	269	365
- Financial income and expense	16	16	5	5
- Result relating to associates / joint ventures	57	57	(4)	(4)
Income tax related to APM adjustments	(35)	(331)	(40)	(45)
Total APM adjustments to net profit (loss)	188	1,733	230	321
Adjusted net profit (loss)	530	694	589	601
PPA adjustments	357		387	
Core adjusted net profit (loss)	887		976	
Profit attributable to non-controlling interests	(2)		(11)	
Core adjusted net profit (loss) available to holders of ordinary shares	885		965	
Adjusted net profit (loss) available to holders of ordinary shares	528		578	

Capital employed, ROCE and Adjusted gross operating free cash flow (continuing operations)

	2025	2024		
Average capital employed	21,655	22,042		
Average core capital employed	11,624	11,690		
Core adjusted operating profit (EBIT) continuing operations	1,290	1,277		
Core adjusted return on capital employed (Core adj. ROCE)	11.1	10.9		
Adjusted EBITDA	1,772	1,751		
Change working capital, total Group	(210)	198		
Capital expenditures, total Group	(764)	(764)		
Excluding discontinued operations	152	32		
Adj. gross operating free cash flow	950	1,217		
Earnings per share				
	2025	2024		
	Continuing operations	Total Group	Continuing operations	Total Group
Earnings per share (EPS)				
Weighted average number of ordinary shares outstanding (in million)	259.3	259.3	264.6	264.6
Effect of dilution (in million)	0.1	0.1	-	-
Diluted weighted average number of ord. shares outstanding (in million)	259.4	259.4	264.6	264.6
in € million				
Net profit available to holders of ordinary shares	340	(1,081)	348	250
Adjusted net profit available to holders of ordinary shares	528	652	578	571
Core adj. net profit available to holders of ordinary shares	885	1,029	965	982
Interest on hybrid bonds (equity)	26	26	28	28
in €¹				
EPS	1.21	(4.27)	1.21	0.84
Diluted EPS	1.21	(4.27)	1.21	0.84
Adj. EPS	1.94	2.41	2.08	2.05
Diluted Adj. EPS	1.94	2.41	2.08	2.05
Core adj. EPS	3.31	3.87	3.54	3.61
Diluted core adj. EPS	3.31	3.87	3.54	3.61

¹ 2024 EPS figures restated for comparison purposes.

**NOTE 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 for 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, or is part of single co-ordinated plan to dispose of, a separate major line of business or geographical area that can be clearly distinguished for the purposes of operational and financial reporting.

Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale.

The business results reclassified to discontinued operations include also intercompany recharges that cease to be earned/incurred on disposal. Corporate costs are excluded from the reclassification to discontinued operations.

The comparative numbers in the Income statement and the Statement of comprehensive income are re-presented as if the activities had been discontinued from the start of the comparative year.

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 generally validated by external valuation specialists.

Acquisitions

In 2025, dsm-firmenich did not acquire any business (same as in 2024).

Divestments**Feed Enzymes**

On June 2, 2025, dsm-firmenich completed the divestment of its interest in the Feed Enzymes Alliance to its partner Novonesis, a global leader in biosolutions, for a cash consideration of €1.5 billion. The Feed Enzymes business was part of the Animal Nutrition & Health Business Unit, and represented approximately €165 million sales in 2024, with approximately 100 employees who were transferred to Novonesis.

Other divestments

The other divestments that were completed in the reporting period include the Pentapharm business (BU P&B) and the Mechanical biomedical devices business (BU HNC).

Summary of divestments in 2025

See the table below for the book result of the divestments that took place in the reporting year.

	Feed Enzymes	Other divestments	Total
Assets			
Goodwill and intangible assets	(1,086)	-	(1,086)
Property, plant and equipment	-	(18)	(18)
Other non-current assets	-	3	3
Inventories	(33)	(22)	(55)
Receivables and other current assets	52	(5)	47
Cash and cash equivalents	(30)	(4)	(34)
Total assets	(1,097)	(46)	(1,143)
Liabilities			
Provisions	-	-	-
Non-current liabilities	-	-	-
Current liabilities	17	(1)	16
Total liabilities	17	(1)	16
Net assets	(1,114)	(45)	(1,159)
Non-controlling interest	-	-	-
Net assets dsm-firmenich shareholders	(1,114)	(45)	(1,159)
Consideration	1,475	2	1,477
Selling costs	(10)	(2)	(12)
Book result	351	(45)	306
Release translation reserve, hedging reserve	(60)	(1)	(61)
Income tax	-	1	1
Net book result	291	(45)	246
 Impact on the cash flow statement			
Consideration	1,475	2	1,477
Of which deferred payments, non-cash and internal financing	-	(1)	(1)
Consideration in cash	1,475	1	1,476
Cash in divested company	(30)	(4)	(34)
Selling costs	(10)	(2)	(12)
Other divestment-related cash-in/(out)	(19)	(141)	(160)
Total cash-in/(out) related to disposals	1,416	(146)	1,270

Income statement continuing and discontinued operations

Discontinued Operations captures the results of the combined businesses that were an integral part of the single co-ordinated plan to dispose these businesses following dsm-firmenich's post-merger portfolio review, mainly including the ANH business subject to the carve-out and the completed divestments of the Feed Enzymes business, the Yeast Extracts business, and the Marine Lipids business. The assets and liabilities related to the ANH business subject to the carve-out were reclassified as assets held for sale at year-end following its planned divestment.

The operating loss in discontinued operations amounting to -€1,588 million comprises the full year operating profit of the regular activities of the discontinued businesses (€253 million), the book profit of the divested businesses in 2025 (€245 million), the impairment of the ANH business which is held for sale (-€1,922 million), and carve-out and divestment costs (-€164 million).

Impact of discontinued operations on the cash flow statement

The impact of the business that has been included as discontinued operations in the cash flow statement is shown in the table opposite.

	2025			2024		
	Continuing operations	Discontinued operations	Total Group	Continuing operations	Discontinued operations	Total Group
Net sales	9,034	3,487	12,521	9,054	3,745	12,799
Adjusted EBITDA	1,772	507	2,279	1,751	367	2,118
EBITDA	1,657	588	2,245	1,572	419	1,991
Total expenses	8,323	5,075	13,398	8,507	3,731	12,238
Adjusted operating profit (loss)	861	253	1,114	816	110	926
Operating profit (loss)	711	(1,588)	(877)	547	14	561
Financial income and expense	(143)	(10)	(153)	(124)	(10)	(134)
Profit (loss) before income tax expense	568	(1,598)	(1,030)	423	4	427
Income tax expense	(118)	216	98	(64)	(83)	(147)
Results related to associates and joint ventures	(108)	1	(107)	-	-	-
Net profit (loss) for the year	342	(1,381)	(1,039)	359	(79)	280
Of which attributable to non-controlling interests	2	40	42	11	19	30
Interest on hybrid bonds (equity)	26	-	26	28	-	28
Available to holders of ordinary shares	314	(1,421)	(1,107)	320	(98)	222
Earnings per share (EPS)						
- Net basic EPS	1.21	(5.48)	(4.27)	1.21	(0.37)	0.84

Impact of discontinued operations on the cash flow statement

	2025	2024
Net cash provided by / (used in):		
- Operating activities	376	336
- Investing activities	1,112	(159)
Total	1,488	177

Investing activities in 2025 include the divestment of the Feed Enzymes business for €1,416 million.

See also [Note 26 Notes to the cash flow statement](#)



Impact on comprehensive income

The impact of the businesses that have been presented as discontinued operations in the income statement and statement of comprehensive income are presented in the table opposite.

The comparative numbers in the Income statement and the Statement of comprehensive income are re-presented as if the activities of the combined businesses that were an integral part of the single co-ordinated plan to dispose these businesses had been discontinued from the start of the comparative year 2024.

See also the section Assets and liabilities held for sale, on the next page.

Impact of discontinued operations on comprehensive income

	2025	2024
Net profit from discontinued operations	(1,381)	(79)
Other comprehensive income		
Remeasurements of defined benefit pension plans	28	1
Related tax	(4)	(1)
Items that will not be reclassified to profit or loss	24	-
Exchange differences on translation of foreign operations		
- Change for the year	133	(112)
Items that may subsequently be reclassified to profit or loss	133	(112)
Total comprehensive income discontinued operations	(1,224)	(191)
Of which:		
- Attributable to non-controlling interests	2	(4)
- Available to equity holders of dsm-firmenich	(1,226)	(187)

Assets and liabilities held for sale

At the end of 2025, the assets and liabilities relating to the remaining ANH business were reclassified to held for sale based on its highly probable sale within the next 12 months (no assets and liabilities were held for sale at the end of 2024). Following its classification to held for sale, the ANH business was measured at the lower of its carrying amount and fair value less cost to sell, resulting in an impairment of €1,922 million.

Impact assets and liabilities held for sale on the balance sheet

The impact of the reclassification of the regarding activities on the dsm-firmenich consolidated balance sheet is presented in the following table.

	Transferred to held for sale	Impairment	Held for Sale on balance sheet
Assets			
Goodwill and intangible assets	940	(821)	119
Property, plant and equipment	1,521	(1,082)	439
Deferred tax assets	379	-	379
Prepaid pension costs	2	-	2
Share in associates and joint ventures	25	-	25
Other non-current assets	40	-	40
Non-current assets	2,907	(1,903)	1,004
Inventories	1,042	-	1,042
Trade receivables	630	-	630
Income tax receivables	20	-	20
Other current receivables	22	-	22
Cash and cash equivalents	11	-	11
Current assets	1,725	-	1,725
Total assets held for sale	4,632	(1,903)	2,729
Liabilities			
Deferred tax liabilities	100	-	100
Employee benefit liabilities	209	-	209
Provisions	3	-	3
Borrowings	50	-	50
Other non-current liabilities	45	-	45
Non-current Liabilities	407	-	407
Employee benefit liabilities	6	-	6
Provisions	61	-	61
Borrowings	1	-	1
Trade payables	720	-	720
Income tax payables	46	-	46
Other current liabilities	165	-	165
Current liabilities	999	-	999
Total liabilities held for sale	1,406	-	1,406
Total held for sale	3,226	(1,903)	1,323
Divestment-related liabilities		(19)	
Total impairment		(1,922)	

**NOTE 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, 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 applied to the Consolidated Financial Statements of dsm-firmenich are also applied to 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 Executive Committee, or otherwise regularly provided to the Executive Committee. Selected information on a country and regional basis is provided in addition to the information about operating segments.

Operating segments

The continuing operations of dsm-firmenich are organized into three 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. P&B excludes the Aroma Ingredients business, which was transferred to Animal Nutrition & Health (ANH) in view of the carve-out.
- **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. TTH includes the Bovaer® business, which was transferred from ANH in view of the carve-out.
- **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. HNC includes the Veramaris business, which was transferred from ANH in view of the carve-out.

The ANH business also continued to be a reportable segment throughout 2025; however, in view of its highly probable sale, it was reclassified to 'discontinued operations' at year-end 2025.

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 Executive Committee. Therefore, these Business Units have been identified as the reportable operating segments of dsm-firmenich.

Any consolidated activities outside the three 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.

Following the changes in the composition of the reportable operating segments in view of the carve-out, the previously reported information has been restated accordingly.

dsm-firmenich does not have a single external customer that represents 10% or more of total sales.

Reportable segments	Perfumery & Beauty	Taste, Texture & Health	Health, Nutrition & Care	Corporate Activities	Total continuing operations	Discontinued operations	Total Group
2025							
Net sales	3,760	3,146	2,102	26	9,034	3,487	12,521
Adjusted EBITDA ¹	815	648	407	(98)	1,772	507	2,279
EBITDA	807	674	369	(193)	1,657	588	2,245
Adjusted operating profit ¹	460	322	213	(134)	861	253	1,114
Operating profit	432	340	168	(229)	711	(1,588)	(877)
Capital expenditures	170	315	123	-	608	156	764
Adjusted EBITDA margin (in %)	21.7	20.6	19.4	-	19.6	14.5	18.2
2024²							
Net sales	3,776	3,109	2,117	52	9,054	3,745	12,799
Adjusted EBITDA ¹	842	626	377	(94)	1,751	367	2,118
EBITDA	837	589	357	(211)	1,572	419	1,991
Adjusted operating profit ¹	470	302	199	(155)	816	110	926
Operating profit	465	264	92	(274)	547	14	561
Capital expenditures	182	300	138	-	620	144	764
Adjusted EBITDA margin (in %)	22.3	20.1	17.8	-	19.3	9.8	16.5

¹ See [Note 2 Alternative performance measures](#) for the reconciliation to IFRS performance measures² Restated for comparison purposes

Geographical information	Switzerland	Netherlands	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
2025								
Net sales continuing operations (by destination)								
In € millions	214	302	3,098	2,353	857	671	1,539	9,034
In %	2	3	35	26	10	7	17	100
Workforce at period-end (headcount) ¹	3,678	1,763	8,437	4,204	3,577	3,324	3,567	28,550
Intangible assets and property, plant and equipment at year-end (carrying amount)	11,190	1,555	3,279	2,393	322	522	297	19,558
2024								
Net sales continuing operations (by destination)								
In € millions	173	296	3,018	2,456	882	708	1,521	9,054
In %	2	3	33	27	10	8	17	100
Workforce at year-end (headcount) ¹	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) ¹	14,946	1,618	3,220	2,689	428	603	299	23,803

¹ Refers to Total Group, including discontinued operations

**NOTE 5**

Net sales and costs

Accounting policy	Rendering of services
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. As sales are generally made with a short-term credit term, the impact of elements of financing is limited.	Income coming from the rendering of services is recognized when the service, i.e., the performance obligation, has been fulfilled. Fulfilment of the performance obligations for services rendered is identified according to the individual contract but generally takes place at the point in time when the service is provided. The revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.
The payment terms are determined per business segment on a customer basis. Generally, 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 of 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.	

Net sales

	2025	2024
Goods sold	8,903	8,896
Services rendered	131	158
Total	9,034	9,054

Disaggregation of net sales

	2025	2024
Perfumery & Beauty	3,760	3,776
– Perfumery	2,453	2,443
– Ingredients	941	903
– Personal care	366	430
Taste, Texture & Health	3,146	3,109
– Taste	1,858	1,872
– Ingredients solutions	1,288	1,237
Health, Nutrition & Care	2,102	2,117
– Dietary supplements and I-Health	846	870
– Early life nutrition	431	413
– Biomedical solutions	207	208
– Other	618	626
Corporate Activities	26	52
Total	9,034	9,054

Total costs

In 2025, total operating costs (the total costs included in operating profit) amounted to €8.3 billion, €0.2 billion lower than in 2024, when these costs stood at €8.5 billion.

Total operating costs in 2025 included Cost of sales amounting to €5.5 billion (2024: €5.5 billion); gross profit as a percentage of net sales remained 39% (2024: 39%).

Employee benefit costs

	2025	2024
Wages and salaries	1,820	1,908
Social security costs	254	234
Pension costs (see also Note 24)	174	161
Share-based compensation (see also Note 27)	35	31
Total	2,283	2,334

Depreciation, amortization, and impairments

	2025	2024
Amortization of intangible assets	545	556
Depreciation of property, plant and equipment owned	264	293
Depreciation of right-of-use assets	90	82
Impairment losses	47	94
Total	946	1,025

For impairment losses, see also [Note 2 Alternative performance measures](#).

Other operating income

	2025	2024
Release of provisions	4	2
Gain on sale of assets and activities	43	23
Insurance benefits	39	20
Earn-out payments and other settlements	–	21
Sundry	21	8
Total	107	74

Other operating expense

	2025	2024
Additions to provisions	–	7
Exchange differences	1	8
Acquisitions / disposals	2	39
Sundry	4	8
Total	7	62

NOTE 6

Finance income and expense

	2025	2024
Finance income		
Interest income	60	69
Fair value change in derivatives	12	15
Sundry	6	6
Total finance income	78	90
Finance expense		
Interest expense	(146)	(151)
Interest relating to lease liabilities	(17)	(13)
Interest relating to defined benefit plans	(3)	(3)
Fair value change in derivatives	(1)	-
Capitalized interest during construction	9	7
Exchange differences	(50)	(34)
Unwinding of discounted payables	(2)	(5)
Sundry	(11)	(15)
Total finance expense	(221)	(214)
Total finance income and expense	(143)	(124)

In 2025, the interest rate applied in the capitalization of interest during construction was 2.5% (2024: 2.5%).

**NOTE 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 (substantively) 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. They 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 are 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 varying interpretations 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 judgments, and the final outcome may deviate from the estimates.

Income tax

The income tax expense on continuing operations was €118 million, which represents an effective income tax rate of 20.8% (2024: tax expense of €64 million, representing an effective income tax rate of 15.1%). The breakdown of the income tax expense on continuing operations is shown in the table opposite. Since, from a reporting and legal perspective, the continuing and discontinued operations were still fully intertwined for full-year 2024 and a substantial part of 2025, allocation models were applied to determine the split of the tax charge between continuing and discontinued operations for the reporting and the comparative year. The allocation considers multiple factors, circumstances, and allocation keys, and represents management's best possible estimate.

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 current income tax expense relating to Pillar Two legislation was less than €1 million in 2025 (2024: less than €1 million) because of the geographical spread of the business results.

The total effective tax rate on the taxable result in 2025 was 20.8% (2024: 15.1%). Excluding APM adjustments, this was 20.8% as well (2024: 14.9%). The effective tax rate in 2025 compared to the Swiss statutory rate was negatively impacted, mainly by the geographical spread, non-recoverable withholding tax, and changes in the valuation of deferred tax assets regarding losses and other carry-forward positions.

The effective tax rates in 2024 and 2025 excluding APM adjustments stem from two different situations. As stated, in 2024 the businesses from continuing and discontinued operations were still fully integrated and intertwined. In the course of 2025, the carve-out of the ANH business was realized and separate legal entities were created to facilitate a standalone operation for ANH. Therefore, a part of the difference between the effective tax rates in these years is caused by the difference in set-up and the mathematical outcome of the allocation methods applied to determine the split of the tax charge for 2024 and 2025 between continuing and discontinued operations.

Income tax

	2025	2024
Current tax (expense) / benefit:		
- Current year	(243)	(209)
- Prior-year adjustments	14	7
- Tax credits compensated	13	12
- Non-recoverable withholding tax	(7)	(1)
Total current tax (expense) / benefit	(223)	(191)
Deferred tax (expense) / benefit:		
- Originating from temporary differences and their reversal	102	127
- Prior-year adjustments	(10)	1
- Change in tax rate	3	4
- Changes arising from write-down of deferred tax assets	(14)	(4)
- Changes in previously and newly recognized tax losses and tax credits	24	(1)
Total deferred tax (expense) / benefit	105	127
Total tax (expense) / benefit	(118)	(64)
Of which related to:		
- Taxable result excl. APM adjustments	(153)	(104)
- APM adjustments	35	40

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 %	2025	2024
Domestic income tax rate	15.1	15.1
Tax effects of:		
- Deviating rates	3.9	0.4
- Change in tax rates	(0.4)	0.5
- Tax-exempt income and non-deductible expense	(0.6)	(1.6)
- Other effects	2.8	0.5
Effective tax rate taxable result, excl. APM adjustments	20.8	14.9
APM adjustments (see Note 2)	-	0.2
Total effective tax rate	20.8	15.1



Deferred tax assets and liabilities

The negative balance of the deferred tax assets and deferred tax liabilities decreased by €133 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.

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 as well as the utilization of tax loss carryforwards, 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 assesses 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.

From the total amount of recognized net deferred tax assets, €20 million (2024: €50 million) relates to entities that suffered a loss in either 2025 or 2024 and where utilization is dependent on future taxable profits in excess of the charges arising from the reversal of existing taxable temporary differences. For these entities, net deferred tax assets were recognized on dsm-firmenich's long-term projection.

No deferred tax assets were recognized for carryforward losses amounting to €1,320 million (2024: €560 million). Unrecognized carryforward losses amounting to €266 million will expire in the years up to and including 2030 (2024: €66 million up to and including 2029), €531 million losses between 2031 and 2035 (2024: nil losses between 2030 and 2034), and the remaining €523 million in 2036 and beyond (2024: €494 million in 2035 and beyond). In addition, an amount of €26 million (2024: €15 million) of withholding taxes and an amount of €19 million (2024: nil) of carryforward interest were 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 represents €3,297 million (2024: €2,957 million).

Deferred tax assets and liabilities

	2025	2024
Balance at January 1		
Deferred tax assets	299	228
Deferred tax liabilities	(1,556)	(1,751)
Total	(1,257)	(1,523)
<i>Changes:</i>		
- Income tax income / (expense) in income statement	427	177
- Income tax: change in tax percentage	(6)	-
Total income statement	421	177
- Income tax expense in OCI	(20)	2
- Acquisitions and disposals	4	2
- Transfers	7	71
- Exchange differences	-	14
- Reclassification to held for sale	(279)	-
Balance at December 31	(1,124)	(1,257)
Of which:		
- Deferred tax assets	227	299
- Deferred tax liabilities	(1,351)	(1,556)

Deferred tax assets and liabilities by balance sheet item

	2025	2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets
Intangible assets	142	(1,253)	60
Property, plant and equipment	243	(284)	31
Right-of-use assets	9	(77)	1
Financial assets	46	(27)	41
Inventories	118	(24)	122
Receivables	36	(26)	15
Reclassification to held for sale	(379)	100	-
Lease liabilities non-current	68	-	61
Non-current provisions	68	(18)	74
Other non-current liabilities	1	(28)	-
Lease liabilities current	12	-	11
Other current liabilities	62	(24)	85
	426	(1,661)	501
Tax losses carried forward	111	-	100
Set off	(310)	310	(302)
Total	227	(1,351)	299
			(1,556)

**NOTE 8**

Goodwill and intangible assets

Accounting policy		Impairment of non-financial assets	Estimates and judgments
Goodwill	<p>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 arising from the 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.</p>	<p>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.</p> <p>Internally generated intangible assets</p> <p>Research costs are expensed when incurred. Development expenditure is capitalized if the recognition criteria are met and if it is demonstrated that:</p> <ul style="list-style-type: none"> • It is technically feasible to complete the asset • The entity intends to complete the asset • The entity is able to sell the asset • The asset is capable of generating future economic benefits • Adequate resources are available to complete the asset • The expenditure attributable to the asset can be reliably measured 	<p>Key estimates and judgments dsm-firmenich makes in the accounting for goodwill and intangible assets relate to:</p> <ul style="list-style-type: none"> • 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, and current business outlooks, and are generally validated by external valuation specialists.
Intangible assets acquired as part of a business combination		<p>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.</p>	
Separately acquired intangible assets		<p>Capitalized development expenditure 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.</p>	
		<p>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), an impairment test is performed.</p>	
		<p>If an individual intangible 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.</p>	
		<p>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</p>	
		<p>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.</p>	

Intangible assets

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 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 2024). The carrying amount of the internally generated intangible assets includes €130 million (2024: €137 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). Out of €107 million capital expenditure on internally generated intangible assets, €82 million (2024: €81 million) relate to software.

	Goodwill	Customer base	Brands and trademarks	Technology and formulas	Software, licenses and patents	Internally generated	Other	Total
Balance at January 1, 2024								
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								
<i>Changes in carrying amount:</i>								
- 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 December 31, 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								
- Of which acquisition-related	11,247	3,803	644	1,610	315	403	56	18,078
<i>Changes in carrying amount:</i>								
- Capital expenditure	-	-	-	-	28	107	1	136
- Put into operation	-	-	-	-	93	(102)	9	-
- Disposals and deconsolidations	(1,069)	-	-	(6)	-	(10)	(1)	(1,086)
- Amortization	-	(245)	(63)	(123)	(110)	(18)	(33)	(592)
- Impairment losses	(11)	-	(2)	-	(2)	(12)	(6)	(33)
- Exchange differences	(170)	(4)	3	(12)	3	6	(8)	(182)
- Reclassification to held for sale	(550)	(191)	(17)	(101)	(41)	(20)	(20)	(940)
- Transfers	-	-	-	-	-	-	3	3
	(1,800)	(440)	(79)	(242)	(29)	(49)	(55)	(2,694)
Balance at December 31, 2025								
Cost	9,511	4,301	816	1,846	995	581	112	18,162
Amortization and impairment losses	64	938	251	478	709	227	111	2,778
Carrying amount								
- Of which acquisition-related	9,447	3,363	565	1,368	286	354	1	15,384
	9,447	3,363	565	1,368	60	-	-	14,803

The disposal of €1,086 million relates to the divestment in June 2025 of the Feed Enzymes business, which was part of the ANH Business Unit. Furthermore, following the classification of the ANH business as held for sale, €940 million was reclassified accordingly at year-end 2025. See also [Note 3 Change in the scope of consolidation](#).



Goodwill

The annual impairment tests of goodwill are performed at year-end. The CGUs dsm-firmenich identified in 2025 are Perfumery & Beauty (P&B), Taste, Texture & Health (TTH), and Health, Nutrition & Care (HNC).

The recoverable amount of the CGUs is based on a value-in-use calculation. More specifically, the cash flow projections in Euros are based on the budget for 2026 as well as the Long Range Planning (LRP), as approved by management. 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.

For the CGUs P&B and HNC, which are considered mature businesses, a forecast period of five years is used thereafter applying a terminal value. For TTH, an initial forecast period of seven years was applied, reflecting the remaining period of time during which the identified synergies arising from the merger are expected to continue to contribute to the growth of this CGU.

For HNC, the growth assumptions are based on the growth of the global food markets; 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. The terminal value growth rate is determined with the assumption of inflationary growth. The discount rates applied are based on available market information.

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, 39 basis points and 70 basis points in the pre-tax discount rates of P&B and TTH, or a decrease of 46 basis points in the terminal value growth of P&B would result in recoverable amounts equal to the carrying amounts of these CGUs. The headroom of P&B and TTH amounted to €450 million and €731 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 possible adverse change in any other key parameter had been assumed.

Goodwill per cash generating unit

	2025	2024
Perfumery & Beauty (P&B)	4,086	4,169
Taste, Texture & Health (TTH)	3,676	3,718
Health, Nutrition & Care (HNC)	1,685	1,782
Animal Nutrition & Health (ANH)	-	1,578
Total	9,447	11,247

Key assumptions for goodwill impairment tests

	2025	2024
Forecast period (years)		
- Mature business	5	5
- Emerging business	7	10
Terminal value growth	2.0%	2.0%
Pre-tax discount rate		
P&B	10.2%	9.0%
TTH	10.1%	8.7%
HNC	9.9%	8.6%
Organic sales growth (year 1–5)		
P&B	2%–5%	2%–4%
TTH	2%–11%	1%–6%
HNC	0%–6%	0%–7%

**NOTE 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. 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 (four to five years).

Impairment of property, plant or 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

Property, plant and equipment

In 2025, impairment losses of €32 million on Property, plant and equipment owned (2024: €128 million) and of €2 million on Right-of-use assets (2024: nil) were recognized. See also [Note 2 Alternative performance measures](#).

In addition, following the classification of the ANH business as held for sale, €1,461 million and €60 million in, respectively, Property, plant and equipment owned and Right-of-use assets were reclassified accordingly at year-end 2025.

Composition of Property, plant and equipment

	2025	2024
Property, plant and equipment owned	3,738	5,223
Right-of-use assets	436	502
Total	4,174	5,725

Property, plant and equipment owned

	Land and buildings	Plant and equipment	Under construction	Total
Balance at January 1, 2024				
Cost	2,962	5,642	809	9,413
Depreciation and impairments	925	3,332	-	4,257
Carrying amount at January 1, 2024	2,037	2,310	809	5,156
<i>Changes in carrying amount:</i>				
- Capital expenditure	11	57	645	713
- Put into operation	91	440	(531)	-
- Disposals and deconsolidations	(56)	(66)	(2)	(124)
- Depreciation	(122)	(359)	-	(481)
- Impairment losses	(35)	(90)	(3)	(128)
- Exchange differences	44	32	12	88
- Transfers	-	-	(1)	(1)
	(67)	14	120	67
Balance at December 31, 2024				
Cost	2,886	5,651	930	9,467
Depreciation and impairments	916	3,327	1	4,244
Carrying amount at December 31, 2024	1,970	2,324	929	5,223
<i>Changes in carrying amount:</i>				
- Capital expenditure	10	61	633	704
- Put into operation	131	354	(485)	-
- Disposals and deconsolidations	(13)	(4)	(1)	(18)
- Depreciation	(117)	(345)	-	(462)
- Impairment losses	(17)	(12)	(3)	(32)
- Reclassification to held for sale	(438)	(888)	(135)	(1,461)
- Exchange differences	(80)	(86)	(47)	(213)
- Transfers	-	-	(3)	(3)
	(524)	(920)	(41)	(1,485)
Balance at December 31, 2025				
Cost	1,963	2,963	888	5,814
Depreciation and impairments	517	1,559	-	2,076
Carrying amount at December 31, 2025	1,446	1,404	888	3,738

Property, plant and equipment**Right of use assets**

		Land and buildings	Plant and equipment	Total
Balance at January 1, 2024		312	81	393
<i>Changes in carrying amount:</i>				
New leases / remeasurements		170	28	198
Depreciation		(65)	(31)	(96)
Impairments		-	-	-
Exchange rate differences		7	-	7
		112	(3)	109
Balance at December 31, 2024				
Cost		577	131	708
Depreciation and impairments		(153)	(53)	(206)
Carrying amount at December 31, 2024		424	78	502
<i>Changes in carrying amount:</i>				
New leases / remeasurements		84	33	117
Depreciation		(70)	(28)	(98)
Reclassification to held for sale		(33)	(27)	(60)
Impairments		-	(2)	(2)
Exchange rate differences		(21)	(2)	(23)
		(40)	(26)	(66)
Balance at December 31, 2025				
Cost		535	82	617
Depreciation and impairments		(151)	(30)	(181)
Carrying amount at December 31, 2025		384	52	436

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

NOTE 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 opposite presents, in aggregate, the carrying amount and share of profit and loss and other movements of the associates and joint ventures. The total share of profit (loss) of associates and joint ventures in 2025 amounting to a loss of €97 million is mainly the result of the losses of KD Pharma and Olatein. A loss of €62 million was recognized in the share in KD Pharma of which €26 million is due to impairment. The share of the loss of Olatein amounting to €46 million consists of a share in the operating loss of €15 million and an impairment of €31 million. Both impairments are recognized as APM adjustments for a total of €57 million (see also Note 2 Alternative performance measures). Disposals of €24 million relates to the sale of 15% of the 25% share held by dsm-firmenich in the associate DRT-Anthea. The equity share of the associates which are in the perimeter of the discontinued operations amounting to €25 million is reclassified to held for sale. It mainly consists of the share in Nenter Shishou (€24 million).

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](#).

Carrying amount and share of profit of associates and joint ventures

	2025					2024
	KD Pharma	Essential Labs	Other associates	Olatein	Other JVs	Total
Equity share	29%	49%		50%		
Balance at January 1	159	48	96	27	12	342
- Share of profit (loss)	(62)	2	9	(46)	-	(97)
- Capital payments	-	-	1	19	-	20
- Dividends received	-	(1)	(3)	-	-	(4)
- Acquisitions	-	-	-	-	-	-
- Disposals	-	-	(24)	-	-	(24)
- Reclassification to held for sale	-	-	(25)	-	-	(25)
- Other consolidation change	-	-	-	-	-	-
- Exchange differences	(1)	(6)	(1)	-	(1)	(9)
- Other changes	-	-	-	-	(4)	(4)
Balance at December 31	96	43	53	-	7	199
						342

Key figures of main associates on a 100% basis

	KD Pharma	Essential Labs	
	2025 ¹	2024	2025
Current assets	264	325	25
Non-current assets	263	395	7
Current liabilities	66	71	5
Non-current liabilities	257	249	7
Net assets (100% basis)	204	400	22
of which Non-controlling interest	-	1	-
Attributable to investee's shareholders	204	399	22
Summarized statement of profit or loss			
Revenue (net sales)	256	31	67
Profit (loss) for the year (continuing operations)	(199)	(9)	7
Other comprehensive income	-	-	-
Total comprehensive income	(199)	(9)	7
of which Non-controlling interest	-	-	-
Attributable to investee's shareholders	(199)	(9)	7

¹ Balance sheet at September 30, 2025, profit or loss is regarding period October 1, 2024, until September 30, 2025

NOTE 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. The company generally applies 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.

In 2025, the vast majority of the investments under other participating interests were classified as FVOCI. These other participating interests mainly include investments in dsm-firmenich's venturing portfolio.

The other receivables include earn-out receivables, other loans, non-current prepayments and security deposits.

Other non-current assets

	Loans associates and joint ventures	Other participating interests	Other receivables	Other	Total
Balance at January 1, 2024	11	576	89	15	691
<i>Changes:</i>					
- Charged to the income statement	-	-	8	-	8
- 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 December 31, 2024	54	209	111	17	391
<i>Changes:</i>					
- Charged to the income statement	-	-	(1)	(1)	(2)
- Disposals	-	(20)	-	-	(20)
- Capital payments	-	10	-	-	10
- Loans granted / prepayments	28	-	1	-	29
- Repayments / (receipts)	-	-	-	1	1
- Exchange differences	-	(9)	(8)	(1)	(18)
- Transfers	-	6	25	3	34
- Reclassification to held for sale	-	(1)	(38)	-	(39)
- Changes in fair value through OCI	-	(28)	-	-	(28)
- Changes in fair value through income statement	-	-	2	-	2
- Expected credit loss (ECL) adjustment and impairments	(1)	-	(3)	-	(4)
- Other changes	(3)	1	-	3	1
Balance at December 31, 2025	78	168	89	22	357

**NOTE 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.

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

	2025	2024
Raw materials and consumables	624	926
Intermediates and finished goods	1,593	2,481
Adjustments to lower net realizable value	2,217	3,407
Total	2,121	3,290

Changes in the adjustment to net realizable value

	2025	2024
Balance at January 1	(117)	(107)
Additions	(122)	(82)
Utilization / reversals	113	75
Exchange differences	7	(5)
Disposals	6	2
Transfer	–	–
Reclassification to held for sale	17	–
Balance at December 31	(96)	(117)

Inventories decreased by €1,169 million, mainly due to the reclassification to held for sale of the inventories relating to the ANH business in the amount of €1,042 million at the end of 2025.

**NOTE 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](#).

Other trade receivables include VAT receivables from tax authorities for an amount of €112 million.

Deferred items comprised €93 million (2024: €73 million) in prepaid expenses that include advance payments for any expenditure that would have otherwise been made during the next 12 months.

The decrease in current receivables was mainly due to the reclassification to held for sale of the current receivables relating to the ANH business in the amount of €672 million at the end of 2025.

The carrying amount of current receivables approximates its fair value. See [Note 23 Financial instruments and risks](#).

Current receivables

	2025	2024
Trade receivables		
Trade accounts receivable	1,633	2,238
Other trade receivables	143	306
Deferred items	77	61
Receivables from associates	2	4
	1,855	2,609
Expected credit loss	(14)	(20)
Total Trade receivables	1,841	2,589
Income tax receivables	153	51
Other current receivables		
Other taxes and social security contributions	20	24
Employee-related receivables	12	6
Acquisition-/disposal-related receivables	16	12
Interest	6	6
Loans	16	23
Other receivables	19	46
Deferred items	16	12
	105	129
Total Other current receivables	105	129
Total current receivables	2,099	2,769

**NOTE 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

	2025	2024
Fixed term deposits	121	50
Total	121	50

**NOTE 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 2025 was not being used as collateral and therefore was not restricted (same as in 2024).

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 €72 million at year-end 2025 (2024: €233 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

	2025	2024
Deposits	62	687
Money-market funds	123	504
Cash at bank and in hand	1,588	1,472
Payments in transit	9	4
Total	1,782	2,667

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

Share capital

On December 31, 2025, the capital amounted to €2.7 million, consisting of 266 million ordinary shares (same as on December 31, 2024). All DSM-Firmenich AG shares have a nominal value of €0.01 each. The outstanding shares are fully paid and 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

	2025	2024
Balance at January 1	22,697	23,070
Net profit (loss) for the year	(1,039)	280
Other comprehensive income	(549)	173
Stock options and share units granted	38	31
Dividend	(718)	(667)
Expenditures related to issuance of new shares	-	(4)
Proceeds from reissue of shares	5	21
Acquisition of NCI without a change in control	(101)	-
Acquisition (divestment) of subsidiary with NCI	-	(17)
Repurchase of shares	-	(52)
Forward contracts to repurchase shares	-	(105)
Repurchase own shares covering SBC plans	(80)	-
Repurchase own shares for cancellation purposes	(996)	-
Remuneration and redemption of hybrid bonds (equity)	(776)	(28)
Other changes	(58)	(5)
Balance at December 31	18,423	22,697

Development of issued and outstanding shares DSM-Firmenich AG

	Issued shares	Treasury shares ¹
Balance at January 1, 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 December 31, 2024	265,676,388	1,404,185
Number of treasury shares at December 31, 2024	(404,185)	
Forward contracts to repurchase shares at December 31, 2024	(1,000,000)	
Number of shares outstanding at December 31, 2024	264,272,203	
Balance at January 1, 2025	265,676,388	1,404,185
Repurchase own shares covering SBC plans	881,355	
Repurchase own shares for cancellation purposes	12,049,441	
Settlement forward contracts to repurchase shares	(1,000,000)	
Increase treasury shares due to the settlements of forward contracts	1,000,000	
Reissue of shares in connection with share-based payments	(188,990)	
Balance at December 31, 2025	265,676,388	14,145,991
Number of treasury shares at December 31, 2025	(14,145,991)	
Number of shares outstanding at December 31, 2025	251,530,397	

¹Including forward contracts

Share premium

The share premium decreased by €379 million (2024: decreased by €418 million) due to the part of the dividend that was distributed out of share premium in 2025 (2024: €414 million).

Other reserves

The Other reserves in shareholders' equity consist of the Translation reserve, Hedging reserve, Reserve for share-based compensation and Fair value reserve.

The decrease in the Translation reserve in 2025 is mainly caused by a strengthening of the euro against the US dollar, the Chinese renminbi, and the Indian rupee, versus a weakening against the Swiss franc. As a consequence, the total value of the subsidiaries increased, which led to a negative exchange difference of €689 million (2024: €174 million positive).

Additional information on the reserves is provided in Note 7 Legal capital reserves to the Parent Company Financial Statements.

Other reserves in Shareholders' equity

	Translation reserve	Hedging reserve	Reserve for share-based compensation	Fair value reserve	Total
Balance at January 1, 2024	574	(7)	44	(137)	474
<i>Changes:</i>					
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 December 31, 2024	758	(41)	48	(55)	710
<i>Changes:</i>					
Fair-value changes of derivatives	-	69	-	-	69
Release to income statement	61	-	-	-	61
Fair-value changes of other financial assets	-	-	-	(25)	(25)
Exchange differences	(689)	-	-	-	(689)
Stock options and share units granted	-	-	38	-	38
Stock options and share units exercised/canceled	-	-	(19)	-	(19)
Transfer to retained earnings	-	-	-	(10)	(10)
Income tax	(26)	(3)	-	3	(26)
Total changes	(654)	66	19	(32)	(601)
Balance at December 31, 2025	104	25	67	(87)	109



Treasury shares and forward contracts to repurchase shares

On April 24, 2025, dsm-firmenich took delivery of the 1.0 million shares that were repurchased via an equity forward contract in 2024 against payment of the forward price of €109 million. The total consideration amounted to €105 million.

In 2025, the Group repurchased 0.9 million (2024: 0.5 million) shares for an amount of €80 million (2024: €52 million) to fulfill its obligations under share-based compensation plans. Furthermore, dsm-firmenich repurchased 12.0 million shares for an amount of €1.0 billion in line with its program to buy back shares to reduce its issued share capital.

At December 31, 2025, dsm-firmenich held 2.1 million (2024: 0.4 million) shares, or 0.79% (2024: 0.15%) of the share capital, for servicing share-option rights and share plans, and 12.0 million (2024: 0) shares, or 4.54% of the share capital, for reducing its share capital. The average purchase price of the ordinary treasury shares as at December 31, 2025 was €85.35 (2024: €104.62).

Dividend

In 2025, the Group distributed dividends to the holders of DSM-Firmenich AG shares amounting to €659 million (2024: €660 million) partly out of share premium (€379 million; 2024: €414 million); the remaining dividend amounting to €280 million (2024: €246 million) was distributed out of retained earnings.

Hybrid bonds

Firmenich International SA issued hybrid bonds (deeply subordinated fixed rate resettable perpetual notes) for €750 million on June 3, 2020 with a coupon of 3.75% payable annually at the sole discretion of the issuer until the first reset date i.e., September 3, 2025.

On August 5, 2025, dsm-firmenich called and redeemed the notes at 100 percent of its nominal value plus accrued interest amounting to €26 million (2024: €28 million), as shown in the table 'Movements in equity'.

In accordance with the provisions of IAS 32 Financial Instruments: Presentation, this instrument was accounted for in equity.

Other changes

Other changes in equity mainly consist of the reciprocal option agreement to acquire the remaining non-controlling interest in Andre Pectin amounting to €46 million. See also [Note 3 Change in the scope of consolidation](#) and Note 20 Other non-current liabilities.

Dividend distribution in the reporting year

	2025	2024
Shareholders DSM-Firmenich AG		
Dividend per share: €2.50 (2024: €2.50)	659	660
Total	659	660

NOTE 17

Non-controlling interests

Accounting policy

Non-controlling interests in subsidiaries are measured at the proportionate share of the subsidiaries' identifiable net assets. Profit-sharing arrangements are accounted for separately in equity by attributing any additional profits or losses to the controlling interest or non-controlling interest based on the terms of the agreement.

The shareholding owned by dsm-firmenich in Yimante Health Ingredients (Jingzhou) Company Ltd. (Jingzhou, China) is 75%. Profits are distributed on a 50:50 basis. The impact of this arrangement has led to a transfer of €40 million (2024: €19 million) within equity from shareholders' equity to non-controlling interest.

Following the classification of the ANH business as held-for-sale, the non-controlling interest in Yimante was reclassified accordingly at year-end 2025.

In the reporting period, dsm-firmenich acquired an additional 15.5% of the shares in Andre Pectin (Yantai, China) for a purchase price of €101 million. It also concluded with the minority shareholder on a reciprocal option to acquire the remaining 9.5% of the shares in Andre Pectin. See also [Note 3 Change in the scope of consolidation](#) and [Note 20 Other non-current liabilities](#).

Non-controlling interests

		2025			2024
		Andre Pectin	Yimante	Other	Total
% of non-controlling interest		25% / 9.5%	25%		
Balance at January 1		54	100	32	186
<i>Changes:</i>					
- Share of profit (loss)		1	40	1	42
- Dividend paid		(19)	(36)	(4)	(59)
- Acquisitions		(101)	-	-	(101)
- Divestments		-	-	-	(17)
- Other consolidation changes		79	-	-	79
- Transfers		-	40	-	40
- Exchange differences		(1)	(4)	(3)	(8)
Total changes		(41)	40	(6)	(7)
Balance at December 31		13	140	26	186
Not fully-owned subsidiaries on a 100% basis					
		2025		2024	
		Andre Pectin	Yimante	Other	Total
Assets					
Goodwill and intangible assets		30	17	-	47
Property, plant and equipment		37	100	31	168
Other non-current assets		2	32	24	58
Inventories		42	10	67	119
Receivables		21	45	85	151
Current investments		-	-	-	7
Cash and cash equivalents		32	144	27	203
Total assets		164	348	234	746
Liabilities					
Provisions (non-current)		8	-	3	11
Borrowings (non-current)		1	-	7	8
Other non-current liabilities		-	1	5	6
Borrowings and derivatives (current)		1	-	-	1
Other current liabilities		19	33	83	135
Total liabilities		29	34	98	161
Net assets (100% basis)		135	314	136	585
Net sales		91	365	325	781
Net profit for the year		8	159	14	181
Cash provided by / (used in) operating activities		47	293	45	385

NOTE 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.

Estimates and judgments

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

The base rate used for discounting increased from 3.4% to 3.9%. Depending on the risk profile, the discount rates used at the end of 2025 vary from 3.9% to 6.2% (2024: 3.4% to 5.3%). The balance of provisions measured at present value increased by less than €2 million in 2025 in view of the passage of time (same in 2024).

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. The additions of €33 million related mainly to various smaller restructuring projects across the company.

The provisions for environmental costs mainly relate to soil clean-up obligations 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 ten years. The release of €48 million includes the positive outcome of a legal dispute of €26 million and the release of insurance related provisions of €9 million, following the merger of the internal insurance companies.

Provisions

	Restructuring costs and termination benefits	Environmental costs	Other provisions	Total
Balance at January 1, 2024	72	33	71	176
Of which current	25	3	6	34
<i>Changes:</i>				
- 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 December 31, 2024	49	30	85	164
Of which current	24	3	50	77
<i>Changes:</i>				
- Additions	33	-	16	49
- Releases	(12)	-	(47)	(59)
- Uses	(24)	(4)	(14)	(42)
- Reclassification to held for sale	(6)	-	(3)	(9)
- Other change	-	-	-	-
Total changes	(9)	(4)	(48)	(61)
Balance at December 31, 2025	40	26	37	103
Of which current	37	-	14	51

**NOTE 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, we apply 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, we apply the practical expedient not to make this split but rather account for the fixed consideration as a single

lease component. Over time, the lease liability increases due to the interest expense related to the unwinding of the lease liability and decreases with the lease payments made. The lease liability is remeasured to reflect reassessments or modifications to contractual terms and lease conditions, 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

Agreements governing loans with a residual amount at year-end 2025 of €4,716 million (December 31, 2024: €4,451 million) include negative pledge clauses that restrict the provision of security. At December 31, 2025, there was €2,201 million in borrowings outstanding with a remaining term of more than five years (at December 31, 2024, €2,212 million). dsm-firmenich redeemed in full the 1% EUR bond 2015–2025 of €500 million on the maturity date on April 9, 2025.

On February 25, 2025, dsm-firmenich issued an 11-year €750 million bond. The bond, issued by DSM B.V. and guaranteed by DSM-Firmenich AG, has a coupon of 3.375% and matures on February 25, 2036. Credit institutions comprised a €108 million liability in 2024 for the forward contract to repurchase own shares. This contract matured in April 2025 and the corresponding liability amount is nil at December 31, 2025— see also [Note 16 Equity](#).

Borrowings by type

	2025	2024	
	Total	Of which current	Total
Bonds	4,716	1,489	4,451
Private loans	55	51	132
Lease liabilities	463	77	524
Credit institutions	43	43	173
Total	5,277	1,660	5,280
	836		836

Borrowings by maturity

	2025	2024
Less than one year	1,660	836
One to two years	59	1,589
Two to three years	546	71
Three to four years	33	539
Four to five years	778	33
More than five years	2,201	2,212
Total	5,277	5,280

Borrowings by currency

	2025	2024
EUR	4,770	4,709
USD	224	216
CHF	94	104
CNY	42	98
BRL	22	19
Other	125	134
Total	5,277	5,280

Bonds

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 (Euronext Amsterdam index). The bonds issued in 2024 and 2025 are listed on the Luxembourg Stock Exchange.

- 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 3.69%
- The 3.375% EUR bond 2025–2036 of €750 million has an effective interest rate of 3.50%

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%

Lease liabilities

In addition to the contractual lease commitments, dsm-firmenich has identified explicit renewal options available to the company 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 €165 million (undiscounted; 2024: €196 million) and cover future periods until 2063. The interest expense on the lease liabilities was €17 million (2024: €13 million) and the total repayments of the lease liabilities amounted to €109 million in 2025 (2024: €110 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

	2025	2024
Balance at January 1	5,280	4,830
Loans taken up	740	833
Repayments	(561)	(623)
Unwinding (interest)	42	45
Disposals and deconsolidations	–	(37)
Reclassification to held for sale	(111)	–
Changes in debt to credit institutions	25	37
Forward contract to repurchase shares	(105)	105
New lease arrangements (incl. remeasurements)	117	198
Payment of lease liabilities	(109)	(110)
Exchange differences	(41)	2
Balance at December 31	5,277	5,280

Bonds

	Coupon rate	Term	Nominal amount	2025	2024
EUR loan	1.00%	2015–2025	500	–	500
EUR loan	0.75%	2016–2026	750	750	750
EUR loan	0.25%	2020–2028	500	499	499
EUR loan	0.63%	2020–2032	500	497	496
EUR loan	1.38%	2020–2026	750	739	719
EUR loan	1.75%	2020–2030	750	697	694
EUR loan	3.63%	2024–2034	800	795	793
EUR loan	3.38%	2025–2036	750	739	–
Total			5,300	4,716	4,451

Lease liabilities breakdown

	2025	2024
Less than one year	83	99
One to two years	70	96
Two to three years	51	65
Three to four years	45	50
Four to five years	41	42
More than five years	282	291
Total undiscounted lease liabilities at December 31	572	643
Lease liabilities included in the Balance Sheet at December 31	463	524

**NOTE 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 or loss. The latter is mainly applied to acquisition-/divestment-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.

Governments grants either relate to income (cost grants) or to assets (investment grants)

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

	2025	2024
Investment grants / customer funding	21	63
Deferred items	31	36
Acquisition-/divestment-related liabilities	50	10
Total	102	109

The decrease in investment grants / customer funding is mainly caused by the transfer to assets held for sale. See also [Note 3 Change in the scope of consolidation](#).

The increase in acquisition- / divestment-related liabilities relates mainly to the reciprocal option agreement to acquire the remaining non-controlling interest in Andre Pectin.

**NOTE 21**

Current liabilities

Accounting policy

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

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

Following the classification of the ANH business as held for sale, current liabilities for an amount of €931 million were reclassified accordingly at year-end 2025.

Suppliers can enter into such arrangements with third-party banks, and access earlier payment on terms linked to the investment-grade credit rating of dsm-firmenich. 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.

Following the classification of the ANH business as held for sale, the carrying amount of liabilities subject to supplier finance arrangements presented within trade and other payables decreased by €179 million.

Current liabilities

	2025	2024
Trade payables		
Received in advance	6	5
Trade accounts payable	1,475	2,267
Notes and cheques due	-	4
Total Trade payables	1,481	2,276
Income tax payables	303	223
Other current liabilities		
Other taxes and social security contributions	56	87
Interest	47	36
Pensions	1	1
Investment creditors	233	203
Employee-related liabilities	261	454
Acquisition-/divestment-related liabilities	57	36
Other	11	9
Total Other current liabilities	666	826
Total current liabilities	2,450	3,325

Supplier finance arrangements

	2025	2024
Carrying amount of liabilities		
Presented within trade and other payables (beginning of the period)	218	207
Presented within trade and other payables (end of the period)	46	218
- Of which suppliers have received payment (by a third-party bank)	42	178
Range of payment due dates		
Liabilities that are part of supplier finance arrangements	30-120 days after invoice date	30-120 days after invoice date
Comparable trade payables that are not part of a supplier finance arrangement	0-120 days after invoice date	0-120 days after invoice date

**NOTE 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 in which case a liability will be recognized. Most of the outstanding orders for projects under construction will be completed in 2026. 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. However, 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 (€12 million as at year-end 2025) excluding interest of 12% per year as of 2004. dsm-firmenich provided the Pune Court a bank guarantee of INR 410 crore (€39 million as at year-end 2025). At the end of 2025, 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 170 million (€26 million as at year-end 2025), 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 (at administrative level). 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 alleging potential violations of anti-trust law. As part thereof, unannounced inspections were carried out at several Firmenich offices in France, the United Kingdom and Switzerland, and Firmenich received a subpoena from the Antitrust Division of the United States Department of Justice. Subsequently, regulatory authorities in other jurisdictions also launched parallel anti-trust investigations. The company is fully cooperating with the authorities. The United States Department of Justice has recently advised the company that it shall be closing its anti-trust investigation of dsm-firmenich. As per the date of the release of this Report, no additional updates on the investigations are available. In addition, multiple civil lawsuits have been filed against the company relating to the investigation.

Contingent liabilities and other financial obligations

	2025	2024
Guarantee obligations on behalf of associates and third parties	176	173
Outstanding orders for projects under construction	12	13
Other	61	54
Total	249	240

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

**NOTE 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 liquidity risk, market risk, 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.

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

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.

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 December 31, 2025, dsm-firmenich had cash and cash equivalents of €1,782 million (2024: €2,667 million).

dsm-firmenich has a €1.8 billion revolving credit facility (RCF). The syndicated facility, which dsm-firmenich entered into in 2024 with a group of 15 banks, has a tenor of five years and two one-year extension options. The RCF neither contains financial covenants nor material adverse change clauses. At year-end 2025, no loans had been taken up under the committed credit facilities.

On December 13, 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. The issuance by dsm-firmenich of a €750 million bond on February 25, 2025 reduced the undrawn amount of the bridge financing facility to €250 million. The remaining undrawn amount was cancelled on March 7, 2025.

Furthermore, DSM B.V. has a commercial paper program amounting to €2.0 billion (2024: €2.0 billion). At December 31, 2025, there were no ECP outstanding (2024: there were no ECP outstanding).

Floating-rate and fixed-rate borrowings and monetary liabilities analyzed by maturity are summarized in the following table.

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.

The 'Derivatives cash flow' table opposite 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.

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
2025							
Borrowings	5,277	1,660	59	546	33	778	2,201
Monetary liabilities	2,514	2,450	3	3	3	3	52
Guarantees	176	5	43	–	1	12	115
Derivatives	28	14	13	–	–	–	1
Interest payments	672	94	77	77	75	74	275
Cash at redemption ¹	91	27	15	15	15	7	12
Total	8,758	4,250	210	641	127	874	2,656
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

1. Difference between nominal redemption and amortized costs.

Derivatives cash flow

	2025	2026	2027	2028	2029	2030	Total
2025							
Inflow		3,615	4	4	3	3	3,629
Outflow		(3,570)	(19)	(5)	(5)	(4)	(3,603)
2024							
Inflow	3,089	24	5	1	11	–	3,130
Outflow	(3,130)	(31)	(5)	(1)	(11)	–	(3,178)

**Market risk**

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

Price risk

Financial instruments that are subject to changes in stock exchange prices or indexes are subject to a price risk. At year-end 2025, mainly other participating interests are subject to price risks.

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.

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 December 31, 2025, with all other variables held constant. A 1% reduction in interest rates would result in a €18 million pre-tax loss in the income statement and equity on the basis of the composition of financial instruments on December 31, 2025, 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

	Carrying amount	2025		2024		
		Sensitivity		Sensitivity		
Loans to associates and joint ventures	78	+1%	(1%)	54	+1%	(1%)
Current investments	121	1	(1)	50	1	(1)
Cash and cash equivalents	1,782	18	(18)	2,667	27	(27)
Short-term borrowings	(1,660)	(1)	1	(836)	(1)	1
Long-term borrowings	(3,617)	-	-	(4,444)	-	-

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 – see also the section below on Hedge accounting.

The following table assumes a 10% change in all foreign currency rates against the euro from their level on December 31, 2025, 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

	Carrying amount	2025		2024		
		Sensitivity		Carrying amount	Sensitivity	
Loans to associates and joint ventures	78	+10%	(10%)	54	+10%	(10%)
Current investments	121	1	(1)	50	1	(1)
Cash and cash equivalents	1,782	2	(2)	2,667	2	(2)
Short-term borrowings (excluding lease liabilities)	(1,583)	58	(71)	(746)	48	(48)
Long-term borrowings (excluding lease liabilities)	(3,231)	(13)	16	(4,010)	9	9
Lease liabilities	(463)	(33)	40	(524)	(5)	5
Currency forward contracts	(2)	46	(57)	(2)	–	–
Average-rate forwards used for economic hedging ¹	30	66	(13)	(35)	(3)	3
Other derivatives	46	1	(16)	44	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.

Sensitivity to change in exchange rate for main currencies

	Strengthening	Profit or loss		Equity	
		Weakening	Strengthening	Weakening	Strengthening
EUR					
USD (10% movement)	(34)			41	(643)
CHF (10% movement)	(28)			34	(695)
CNY (10% movement)	(11)			14	89

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 2025 was €4 million (2024: €2 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 first table on the following page provides information about the credit risk exposure per aging category and the ECL for trade accounts receivable of €14 million at December 31, 2025 (December 31, 2024: €20 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 – Credit risk exposure per aging category		2025			2024		
		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		0.1%	1,425	(2)	0.0%	2,026	(1)
1–29 days overdue		0.0%	102	–	0.2%	117	–
30–89 days overdue		0.0%	53	–	0.8%	56	–
90 days or more overdue		41.4%	29	(12)	48.7%	39	(19)
Total			1,609	(14)		2,238	(20)
Changes in expected credit loss for trade accounts receivable					2025	2024	
Balance at January 1					(20)	(27)	
Net remeasurement of expected credit loss					(2)	4	
Deductions					–	–	
Disposals					3	3	
Reclassification to held for sale					5	–	
Exchange differences					–	–	
Balance at December 31					(14)	(20)	
Exposure to credit risk related to derivatives					2025	2024	
Receivables from derivatives presented in the balance sheet					101	74	
Related amounts not offset in the balance sheet					(12)	(18)	
Net amount					89	56	
Liabilities from derivatives presented in the balance sheet					(28)	(67)	
Related amounts not offset in the balance sheet					12	18	
Net amount					(16)	(49)	
Notional value of derivative financial instruments		2025			2024		
		Non-current	Current	Total	Non-current	Current	Total
Cross-currency interest rate swaps		103	13	116	(13)	–	(13)
Forward exchange contracts, currency options, currency swaps		2	4,765	4,767	–	(1,822)	(1,822)
Other derivatives		72	–	72	(6)	–	(6)
Total		177	4,778	4,955	(19)	(1,822)	(1,841)



Hedging and hedge accounting

Any financial 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 financial instruments used are customary products, such as currency swaps, cross-currency interest rate swaps, and forward exchange contracts.

dsm-firmenich mainly applies cash flow hedge accounting. 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.

Cash flow hedges

During 2025, dsm-firmenich used currency forward contracts and spot contracts to hedge the on-balance sheet exposure, and average-rate currency forwards to hedge the long-term forecasted exposure. 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.

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.

dsm-firmenich hedges the long-term forecasted exposure to 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.

In 2025, dsm-firmenich hedged USD 859 million (2024: USD 1,129 million) of its 2026 projected net cash flow in USD against the euro by means of average-rate currency forward contracts at an average exchange rate of USD 1.14 per EUR for the four quarters of 2026. Each quarter, the relevant hedges for that quarter will be settled and recognized in the income statement.

In 2025, dsm-firmenich also the projected CHF obligations against the EUR, namely CHF 322 million (2024: CHF 380 million) at an average exchange rate of CHF 0.92 per EUR. These hedges have fixed the exchange rate for part of the USD and CHF payments in 2026. Cash flow hedge accounting is applied for these hedges. In 2025, €34 million profit 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.

Cash flow hedges foreign currency risk

Cash flow hedges foreign currency risk		
	Inventory purchases	Other
2025		
Nominal amount hedged item	-	433
Carrying amount assets	-	32
Carrying amount liabilities	-	(1)
Line item balance sheet		
Change in the value of the hedging instrument	Derivatives	Derivatives
Costs of hedging recognized in OCI	-	(65)
Reclassified from hedging reserve to income statement	-	10
Line item income statement	-	(34)
	Cost of sales	Sales
2024		
Nominal amount hedged item	10	667
Carrying amount assets	1	6
Carrying amount liabilities	-	(41)
Line item balance sheet		
Change in the value of the hedging instrument	Derivatives	Derivatives
Costs of hedging recognized in OCI	-	59
Reclassified from hedging reserve to income statement	-	63
Line item income statement	(1)	4
	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.

	Amort. Cost	Fair value hedging instr.	Carrying amount			Fair Value			Total
			FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	
Assets 2025									
Non-current derivatives	-	-	60	-	60	-	60	-	60
Other participating interests	-	-	-	168	168	67	48	53	168
Non-current loans to associates and JVs	78	-	-	-	78	-	-	-	-
Other non-current receivables	111	-	-	-	111	-	-	-	-
Trade receivables	1,841	-	-	-	1,841	-	-	-	-
Other current receivables ¹	73	-	-	-	73	-	-	-	-
Current derivatives	-	31	10	-	41	-	41	-	41
Current investments	121	-	-	-	121	-	-	-	-
Cash and cash equivalents	1,659	-	123	-	1,782	123	-	-	123
Liabilities 2025									
Non-current borrowings	(3,617)	-	-	-	(3,617)	(3,136)	-	-	(3,136)
Non-current derivatives	-	-	(14)	-	(14)	-	-	(14)	(14)
Other non-current liabilities	(102)	-	-	-	(102)	-	-	-	-
Current borrowings	(1,660)	-	-	-	(1,660)	(1,486)	-	-	(1,486)
Current derivatives	-	(2)	(12)	-	(14)	-	(14)	-	(14)
Trade payables	(1,481)	-	-	-	(1,481)	-	-	-	-
Other current liabilities ¹	(291)	-	(57)	-	(348)	-	-	(57)	(57)
Assets 2024									
Non-current derivatives	-	2	49	-	51	-	51	-	51
Other participating interests	-	-	-	209	209	90	74	45	209
Non-current loans to associates and JVs	54	-	-	-	54	-	-	-	-
Other non-current receivables	128	-	-	-	128	-	-	-	-
Trade receivables	2,589	-	-	-	2,589	-	-	-	-
Other current receivables ¹	99	-	-	-	99	-	-	-	-
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	(248)	-	(36)	-	(284)	-	-	(36)	(36)

1. Other current receivables exclude employee-related receivables, and other taxes and social security contributions for an amount of €32 million in 2025 (2024: €30 million) – see also [Note 13 Current receivables](#).
Other current liabilities exclude pensions, employee-related liabilities, and other taxes and social security contributions for an amount of €318 million in 2025 (2024: €542 million) – see also [Note 21 Current liabilities](#).

**NOTE 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

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.

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 long-term 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 levels, and periodic costs incurred.



Employee benefit liabilities

The employee benefit liabilities of €205 million (2024: €550 million) consist of €91 million related to pensions (2024: €367 million), €56 million related to other post-employment benefits (2024: €60 million), and €58 million related to other employee benefits (2024: €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.

For the core countries (Switzerland, United States of America, United Kingdom, and Germany), costs for the defined benefit plans relating to pensions are expected to be €59 million in 2026. In 2026, dsm-firmenich is expected to contribute €49 million (actual 2025: €42 million) to its defined benefit plans in these countries.

Changes in net liabilities of the post-employment benefits recognized in the balance sheet are shown in the overview on the following page. The decrease in the net liabilities during 2025 is mainly due to the reclassification of assets and liabilities relating to the ANH business to held for sale.

Employee benefit liabilities

	2025	2024
Employee benefit liabilities		
Pension plans and other post-employment benefits	147	427
Other employee benefits	58	123
Total	205	550
Of which current	12	63

Post-employment benefit costs

	2025	2024
Defined benefit plans:		
– Current service costs pension plans	58	47
– Other post-employment benefits	4	4
Defined contribution plans	112	110
Total pension costs included in employee benefit costs	174	161
– Pension costs included in Other operating (income) / expense	–	–
Total in operating profit, continuing operations	174	161
Pension costs included in Financial income and expense	8	3
Total continuing operations	182	164
Discontinued operations	46	46
Total	228	210
Of which:		
– Defined contribution plans	112	110
– Defined benefit plans	70	54

Changes in net liabilities of post-employment benefits

		2025			2024			
	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/asset ceiling	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	Net liabilities/(assets) recognized in the balance sheet
Balance at January 1		3,486	(3,221)	100	365	3,339	(3,030)	93
Net defined benefit assets					(62)			(44)
Net defined benefit liabilities					427			446
Total				365				402
- Current service cost		90	-	-	90	79	-	79
- Interest		53	(46)	1	8	60	(52)	9
- Administration cost and other		3	-	-	3	-	-	-
Total included in income statement		146	(46)	1	101	139	(52)	1
<i>Included in other comprehensive income:</i>								
- Loss / (gain) from change in demographic assumptions		(27)	-	-	(27)	2	-	2
- Loss / (gain) from change in financial assumptions		(40)	-	-	(40)	70	-	70
- Loss / (gain) from change in Experience		94	-	-	94	82	-	82
- Return on plan assets excluding interest income		-	(136)	-	(136)	-	(169)	(169)
- Asset ceiling change, excluding movement through income statement		-	-	33	33	-	-	7
- Administration cost and other		-	-	-	-	-	(2)	(2)
Total included in other comprehensive income		27	(136)	33	(76)	154	(171)	7
<i>Other</i>								
- Benefits paid (including transfers in and out)		(215)	188	-	(27)	(174)	146	-
- Contributions by plan participants		48	(48)	-	-	48	(48)	-
- Employer contributions		-	(77)	-	(77)	-	(84)	(84)
- Balance sheet transfer		-	7	-	7	-	-	-
- Acquisition / disposals		(60)	64	(4)	-	-	-	-
- Reclassification to held for sale		(1,075)	953	(75)	(197)	-	-	-
- Currency translation adjustment and other		(5)	5	-	-	(20)	18	(1)
Total other		(1,307)	1,092	(79)	(294)	(146)	32	(1)
Balance at December 31		2,352	(2,311)	55	96	3,486	(3,221)	100
Net defined benefit assets (Prepaid pension costs)					(51)			(62)
Net defined benefit liabilities					147			427
Total				96				365

Pension-plan assets

The fair value of the pension-plan assets consists of 65% of quoted assets (2024: 74%). The pension-plan assets do not include dsm-firmenich shares.

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

	2025	2024
Equities	549	896
Bonds	796	1,104
Property	377	603
Insurance policies	66	69
Other	387	447
Cash and bank deposits	136	102
Total plan assets	2,311	3,221

Defined benefit plans

	Switzerland	United States of America	United Kingdom	Germany	Other countries	Total
Defined benefit plans 2025						
Funded and unfunded defined benefit obligations	1,920	186	176	32	38	2,252
Fair value of plan assets	(1,936)	(195)	(177)	(3)	-	(2,311)
Net excess of liabilities/(assets) over obligations	(16)	(9)	(1)	29	38	41
Unrecognized assets due to asset ceiling	55	-	-	-	-	55
Net excess of liabilities/(assets) over obligations recognized	39	(9)	(1)	29	38	96
Composed of						
Net defined benefit assets (Prepaid pension costs)	(28)	(21)	(1)	(1)	-	(51)
Net defined benefit liabilities	66	12	-	30	38	147
Total changes	39	(9)	(1)	29	38	96
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 (Prepaid pension costs)	(35)	(27)	-	-	-	(62)
Net defined benefit liabilities	132	14	6	230	45	427
Total changes	97	(13)	6	230	45	365

Actuarial assumptions for plans in core countries

	Switzerland	United States of America	United Kingdom	Germany
2025				
Discount rate	1.20%	5.20%	5.50%	4.00%
Salary increase	2.00%	3.25%	0.00%	2.60%
Pension increase	0.00%	0.70%	2.83%	2.06%
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% (2024: 3.2%) 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% (2024: 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 1.6% (2024: 1.7%) 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:

- Pension plan at Firmenich SA in Switzerland
- Affiliation to the DSM Nutritional Products (DNP) AG pension plan in Switzerland (DNP AG)
- DSM UK pension scheme in the UK
- Pension plan at Firmenich, Inc. in the US

For each plan, the following characteristics are relevant:

Firmenich SA pension plan and affiliation to DNP AG 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 ongoing 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 dsm-firmenich business affiliated to the DNP AG pension plan is 13.0 years (2024: 13.9 years) and for the Firmenich SA pension plan 13.8 years (2024: 15.1 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 September 30, 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 12.1 years (2024: 12.9 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 8.6 years (2024: 8.8 years), which could be seen as an indication of the maturity profile of the scheme.

Other long-term employee benefits

Other long-term 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 long-term employee benefits

Balance at January 1, 2024

Of which current

Changes:

- Additions
- Releases
- Uses
- Other change

Total changes

Balance at December 31, 2024

Of which current

Changes:

- Additions
- Releases
- Uses
- Reclassification to held for sale
- Other change

Total changes

Balance at December 31, 2025

Of which current

Other employee benefits

123

49

42

(1)

(50)

9

-

123

63

13

(5)

(56)

(10)

(7)

(65)

58

12

Impact ANH Carve-out

Two core country pension plans are impacted in the reclassification of liabilities and assets to held for sale. This pertains to the affiliated NewCo businesses of the DSM Nutritional Products (DNP) AG pension plan in Switzerland (DNP AG), which is included in the transaction perimeter with the sale of DNP AG and the funded as well as unfunded pension plans at DSM Nutritional Products GmbH in Germany (DNP GmbH).

NOTE 25**Net debt**

The development of the components of net debt is as in the table opposite. In 2025, the gearing (net debt / equity plus net debt) was 15.2% (in 2024: 10.1%).

	Cash and cash equivalents	Current investments	Non-current borrowings	Current borrowings	Derivatives	Total
Balance at January 1, 2024	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)
Reclassifications and transfers	138	–	(140)	1	1	–
Dividend and remuneration hybrid bonds (equity)	(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 December 31, 2024	2,667	50	(4,444)	(836)	7	(2,556)
Change from operating activities	1,445	–	(39)	(7)	50	1,449
Change from investing activities	505	74	–	–	1	580
Reclassifications and transfers	95	–	891	(986)	–	–
Dividend, redemption and remuneration hybrid bonds (equity)	(1,501)	–	–	–	–	(1,501)
Interest	(64)	–	–	4	–	(60)
Proceeds from (re)issued shares	5	–	–	–	–	5
New/unwinding leases	–	–	(101)	(16)	–	(117)
Repurchase of shares	(1,181)	–	–	105	–	(1,076)
Other	(106)	–	–	–	3	(103)
Change from financing activities	(2,752)	–	790	(893)	3	(2,852)
Reclassification to held for sale	(11)	–	50	61	–	100
Exchange differences	(72)	(3)	26	15	12	(22)
Total changes	(885)	71	827	(824)	66	(745)
Balance at December 31, 2025	1,782	121	(3,617)	(1,660)	73	(3,301)

**NOTE 26**

Notes to the cash flow statement

Accounting policy

The cash flow statement explains the changes in cash and cash equivalents. It is prepared via a comparison of the balance sheets at January 1 and December 31.

In reporting the cash flows from operating activities, dsm-firmenich applies the indirect method. Under this method, the profit or loss for the period is adjusted for changes that do not involve cash flows, such as changes in exchange rates, amortization, depreciation, impairment losses, and transfers to other balance sheet items. 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.

The cash flow relating to acquisitions (-€19 million) was limited in 2025. The disposal of businesses of €1,270 million mainly relates to the divestment of the Feed Enzymes business and the costs for the preparation of the divestment of the Animal Nutrition and Health business. It consists of the cash-related part of the consideration (€1,476 million) minus the cash in the divested companies (€34 million) and the divestment-related costs and tax settlements (€172 million). See also [Note 3 Change in the scope of the consolidation](#).

Change in operating working capital

	2025	2024
Operating working capital		
Balance at January 1	3,603	3,769
Balance at December 31	2,481	3,603
Balance sheet change	(1,122)	(166)
<i>Adjustments:</i>		
- Exchange differences	238	(4)
- Changes in consolidation (including acquisitions and disposals)	7	122
- Reclassification to held for sale	953	-
- Transfers/non-cash value adjustments	24	7
Total change in operating working capital according to the cash flow statement	100	(41)

In 2025, the operating working capital continuing operations was €2,481 million (2024: €3,603 million), which amounts to 28.8% of annualized fourth-quarter net sales (2024: 27.3%).

NOTE 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), or 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 of equity-settled share-based compensation 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 parameters 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 2025 grant was conducted on March 31, 2025. 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 December 31, 2027; vesting will be effectuated on March 31, 2028.

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 2025 grant was implemented on May 7, 2025 and concerns the period between the 2025 AGM and the 2026 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 2025 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 2025 this concerned 491,653 (2024: 463,542) share units.

The grant to the Members of the Board of Directors concerns 50% of the applicable Base Fee and involved 16,116 (2024: 13,714) RSUs in 2025.

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.

The performance targets regarding the 2025 grant involve:

- Total Shareholder Return
- Core adjusted return on capital employed
- Absolute greenhouse gas reduction
- Inclusion & Belonging (gender and nationality diversity / inclusion)

In September 2022, a group of senior key employees (excluding the Co-CEOs) at legacy DSM received an RSU grant subject to completion of the merger between DSM and Firmenich. As the merger was completed, the RSUs were finally awarded. Upon vesting on September 30, 2025, the respective RSUs were settled in cash. The fair value on that date was €72.52 (December 31, 2024: €97.72).

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

Year of grant	Outstanding at Dec. 31, 2024	In 2025			Outstanding at Dec. 31, 2025	Share price at date of grant (€)	Expiry date
		Granted	Vested	Forfeited/ expired			
2023	17,041	–	–	–	17,041	80.21	Sep 30, 2026
2024	13,714	–	–	–	13,714	106.05	May 8, 2027
2025	–	16,116	–	–	16,116	94.40	May 7, 2028
2025 Total	30,755 at Dec. 31, 2023	16,116	–	–	46,871 at Dec. 31, 2024		
2024 Total	18,239	13,714	(1,198)	–	30,755		

Overview of share units granted to the Members of the Executive committee and other eligible employees

Year of grant	Outstanding at Dec. 31, 2024	In 2025			Outstanding at Dec. 31, 2025	Share price at date of grant (€)	Expiry date
		Granted	Vested ¹	Forfeited/ expired			
2021	–	–	–	–	–	144.30	Mar 31, 2024
2022	92,999	–	(85,918)	(7,081)	–	162.50	Mar 31, 2025
2023	356,099	–	(17,985)	(16,878)	321,236	97.67	Mar 31, 2026
2024	449,248	34	(11,543)	(31,017)	406,722	106.32	Mar 31, 2027
2025	–	491,653	(30)	(14,880)	476,743	91.46	Mar 31, 2028
2025 Total	898,346 at Dec. 31, 2023	491,687	(115,476)	(69,856)	1,204,701 at Dec. 31, 2024		
2024 Total	628,467	463,976	(153,939)	(40,158)	898,346		

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 Dec. 31, 2024	In 2025			Outstanding at Dec. 31, 2025	Share price at date of grant (€)	Expiry date
		Granted	Vested	Forfeited/ expired			
2022	76,406	–	(70,914)	(5,492)	–	117.45	Sep 30, 2025

Employee stock options

Certain employees in the Netherlands are entitled to employee stock options, to be granted on the first day on which the dsm-firmenich stock is quoted ex-dividend following the Annual General Meeting of Shareholders. The opening price of the dsm-firmenich stock on that day is the strike price of such stock options. Employee stock options can immediately be exercised and have a term of five years.

Overview of equity-settled employee stock options

Year of grant	Outstanding at Dec. 31, 2024	In 2025			Outstanding at Dec. 31, 2025	Fair value on grant date (€)	Strike price (€)	Exercise period until
		Granted	Exercised	Average price (€)	Forfeited/ expired			
2020	36,485	–	–	–	(36,485)	–	10.26	112.00
2022	226,620	–	–	–	(12,430)	214,190	13.58	137.85
2025	–	289,465	(2,600)	97.89	(12,020)	274,845	10.29	92.94
2025 Total	263,105 at Dec. 31, 2023	289,465	(2,600)	97.89	(60,935)	489,035		
2024 Total	340,820	–	(56,240)	105.31	(21,475)	263,105		

**Measurement of fair value**

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

Assumptions equity-settled share units and employee stock options

	2025	2024
Share units granted to Board of Directors		
Risk-free rate ¹	1.82%	3.34%
Expected share life in years ²	1	1
Nominal share life in years	1	1
Share price in € ¹	94.40	107.35
Expected dividend in €	2.50	2.50
Fair value of share granted in €	87.16	100.26
Share units granted to ExCo and other eligible employees		
Risk-free rate ¹	2.13%	2.53%
Expected share life in years	3	3
Nominal share life in years	3	3
Share price in € ¹	91.36	105.40
Expected dividend in €	2.50	2.50
Expected volatility	25.5%	25.7%
Fair value of share granted in €	84.16	98.30
Employee stock options		
Risk-free rate	1.78%	-
Expected option life in years	2	-
Nominal option life in years	5	-
Share price / exercise price in €	92.94	-
Expected dividend in €	2.50	-
Expected volatility	20.0%	-
Fair value of option granted in €	10.29	-

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 (2024: €31 million).

Share-based compensation

	2025	2024
Equity-settled stock options	3	-
Equity-settled share units	32	28
Cash-settled share units	-	3
Total expense	35	31

**NOTE 28**

Related parties

Accounting policy

We identified key management personnel, associates, and joint ventures as related parties. For associates and joint ventures, see [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).

Key management personnel

The Members of the Board of Directors and the Members of the Executive Committee of dsm-firmenich meet the definition of key management personnel. Personnel expenses are recognized in the corresponding service period. No loans or guarantees have been provided to the Members of the Board of Directors or the Members of the Executive Committee.

Transactions with associates and joint ventures

	2025	2024
Sales to	65	44
Purchases from	106	139
Loans to	72	54
Receivables from	45	39
Payables to	14	18
Interest from	6	1
Commitments to	3	12

Remuneration expenses Board of Directors and Executive Committee in € thousand

	2025 ²	2024 ²
Base salary / Committee fee in cash	8,830	9,183
Employer pension contribution	1,397	1,395
Short-Term Incentive	4,588	11,693
Share-based compensation ¹	7,445	8,261
Other	1,962	5,492
Subtotal	24,222	36,024
Employer social securities	1,862	1,646
Total	26,084	37,670

1. Represents the expenses of Restricted- and Performance Share Units (PSUs) awarded according to IFRS rules. These costs are considered over the vesting period and therefore cover several years.

2. Including former Member of the ExCo.

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 €19 million (2024: €21 million). In 2025, dsm-firmenich recognized €19 million in expected credit losses for loans to and receivables from related parties. Other related-parties disclosures relate entirely to key management of dsm-firmenich, being represented by the company's management.

**NOTE 29**

Events after the balance sheet date

On February 9, 2026, dsm-firmenich announced it entered into an agreement with CVC Capital Partners to divest its Animal Nutrition & Health business for an enterprise value of about €2.2 billion, which includes an earn-out of up to €0.5 billion. dsm-firmenich will retain a 20% equity stake. The announced divestment of ANH resulted in a non-cash impairment of around €1.9 billion in 2025 before taxes. The transaction is expected to be completed at the end of 2026 and is subject to conditions including regulatory approvals, the finalization of all required employee consultation processes, and the creation and separation of a standalone Essential Products Company and standalone Solutions Company by dsm-firmenich.

On February 13, 2025, DSM-Firmenich AG launched a share buyback program for an amount of €1 billion and announced its intention to reduce the issued share capital. DSM-Firmenich AG announced the completion of the share buyback program on December 2, 2025. The share capital reduction is planned to be executed by public deed on February 20, 2026, and will lead to the cancellation of 12,049,441 shares.

On February 17, dsm-firmenich successfully launched a €1.5 billion dual-tranche bond issuance, consisting of €750 million 3.00% fixed-rate notes due in 2031, and €750 million 3.75% fixed-rate notes due in 2038. The bonds will be issued by DSM B.V. and guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure (see also Note 13 Guarantee obligations to the Parent Company Financial Statements). The proceeds of the new bond will be used for refinancing of existing bond maturities.

The re-offer price for the 5-year bond tranche was 99.886%. Based on this price, the yield is 3.025%. The re-offer price for the 12-year bond tranche was 99.100%. Based on this price, the yield is 3.845%. The bonds will be listed on the Luxembourg Stock Exchange.



CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditor's report



Report of the statutory auditor to the General Meeting of DSM-Firmenich AG, Kaiseraugst

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of DSM-Firmenich AG and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated balance sheet as at 31 December 2025, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 228 to 295) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Our audit approach



Overview

Overall group materiality: EUR 64 million
The entities addressed by our full scope audit work as well as specific scope audit contribute to 73% of the Group's net sales.

As key audit matters the following areas of focus have been identified:

- Accounting for the Animal Nutrition & Health separation
- Valuation of goodwill

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	EUR 64 million
Benchmark applied	Net sales
Rationale for the materiality benchmark applied	We chose net sales as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.

We agreed with the Audit and Risk Committee that we would report to them misstatements above EUR 3.2 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.



CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditor's report

**Audit scope**

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

Accounting for the Animal Nutrition & Health separation**Key audit matter****How our audit addressed the key audit matter**

In February 2024, the company announced the initiation of a process to carve-out and separate its Animal Nutrition & Health (ANH) business. As part of the separation, the company sold its Feed Enzymes business in 2025, the remaining ANH business was held for sale as at 31 December 2025. The Sale and Purchase Agreement (SPA) for the remaining ANH business was signed on 9 February 2026. Management considered it highly probable that the sale of the remaining ANH business would close and will be completed within one year. Therefore, the assets and liabilities are presented as held for sale. The 2025 results are presented as discontinued operations and the 2024 information is re-presented accordingly, as required by IFRS 5.

Based on the realized and expected proceeds from the transactions, a gain on disposal of EUR 245 million and an impairment of EUR 1.9 billion was recognized, respectively, in 2025. The accounting for the transaction and determination of the impairment involve several significant assumptions and complex calculations. These include, amongst others, the carve out of assets and liabilities, the allocation of results to the discontinued operations and the assumptions

We assessed management's accounting position paper, including management's assessment of the relevant criteria of IFRS 5, related to the ANH separation and the perimeter of the businesses that form part of discontinued operations.

We tested the Feed Enzymes disposal transaction and verified the accuracy of the calculated gain on disposal.

We assessed, with the support of our valuation experts, management's determination of the fair value of the remaining ANH business, based on management's assumptions and the elements of the SPA, and assessed the resulting impairment.

We tested the accuracy of the classification and presentation of the assets and liabilities held for sale of the disposal group.

We tested the accurate allocation and presentation of the results of the disposal group as discontinued operations, including the re-presentation of the 2024 financial information.

We assessed the reasonableness of the ANH separation's presentation and related disclosures in the consolidated financial statements.



underlying the determination of the fair value less cost of disposal.

Considering the significance and complexity of the transactions and the impact on the consolidated financial statements, the accounting for the ANH separation and related impairment has been identified as a key audit matter.

Please refer to Note 3 "Change in the scope of consolidation".

Valuation of goodwill**Key audit matter****How our audit addressed the key audit matter**

As of 31 December 2025, the consolidated financial statements include goodwill amounting to EUR 9.4 billion (2024: EUR 11.2 billion). IAS 36 requires goodwill to be tested for impairment annually, and when indicators of impairment are identified. Goodwill of EUR 0.6 billion has been reclassified to assets held for sale and discontinued operations and goodwill of EUR 1.1 billion has been derecognized following the sale of the Feed Enzymes business.

We tested the carrying amounts of the CGUs and reviewed supporting documentation for the CGU determination.

Management performed the impairment tests at year-end by determining the recoverable amount, which is then compared to the carrying amount. The cash generating units (CGUs) management identified in 2025 are Perfumery & Beauty (P&B), Taste, Texture & Health (TTH), and Health, Nutrition & Care (HNC).

We evaluated the key assumptions used in management's value in use models by comparing them to external market data and underlying business plans.

We assessed the methodological soundness, mathematical accuracy, and sensitivity of the impairment models.

In assessing whether the carrying amounts are recoverable, management generally applied the value in use method. This method requires significant management judgement in projecting future cash flows as well as in determining key assumptions, such as sales growth, discount rates, terminal value growth rates and the forecast period.

We performed our own sensitivity analyses, focusing primarily on terminal value growth rates and discount rates, which we consider the most sensitive assumptions.

We assessed whether disclosures required by IAS 36 regarding the valuation of goodwill were appropriately included in the consolidated financial statements.

Considering the magnitude of goodwill and the level of management judgement involved in assessing the recoverable amounts, the valuation of goodwill has been identified as a key audit matter.

Please refer to Note 8 "Goodwill and intangible assets".


CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditor's report


Other matter

The consolidated financial statements for the year ended 31 December 2024 were audited by another statutory auditor who expressed an unmodified opinion on those consolidated financial statements on 27 February 2025.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the integrated annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditor's report

**Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We have been engaged by the Board of Directors to perform assurance procedures to provide reasonable assurance on the compliance of the rendering of the consolidated financial statements of the financial year from 1 January to 31 December 2025 of DSM-Firmenich AG. DSM-Firmenich AG has prepared the integrated annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the integrated annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by DSM-Firmenich AG, complies in all material respects with the RTS on ESEF.

The Board of Directors is responsible for preparing the integrated annual report, including the consolidated financial statements in accordance with the RTS on ESEF, whereby the Board of Directors combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the integrated annual report in the reporting package complies with the RTS on ESEF.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christopher Vohrer
Licensed audit expert
Auditor in charge

Ennèl van Eeden
Global Client Service Partner

Basel, 19 February 2026

Parent Company Financial Statements



Balance sheet of DSM-Firmenich AG at December 31

The accompanying notes are an integral part of these Parent Company Financial Statements.

	Notes in million	2025 EUR	Values in CHF	2024 EUR	Values in CHF
Assets					
Cash and cash equivalents		-	-	-	-
Other short-term receivables from group companies	2	10	10	52	49
Prepaid expenses and accrued income		1	1	1	1
Total current assets		11	11	53	50
Investments	3	32,893	30,636	34,758	32,714
Total non-current assets		32,893	30,636	34,758	32,714
Total assets		32,904	30,647	34,811	32,764
Liabilities and shareholders' equity					
Trade accounts payable to third parties		1	1	5	4
Short-term liabilities	4/8	-	-	109	103
Other short-term payables to third parties	4	-	-	5	4
Other short-term payables to group companies	4	553	515	83	78
Accrued expenses	5	5	4	8	8
Total current liabilities		559	520	210	197
Total non-current liabilities		-	-	-	-
Total liabilities		559	520	210	197
Share capital	6	3	3	3	3
Legal capital reserves:					
- Reserves from capital contributions	7	22,392	20,856	22,771	21,432
- Other capital reserves	7	7,687	7,160	7,687	7,235
Forward contracts to repurchase shares	8	-	-	(109)	(103)
Treasury shares	8	(1,219)	(1,135)	(40)	(38)
Available earnings:					
- Profit brought forward		4,009	3,734	3,622	3,409
- (Loss)/Profit for the year		(527)	(491)	667	629
Total shareholders' equity		32,345	30,127	34,601	32,567
Total liabilities and shareholders' equity		32,904	30,647	34,811	32,764

Income statement of DSM-Firmenich AG for the year ended December 31

The accompanying notes are an integral part of these Parent Company Financial Statements.

in million	Notes	2025		2024	
		EUR	Values in CHF	EUR	Values in CHF
Dividend income	<u>9</u>	2,093	1,950	673	634
Other operating income	<u>11</u>	39	36	37	35
Other finance income	<u>12</u>	2	2	8	8
Total income		2,134	1,988	718	677
Personnel expenses	<u>10</u>	20	19	28	26
Other operating expense	<u>11</u>	18	16	16	15
Finance expense	<u>12</u>	8	8	6	6
Impairment on investments	<u>3</u>	2,615	2,436		
Taxes		-	-	1	1
Total expenses		2,661	2,479	51	48
(Loss)/Profit for the year		(527)	(491)	667	629



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NOTE 1

Principles

General aspects

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

The fiscal year end of DSM-Firmenich AG is December 31. These financial statements of DSM-Firmenich AG were prepared in accordance with Swiss Law on Accounting and Financial Reporting. Where not prescribed by law, the significant accounting and valuation principles applied are described below.

The financial statements are presented in euros (EUR or €); the Swiss franc (CHF) values are

presented for the purposes of comparison and have been calculated by applying the period-end FX-rate. All values in the financial statements are rounded to the nearest million, except when otherwise indicated. Any main accounting policies applied in the preparation of these financial statements that are not already specified by law, i.e., by the Swiss Code of Obligations, are outlined below in the applicable notes.

DSM-Firmenich AG is presenting consolidated financial statements according to IFRS Accounting Standards. In line with art. 961d of the Swiss Code of Obligations, DSM-Firmenich AG decided to forego presenting the additional information in the notes, the cash flow statement, and the management report.

Currency

The Company's currency – as legally determined by the Articles of Association – is EUR, which is also the functional currency.

The income statement transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Assets and liabilities denominated in a foreign currency are translated into EUR at period-end exchange rates. As required by the Swiss Code of Obligations (cf. art. 958d para. 3), the financial statements are also presented, for additional information only, in the national currency, being CHF. The following EUR/CHF exchange rates have been applied in these financial statements to translate the balance sheet and income statement:

Closing rate on December 31, 2024: 0.9412

Closing rate on December 31, 2025: 0.9314

Summary of the accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

Investments

Investments in companies where the entity holds an investment are valued at acquisition cost less adjustments for impairment of value.

NOTE 2

Other short-term receivables from Group companies

Other short-term receivables from Group companies consist of a receivable of €7 million (CHF 6 million); 2024: €10 million (CHF 9 million) from the in-house cash pool and receivable from other Group companies of €4 million (CHF 3 million); 2024: €42 million (CHF

39 million) composed of recharges of remuneration of key personnel and in 2024 including also recharges of corporate service costs. See also [Note 11 Other operating income and expense](#).

NOTE 3

Investments

Companies in which DSM-Firmenich AG holds an investment are valued at acquisition cost less adjustments for impairment of value. The investments consist of the direct equity share in DSM B.V., Firmenich International SA and DSM-Firmenich Reinsurance AG. In 2025, DSM-Firmenich AG contributed €750 million (CHF 699 million) to the capital contribution reserves of Firmenich International SA. End of the year 2025, the Company held 100% of the aggregate issued and outstanding share capital of DSM B.V., Firmenich International SA, and DSM-Firmenich Reinsurance AG (formerly DSM Re Switzerland AG renamed in 2025).

In 2024, DSM-Firmenich AG acquired DSM Re Switzerland AG (€8.1 million / CHF 7.7 million) and Bergere Limited (€0.6 million / CHF 0.6 million) from subsidiaries of the Group. Subsequently, Bergere Limited was merged with and into DSM Re Switzerland AG. A review for impairment was performed based on current market considerations, assessing whether market expectations on delivering the merger results of the initial deal closed in May 2023 significantly changed until December 31, 2025.

The carrying amount of €33 billion (CHF 31 billion) as at December 31, 2025, represents the recoverable amount of investments held by DSM-Firmenich AG. This recoverable amount has been determined with the Discounted Cash flows (DCF) method based on key value drivers derived from the Long-Range Plan (LRP) for the Company, excluding the ANH business. For the ANH business, the expected proceeds amount

less cost of disposal has been used as the recoverable amount, as a Share Purchase Agreement has been signed with a third party. Following the impairment review performed as at December 31, 2025, an impairment loss of €2.6 billion (CHF 2.4 billion) has been recognized.

The investments, DSM B.V. and Firmenich International SA, were transferred into DSM-Firmenich AG in the context of the DSM-Firmenich merger in 2023. The total carrying amount of these investments, before recognition of the impairment loss in 2025, represents the equity value of the Company at the merger date in 2023. The review for impairment has therefore been performed at an aggregated level and the impairment loss recognized in 2025 allocated to the carrying amount of total investments held as at December 31, 2025.

Investees directly held by DSM-Firmenich AG

in million	Domicile	Carrying amount at December 31, 2025 in EUR	Carrying amount at December 31, 2025 values in CHF	Nominal share capital at December 31, 2025	Share in capital / voting rights at December 31, 2025
2025					
DSM B.V.	Maastricht (NL)	20,472	19,068	€ 261	100 / 100
Firmenich International SA	Satigny (CH)	15,027	13,996	CHF 40	100 / 100
DSM-Firmenich Reinsurance AG	Schaffhausen (CH)	9	8	CHF 6	100 / 100
Total December 31, 2025		35,508	33,072		
Impairment loss on investments		2,615	2,436		
Total December 31, 2025 after impairment loss		32,893	30,636		

in million	Domicile	Carrying amount at December 31, 2024 in EUR	Carrying amount at December 31, 2024 values in CHF	Nominal share capital at December 31, 2024	Share in capital / voting rights at December 31, 2024
2024					
DSM B.V.	Maastricht (NL)	20,472	19,268	€ 261	100 / 100
Firmenich International SA	Satigny (CH)	14,277	13,438	CHF 40	100 / 100
DSM Re Switzerland AG	Schaffhausen (CH)	9	8	CHF 6	100 / 100
Total December 31, 2024		34,758	32,714		

**Significant indirect investees in which
DSM-Firmenich AG has control**

Company name	Country	Share in capital	Currency	Share capital in thousands
Indirect investees via DSM B.V.				
DSM Produtos Nutricionais Brasil S.A.	Brazil	100	BRL	1,840,560
DSM-Firmenich Brasil Ltda	Brazil	100	BRL	363,238
DSM Nutritional Products Canada Inc.	Canada	100	USD	-
DSM-Firmenich Canada Inc.	Canada	100	CAD	1
DSM Vitamins (Shanghai) Ltd.	China	100	USD	66,950
DSM Vitamins Trading (Shanghai) Co. Ltd.	China	100	USD	200
Yimante Health Ingredients (Jingzhou) Company Ltd.	China	75	CNY	100,000
DSM Andre Pectin, Co. Ltd. (formerly: Yantai Andre Pectin, Co. Ltd.)	China	91	CNY	313,000
DSM-Firmenich Nutritional Products (Shanghai) Co. Ltd	China	100	CNY	56,000
Biomin Trading (Shanghai) Co, Ltd	China	100	USD	100
DSM Food Specialties France SAS	France	100	EUR	33,425
DSM Nutritional Products France SAS	France	100	EUR	14,000
DSM Nutritional Products GmbH	Germany	100	EUR	1,000
ANH Nutritional Products India Private Limited	India	100	INR	1,528,010
DSM Nutritional Products India Pvt. Ltd.	India	100	INR	33,671
DSM Nutritional Products Mexico SA de CV	Mexico	100	MXN	9,137
DSM-Firmenich Mexico, SA de CV	Mexico	100	MXN	100
DSM Food Specialties B.V.	Netherlands	100	EUR	453
DSM Finance B.V.	Netherlands	100	EUR	1,849,336
DSM Singapore Industrial Pte Ltd	Singapore	100	SGD	200
Animal Nutrition & Health Singapore Industrial Pte Ltd	Singapore	100	USD	4,700
DSM Nutritional Products Iberia SA	Spain	100	EUR	261
DSM Nutritional Products Europe AG	Switzerland	100	CHF	1,000
DSM Nutritional Products AG	Switzerland	100	CHF	50,000
Animal Nutrition & Health Europe AG	Switzerland	100	CHF	100
dsm-firmenich Switzerland AG	Switzerland	100	CHF	100
DNP Nutritional Products (UK) Limited	United Kingdom	100	GBP	369,651
Animal Nutrition & Health, LLC	United States	100	USD	1
DSM Nutritional Products, LLC	United States	100	USD	0.1
DSM Holding Company USA, Inc.	United States	100	USD	1
DSM Biomedical Inc.	United States	100	USD	-
I-Health, Inc.	United States	100	USD	0.1
DSM Food Specialties USA, Inc.	United States	100	USD	0.1
Indirect investees via Firmenich International SA				
Firmenich & Cia. Ltda.	Brazil	100	BRL	478,794
Firmenich Aromatics (China) Co., Ltd.	China	100	USD	83,900
Les Dérivés Résiniques et Terpéniques Sas	France	100	EUR	19,961
Firmenich Aromatics Production (India) Private Limited	India	100	INR	2,322,400
PT Firmenich Indonesia	Indonesia	100	USD	2,500
Firmenich de Mexico S.A. de C.V.	Mexico	100	MXN	104,327
Firmenich Asia Private Ltd.	Singapore	100	SGD	6,000
Firmenich SA	Switzerland	100	CHF	30,000
MG Ingredients Kimya Sanayi Ve Dis Ticaret Anonim Sirketi	Turkey	100	TRY	30,000
Firmenich, Inc.	United States	100	USD	31,350

**NOTE 4**

Short-term liabilities and payables

Short-term liabilities

In 2024, DSM-Firmenich AG concluded an equity forward contract to purchase one million own shares. This liability was recognized in Short-term liabilities. On April 24, 2025, the Company took delivery of the shares against payment of the forward price of €109 million (CHF 102 million).

Other short-term payables to third parties

On December 31, 2024: €0.1 million (CHF 0.1 million) payable to pension funds is included in Other short-term payables to third parties. On December 31, 2025: the amount payable to pension funds is €0.3 million (CHF 0.2 million).

Other short-term payables to Group companies

Other short-term payables to Group companies mainly comprise in-house cash pool balances.

NOTE 5

Accrued expenses

Accrued expenses are mainly related to the remuneration of key personnel.

NOTE 6

Share capital

On December 31, 2025, the share capital amounted to €2.7 million (CHF 2.5 million), consisting of 265,676,388 ordinary shares (same on December 31, 2024). 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 General Meeting. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

On May 6, 2025, the Annual General Meeting approved an amendment to the capital band provision in the Articles of Association allowing the Board of Directors to decrease the share capital within the limit of 90% of the current share capital. Following the share buyback program announced on February 13, 2025, 12,049,441 shares were repurchased for cancellation purposes (refer to Note 8 Forward contracts to repurchase shares / treasury shares). The cancellation is planned for February 2026.

Nominal share capital

in thousand	EUR	Values in CHF
Balance at January 1, 2024	2,657	2,611
Exchange difference	-	(110)
Balance at December 31, 2024	2,657	2,501
Exchange difference	-	(26)
Balance at December 31, 2025	2,657	2,475

NOTE 7

Legal capital reserves

On May 6, 2025, the Board of Directors proposed to the Annual General Meeting a dividend distribution of €661 million (CHF 616 million). The Annual General Meeting approved the proposed appropriation of available earnings and Reserves from capital contributions. The total distributed dividend amounted to €659 million (CHF 614 million) and was paid out on May 16, 2025 as follows: €379 million (CHF 353 million) out of the Reserves from capital contributions and €280 million (CHF 261 million) out of available earnings.

Legal capital reserves

in million	EUR	Values in CHF
2024		
- Opening balance January 1, 2024	30,832	28,550
- Exchange difference	(414)	(390)
- Dividend distribution	44	42
- From reserve for treasury shares	(4)	(4)
- Accrued interest on announced buy-out DSM N.V. shares		
Closing balance at December 31, 2024	30,458	28,667
Of which:		
- Reserves from capital contributions	22,771	21,432
- Other capital reserves	7,687	7,235
2025		
- Opening balance January 1, 2025	30,458	28,667
- Exchange difference	(379)	(298)
- Dividend distribution		
Closing balance at December 31, 2025	30,079	28,016
Of which:		
- Reserves from capital contributions	21,392	19,925
- Reserves from capital contributions reserved for cancellation related to the share capital reduction planned for February 2026	1,000	931
- Other capital reserves	7,687	7,160

NOTE 8

Forward contracts to repurchase shares / treasury shares

Forward contracts to repurchase shares

In 2024, DSM-Firmenich AG concluded an equity forward contract to repurchase 1.0 million shares as part of its share repurchase program to cover share plans. On April 24, 2025, the Company took delivery of the shares against payment of the forward price of €109 million (CHF 102 million). The shares were added to the Treasury shares, and the corresponding short-term liability was offset. See also [Note 4 Short-term liabilities and payables](#).

Treasury shares held by DSM-Firmenich AG

	2025	2024				
	Number of shares	EUR million	CHF million	Number of shares	EUR million	CHF million
January 1	404,185	40	37	-	-	-
Treasury shares increase at maturity of forward contracts to repurchase shares	1,000,000	109	102	-	-	-
Treasury shares repurchased for hedging of share plans	881,355	80	75	404,185	40	38
Treasury shares reissued for vesting of share plans and exercise of stock options	(188,990)	(10)	(10)	-	-	-
Treasury shares repurchased for cancellation purposes	12,049,441	1,000	931	-	-	-
December 31	14,145,991	1,219	1,135	404,185	40	38

Treasury shares

In 2025, DSM-Firmenich AG repurchased 0.9 million (2024: 0.5 million) shares for an amount of €80 million (CHF 75 million) to fulfill its obligations under share-based compensation plans (2024: €40 million, CHF 38 million). Furthermore, the company repurchased 12.0 million shares for an amount of €1.0 billion (CHF 931 million) in line with its program to buy back shares to reduce its issued share capital.

On December 31, 2025, DSM-Firmenich AG held 14,145,991 treasury shares (end of 2024: 404,185), out of which 12,049,441 shares are reserved for capital reduction. The number of outstanding shares at the end of 2025 is 251,530,397 (2024: 265,272,203).



NOTE 9

Dividend income

In 2025, dividends were received in the amount of €1,743 million (CHF 1,624 million) from DSM B.V. and €350 million (CHF 326 million) from Firmenich International SA.

In 2024, dividends were received from DSM B.V. in the amount of €673 million (CHF 634 million).

NOTE 10

Personnel expenses

Personnel expenses relate mainly to the remuneration of the Members of the Board of Directors and Executive Committee.

in million	2025 EUR	2025 Values in CHF	2024 EUR	2024 Values in CHF
Board of Directors fees and remuneration	2	2	2	2
Executive Committee remuneration	18	17	26	24
Total	20	19	28	26

NOTE 11

Other operating income and expense

Other operating income

Other operating income comprises mainly the recharge of the remuneration of the Business Unit (BU) heads of the Group to the principal entities of these BUs amounting to €11 million

(CHF 10 million), and the recharge of corporate costs of €27 million (CHF 25 million) to DSM Services B.V. In 2024, the amounts were €9 million (CHF 8 million) and €28 million (CHF 27 million) respectively.

Other operating expense

Other operating expense mainly includes insurance premiums, audit fees and other consultancy expenses.

NOTE 12

Other finance income and expense

Other finance income and expense relate mainly to interest income and interest expense in relation to the in-house cash pool as well as exchange gains and losses.

NOTE 13

Guarantee obligations

Guarantees issued to third parties in favor of Group companies amount to €16 million (CHF 15 million, 2024: €13 million, CHF 12 million) which include guarantees of €1m issued under a credit facility of €10 million, concluded in 2025 by DSM-Firmenich AG. Guarantees issued to third parties in favor of Joint ventures amount to €1 million (2024: nil)

In 2024, DSM-Firmenich AG, DSM B.V., and Firmenich International SA signed a cross-guarantee agreement to mitigate structural subordination in the Group. The cross-guarantee agreement includes downstream guarantees from DSM-Firmenich AG to DSM B.V. and Firmenich International SA. In addition, there are also upstream guarantees from these

two subsidiaries to DSM-Firmenich AG. The guarantees are irrevocable and unconditional, and cover existing and future senior unsecured debt instruments across these entities, including dsm-firmenich's existing senior unsecured bonds. Under this cross-guarantee agreement, DSM-Firmenich AG acts as guarantor for the €4.8 billion (CHF 4.5 billion) bonds issued by

dsm-firmenich (2024: €4.5 billion, CHF 4.2 billion), and for the credit facilities concluded in 2024 by DSM B.V. comprising the €1.8 billion (CHF 1.7 billion) revolving credit facility (RCF) and €100 million (CHF 93 million) bilateral revolving credit facility. The €1.0 billion (CHF 0.9 billion) bridge facility included in the guaranteed credit facilities in 2024 was cancelled on March 4, 2025.

PARENT COMPANY FINANCIAL STATEMENTS

Other information

Personnel

The annual average number of full-time employees for the financial year 2025, as well as the previous year, does not exceed 250.

Participation rights granted in 2025

Restricted Share Units (RSUs) are granted to the Members of the Board of Directors, and Performance Share Units (PSUs) to the Members of the Executive Committee. See opposite tables reflecting the grants in the year 2025.

Major shareholders (above 3%)

Shareholders who hold a substantial position in DSM-Firmenich AG should notify this immediately to the Dutch Authority for the Financial Markets (AFM). DSM-Firmenich AG has not received notifications of any new shareholder holding more than 3% of its share capital.

Grant of RSUs to members Board of Directors

	Number of RSUs granted	Value at opening price		Fair value (IFRS)	
		EUR in thousand	Value in CHF in thousand	EUR in thousand	Value in CHF in thousand
Granted in 2025	16,116	1,524	1,419	1,405	1,308
Granted in 2024	13,714	1,454	1,369	1,375	1,294

Grant of PSUs to members Executive Committee

	Number of PSUs granted	Value at opening price		Fair value (IFRS)	
		EUR in thousand	Value in CHF in thousand	EUR in thousand	Value in CHF in thousand
Granted in 2025	86,978	7,955	7,409	7,320	6,818
Granted in 2024	90,286	9,599	9,035	8,875	8,353

PARENT COMPANY FINANCIAL STATEMENTS

Events after the balance sheet date

On February 9, 2026, dsm-firmenich announced it entered into an agreement with CVC Capital Partners to divest its Animal Nutrition & Health business for an enterprise value of about €2.2 billion, which includes an earn-out of up to €0.5 billion. dsm-firmenich will retain a 20% equity stake. The transaction is expected to be completed at the end of 2026 and is subject to conditions including regulatory approvals, the finalization of all required employee consultation processes, and the creation and separation of a standalone Essential Products Company and standalone Solutions Company by dsm-firmenich.

On February 13, 2025, DSM-Firmenich AG launched a share buyback program for an amount of €1 billion and announced its intention to reduce the issued share capital. DSM-Firmenich AG announced the completion of the share buyback program on December 2, 2025. The share capital reduction is planned to be executed by public deed on February 20, 2026, and will lead to the cancellation of 12,049,441 shares.

On February 17, dsm-firmenich successfully launched a €1.5 billion dual-tranche bond issuance, consisting of €750 million 3.00% fixed-rate notes due in 2031, and €750 million 3.75% fixed-rate notes due in 2038. The bonds will be issued by DSM B.V. and guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure (see also Note 13 Guarantee obligations). The proceeds of the new bond will be used for refinancing of existing bond maturities.

The re-offer price for the 5-year bond tranche was 99.886%. Based on this price, the yield is 3.025%. The re-offer price for the 12-year bond tranche was 99.100%. Based on this price, the yield is 3.845%. The bonds will be listed on the Luxembourg Stock Exchange.

PARENT COMPANY FINANCIAL STATEMENTS

Appropriation of earnings available for distribution and repayment of reserves from capital contributions

The Board of Directors of DSM-Firmenich AG approved the financial statements on February 19, 2026.

The Board of Directors proposes to the Annual General Meeting a cash dividend of €2.50 per ordinary share for the financial year 2025 (proposed dividend payment of €629 million). Of this total dividend, €1.64 per share (total €411 million) will be paid out of reserves from capital contributions without deduction of any Swiss withholding tax. The remaining €0.86 per share (total €218 million) will be paid out of available earnings and therefore subject to 35% Swiss withholding tax.

The dividend is based on the number of issued and outstanding ordinary shares on May 8, 2026. The ex-dividend date is May 11, 2026, the dividend record date is May 12, 2026, and the payment date is May 19, 2026. These proposals are subject to adoption of the resolution by the Annual General Meeting to be held on May 7, 2026.

The distribution amounts are based on the share capital issued as at December 31, 2025, and may change depending on the number of shares issued and outstanding as at the dividend record date. Treasury shares held by DSM-Firmenich AG or its wholly owned subsidiaries do not receive dividends.

On May 6, 2025, the Annual General Meeting approved an amendment to the capital band provision in the Articles of Association allowing the Board of Directors to decrease the share capital one or several times within the limit of 90% of the current share capital. This authorization will be used to reduce the share capital following the implementation of dsm-firmenich's share buyback program announced on February 13, 2025. The share capital reduction will be executed in 2026, and lead to the cancellation of 12,049,441 shares.

Distribution capacity

in million	EUR December 31, 2025	EUR December 31, 2024
Reserves from capital contributions	21,392	22,771
Reserves from capital contributions reserved for cancellation related to the share capital reduction planned for February 2026	1,000	-
Other capital reserves	7,687	7,687
Legal capital reserves	30,079	30,458
Non-distributable legal capital reserves	(1,001)	(1)
Legal capital reserves available for distribution	29,078	30,457
Profit brought forward	4,009	3,622
(Loss)/Profit for the year	(527)	667
Available earnings	3,482	4,289
Forward contracts to repurchase shares	-	(109)
Treasury shares	(219)	(40)
Available earnings for distribution	3,263	4,140
Total legal capital reserves and available earnings for distribution	32,341	34,597

The Board of Directors proposes the following repayment of reserves from capital contributions:

in million	EUR December 31, 2025	EUR December 31, 2024
Proposed repayment of reserves from capital contributions	411	380
Reserves from capital contributions to be carried forward	20,981	22,391
Total	21,392	22,771

The Board of Directors proposes the following dividend from available earnings:

in million	EUR December 31, 2025	EUR December 31, 2024
Proposed dividend payment out of available earnings	218	281
Available earnings to be carried forward	3,264	4,008
Total	3,482	4,289



PARENT COMPANY FINANCIAL STATEMENTS

Statutory Auditor's report



Report of the statutory auditor to the General Meeting of DSM-Firmenich AG, Kaiseraugst

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DSM-Firmenich AG (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 301 to 312) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach



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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	EUR 90 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We selected total assets as the benchmark because, in our view, it is the measure most commonly used to assess the performance of the Company, which primarily holds investments in Group entities, and it is a generally accepted benchmark for holding companies.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

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



PARENT COMPANY FINANCIAL STATEMENTS

Statutory Auditor's report



Valuation of Investments

Key audit matter

The Company carries investments of EUR 32.9 billion (CHF 30.6 billion) as at 31 December 2025.

The investments mainly consist of the direct equity shares in DSM B.V. and in Firmenich International SA and are measured at acquisition cost less impairment, if any.

In determining whether the valuation of the investments is appropriate or not, management compares the recoverable amount with the carrying value.

For the Animal Nutrition & Health (ANH) business the amount of the expected proceeds less cost of disposal has been used as the recoverable amount, as a Sale and Purchase Agreement has been signed with a third party.

Based on the expected proceeds less cost of disposal from the ANH divestment, the Company recognised an impairment of EUR 2.6 billion (CHF 2.4 billion) for the year ended 31 December 2025.

We considered the valuation of investments as a key audit matter because of the magnitude of the investments' balance and the significant judgement involved in management's estimate when determining the recoverable amount including the forward-looking assumptions applied by management, and the judgement in assessing the recoverable amount, excluding the ANH business, particularly in the context of the Company's discounted cash flow model prepared for the valuation.

Please refer to Note 3 "Investments".

Other matter

The financial statements for the year ended 31 December 2024 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 27 February 2025.

Other information

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



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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions



PARENT COMPANY FINANCIAL STATEMENTS

Statutory Auditor's report



that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposals comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christopher Vohrer
Licensed audit expert
Auditor in charge

Ennèl van Eeden
Global Client Service Partner

Basel, 19 February 2026