

# GLENCORE

(SCHWEIZ) AG

Annual financial statements  
and report of the statutory auditor

2021

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## **Statutory Auditor's Report**

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 2021 and the statement of income and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements as at 31 December 2021 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 Auditing Standards (SAS). 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.

#### ***Responsibility of the Board of Directors 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 SAS 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 at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

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

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 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

Fabian Hell  
Licensed Audit Expert

Zurich, 1 April 2022  
LT/FH

### Enclosures

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

# Financial statements

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

CHF thousand

### Assets

	Notes	2021	2020
<b>Current assets</b>			
Cash and cash equivalents		34	40
Other current receivables	2	3 341 125	860 693
<b>Total current assets</b>		<b>3 341 159</b>	<b>860 733</b>
<b>Non-current assets</b>			
Receivables from subsidiaries and associated companies		-	35 565
Investments	6,8	2 809 592	4 359 713
<b>Total non-current assets</b>		<b>2 809 592</b>	<b>4 395 278</b>
<b>Total assets</b>		<b>6 150 751</b>	<b>5 256 011</b>

CHF thousand

### Liabilities and equity

	Notes	2021	2020
<b>Current liabilities</b>			
Payables to subsidiaries and associated companies		750 073	642 993
Other current liabilities	3	1 280	2 175
<b>Total current liabilities</b>		<b>751 353</b>	<b>645 168</b>
<b>Non-current liabilities</b>			
Unrealised translation gain		138 616	-
<b>Total non-current liabilities</b>		<b>138 616</b>	<b>-</b>
<b>Total liabilities</b>		<b>889 969</b>	<b>645 168</b>
<b>Equity</b>			
Share capital	4	10 261	10 261
Legal reserve		5 131	5 131
Retained earnings		5 245 390	4 595 451
<b>Total equity</b>		<b>5 260 782</b>	<b>4 610 843</b>
<b>Total liabilities and equity</b>		<b>6 150 751</b>	<b>5 256 011</b>

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

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

CHF thousand

	Notes	2021	2020
Other operational expenses		-154	-582
Financial expenses		-3 087	-8 075
Financial income	5	18 230	29 538
Dividend income		746	43 908
Gain on foreign exchange, net		18	555
Unrealised translation loss		-	-517 481
<b>Total financial income/(expenses)</b>		<b>15 907</b>	<b>-451 555</b>
Other non-operational income/(expenses)	6	634 186	-2 775 794
<b>Profit/(loss) before direct taxes</b>		<b>649 939</b>	<b>-3 227 931</b>
Direct taxes		-	-
<b>Profit/(Loss) for the year</b>		<b>649 939</b>	<b>-3 227 931</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 on Accounting and Financial Reporting. 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 wholly owned by Glencore plc. Glencore plc is listed on the London and Johannesburg stock exchanges. The company is a holding company. The group prepares consolidated accounts in accordance with International Financial Reporting Standards. 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 (2020: 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: 0.9117 CHF (2020: 1 USD: 0.8847 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: 0.9142 CHF (2020: 1 USD: 0.9386 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, on an individual or grouped basis as appropriate.

## 2. OTHER CURRENT RECEIVABLES

	2021	2020
Receivables from subsidiaries and associated companies	3 341 125	860 693
<b>Total</b>	<b>3 341 125</b>	<b>860 693</b>

## 3. OTHER CURRENT LIABILITIES

	2021	2020
Other payables and accrued liabilities	98	82
Deferred unrealised foreign currency gain	1 182	2 093
<b>Total</b>	<b>1 280</b>	<b>2 175</b>

## 4. SHARE CAPITAL

	2021	2020
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

	2021	2020
Interest income from subsidiaries and associated companies	13 247	21 894
Income from subsidiaries and associated companies	4 983	7 644
<b>Total</b>	<b>18 230</b>	<b>29 538</b>

## 6. OTHER NON-OPERATIONAL INCOME/(EXPENSES)

Other non-operational income/(expenses) includes impairment reversal of CHF 686 million (2020: impairment charge of CHF 2 776 million) related to investments.



## 7. CONTINGENT LIABILITIES AND GUARANTEES.

The obligations of Glencore Finance (Europe) Limited and Glencore Funding LLC 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 33.2 billion (2020: CHF 38.3 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	2021 Ownership interest	2020 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. 1B share entitling the Company to the majority of the economic value.

There were no significant indirect investments at December 31, 2021 (2020: nil).

## 9. SUBSEQUENT EVENTS

In February 2022, the Russian government commenced a war against the people of Ukraine, resulting in a humanitarian crisis and significant disruption to financial and commodity markets. A number of countries, including, the United States of America, European Union, Switzerland and United Kingdom imposed a series of sanctions against the Russian government, various companies, and certain individuals. The Company complies with all sanctions applicable to our business activities. The Company does not have an operational footprint or material exposure in Russia.

# 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 2021 amounting to CHF 5 245 390 thousand be dealt with as follows:

CHF thousand

Available earnings as at 31 December 2020	4 595 451
Profit for the year 2021	649 939
<b>Amount to be carried forward</b>	<b>5 245 390</b>

**Glencore (Schweiz) AG**

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