

# GLENCORE

(SCHWEIZ) AG

Annual financial statements  
and report of the statutory auditor

**2022**

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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 2022 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 provision 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 article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further 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**

Lay Boon Tan  
Licensed Audit Expert  
Auditor in Charge

David Reichel  
Licensed Audit Expert

Zurich, 4 April 2023  
LT/DR/jla

## Enclosures

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

# Financial statements

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 2021

CHF thousand

Assets

	Notes	2022	2021
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		13	34
Current receivables	2	3 567 291	3 341 125
<b>Total current assets</b>		<b>3 567 304</b>	<b>3 341 159</b>
<b>NON-CURRENT ASSETS</b>			
Investments	6,8	3 923 388	2 809 592
<b>Total non-current assets</b>		<b>3 923 388</b>	<b>2 809 592</b>
<b>Total assets</b>		<b>7 490 692</b>	<b>6 150 751</b>

CHF thousand

Liabilities and equity

	Notes	2022	2021
<b>CURRENT LIABILITIES</b>			
Current payables to subsidiaries and associated companies		878 310	750 073
Other current liabilities	3	900	1 280
<b>Total current liabilities</b>		<b>879 210</b>	<b>751 353</b>
<b>NON-CURRENT LIABILITIES</b>			
Unrealised translation gain		178 809	138 616
<b>Total non-current liabilities</b>		<b>178 809</b>	<b>138 616</b>
<b>Total liabilities</b>		<b>1 058 019</b>	<b>889 969</b>

**EQUITY**

Share capital	4	10 261	10 261
Legal reserve		5 131	5 131
Retained earnings		6 417 281	5 245 390
<b>Total equity</b>		<b>6 432 673</b>	<b>5 260 782</b>
<b>Total liabilities and equity</b>		<b>7 490 692</b>	<b>6 150 751</b>

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

STATEMENT OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

CHF thousand

	Notes	2022	2021
<b>Other operational expenses</b>		<b>(163)</b>	<b>(154)</b>
Financial expenses		(15 432)	(3 087)
Financial income	5	78 086	18 230
Dividend income		732	746
(Loss)/gain on foreign exchange		(6)	18
<b>Total financial income</b>		<b>63 380</b>	<b>15 907</b>
Other non-operational income	6	1 108 674	634 308
<b>Profit before direct taxes</b>		<b>1 171 891</b>	<b>650 061</b>
Direct taxes		–	(122)
<b>Profit for the year</b>		<b>1 171 891</b>	<b>649 939</b>

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 (the "Company") have been prepared in accordance with the provisions of the Swiss Law. Presentation of certain prior year comparatives have been adjusted as required.

The Company is a wholly owned subsidiary of Glencore International AG (the "Parent") and the Parent is a wholly owned subsidiary of Glencore plc (the "Group"), a company listed on the London and Johannesburg stock exchanges. The Group 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 of the Group Accounts. 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.

### Employees

The Company has an annual average of fewer than 10 full-time positions (2021: 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 Income Statement 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: 0.92470 CHF (2021: 1 USD: 0.9117 CHF). Equity balances are converted at the historical exchange rate. Transactions in the Income Statement are converted into the reporting currency using the average exchange rate for the year 1 USD: 0.95493 CHF (2021: 1 USD: 0.9142 CHF). Any translation gains are deferred, whilst translation losses are recorded in the Income Statement.

### 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

	2022	2021
Receivable from parent	3 450 906	3 229 303
Receivables from subsidiaries and associated companies	116 385	111 822
<b>Total</b>	<b>3 567 291</b>	<b>3 341 125</b>

## 3. OTHER CURRENT LIABILITIES

	2022	2021
Other payables and accrued liabilities	159	98
Deferred unrealised foreign currency gain	741	1 182
<b>Total</b>	<b>900</b>	<b>1 280</b>

## 4. SHARE CAPITAL

	2022	2021
Registered shares of CHF 5 each		
2 052 259 shares	10 261	10 261
<b>Total</b>	<b>10 261</b>	<b>10 261</b>

## 5. FINANCIAL INCOME

	2022	2021
Interest income - parent	69 878	10 529
Interest income - subsidiaries and associated companies	2 916	2 718
Other income from parent	2 485	2 453
Other income from subsidiaries and associated companies	2 807	2 530
<b>Total</b>	<b>78 086</b>	<b>18 230</b>



## 6. OTHER NON-OPERATIONAL INCOME

Other non-operational income includes impairment reversals of CHF 1 109 million (2021: CHF 686 million) 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 Glencore International AG. The obligations of Glencore International AG under various current and non-current debt obligations are guaranteed by the Company together with Glencore plc. The amount of the outstanding obligations covered by these guarantees is CHF 30.9 billion (2021: CHF 33.2 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	2022 Ownership interest	2021 Ownership interest
Glencore (Nederland) B.V. <sup>1</sup>	Netherlands	25.6%	25.6%
Harbour Insurance Pte. Ltd.	Singapore	100.0%	100.0%
Tironimus AG	Switzerland	100.0%	100.0%
Xstrata Coal Marketing AG	Switzerland	100.0%	100.0%

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

There were no significant indirect investments at December 31, 2022 (2021: 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 2022 amounting to CHF 6 417 281 thousand be dealt with as follows:

CHF thousand

Retained earnings as at 31 December 2021	5 245 390
Profit for the year 2022	1 171 891
<b>Amount to be carried forward</b>	<b>6 417 281</b>

**Glencore (Schweiz) AG**

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