

GLENCORE

Glencore (Schweiz) AG
Annual financial statements
and report of the statutory auditor

2023

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Report of the Statutory Auditor

To the General Meeting of
Glencore (Schweiz) AG, Baar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Glencore (Schweiz) AG (the Company), which comprise the statement of financial position as at 31 December 2023 and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs), 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, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the 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, ISAs 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

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

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Dmitry Ustinov
Licensed Audit Expert
Auditor in Charge

David Reichel
Licensed Audit Expert

Zurich, 9 April 2024
DU/DR

Enclosures

- Financial statements (statement of financial position, statement of income and notes to the financial statements)
- Proposed appropriation of available earnings

Financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 2022

CHF thousand

Assets

	Notes	2023	2022
CURRENT ASSETS			
Cash and cash equivalents		9	13
Current receivables	2	3 444 707	3 567 291
Total current assets		3 444 716	3 567 304
NON-CURRENT ASSETS			
Investments	6,8	3 398 781	3 923 388
Total non-current assets		3 398 781	3 923 388
Total assets		6 843 497	7 490 692

CHF thousand

Liabilities and equity

	Notes	2023	2022
CURRENT LIABILITIES			
Current payables to subsidiaries and associated companies		904 421	878 310
Other current liabilities	3	3 648	900
Total current liabilities		908 069	879 210
NON-CURRENT LIABILITIES			
Unrealised translation gain		-	178 809
Total non-current liabilities		-	178 809
Total liabilities		908 069	1 058 019

EQUITY

Share capital	4	10 261	10 261
Legal reserve		5 131	5 131
Retained earnings		5 920 036	6 417 281
Total equity		5 935 428	6 432 673
Total liabilities and equity		6 843 497	7 490 692

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

CHF thousand

	Notes	2023	2022
Other operational expenses		(37)	(163)
Financial expenses		(43 578)	(15 432)
Financial income	5	140 716	78 086
Dividend income		713	732
Gain/(loss) on foreign exchange		11	(6)
Unrealised translation loss		(413 575)	-
Total financial (expenses)/ income		(315 713)	63 380
Other non-operational (expenses)/ income	6	(181 495)	1 108 674
(Loss)/Profit before direct taxes		(497 245)	1 171 891
Direct taxes		-	-
(Loss)/Profit for the year		(497 245)	1 171 891

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

Expressed in thousands of CHF unless otherwise stated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of Glencore (Schweiz) AG, registered in the commercial register of the canton of Zug under company number CHE-109.435.971 (the "Company"), have been prepared in accordance with the provisions of the Swiss Code of Obligations.

The Company is a wholly owned subsidiary of Glencore International AG (the "Parent"), and the Parent is a wholly owned subsidiary of Glencore plc, a company listed on the London and Johannesburg stock exchanges. Glencore plc prepares consolidated accounts in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) as per statement of compliance in the consolidated accounts for Glencore plc and its subsidiaries ("Group"). As a result, based on Article 961d and 963a of the Swiss Code of Obligations, the Company is exempt from preparing consolidated accounts, cash flow statement, management report and certain other additional information in the notes to the accounts.

Glencore plc's Modern Slavery Statement 2023 for the Group, expected to be published at www.glencore.com/publications in Q2/2024, inter alia serves as a joint statement relating to due diligence and reporting obligations in respect of risks of child labour under 'Section Eight: Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour' of the Swiss Code of Obligations (Art. 964j et seq.) and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

Employees

The Company has an annual average of fewer than 10 full-time positions (2022: fewer than 10 full-time positions).

Foreign currency translation

The Company's functional currency is the US Dollar (USD) as this is assessed to be the principal currency of the economic environment in which it operates.

Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities outstanding at year-end are converted at year-end rates. Resulting exchange losses are recorded in the Statement of Income whilst any unrealized gains are deferred. Non-monetary assets and liabilities are converted at the historical foreign exchange rate at the time of the transaction.

Translation of financial statements

The Company's reporting currency is the Swiss Franc (CHF).

All assets and liabilities at year-end, excluding equity balances at year-end are converted to CHF from USD using the year-end rate of 1 USD: 0.84110 CHF (2022: 1 USD: 0.92470 CHF). Equity balances are converted at the historical exchange rate. Transactions in the Statement of Income are converted into the reporting currency using the average exchange rate for the year 1 USD: 0.89849 CHF (2022: 1 USD: 0.95493 CHF). Any translation gains are deferred, whilst translation losses are recorded in the Statement of Income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are initially recognised at cost. Investments are assessed annually for impairment and are adjusted to their recoverable value, if required.

2. CURRENT RECEIVABLES

	2023	2022
Receivable from parent	3 333 798	3 450 906
Receivables from subsidiaries and associated companies	110 909	116 385
Total	3 444 707	3 567 291

3. OTHER CURRENT LIABILITIES

	2023	2022
Other payables and accrued liabilities	82	159
Deferred unrealised foreign currency gain	3 566	741
Total	3 648	900

4. SHARE CAPITAL

	2023	2022
Fully paid-up registered shares with restriction of transferability and a nominal value of CHF 5 each		
2 052 259 shares	10 261	10 261
Total	10 261	10 261

The fully paid-up share capital amounts to CHF 10 261 295.

5. FINANCIAL INCOME

	2023	2022
Interest income - parent	131 804	69 878
Interest income - subsidiaries and associated companies	5 363	2 916
Other income from parent	1 141	2 485
Other income from subsidiaries and associated companies	2 408	2 807
Total	140 716	78 086

6. OTHER NON-OPERATIONAL (EXPENSES)/ INCOME

Other non-operational expenses include impairment charge of CHF 181 million (2022: CHF 1 109 million reversal of impairment) related to investments.

7. CONTINGENT LIABILITIES AND GUARANTEES.

The obligations of Glencore Finance (Europe) Limited, Glencore Funding LLC, Glencore Capital Finance DAC and certain other group entities under various current and non-current debt obligations are guaranteed by the Company together with Glencore plc and the Parent (Glencore International AG). The Company guarantees certain other obligations of the Parent along with Glencore plc. The amount of the outstanding obligations covered by these guarantees is CHF 30.0 billion (2022: CHF 30.9 billion). However, the Company's financial obligation under these guarantees is limited to the Company's freely disposable reserves.

The Company believes the likelihood of a claim under any of these guarantees to be remote.

Under Swiss VAT group taxation rules, the Company is jointly and severally liable together with other VAT group companies for VAT payable to the tax authorities.

8. INVESTMENTS

The direct investments where the ownership interest is greater than 20% as at December 31 are listed in the table below. Ownership interest equals voting rights unless specified otherwise.

Company Name	Country of incorporation	2023 Ownership interest	2022 Ownership interest
Glencore (Nederland) B.V.*	Netherlands	25.6%	25.6%
Harbour Insurance Pte. Ltd.	Singapore	100%	100.0%
Tironimus AG	Switzerland	100%	100.0%
Xstrata Coal Marketing AG	Switzerland	100%	100.0%

* The Company owns 100% of the class B shares, i.e. 1 class B share entitling the Company to the majority of the economic value.

There were no significant indirect investments at December 31, 2023 (2022: nil).

Proposal for the appropriation of available earnings

The Board of Directors of Glencore (Schweiz) AG proposes that the balance of available earnings at 31 December 2023 amounting to CHF 5 920 036 thousand be dealt with as follows:

CHF thousand

Retained earnings as at 31 December 2022	6 417 281
Loss for the year 2023	(497 245)
Amount to be carried forward	5 920 036

Glencore (Schweiz) AG

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Switzerland