



**Syngenta Finance AG, Basel**

Report of the Statutory Auditor to the  
General Meeting on the

Financial Statements 2022



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## **Report of the Statutory Auditor to the General Meeting of Syngenta Finance AG, Basel**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Syngenta Finance AG (the Company), which comprise the balance sheet as at 31 December 2022, 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 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 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, together with the requirements of the Swiss audit profession, 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 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 judgment 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 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 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.

## **Report on Other Legal and Regulatory Requirements**

In accordance with article 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 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.

KPMG AG



Marc Stadelmann  
Licensed Audit Expert  
Auditor in Charge



Artem Chupakov

Basel, 6 March 2023



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Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

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BALANCE SHEET (in CHF)

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Current assets</b>			
Cash and cash equivalents		9,141	79,622
Other short term receivables affiliates	2.1	<u>304,957,089</u>	<u>232,768,671</u>
<b>Total current assets</b>		<b><u>304,966,231</u></b>	<b><u>232,848,293</u></b>
<b>Non-current assets</b>			
Financial assets held with affiliates	2.2	1,063,161,850	1,027,913,100
Intangibles	2.3	<u>709,391</u>	<u>1,184,088</u>
<b>Total non-current assets</b>		<b><u>1,063,871,241</u></b>	<b><u>1,029,097,188</u></b>
<b>Total assets</b>		<b><u><u>1,368,837,472</u></u></b>	<b><u><u>1,261,945,481</u></u></b>
 <b>LIABILITIES</b>			
<b>Short-term liabilities</b>			
Financial liabilities	2.4	268,059,839	202,544,251
Other short-term liabilities parent company	2.5	4,249,091	3,528,038
Accrued expenses	2.6	<u>3,066,358</u>	<u>311,837</u>
<b>Total short-term liabilities</b>		<b><u>275,375,288</u></b>	<b><u>206,384,125</u></b>
 <b>Long-term liabilities</b>			
Financial liabilities	2.7	<u>1,065,000,000</u>	<u>1,030,000,000</u>
<b>Total long-term liabilities</b>		<b><u>1,065,000,000</u></b>	<b><u>1,030,000,000</u></b>
 <b>Shareholders' equity</b>			
Share capital	2.8	10,000,000	10,000,000
Legal retained earnings:			
- General legal retained earnings		792,000	696,000
Voluntary retained earnings:			
- Retained earnings brought forward		14,769,356	12,956,767
- Profit for the year		<u>2,900,828</u>	<u>1,908,589</u>
<b>Total shareholders' equity</b>		<b><u>28,462,183</u></b>	<b><u>25,561,356</u></b>
<b>Total liabilities &amp; shareholders' equity</b>		<b><u><u>1,368,837,472</u></u></b>	<b><u><u>1,261,945,481</u></u></b>

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INCOME STATEMENT (in CHF)

	Note	2022	2021
<b>Financial income and expense</b>			
Financial income	3.1	27,592,281	21,660,619
Financial expense	3.2	<u>- 24,162,602</u>	<u>- 19,440,182</u>
<b>Total financial income, net</b>		<u>3,429,679</u>	<u>2,220,437</u>
<b>Operating expenses</b>		<u>- 61,800</u>	<u>0</u>
<b>Direct taxes</b>		<u>- 467,051</u>	<u>- 311,848</u>
<b>Profit for the year</b>		<u><u>2,900,828</u></u>	<u><u>1,908,589</u></u>

# Syngenta Finance AG, Basel

## Notes to the financial statements 2022

### 1 Principles

#### Ownership

Syngenta Finance AG, domiciled in Basel, Switzerland, is a fully owned subsidiary of Syngenta AG, domiciled in Basel.

#### General aspects

The financial statements of Syngenta Finance AG were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). The significant accounting and valuation principles applied that are not prescribed by Swiss Law are described below.

#### Foregoing a cash flow statement and additional disclosures in the notes

Syngenta Finance AG is a subsidiary of Syngenta AG. Syngenta AG and its subsidiaries are presenting consolidated financial statements in accordance with a recognized accounting standard (International Financial Reporting Standards as issued by the International Accounting Standards Board).

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the reporting currency at the rate prevailing at the balance sheet date. Income and expenses are translated at the previous month's end closing rate.

Syngenta Finance AG has no material transactions denominated in foreign currencies.

#### Other affiliates

All affiliates, which are directly or indirectly controlled by Syngenta AG are included in other affiliates, with the exception of all direct and indirect parent companies of Syngenta Finance AG, these are presented under parent companies.

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**Notes to the financial statements 2022**

**2 Information on the Balance Sheet**

**2.1 Other short-term receivables from affiliates**

Other short-term receivables as of 31 December 2022 consist of a loan of CHF 264.8 million (CHF 199.6 million in 2021) maturing on 16 October 2023, interest receivable in the amount of CHF 3.2 million (CHF 2.5 million in 2021), guarantee fee receivable in the amount of CHF 4.3 million (CHF 3.5 million in 2021) and a deposit of CHF 32.7 million (CHF 27.1 million in 2021).

All amounts are due from the Syngenta Treasury Branch of Syngenta Crop Protection AG, Basel.

**2.2 Financial assets held with affiliates**

Financial assets consist of loans to the Syngenta Treasury Branch of Syngenta Crop Protection AG, which are granted with the same maturity as the bonds (refer to note 2.7) to finance them. Loans falling due within a year are included in other short-term receivables from affiliates.

**2.3 Intangibles**

Intangibles consist of the issuance costs of the bonds which are amortized over the maturity of the underlying bonds (refer to note 2.7).

**2.4 Financial liabilities (short-term)**

Financial liabilities consist of accrued interest on outstanding financial liabilities against third parties as well as a Swiss domestic bond:

- CHF 265 million (CHF 200 million in 2021) at an interest rate of 1.250%, issued on 30 September 2020, interest settlements on 16 October, with three years maturity ending on 16 October 2023.

**2.5 Other short-term liabilities parent company**

Other short-term liabilities consist of guarantee fees on bonds payable to Syngenta AG, the guarantor of the issued bonds as per note 2.7 below.

**2.6 Accrued expenses**

Accrued expenses mainly consist of tax and audit fee accruals.

**2.7 Financial liabilities (long-term)**

The amount comprises the Swiss domestic bonds and one term loan:

- CHF 250 million at an interest rate of 1.625%, issued on 7 April 2014, interest settlements on 1 November, with ten years maturity ending on 1 November 2024.

- CHF 150 million at an interest rate of 2.125%, issued on 7 April 2014, interest settlements on 1 November, with fifteen years maturity ending on 1 November 2029.

- CHF 140 million at an interest rate of 0.700%, issued on 25 February 2020, interest settlements on 9 December, with six years maturity ending on 9 December 2026.

- CHF 225 million at an interest rate of 0.625%, issued on 16 November 2021, interest settlements on 30 August, with three years maturity ending on 30 August 2024.

- CHF 300 million at a floating interest rate based on SARON and 0.550%, issued on 2 March 2022, quarterly interest settlements, with three years maturity ending on 28 February 2025.

**2.8 Share capital**

The share capital consists of 10'000 shares with a nominal value of CHF 1'000.



## Syngenta Finance AG, Basel

### Notes to the financial statements 2022

#### 3 Information on the Income Statement

	<u>2022</u>	<u>2021</u>
	CHF	CHF
<b>3.1 Financial income</b>		
Interest income other affiliates	<u>27,592,281</u>	<u>21,660,619</u>
<b>Financial income</b>	<u><b>27,592,281</b></u>	<u><b>21,660,619</b></u>
<b>3.2 Financial expense</b>		
Interest expenses third party	14,989,773	12,017,988
Financial expenses parent company	8,607,467	6,895,270
Amortization of intangibles	474,697	362,440
Other financial expense	<u>90,666</u>	<u>164,484</u>
<b>Financial expense</b>	<u><b>24,162,602</b></u>	<u><b>19,440,182</b></u>

## **Syngenta Finance AG, Basel**

### **Notes to the financial statements 2022**

#### **4 Other information**

##### **General remarks**

Syngenta Finance AG is together with Syngenta Finance N.V. a co-issuer of the \$7.5 billion Euro Medium Term Note Programme dated 10 May 2022 (the Programme).

No bonds were issued by Syngenta Finance AG as at 31 December 2022 under the Programme.

##### **Number of employees**

There are no employees in the service of Syngenta Finance AG.

##### **Contingent liabilities**

The Company is part of the Syngenta Crop Protection Swiss VAT Group and is therefore jointly and severally liable for the entire amount due to the Swiss tax authorities by the Syngenta Crop Protection Swiss VAT Group.

##### **Audit Fees**

Audit fee expenses for the fiscal year 2022 are CHF 61'800 (CHF 61'800 for the fiscal year 2021)

## Syngenta Finance AG, Basel

### APPROPRIATION OF AVAILABLE EARNINGS (in CHF)

(Proposal of board of directors)

	<b>2022</b>	<b>2021</b>
	CHF	CHF
Retained earnings brought forward	14,769,356	12,956,767
Profit for the year	<u>2,900,828</u>	<u>1,908,589</u>
<b>Total available earnings</b>	<b>17,670,183</b>	<b>14,865,356</b>
Allocation to general legal retained earnings	<u>146,000</u>	<u>96,000</u>
<b>To be carried forward</b>	<b><u><u>17,524,183</u></u></b>	<b><u><u>14,769,356</u></u></b>