



Syngenta Finance AG, Basel

**Statutory Auditor's Report
to the General Meeting on the
Financial Statements 2023**



Statutory Auditor's Report

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 2023, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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 skepticism 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 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 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 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 Chumakov

Basel, 12 March 2024

Enclosures:

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

Syngenta Finance AG, Basel

BALANCE SHEET (in CHF)

ASSETS	Note	31.12.2023	31.12.2022
Current assets			
Cash and cash equivalents		64'597	9'141
Other receivables third parties		4'259	0
Other short term receivables affiliates	2.1	497'173'370	304'957'089
Total current assets		497'242'226	304'966'231
Non-current assets			
Loans to third parties			
Financial assets held with affiliates	2.2	589'510'600	1'063'161'850
Other non-current assets	2.3	628'510	709'391
Total non-current assets		590'139'110	1'063'871'241
Total assets		1'087'381'336	1'368'837'472
LIABILITIES			
Short-term liabilities			
Other payables		59'569	0
Financial liabilities	2.4	477'579'368	268'059'839
Other short-term liabilities parent company	2.5	2'640'371	4'249'091
Accrued expenses	2.6	448'670	3'066'358
Total short-term liabilities		480'727'978	275'375'288
Long-term liabilities			
Financial liabilities	2.7	590'252'897	1'065'000'000
Total long-term liabilities		590'252'897	1'065'000'000
Shareholders' equity			
Share capital	2.8	10'000'000	10'000'000
Legal retained earnings:		938'000	792'000
Available earnings			
- Profit brought forward		2'524'183	14'769'356
- Profit for the year		2'938'277	2'900'828
Total shareholders' equity		16'400'460	28'462'183
Total liabilities & shareholders' equity		1'087'381'336	1'368'837'472

Syngenta Finance AG, Basel

INCOME STATEMENT (in CHF)

	Note	2023	2022
Financial income and expense			
Financial income	3.1	28'157'789	27'592'281
Financial expense	3.2	- 24'711'328	- 24'162'602
Total financial income, net		<u>3'446'461</u>	<u>3'429'679</u>
Operating expenses		<u>- 69'525</u>	<u>- 61'800</u>
Direct taxes		<u>- 438'659</u>	<u>- 467'051</u>
Profit for the year		<u><u>2'938'277</u></u>	<u><u>2'900'828</u></u>

Syngenta Finance AG, Basel

Notes to the financial statements 2023

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.

Syngenta Finance AG, Basel

Notes to the financial statements 2023

2.1 Other short-term receivables from affiliates

Other short-term receivables as of 31 December 2023 consist of:

- Short term loans of CHF 473.65 million (CHF 264.8 million in 2022)
 - CHF 224.65 million maturing on 30 August 2024
 - CHF 249 million maturing on 1 November 2024
- Interest receivable in the amount of CHF 2.86 million (CHF 3.2 million in 2022),
- Guarantee fee receivable in the amount of CHF 2.64 million (CHF 4.3 million in 2022)
- Deposit of CHF 18.02 million (CHF 32.7 million in 2022).

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 Other non-current assets

Other non-current assets consist of the issuance costs of the bonds which are amortized over the maturity of the underlying bonds (refer to note 2.7). In the prior period, the capitalized issuance costs were disclosed as intangible assets. The current disclosure is considered as more appropriate.

2.4 Financial liabilities (short-term)

Financial liabilities consist of Swiss domestic bonds of CHF 475 million (CHF 265 million in 2022) :

- 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 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.

as well as accrued interest on outstanding long-term and short-term financial liabilities against third parties.

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 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 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. Subsequent to 31 December 2023, the loan term was extended through 27 February 2026.

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 2023

3 Information on the Income Statement

	<u>2023</u>	<u>2022</u>
	CHF	CHF
3.1 Financial income		
Interest income other affiliates	28'157'789	27'592'281
Financial income	<u>28'157'789</u>	<u>27'592'281</u>
3.2 Financial expense		
Interest expenses third party	18'544'431	14'989'773
Financial expenses parent company	5'823'026	8'607'467
Amortization of intangibles	333'720	474'697
Other financial expense	10'151	90'666
Financial expense	<u>24'711'328</u>	<u>24'162'602</u>

Syngenta Finance AG, Basel

Notes to the financial statements 2023

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 2023 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 2023 are CHF 69'525 (CHF 61'800 for the fiscal year 2022). No fees for non-audit services were incurred or paid to the auditors during 2023 and 2022.

Syngenta Finance AG, Basel

APPROPRIATION OF AVAILABLE EARNINGS (in CHF)

(Proposal of board of directors)

	2023
	<u>CHF</u>
Retained earnings brought forward	2'524'183
Profit for the year	<u>2'938'277</u>
Total available earnings	5'462'460
Allocation to general legal retained earnings	<u>147'000</u>
To be carried forward	<u><u>5'315'460</u></u>