

Givaudan Finance Europe B.V.

Naarden

Annual report 2022

Naarden, February 22, 2023

Givaudan Finance Europe B.V., Naarden

Deloitte Accountants B.V.
For identification purpose only.
Related to auditor's report
Dated February 22, 2023

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Report of the Supervisory Board

The Supervisory Board has monitored the conduct of the company's business by the directors and have been kept informed about the company's intended business strategy, corporate planning (including financial, investments and loans) earnings performance, the state of the business and the situation in the company as well as with the parent and sole beneficiary of the loan.

Where directors' decisions or actions require the approval of the Supervisory Board, whether by law or under the Articles of Association or the rules of procedure, the draft resolutions were inspected by the member at the meetings with the Directors.

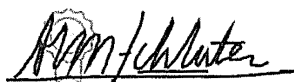
Financial statements and audit

The financial statements and the Directors' report of Givaudan Finance Europe B.V. were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the DASs for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The auditor, Deloitte Accountants B.V., has audited the financial statements of Givaudan Finance Europe B.V. and the conduct of the audit is explained in the auditor's report. The auditor finds that Givaudan Finance Europe B.V. complied, as appropriate, with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the DASs for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

I have examined the financial statements of Givaudan Finance Europe B.V., the proposal for the use of the distributable profit and the Directors' report. I have no objections, thus concur with the result of the audit.

I have approved the financial statements of Givaudan Finance Europe B.V. prepared by the directors. The financial statements of Givaudan Finance Europe B.V. are thus confirmed. We are in agreement with the Directors' report and, in particular, with the outlook for 2022.

Naarden, February 22, 2023



A.V.M. Schlüter

Supervisory Board

Directors' report

All amounts are in thousands of euros unless indicated otherwise

PRINCIPAL ACTIVITIES

Givaudan Finance Europe B.V. ("the Company") is part of the Givaudan Group ("Givaudan"), with headquarters in Vernier, Switzerland. Givaudan is the leading producer in the fragrance & Beauty and the Taste & Wellbeing industry. Givaudan serves customers around the world with innovative products through a sales and marketing presence in all major mature and developing markets. There is strong commitment to significantly invest in consumer understanding tools and research and development programmes. The efficient operations are driven by two business organisations, the fragrance & Beauty and the Taste & Wellbeing division, which are supported by integrated functions such as Finance, Human Resources and IT.

Givaudan Finance Europe B.V. is a wholly-owned subsidiary of Givaudan Nederland B.V., Naarden, The Netherlands. The registration date of the company is November 28, 2019.

The main activities of Givaudan Finance Europe B.V. are financing business and companies, including the borrowing, lending and raising of funds, issuing bonds, as well as the entering into related agreements. The company was established to finance activities of the Givaudan group.

CURRENT SITUATION

Key figures

	<u>2022</u>	<u>2021</u>
Current ratio	1.10	2.66
solvability ratio	1.4%	1.5%

The revenue on interest is € 15,550 and is coming from the loans.
The result before taxation is € 740 and the result after tax is € 592.

Givaudan Finance Europe BV has no employees and financial and accounting services are provided by its parent Givaudan Nederland BV.

EURO commercial paper

The Euro commercial paper program was active in 2022. In 2022 Givaudan Finance Europe had an available facility.

RISK MANAGEMENT

Enterprise risk management

Managing risk is an integral part of Givaudan's business. The Company operates a structured system of identifying, assessing and deciding on responses to mitigate key risks at all levels. The reporting of the opportunities and threats that these risks create and how they might hinder the business in achieving its objectives is also part of the risk management process.

As such the Company relies heavily on the structures and process put in place for the whole Givaudan Group and these are then cascaded in support of the activities performed in Naarden.

The overall approach to risk management at Givaudan is based on the following principles:

- is pragmatic and tailored to the Company
- aims at value creation and protection
- is an integral part of processes and decision-making
- addresses uncertainty explicitly
- is structured, dynamic, iterative and responsive to change
- is based on the best available information.

Information technology risk

In a fast moving digital world, information and communication technologies are critical for Givaudan to address new consumer behaviours and to collaborate with its customers to give them the best experience. However, digitalisation also creates new threats and requires a permanent monitoring of information security risks and an extension of the risk assessment scope. In addition to continuously adapting its information and network systems, Givaudan focuses on extensive awareness programmes to all employees as critical stakeholders in the protection of the digital space. There is also strong alignment with the top risk management process and with the work of the Givaudan Data Protection Officer.

LEGAL AND REGULATORY RISKS

Legal and compliance risks

The Compliance function undertakes regular assessment of Givaudan's legal and compliance risks at local and global levels. Additionally, with the support of our EAME Tax manager and Loyens and Loeff we are sensitive to any amendments to Tax Legislation locally and within Europe which may impact us.

FINANCIAL INSTRUMENTS

Currency risk

There is no currency risk, since all major assets and liabilities are denominated in Euros.

Interest rate risk

Interest rate risk is defined as the risk that the profitability of the Company will fluctuate as a result of changes in market interest rate. Since financing is done through long-term funding, the Company is mainly exposed to movements in long-term interest rates.

Credit risk

Credit risk is defined as the risk that adverse movements in the credit quality of the Company's counterparties will affect the value of the Company's positions. Credit risk can arise due to specific customer risk, in the form of defaults or adverse change in credit quality, or due to country risks.

The company had issued a loan to Givaudan SA who do have a history of good performance.

Liquidity risk

Liquidity risk arises when there are insufficient funds to meet financial commitments, or when assets have to be sold at a price below fair value to meet such commitments. As part of the Givaudan Group, liquidity risk is managed centrally by the parent company which manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities. Forecasted and actual cash flows are monitored continuously.

FUTURE DEVELOPMENTS

The banks which place our ECP with investors are: Citi, ING, Crédit Agricole, Barclays, BofA. Givaudan has been using part of the ECP facility during 2022 to finance short-term liquidity within the Group and will continue using this in 2023. And in this point in time we do not foresee any need to increase this facility.

Russia and Ukraine

It is Givaudan's assessment that the direct and indirect impact for our company from a financial perspective is limited.

Although it is impossible to predict how events will turn out, we believe that Givaudan Finance Europe is well positioned to withstand potential negative short term developments which may arise as a result of this conflict. To date we have not experienced any material impacts.

Naarden, 22 February, 2023

Board of Directors

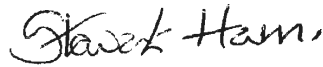
J.J.N Hermans



G.C. Bingham



S. Harris



Financial statements

Balance sheet as at December 31, 2022

(before appropriation of result)

x € 1,000		December 31, 2022		December 31, 2021	
		Note	€	€	€
	Assets				
	Financial fixed assets				
	Loans to group companies	5	995,252		994,450
			995,252		994,450
	Current assets	6			
	Receivables from group companies		9,706		9,464
	Cash and cash equivalents		165,361		15,107
	Other receivables, prepayments and accrued income		5		5
			<u>175,072</u>		<u>24,576</u>
			<u>1,170,324</u>		<u>1,019,026</u>

(before appropriation of result)

x € 1,000

		December 31, 2022		December 31, 2021	
	Note	€	€	€	€
<i>Equity and liabilities</i>					
Shareholders' equity	7				
Issued share capital		5,000		5,000	
Share premium		10,000		10,000	
Other reserves		352		98	
Result for the year		<u>592</u>		<u>254</u>	
			15,944		15,352
Long-term liabilities					
Bonds	8		995,252		994,450
Current liabilities	9				
Interest payable		9,134		9,134	
Loans due to third parties		149,804		0	
Payables with group companies		22		22	
Taxes		132		36	
Other debts, accruals and deferred income		<u>36</u>		<u>32</u>	
			159,128		9,224
			<u>1,170,324</u>		<u>1,019,026</u>

Profit and loss account for 2022

x € 1,000		2022		2021	
	Note	€	€	€	€
Interest income	12	15,550		14,387	
Interest expenses	12	<u>-14,643</u>		<u>-13,926</u>	
Gross margin			907		461
General and administrative expenses	13	<u>167</u>		<u>155</u>	
Total expenses			<u>167</u>		<u>155</u>
Operating result			740		306
Result before taxation			740		306
Taxation on result	15		<u>-148</u>		<u>-52</u>
Net result / attributable to Shareholders			<u>592</u>		<u>254</u>

Notes to the financial statements

1 General

1.1 Activities

Givaudan Finance Europe B.V. ("the Company"), has its legal seat at Huizerstraatweg 28 A-1, Naarden, the Netherlands. The activities of the Company are financing activities for the Givaudan Group including issuance of bonds. These activities include mostly long-term financing.

1.2 Group structure

Givaudan Finance Europe B.V. (Chamber of Commerce no. 76526305) is a wholly-owned subsidiary of Givaudan Nederland B.V., Naarden, The Netherlands.

The financial information of the Company has been included in the consolidated financial statements of Givaudan S.A., Vernier, Switzerland. Copies are available at the Trade Register of the Swiss Chamber of Commerce, or the companies website.

1.3 Related parties

All companies within the Givaudan Group and the parent company of Givaudan Europe Finance B.V. are considered to be related parties.

2 General accounting principles for the preparation of the financial statements

2.1 General

The financial statements are prepared according to the stipulations in Part 9 of Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on an accrual basis. Profit is only included when realised on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

2.2 Estimates

In applying the accounting policies and guidelines for preparing the financial statements, the Board of Directors of Givaudan Finance Europe B.V. makes a range of estimates and judgments that might be essential for the amounts disclosed in the financial statements. If necessary for the purposes of providing the view required under Section 362 (1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the applicable financial statement items in question.

2.3 Cash flow statement

A cash flow statement has not been included in these accounts as the Company's cash flows are included in the consolidated cash flow statement in the accounts of the ultimate parent company Givaudan S.A. in Vernier, Switzerland. This is in accordance with DAS 360.104. They are available on the Givaudan Group website www.givaudan.com.

2.4 Financial instruments

Financial instruments are only primary financial instruments, such as receivables and payables. For the accounting principles of primary financial instruments, reference is made to the treatment per balance sheet item. The company does not use derivative financial instruments.

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount.

2.5 *Translation of foreign currency*

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

3 Principles of valuation of assets and liabilities

3.1 *Receivables*

Upon initial recognition the receivables are included at fair value and then valued at amortised cost, less any provisions for doubtful accounts. These provisions are determined by individual assessment of the receivables.

3.2 *Cash and cash equivalents*

Cash and banks include cash held by group companies that is available on demand. The cash is valued at face value.

3.3 *Bonds*

Upon initial recognition the bonds are included at fair value, net of transaction costs and then valued at amortised cost.

3.4 *Current liabilities*

Upon initial recognition the current liabilities are included at fair value and then valued at amortised cost, which equals the face value.

4 Principles for the determination of the result

4.1 Costs

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

4.2 Interest income and expenses

Interest income and expense are recognised using the effective interest method in the period to which they relate, taking account of the effective interest rate of the assets and liabilities concerned. The treatment of interest expenses for loans received takes account of any transaction costs.

4.3 General and administrative expenses

General and administrative expenses include the expense of general management and the administration department.

4.4 Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

Notes to the financial statements

5 Loans to group companies

x € 1,000	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	€	€
Book value as at January 1	994,450	993,650
New issued loans	0	0
Amortisation	802	800
Balance	<u>995,252</u>	<u>994,450</u>

The loan due from Givaudan Suisse S.A. is split in two loans from EUR 500,000k each effective as from April 22, 2020. One loan bears an interest of 1,046% per annum net without deductions and the other loan bears an interest of 1,671% per annum net without deductions. The difference between the 1 billion loan to group companies and the total balance at balance sheet date is due to commission costs.

The fair market value of loans to group companies is EUR 453,000k (2021: EUR 521,000k) for the loan with maturity date April 22, 2027 and EUR 423,000k (2021: EUR 543,000k) for the loan with maturity date April 22, 2032.

6 Current assets

All receivables are due in less than one year.

The amount for receivables from group companies is all accrued interest receivable.

The cash and cash equivalents are at the Company's free disposal and Inhouse cash is available on immediate demand. The Inhouse cash is a related party transaction. No interest is charged on the inhouse cash bank account.

7 Equity

For the movement schedule of the changes in shareholders' equity reference is made to the table below:

x € 1,000	Issued share capital	Share Premium	Other reserves	Result for the year	Total
At January 1, 2021	5,000	10,000	0	98	15,098
Movements					
Result appropriation 2020			98	-98	0
Result for the year				254	254
At December 31, 2021	5,000	10,000	98	254	15,352
x € 1,000	Issued share capital	Share Premium	Other reserves	Result for the year	Total
At January 1, 2022	5,000	10,000	98	254	15,352
Movements					
Result appropriation 2021			254	-254	0
Result for the year				592	592
At December 31, 2022	5,000	10,000	352	592	15,944

Issued share capital

The authorised share capital of the Company amounts to € 5,000,000 divided into 5,000,000 ordinary shares of € 1 each. Of these, 5,000,000 ordinary shares have been issued and paid-up.

Share premium

The share premium originates from a capital contribution in cash by the shareholder.

Proposed appropriation of result for the financial period ended December 31, 2022

The board of directors proposes, with the approval of the supervisory board, that the result for the financial period ended December 31, 2022 amounting to EUR 592k should be transferred to reserves without payment of dividend.

The financial statements do not yet reflect this proposal.

8 Bonds

x € 1,000	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Book value as at January 1	<u>994,450</u>	<u>993,650</u>
Addition	0	0
Amortisation	802	800
At December 31	<u>995,252</u>	<u>994,450</u>

In 2020 the company issued two bonds with a total nominal volume of € 1 billion. The issue comprises two tranches with differing maturities. The bond with a maturity of 7 years and a volume of € 0.5 billion has a fixed rate of 1%. The bond with a maturity of 12 years and a volume of € 0.5 billion has a fixed rate of 1,625%. Givaudan SA (the "Guarantor") has given its unconditional and irrevocable guarantee for the due and punctual payment of principal of, and interest on, and any other amounts payable under the Note.

The fair market value of the bond with a maturity of 7 years is € 452,500 at December 31, 2022.

The fair market value of the bond with a maturity of 12 years is € 417,350 at December 31, 2022.

In 2021 Givaudan signed a EURO Commercial Program of EUR 500 mio. The program will add another source of funds for the short terms needs and will allow the group to tap on negative rates on the EUR market. Givaudan will be using part of it in the following months to finance short-term liquidity. In 2023 Givaudan continued using this program.

9 Current liabilities

The whole tax payable amount is expected to be realised within 12 months.

The loans due to third parties are all short term and are all related to the ECP facilities.

All current liabilities fall due in less than one year.

10 Financial instruments and risk management

Interest rate risk

Interest rate risk is defined as the risk that the profitability of the Company will fluctuate as a result of changes in market interest rate. Since financing is done through long-term funding, the Company is mainly exposed to movements in long-term interest rates.

Credit risk

Credit risk is defined as the risk that adverse movements in the credit quality of the Company's counterparties will affect the value of the Company's positions. Credit risk can arise due to specific customer risk, in the form of defaults or adverse change in credit quality, or due to country risks.

The company had issued a loan to Givaudan SA who do have a history of good performance.

Liquidity risk

Liquidity risk arises when there are insufficient funds to meet financial commitments, or when assets have to be sold at a price below fair value to meet such commitments. As part of the Givaudan Group, liquidity risk is managed centrally by the parent company which manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities. Forecasted and actual cash flows are monitored continuously.

11 Commitments and contingencies not included in the balance sheet

Contingent liabilities

At year-end, no guarantees are issued.

Givaudan Finance Europe B.V. has no outstanding claims with clients at the end of 2022.

12 Financial income and expenses

x € 1,000	<u>2022</u>	<u>2021</u>
Interest and similar income	15,550	14,387
Interest and similar expense	-14,643	-13,926
	<u>907</u>	<u>461</u>

The interest income and expenses are interest income and expenses on loans.

13 General and administrative expenses

General and administrative expenses comprises of legal, advisory and audit and include the expenses due to the relevant Service Level Agreement with Givaudan Nederland B.V.

14 Salaries, wages and social security costs

There are no wages and salary costs. During 2022 the Company had no employees.

15 Taxation on result

The taxation on result is calculated as follows:

x € 1,000	<u>2022</u>		<u>2021</u>	
Result before taxation	741		306	
Taxation based on nominal tax rate	-148	-20.0%	-52	-17.0%
Taxation according to the profit and loss account	<u>-148</u>	<u>-20.0%</u>	<u>-52</u>	<u>-17.0%</u>

The nominal tax rate of 20.0% relates to the Dutch income tax percentage applicable for the fiscal year 2022. It is an average for 15% over the first € 395 and 25% over €346.

16 Directors' remuneration

The directors are employed by Givaudan Nederland B.V. or related parties and therefore do not receive any remuneration from Givaudan Finance Europe B.V.

Givaudan Nederland BV recharges Givaudan Finance Europe BV for the director's remuneration and other financial and accounting services. The total recharge for this SLA in 2022 is €98.

The remuneration is not at arms length.

17 Supervisory board remuneration

The details of the remuneration of the Supervisory board have not been included as there is only one member. This is in accordance of article 2:383 of the Dutch Civil Code.

18 Auditor's fees

The following fees were expensed in the profit and loss account in the reporting period by Deloitte Accountants B.V.

x € 1,000	<u>2022</u>	<u>2021</u>
Audit of the financial statements	31	30
	<u>31</u>	<u>30</u>

The fees listed above relate only to the procedures applied to the Company by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta).

19 *Subsequent events*

No subsequent events have occurred.

SIGNING OF THE FINANCIAL STATEMENTS

Naarden, 22 February, 2023


Board of Directors

J.J.N Hermans 

G.C. Bingham 

S. Harris 

Supervisory Board

A.V.M. Schlüter 

Other information

Independent auditor's report

Reference is made to the independent auditor's report as included hereinafter.

Statutory rules concerning appropriation of result

In accordance with article 20.1 of the company statutory regulations the appropriation of the result of the Company is at the disposal of the general meeting.