

# Syngenta AG

## Interim Condensed Consolidated Financial Statements

The following interim condensed consolidated financial statements and notes thereto have been prepared in accordance with IAS 34, "Interim Financial Reporting", as disclosed in Note 1 below. They do not contain all of the information which International Financial Reporting Standards (IFRS) would require for a complete set of financial statements and should be read in conjunction with the annual consolidated financial statements.

### Condensed Consolidated Income Statement

for the six months ended June 30,

| (\$m)                                     | Notes    | 2023          | 2022          |
|-------------------------------------------|----------|---------------|---------------|
| <b>Sales</b>                              | <b>5</b> | <b>10,121</b> | <b>10,377</b> |
| Cost of goods sold                        |          | (6,066)       | (5,859)       |
| <b>Gross profit</b>                       |          | <b>4,055</b>  | <b>4,518</b>  |
| Marketing and distribution                |          | (1,210)       | (1,376)       |
| Research and development                  |          | (496)         | (442)         |
| General and administrative:               |          |               |               |
| Restructuring                             | 6        | (43)          | (104)         |
| Other general and administrative          |          | (245)         | (611)         |
| <b>Operating income</b>                   |          | <b>2,061</b>  | <b>1,985</b>  |
| Income from associates and joint ventures |          | 4             | -             |
| Financial expense, net                    |          | (451)         | (174)         |
| <b>Income before taxes</b>                |          | <b>1,614</b>  | <b>1,811</b>  |
| Income tax expense                        |          | (266)         | (265)         |
| <b>Net income</b>                         |          | <b>1,348</b>  | <b>1,546</b>  |
| Attributable to:                          |          |               |               |
| Syngenta AG shareholder                   |          | 1,349         | 1,549         |
| Non-controlling interests                 |          | (1)           | (3)           |
| <b>Net income</b>                         |          | <b>1,348</b>  | <b>1,546</b>  |

All activities were in respect of continuing operations.

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

## Condensed Consolidated Statement of Comprehensive Income

for the six months ended June 30,

| (\$m)                                                                                     | 2023         | 2022         |
|-------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Net income</b>                                                                         | <b>1,348</b> | <b>1,546</b> |
| <b>Components of other comprehensive income/(loss) (OCI)</b>                              |              |              |
| Items that will not be reclassified to profit or loss:                                    |              |              |
| (Losses)/gains on equity investments at fair value through OCI                            | (2)          | 30           |
| Remeasurement of defined benefit post-employment plans                                    | (15)         | 44           |
| Income tax relating to items that will not be reclassified to profit or loss              | 3            | (41)         |
|                                                                                           | (14)         | 33           |
| Items that may be reclassified subsequently to profit or loss:                            |              |              |
| Unrealized losses on derivatives designated as cash flow hedges and related hedging costs | (84)         | (58)         |
| Currency translation effects                                                              | 32           | (165)        |
| Income tax relating to items that may be reclassified subsequently to profit or loss      | 14           | 7            |
|                                                                                           | (38)         | (216)        |
| <b>Total OCI</b>                                                                          | <b>(52)</b>  | <b>(183)</b> |
| <b>Total comprehensive income</b>                                                         | <b>1,296</b> | <b>1,363</b> |
| Attributable to:                                                                          |              |              |
| Syngenta AG shareholder                                                                   | 1,299        | 1,370        |
| Non-controlling interests                                                                 | (3)          | (7)          |
| <b>Total comprehensive income</b>                                                         | <b>1,296</b> | <b>1,363</b> |

All activities were in respect of continuing operations.

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

During the six months ended June 30, 2023, in respect of cash flow hedges, losses of \$61 million (2022: \$44 million) were recognized in OCI and gains of \$23 million (2022: \$14 million) were reclassified from OCI to profit and loss. Income tax of \$14 million was credited to OCI (2022: \$7 million) in respect of these movements.

## Condensed Consolidated Balance Sheet

| (\$m)                                                  | Notes | June 30,<br>2023 | June 30,<br>2022 | December 31,<br>2022 |
|--------------------------------------------------------|-------|------------------|------------------|----------------------|
| <b>Assets</b>                                          |       |                  |                  |                      |
| <b>Current assets:</b>                                 |       |                  |                  |                      |
| Cash and cash equivalents                              | 10    | 1,447            | 1,477            | 1,408                |
| Trade receivables                                      | 10    | 7,409            | 6,876            | 5,220                |
| Other accounts receivable                              | 10    | 940              | 900              | 920                  |
| Inventories                                            |       | 9,068            | 7,178            | 8,837                |
| Derivative and other financial assets                  | 10    | 885              | 674              | 660                  |
| Other current assets                                   |       | 715              | 689              | 558                  |
| Income taxes recoverable                               |       | 134              | 106              | 104                  |
| <b>Total current assets</b>                            |       | <b>20,598</b>    | <b>17,900</b>    | <b>17,707</b>        |
| <b>Non-current assets:</b>                             |       |                  |                  |                      |
| Property, plant and equipment                          |       | 3,965            | 3,686            | 3,853                |
| Right-of-use assets                                    |       | 558              | 376              | 530                  |
| Intangible assets                                      |       | 6,258            | 5,343            | 5,807                |
| Deferred tax assets                                    |       | 1,903            | 1,440            | 1,674                |
| Financial and other non-current assets                 | 10    | 750              | 793              | 706                  |
| Investments in associates and joint ventures           |       | 170              | 155              | 163                  |
| <b>Total non-current assets</b>                        |       | <b>13,604</b>    | <b>11,793</b>    | <b>12,733</b>        |
| <b>Total assets</b>                                    |       | <b>34,202</b>    | <b>29,693</b>    | <b>30,440</b>        |
| <b>Liabilities and equity</b>                          |       |                  |                  |                      |
| <b>Current liabilities:</b>                            |       |                  |                  |                      |
| Trade accounts payable                                 | 10    | (7,080)          | (7,560)          | (7,264)              |
| Contract liabilities                                   |       | (545)            | (592)            | (1,079)              |
| Current financial debt and other financial liabilities | 9, 10 | (6,774)          | (3,886)          | (3,280)              |
| Income taxes payable                                   |       | (994)            | (733)            | (736)                |
| Other current liabilities                              | 10    | (1,070)          | (1,121)          | (1,497)              |
| Provisions                                             |       | (100)            | (128)            | (131)                |
| <b>Total current liabilities</b>                       |       | <b>(16,563)</b>  | <b>(14,020)</b>  | <b>(13,987)</b>      |
| <b>Non-current liabilities:</b>                        |       |                  |                  |                      |
| Financial debt and other non-current liabilities       | 9, 10 | (7,719)          | (7,170)          | (7,849)              |
| Deferred tax liabilities                               |       | (1,157)          | (1,034)          | (1,140)              |
| Provisions                                             |       | (551)            | (509)            | (541)                |
| <b>Total non-current liabilities</b>                   |       | <b>(9,427)</b>   | <b>(8,713)</b>   | <b>(9,530)</b>       |
| <b>Total liabilities</b>                               |       | <b>(25,990)</b>  | <b>(22,733)</b>  | <b>(23,517)</b>      |
| <b>Shareholder's equity:</b>                           |       |                  |                  |                      |
| Total shareholder's equity                             |       | (8,165)          | (6,911)          | (6,877)              |
| Non-controlling interests                              |       | (47)             | (49)             | (46)                 |
| <b>Total equity</b>                                    |       | <b>(8,212)</b>   | <b>(6,960)</b>   | <b>(6,923)</b>       |
| <b>Total liabilities and equity</b>                    |       | <b>(34,202)</b>  | <b>(29,693)</b>  | <b>(30,440)</b>      |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

## Condensed Consolidated Cash Flow Statement

for the six months ended June 30,

| (\$m)                                                                                | Notes | 2023           | 2022         |
|--------------------------------------------------------------------------------------|-------|----------------|--------------|
| <b>Income before taxes</b>                                                           |       | <b>1,614</b>   | <b>1,811</b> |
| Reversal of non-cash and other reconciling items                                     | 7     | 884            | 689          |
| <b>Cash (paid)/received in respect of:</b>                                           |       |                |              |
| Interest and other financial receipts                                                |       | 97             | 149          |
| Interest and other financial payments                                                |       | (759)          | (278)        |
| Income taxes                                                                         |       | (247)          | (191)        |
| Restructuring costs                                                                  |       | (13)           | (5)          |
| Contributions to pension plans, excluding restructuring costs                        |       | (61)           | (61)         |
| Other provisions                                                                     |       | (32)           | (37)         |
| <b>Operating cash flow before change in net working capital</b>                      |       | <b>1,483</b>   | <b>2,077</b> |
| <b>Change in net working capital:</b>                                                |       |                |              |
| Change in inventories                                                                |       | (143)          | (1,460)      |
| Change in trade and other working capital assets                                     |       | (2,173)        | (2,578)      |
| Change in trade and other working capital liabilities                                |       | (1,321)        | 1,483        |
| <b>Cash flow used for operating activities</b>                                       |       | <b>(2,154)</b> | <b>(478)</b> |
| Additions to property, plant and equipment                                           |       | (262)          | (226)        |
| Purchases of intangible assets, investments in associates and other financial assets |       | (579)          | (408)        |
| Proceeds from disposals of non-current assets                                        |       | 31             | 77           |
| Acquisitions and divestments, net                                                    | 4     | (92)           | (45)         |
| <b>Cash flow used for investing activities</b>                                       |       | <b>(902)</b>   | <b>(602)</b> |
| Proceeds from increase in interest-bearing debt                                      |       | 4,342          | 2,008        |
| Repayments of interest-bearing debt                                                  |       | (1,211)        | (999)        |
| Acquisition of non-controlling interest                                              |       | (7)            | -            |
| <b>Cash flow from financing activities</b>                                           |       | <b>3,124</b>   | <b>1,009</b> |
| Net effect of currency translation on cash and cash equivalents                      |       | (29)           | 25           |
| <b>Net change in cash and cash equivalents</b>                                       |       | <b>39</b>      | <b>(46)</b>  |
| Cash and cash equivalents at the beginning of the period                             |       | 1,408          | 1,523        |
| <b>Cash and cash equivalents at the end of the period</b>                            |       | <b>1,447</b>   | <b>1,477</b> |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

## Condensed Consolidated Statement of Changes in Equity

### Attributable to Syngenta AG shareholder

| (\$m)                             | Par value of ordinary shares | Additional paid-in capital | Fair value reserves | Cumulative translation adjustment | Retained earnings | Total shareholder's equity | Non-controlling interests | Total equity |
|-----------------------------------|------------------------------|----------------------------|---------------------|-----------------------------------|-------------------|----------------------------|---------------------------|--------------|
| <b>January 1, 2022</b>            | <b>6</b>                     | <b>3,416</b>               | <b>(63)</b>         | <b>(2,579)</b>                    | <b>4,749</b>      | <b>5,529</b>               | <b>56</b>                 | <b>5,585</b> |
| Net income                        | -                            | -                          | -                   | -                                 | 1,549             | 1,549                      | (3)                       | 1,546        |
| OCI                               | -                            | -                          | (23)                | (161)                             | 5                 | (179)                      | (4)                       | (183)        |
| <b>Total comprehensive income</b> | <b>-</b>                     | <b>-</b>                   | <b>(23)</b>         | <b>(161)</b>                      | <b>1,554</b>      | <b>1,370</b>               | <b>(7)</b>                | <b>1,363</b> |
| Other                             | -                            | -                          | 15                  | -                                 | (3)               | 12                         | -                         | 12           |
| <b>June 30, 2022</b>              | <b>6</b>                     | <b>3,416</b>               | <b>(71)</b>         | <b>(2,740)</b>                    | <b>6,300</b>      | <b>6,911</b>               | <b>49</b>                 | <b>6,960</b> |
| <b>January 1, 2023</b>            | <b>6</b>                     | <b>3,416</b>               | <b>46</b>           | <b>(2,860)</b>                    | <b>6,269</b>      | <b>6,877</b>               | <b>46</b>                 | <b>6,923</b> |
| Net income                        | -                            | -                          | -                   | -                                 | 1,349             | 1,349                      | (1)                       | 1,348        |
| OCI                               | -                            | -                          | (71)                | 34                                | (13)              | (50)                       | (2)                       | (52)         |
| <b>Total comprehensive income</b> | <b>-</b>                     | <b>-</b>                   | <b>(71)</b>         | <b>34</b>                         | <b>1,336</b>      | <b>1,299</b>               | <b>(3)</b>                | <b>1,296</b> |
| Other                             | -                            | -                          | (2)                 | -                                 | (9)               | (11)                       | 4                         | (7)          |
| <b>June 30, 2023</b>              | <b>6</b>                     | <b>3,416</b>               | <b>(27)</b>         | <b>(2,826)</b>                    | <b>7,596</b>      | <b>8,165</b>               | <b>47</b>                 | <b>8,212</b> |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

## **Note 1: Basis of preparation**

**Nature of operations:** The Syngenta AG group (“Syngenta”) is a world leading agribusiness operating in the Crop Protection, Seeds, Professional Solutions and Flowers markets. Crop Protection includes chemicals such as herbicides, insecticides, fungicides and seed treatments to control weeds, insects and diseases in crops, as well as biological products, and are essential inputs enabling growers around the world to improve agricultural productivity and food quality. In Seeds, Syngenta operates in the high value commercial sectors of field crops (including corn, oilseeds and cereals) and vegetables. The Professional Solutions business provides turf and landscape and professional pest management products, and the Flowers business provides flower seeds, cuttings and young plants, to professional growers and consumers.

**Basis of presentation and accounting policies:** The condensed consolidated financial statements for the six months ended June 30, 2023 incorporate the financial statements of Syngenta AG and all of its subsidiaries. They have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with Syngenta’s last annual consolidated financial statements as at and for the year ended December 31, 2022 (‘last annual financial statements’). They do not include all of the information for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Syngenta’s financial position and performance since the last annual financial statements. Syngenta prepared its last annual financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The interim condensed consolidated financial statements are presented in United States dollars (\$) as this is the major currency in which revenues are denominated. Financial figures are presented in millions of dollars (\$m) except where otherwise stated.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

### **Significant changes in the current reporting period:**

During the first six months of 2023, sales decreased two percent compared with the first six months of 2022, with higher sales prices, particularly in Seeds, offset by lower sales volumes and the adverse impact on sales of a generally stronger US dollar. The higher sales prices overall were net of lower prices in commodity active ingredient products, particularly in Latin America. Sales volumes were lower as distributors reduced their inventories, which had been at a high level because of prior year’s supply chain disruptions across the market, due to the increased cost of financing working capital in the higher interest rate environment. Gross profit margin was four percentage points lower compared with the first six months of 2022, with one percentage point due to adverse currency impacts and the comparison was also impacted by the selling in the first half of 2022 of lower cost inventories from 2021.

Syngenta is closely monitoring the impact of the military conflict in Ukraine and related sanctions on Russia on business operations. In Russia, operations are continuing, subject to significant logistical and financial constraints. Operations in Ukraine are also continuing, with Syngenta supporting growers in the export of

their crops. In the six months ended June 30, 2022, as a result of uncertainty at the onset of the conflict, provisions against inventories and trade receivables were charged to the condensed consolidated income statement, while in the six months ended June 30, 2023 these provisions were partially released due to better visibility of those impacts on business performance.

Other general and administrative costs have reduced significantly in the six months ended June 30, 2023 compared with the six months ended June 30, 2022. This includes \$10 million of gains from currency hedging compared with \$43 million of losses in 2022, as well as a reduction in employee incentive costs of approximately \$160 million.

Net financial expenses have increased significantly in the six months ended June 30, 2023 compared with the six months ended June 30, 2022. This includes \$317 million net interest (2022: \$176 million) and \$111 million of exchange losses (2022: \$25 million of gains). The increase in net financial expenses is mainly from the significant increase in interest rates, but also from the increased levels of seasonal working capital in the first six months of 2023 compared with the first six months of 2022.

Inventories at June 30, 2023 were approximately \$1.9 billion higher than at June 30, 2022, which resulted in higher levels of seasonal, short-term borrowings. Inventory levels built up during 2022 due to business growth and higher product costs; Crop Protection inventory levels at the end of June 2023 are broadly flat with the level at the end of December 2022, while there was some planned increase in Seeds.

## **Note 2: Seasonality of operations**

The timing of Syngenta's sales, profit and cash flows throughout the year is influenced by seasonal factors. Operating in the agriculture sector, sales of Syngenta's products principally occur before and during the growing season. The northern hemisphere has a spring growing season and more sales occur and profit is earned during the first half of the year than in the second half. Collections of trade receivables from customers in these northern hemisphere markets largely occur during the second half of the year. In the southern hemisphere more sales occur and profit is earned during the first and last quarters of the year and because these southern hemisphere markets tend to have longer collection terms, collections also largely occur during the second half of the year. As a result of these seasonal factors, consolidated net income typically is higher, and operating cash flow typically is significantly lower, during the first half of the year than during the second half.

### Note 3: Accounting and reporting changes

Except as described below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in Syngenta's consolidated financial statements as at and for the year ended December 31, 2022.

Syngenta has adopted the following revised IFRSs from January 1, 2023. These IFRSs have not been early adopted and their adoption had no material impact on these interim condensed consolidated financial statements:

- "Disclosure of Accounting Policies", Amendments to IAS 1 and IFRS Practice Statement 2;
- "Definition of Accounting Estimates", Amendments to IAS 8;
- "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", Amendments to IAS 12. The amendments state that the initial recognition exemption does not apply when the transactions give rise to equal amounts of deductible and taxable temporary differences on initial recognition such as on lease arrangements;
- IFRS 17 "Insurance Contracts" and "Amendments to IFRS 17 Insurance Contracts";
- "International Tax Reform—Pillar Two Model Rules", Amendments to IAS 12. Syngenta has adopted the amendments upon their release on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023. For the six months ended June 30, 2023, Syngenta has applied the temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

On January 1, 2023, Syngenta AG voluntarily elected to change its accounting policy in regard to government grants on capitalized development costs and as such the corresponding grants are now presented as a component of deferred income instead of being deducted from the value of the associated assets. This change aligns Syngenta AG's accounting policy to that of the wider Syngenta Group. Additionally, it provides more relevant information about the effects of capitalizing development costs without deducting the government grants. The effect of the adjustment is to reclassify \$44 million of deductions from within capitalized development costs to deferred income, increasing reported Intangible assets and Financial debt and other non-current liabilities by this amount. Comparative period financial information has not been retrospectively restated on the basis that such an adjustment would be immaterial.



## Note 4: Business combinations, divestments and other significant transactions

Six months ended June 30, 2023

### Acquisitions

On April 28, 2023, Syngenta acquired 100 percent of the issued shares of Macspred Pty Ltd. ("Macspred"), a limited liability company incorporated in Australia, a specialist in weed management for the forestry, roads, rail, utilities, and infrastructure sectors. The acquisition enables Syngenta to enter, through its Professional Solutions business, into the forestry products and vegetation markets in Australia.

On May 3, 2023, Syngenta acquired 100 percent of the issued shares of Agrocerrado Produtos Agricolas E Assistencia Tecnica Ltda. ("Agrocerrado"), a limited liability company incorporated in Brazil, a distributor of agricultural products in the Minas Gerais state of Brazil. The acquisition enables Syngenta to strengthen its presence and explore further expansion opportunities in Minas Gerais.

On June 20, 2023, Syngenta acquired 100 percent of the issued shares of Kubix AgroIndustrial Ltda. ("Kubix"), a limited liability company incorporated in Brazil. Kubix based in Indaiatuba, state of Sao Paulo, is a production facility that manufactures crop protection products. The acquisition will increase Syngenta's manufacturing capacity to meet growing demand.

The acquisition-date fair values of assets, liabilities and consideration for the aforementioned acquisitions were not individually and in aggregate material, and therefore were aggregated in the table below. The major classes of assets acquired, and liabilities assumed at the acquisition date, which are still provisional due to the timing of the acquisitions, are:

| <b>(\$m)</b>                                  | <b>Total</b> |
|-----------------------------------------------|--------------|
| Cash and cash equivalents                     | 9            |
| Inventories                                   | 12           |
| Trade receivables and other current assets    | 36           |
| Property, plant and equipment                 | 5            |
| Intangible assets                             | 28           |
| Deferred tax and other non-current assets     | 5            |
| Trade and other liabilities                   | (58)         |
| <b>Net assets acquired</b>                    | <b>37</b>    |
| Purchase price, after agreed-upon adjustments | 37           |
| <b>Goodwill</b>                               | <b>-</b>     |

Cash flow related to these acquisitions was as follows:

| <b>(\$m)</b>            | <b>Total</b> |
|-------------------------|--------------|
| Total cash paid         | 29           |
| Net cash acquired       | (9)          |
| <b>Net cash outflow</b> | <b>20</b>    |

Deferred consideration payments of \$8 million are included in Financial debt and other non-current liabilities. Payments of deferred consideration related to acquisitions completed in prior periods were \$72 million. The \$92 million net cash outflow is included in Acquisition and divestments, net in the condensed consolidated cash flow statement.

No divestments or other significant transactions were completed in the six months ended June 30, 2023.

### Six months ended June 30, 2022

#### Acquisitions and divestments

No acquisitions or material divestments were completed in the six months ended June 30, 2022.

On November 1, 2022, Syngenta acquired 100 percent of the issued shares of Agro Jangada Ltda. ("Agro Jangada"), a limited liability company incorporated in Brazil, for \$150 million in cash, plus a final purchase price adjustment depending on net working capital value and other items transferred, both to be determined in accordance with the purchase agreement. Agro Jangada is a distributor of agricultural products in the Mato Grosso do Sul state of Brazil. The acquisition enables Syngenta to strengthen its presence in this key agricultural region and use the distribution management expertise of Agro Jangada to further enhance Syngenta's commercial operations within Brazil. The acquisition is part of the Crop Core operating segment. The final purchase price allocation was completed during the six months ended June 30, 2023.

On July 5, 2022, Syngenta acquired 100 percent of the issued shares of Semillas Ceres, S.A. de C.V., ("Semillas Ceres"), a limited liability company incorporated in Mexico, for \$14 million in cash, plus a final purchase price adjustment depending on net working capital value and other items transferred, both to be determined in accordance with the purchase agreement. The acquisition will increase Syngenta's operations in the Mexico's corn seed market and grant Syngenta access to additional white corn seeds germplasm. The final purchase price allocation was completed during the six months ended June 30, 2023 and did not result in the revision of the provisional assets and liabilities balances.

During the first six months of 2023, the assets and liabilities recognized, which had been provisional as at December 31, 2022, were finalized as follows.

| (\$m)                                         | Agro<br>Jangada |
|-----------------------------------------------|-----------------|
| Cash and cash equivalents                     | 6               |
| Inventories                                   | 40              |
| Trade receivables and other current assets    | 79              |
| Property, plant and equipment                 | 2               |
| Intangible assets                             | 46              |
| Trade and other liabilities                   | (47)            |
| <b>Net assets acquired</b>                    | <b>126</b>      |
| Purchase price, after agreed-upon adjustments | 157             |
| <b>Goodwill</b>                               | <b>31</b>       |

The changes in fair values of the net assets acquired and goodwill recognized are not considered material to the 2022 consolidated financial statements and therefore the consolidated balance sheet as at December 31, 2022 was not restated. The total amount of goodwill that is expected to be deductible for tax purposes is \$nil. The goodwill arising on this acquisition is related to growth and support of Syngenta's Crop Protection business in Brazil.

Other payments of deferred consideration related to acquisitions completed in prior periods were not material.

## Note 5: Segmental information and analysis of revenue

Syngenta has five operating segments, consisting of the Crop Core, Professional Solutions, Field Crops, Vegetables and Flowers businesses. These have been aggregated into the global Crop Protection segment, consisting of Crop Core and Professional Solutions, and the global Seeds segment, consisting of Field Crops, Vegetables and Flowers. Aggregation is based on internal management structures and underlying economic similarity. Segment performance is managed based on segment operating income before restructuring costs and divestments, which is the measure of segment profit or loss presented and is based on the same accounting policies as consolidated operating income.

| <b>for the six months ended</b>           |                        |              |                       |                      |               |
|-------------------------------------------|------------------------|--------------|-----------------------|----------------------|---------------|
| <b>June 30, 2023 (\$m)</b>                | <b>Crop Protection</b> | <b>Seeds</b> | <b>Total segments</b> | <b>Restructuring</b> | <b>Group</b>  |
| Product sales                             | 7,894                  | 1,979        | 9,873                 | -                    | 9,873         |
| Royalty and license income                | 2                      | 246          | 248                   | -                    | 248           |
| <b>Total segment sales</b>                | <b>7,896</b>           | <b>2,225</b> | <b>10,121</b>         | <b>-</b>             | <b>10,121</b> |
| Cost of goods sold                        | (4,943)                | (1,119)      | (6,062)               | (4)                  | (6,066)       |
| <b>Gross profit</b>                       | <b>2,953</b>           | <b>1,106</b> | <b>4,059</b>          | <b>(4)</b>           | <b>4,055</b>  |
| Marketing and distribution                | (812)                  | (398)        | (1,210)               | -                    | (1,210)       |
| Research and development                  | (322)                  | (174)        | (496)                 | -                    | (496)         |
| General and administrative:               |                        |              |                       |                      |               |
| Restructuring                             | -                      | -            | -                     | (43)                 | (43)          |
| Other general and administrative          | (170)                  | (75)         | (245)                 | -                    | (245)         |
| <b>Operating income</b>                   | <b>1,649</b>           | <b>459</b>   | <b>2,108</b>          | <b>(47)</b>          | <b>2,061</b>  |
| Income from associates and joint ventures |                        |              |                       |                      | 4             |
| Financial expense, net                    |                        |              |                       |                      | (451)         |
| <b>Income before taxes</b>                |                        |              |                       |                      | <b>1,614</b>  |

| <b>for the six months ended</b>  |                        |              |                       |                      |               |
|----------------------------------|------------------------|--------------|-----------------------|----------------------|---------------|
| <b>June 30, 2022 (\$m)</b>       | <b>Crop Protection</b> | <b>Seeds</b> | <b>Total segments</b> | <b>Restructuring</b> | <b>Group</b>  |
| Product sales                    | 8,298                  | 1,923        | 10,221                | -                    | 10,221        |
| Royalty and license income       | 9                      | 147          | 156                   | -                    | 156           |
| <b>Total segment sales</b>       | <b>8,307</b>           | <b>2,070</b> | <b>10,377</b>         | <b>-</b>             | <b>10,377</b> |
| Cost of goods sold               | (4,747)                | (1,108)      | (5,855)               | (4)                  | (5,859)       |
| <b>Gross profit</b>              | <b>3,560</b>           | <b>962</b>   | <b>4,522</b>          | <b>(4)</b>           | <b>4,518</b>  |
| Marketing and distribution       | (971)                  | (405)        | (1,376)               | -                    | (1,376)       |
| Research and development         | (313)                  | (129)        | (442)                 | -                    | (442)         |
| General and administrative:      |                        |              |                       |                      |               |
| Restructuring                    | -                      | -            | -                     | (104)                | (104)         |
| Other general and administrative | (479)                  | (132)        | (611)                 | -                    | (611)         |
| <b>Operating income</b>          | <b>1,797</b>           | <b>296</b>   | <b>2,093</b>          | <b>(108)</b>         | <b>1,985</b>  |
| Financial expense, net           |                        |              |                       |                      | (174)         |
| <b>Income before taxes</b>       |                        |              |                       |                      | <b>1,811</b>  |

All activities were in respect of continuing operations.

The analysis of revenue by major product line is as follows:

**for the six months ended June 30,**

| <b>(\$m)</b>                                  | <b>2023</b>   | <b>2022</b>   |
|-----------------------------------------------|---------------|---------------|
| Selective herbicides                          | 2,259         | 2,304         |
| Non-selective herbicides                      | 507           | 1,248         |
| Fungicides                                    | 2,532         | 2,358         |
| Insecticides                                  | 1,147         | 1,128         |
| Seedcare                                      | 777           | 721           |
| Professional solutions                        | 298           | 297           |
| Biologicals                                   | 212           | 179           |
| Other crop protection                         | 268           | 154           |
| <b>Total Crop Protection</b>                  | <b>8,000</b>  | <b>8,389</b>  |
| Corn and soybean                              | 1,165         | 1,096         |
| Diverse field crops                           | 574           | 471           |
| Vegetables                                    | 376           | 373           |
| Flowers                                       | 113           | 130           |
| <b>Total Seeds</b>                            | <b>2,228</b>  | <b>2,070</b>  |
| Elimination of Crop Protection sales to Seeds | (104)         | (82)          |
| Elimination of Seeds sales to Crop Protection | (3)           | -             |
| <b>Total sales</b>                            | <b>10,121</b> | <b>10,377</b> |

The analysis of revenue by primary geographical market is as follows:

**for the six months ended June 30,**

| <b>(\$m)</b>                   | <b>2023</b>   | <b>2022</b>   |
|--------------------------------|---------------|---------------|
| Europe, Africa and Middle East | 3,240         | 3,223         |
| North America                  | 2,810         | 2,593         |
| Latin America                  | 2,410         | 2,971         |
| Asia Pacific                   | 1,661         | 1,590         |
| <b>Group sales</b>             | <b>10,121</b> | <b>10,377</b> |

## Note 6: Restructuring

for the six months ended June 30,

| (\$m)                                                | 2023      | 2022       |
|------------------------------------------------------|-----------|------------|
| Productivity programs and other restructuring costs: |           |            |
| Cash costs                                           | 18        | 18         |
| Non-cash costs                                       | 14        | 55         |
| Acquisition, divestment and related costs:           |           |            |
| Cash costs                                           | 11        | 41         |
| Non-cash items                                       | 4         | 4          |
| Divestment gains, net                                | -         | (10)       |
| <b>Total</b>                                         | <b>47</b> | <b>108</b> |

For the six months ended June 30, 2023, \$4 million (2022: \$4 million) for the reversal of inventory step-ups reported on acquisitions was presented within Cost of goods sold in the condensed consolidated income statement. The other costs for the six months ended June 30, 2023 were presented within Restructuring in the condensed consolidated income statement.

Restructuring represents the effect on reported performance of initiating and enabling business changes that are considered major and that, in the opinion of management, will have a material effect on the nature and focus of Syngenta's operations, and therefore require separate disclosure to provide a more thorough understanding of business performance. Restructuring includes the incremental costs of closing, restructuring or relocating existing operations, and gains or losses from related asset disposals.

Restructuring also includes the effects of analyzing and preparing for potential industry consolidation transactions, as well as completing and integrating significant business combinations and divestments, including related transaction costs, gains and losses. Recurring costs of normal business operations and routine asset disposal gains and losses, including those arising from sale and leaseback transactions carried out to optimize Syngenta AG group financing, are excluded.

Impairment includes impairment losses associated with major restructuring as well as impairment losses and reversals of impairment losses resulting from major changes in the markets in which a reported segment operates.

The incidence of these business changes may be periodic and the effect on reported performance of initiating them will vary from period to period. Because each such business change is different in nature and scope, there will be little continuity in the detailed composition and size of the reported amounts which affect performance in successive periods. Separate disclosure of these amounts facilitates the understanding of performance including and excluding items affecting comparability. Syngenta's definition of restructuring and impairment may not be comparable to similarly titled line items in financial statements of other companies.

### 2023

#### Productivity programs and other restructuring costs

Cash costs of \$18 million were incurred for productivity initiatives, consisting of \$8 million for system projects, \$6 million of severance costs due to a strategic alignment in the R&D organization, and \$4 million

across a number of individually small initiatives driving operational efficiencies and strategic alignments in the Crop Protection and Seeds businesses.

Non-cash costs consist of \$16 million of accelerated depreciation of a manufacturing facility caused by adopting a shorter asset life due to mandatory relocation partially offset by \$2 million gain relating to a reversal of an inventory write-off provision previously reported under Restructuring.

#### **Acquisition, divestment and related costs**

Cash costs include \$2 million incurred for merger and acquisition projects and transaction costs, \$5 million incurred for projects to integrate completed acquisitions and \$4 million of costs related to the formation and integration of the Syngenta Group, as well as costs relating to analyzing and preparing for a future Syngenta Group IPO. Non-cash costs are the reversal of inventory step-up reported on acquisitions.

### **2022**

#### **Productivity programs and other restructuring costs**

Cash costs of \$18 million incurred for productivity initiatives consisted of \$7 million for system projects, including digital tools and automation initiatives and an upgraded financial reporting and analytics platform, \$7 million relating to transitioning the manufacturing facility acquired in 2020 to optimal capacity and \$4 million across a number of individually small initiatives driving operational efficiencies and strategic alignments in the Crop Protection and Seeds businesses.

Other non-cash costs consisted of \$27 million impairment of product rights where future benefits are no longer expected to be achieved, \$11 million impairment of products rights associated to a mandatory divestment in the Seeds business pursuant to commitments given to the antitrust authorities relating to a previously completed acquisition, \$16 million of accelerated depreciation of a manufacturing facility caused by adopting a shorter asset life due to mandatory relocation, and \$3 million of depreciation relating to the transitioning of a previously acquired manufacturing facility to its optimal capacity. The remaining \$2 million gain related to a reversal of an inventory write-off provision previously reported under Restructuring.

#### **Acquisition, divestment and related costs**

Cash costs included \$37 million incurred for merger and acquisition projects and transaction costs, as well as the update of performance-based earn-outs related to previously completed acquisitions, \$3 million incurred for projects to integrate completed acquisitions and \$1 million of costs related to the formation of the Syngenta Group. Non-cash costs were the reversal of inventory step-up reported on acquisitions. Divestment gains related to disposal of property, plant and equipment, largely relating to site disposals under integration and site rationalization plans.

## Note 7: Non-cash and other reconciling items included in income before taxes

for the six months ended June 30,

| (\$m)                                                   | 2023       | 2022       |
|---------------------------------------------------------|------------|------------|
| Depreciation, amortization and impairment of:           |            |            |
| Property, plant and equipment and right-of-use assets   | 271        | 261        |
| Intangible assets                                       | 150        | 171        |
| Deferred revenue, divestment and other gains and losses | (7)        | 3          |
| Charges in respect of pension provisions                | 30         | 52         |
| Charges in respect of other provisions                  | 8          | 15         |
| Financial expense, net                                  | 451        | 174        |
| (Gains)/losses on hedges reported in operating income   | (15)       | 13         |
| Income from associates and joint ventures               | (4)        | -          |
| <b>Total</b>                                            | <b>884</b> | <b>689</b> |

## Note 8: Principal currency translation rates

As an international business selling in over 100 countries and having major manufacturing and research and development facilities in Switzerland, the UK, the USA, France, China and Brazil, movements in currencies impact Syngenta's business performance. The principal currencies and exchange rates against the US dollar used in preparing the interim condensed consolidated financial statements were as follows:

| Per \$                 |     | Average                           |       | June 30,<br>2023 | June 30,<br>2022 | December 31,<br>2022 |
|------------------------|-----|-----------------------------------|-------|------------------|------------------|----------------------|
|                        |     | six months ended June 30,<br>2023 | 2022  |                  |                  |                      |
| Brazilian real         | BRL | 5.07                              | 5.08  | 4.82             | 5.24             | 5.22                 |
| Swiss franc            | CHF | 0.92                              | 0.94  | 0.90             | 0.96             | 0.92                 |
| Euro                   | EUR | 0.93                              | 0.91  | 0.92             | 0.96             | 0.94                 |
| British pound sterling | GBP | 0.81                              | 0.76  | 0.79             | 0.83             | 0.83                 |
| Russian ruble          | RUB | 76.03                             | 78.53 | 88.45            | 54.49            | 72.39                |
| Chinese yuan           | CNY | 6.93                              | 6.45  | 7.28             | 6.71             | 6.92                 |

The average rates presented above are an average of the monthly rates used to prepare the condensed consolidated income and cash flow statements. The period end rates were used for the preparation of the condensed consolidated balance sheet.

## Note 9: Issuances, repurchases and repayments of debt and equity securities

### 2023

In April 2023, Syngenta raised a \$300 million floating rate loan maturing in 2026. In April 2023, Syngenta also repaid a \$1,000 million bond at maturity.

### 2022

In March 2022, Syngenta entered into a CHF 300 million term loan with a third-party financial institution with a floating interest rate and a term of 3 years (plus a one-year extension option). In March 2022, Syngenta also repaid a \$500 million bond at maturity.

## Note 10: Financial instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities by category of financial instrument and a reconciliation to where they are presented on the balance sheet at June 30, 2023 and December 31, 2022. The fair value hierarchy is shown for those financial assets and liabilities that are carried at fair value in the condensed consolidated balance sheet.

| At June 30, 2023<br>(\$m)                               | Carrying amount<br>(based on measurement basis) |                       |                       |                       | Total        | Comparison<br>fair value |
|---------------------------------------------------------|-------------------------------------------------|-----------------------|-----------------------|-----------------------|--------------|--------------------------|
|                                                         | Amortized<br>cost                               | Fair value<br>level 1 | Fair value<br>level 2 | Fair value<br>level 3 |              |                          |
| Cash and cash equivalents                               | 1,447                                           | -                     | -                     | -                     | 1,447        | 1,447                    |
| Trade receivables                                       | 7,409                                           | -                     | -                     | -                     | 7,409        | 7,409                    |
| Other accounts receivable:                              |                                                 |                       |                       |                       |              |                          |
| Financial assets                                        | 405                                             | -                     | -                     | -                     | 405          | 405                      |
| Non-financial assets                                    | -                                               | -                     | -                     | -                     | 535          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>940</b>   |                          |
| Derivative and other financial assets:                  |                                                 |                       |                       |                       |              |                          |
| Derivative financial assets                             | -                                               | 13                    | 351                   | -                     | 364          | 364                      |
| Marketable securities                                   | -                                               | 298                   | -                     | -                     | 298          | 298                      |
| Other current financial assets                          | 223                                             | -                     | -                     | -                     | 223          | 223                      |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>885</b>   | <b>885</b>               |
| Financial and other non-current assets:                 |                                                 |                       |                       |                       |              |                          |
| Equity investments at fair value through OCI            | -                                               | -                     | -                     | 157                   | 157          | 157                      |
| Derivative financial assets                             | -                                               | -                     | 7                     | -                     | 7            | 7                        |
| Loans, receivables and pooled investments               | 219                                             | 89                    | -                     | -                     | 308          | 308                      |
| Other, not carried at fair value                        | -                                               | -                     | -                     | -                     | 278          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>750</b>   |                          |
| Trade accounts payable                                  | 7,080                                           |                       |                       |                       | 7,080        | 7,080                    |
| Current financial debt and other financial liabilities: |                                                 |                       |                       |                       |              |                          |
| Derivative financial liabilities                        | -                                               | -                     | 470                   | -                     | 470          | 470                      |
| Lease liabilities                                       | 121                                             | -                     | -                     | -                     | 121          | -                        |
| Other non-derivative financial liabilities              | 6,183                                           | -                     | -                     | -                     | 6,183        | 6,183                    |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>6,774</b> |                          |
| Other current liabilities:                              |                                                 |                       |                       |                       |              |                          |
| Financial liabilities                                   | 83                                              | -                     | -                     | -                     | 83           | 83                       |
| Non-financial liabilities                               | -                                               | -                     | -                     | -                     | 987          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>1,070</b> |                          |
| Financial debt and other non-current liabilities:       |                                                 |                       |                       |                       |              |                          |
| Derivative financial liabilities                        | -                                               | -                     | 174                   | -                     | 174          | 174                      |
| Lease liabilities                                       | 800                                             | -                     | -                     | -                     | 800          | -                        |
| Other non-derivative financial liabilities              | 6,560                                           | -                     | -                     | -                     | 6,560        | 6,383                    |
| Non-financial liabilities                               | -                                               | -                     | -                     | -                     | 185          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>7,719</b> |                          |



| At December 31, 2022<br>(\$m)                           | Carrying amount<br>(based on measurement basis) |                       |                       |                       | Total        | Comparison<br>fair value |
|---------------------------------------------------------|-------------------------------------------------|-----------------------|-----------------------|-----------------------|--------------|--------------------------|
|                                                         | Amortized<br>cost                               | Fair value<br>level 1 | Fair value<br>level 2 | Fair value<br>level 3 |              |                          |
| Cash and cash equivalents                               | 1,408                                           | -                     | -                     | -                     | 1,408        | 1,408                    |
| Trade receivables                                       | 5,220                                           | -                     | -                     | -                     | 5,220        | 5,220                    |
| Other accounts receivable:                              |                                                 |                       |                       |                       |              |                          |
| Financial assets                                        | 379                                             | -                     | -                     | -                     | 379          | 379                      |
| Non-financial assets                                    | -                                               | -                     | -                     | -                     | 541          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>920</b>   |                          |
| Derivative and other financial assets:                  |                                                 |                       |                       |                       |              |                          |
| Derivative financial assets                             | -                                               | 19                    | 312                   | -                     | 331          | 331                      |
| Marketable securities                                   | -                                               | 98                    | -                     | -                     | 98           | 98                       |
| Other current financial assets                          | 231                                             | -                     | -                     | -                     | 231          | 231                      |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>660</b>   | <b>660</b>               |
| Financial and other non-current assets:                 |                                                 |                       |                       |                       |              |                          |
| Equity investments at fair value through OCI            | -                                               | 3                     | -                     | 153                   | 156          | 156                      |
| Derivative financial assets                             | -                                               | -                     | 48                    | -                     | 48           | 48                       |
| Loans, receivables and pooled investments               | 185                                             | 84                    | -                     | -                     | 269          | 269                      |
| Other, not carried at fair value                        | -                                               | -                     | -                     | -                     | 233          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>706</b>   |                          |
| Trade accounts payable                                  | 7,264                                           | -                     | -                     | -                     | 7,264        | 7,264                    |
| Current financial debt and other financial liabilities: |                                                 |                       |                       |                       |              |                          |
| Derivative financial liabilities                        | -                                               | -                     | 326                   | -                     | 326          | 326                      |
| Lease liabilities                                       | 105                                             | -                     | -                     | -                     | 105          | -                        |
| Other non-derivative financial liabilities              | 2,849                                           | -                     | -                     | -                     | 2,849        | 2,849                    |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>3,280</b> |                          |
| Other current liabilities:                              |                                                 |                       |                       |                       |              |                          |
| Financial liabilities                                   | 94                                              | -                     | -                     | -                     | 94           | 94                       |
| Non-financial liabilities                               | -                                               | -                     | -                     | -                     | 1,403        | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>1,497</b> |                          |
| Financial debt and other non-current liabilities:       |                                                 |                       |                       |                       |              |                          |
| Derivative financial liabilities                        | -                                               | -                     | 153                   | -                     | 153          | 153                      |
| Lease liabilities                                       | 787                                             | -                     | -                     | -                     | 787          | -                        |
| Other non-derivative financial liabilities              | 6,718                                           | -                     | -                     | -                     | 6,718        | 6,490                    |
| Non-financial liabilities                               | -                                               | -                     | -                     | -                     | 191          | -                        |
| <b>Total</b>                                            |                                                 |                       |                       |                       | <b>7,849</b> |                          |

The levels of fair value hierarchy used above are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The valuation techniques and inputs used by Syngenta to derive level 2 and level 3 fair value measurements of the above financial assets and liabilities are as described in Note 25 to Syngenta's 2022 annual consolidated financial statements. During the six months ended June 30, 2023 there were no material movements in equity securities or their fair values; no transfers between the fair value and amortized cost categories; no material transfers between level 1 and level 2 of the fair value hierarchy; nor into or out of level 3 of the fair value hierarchy.

### **Note 11: Related party transactions**

During the six months ended June 30, 2023, goods and services provided to fellow subsidiaries of Syngenta Group were \$354 million (six months ended June 30, 2022: \$205 million) and goods and services provided by fellow subsidiaries of Syngenta Group were \$539 million (six months ended June 30, 2022: \$635 million).

At June 30, 2023, the Syngenta AG consolidated group had accounts receivable from fellow subsidiaries of Syngenta Group of \$191 million (December 31, 2022: \$105 million) and accounts payable and other current liabilities to fellow subsidiaries of Syngenta Group of \$287 million (December 31, 2022: \$287 million).

In total, as at June 30, 2023, borrowings from fellow subsidiaries of the Syngenta Group were \$4 billion, including CNY borrowings of \$1,070 million at June 30, 2023 exchange rates (December 31, 2022: total borrowings of \$2.1 billion, including CNY borrowings of \$596 million at December 31, 2022 exchange rates). In March 2023, the revolving credit facility with a fellow subsidiary of the Syngenta Group was increased from \$1.5 billion to \$5 billion. As at June 30, 2023, Syngenta's drawings under the facility were \$1,900 million (December 31, 2022: \$500 million). In March 2023, Syngenta raised a CNY 3,500 million loan from a fellow subsidiary of the Syngenta Group with a floating interest rate based on China Loan Prime Rate (LPR) and a term of 3 years.

### **Note 12: Subsequent events**

In July 2023, Syngenta completed the refinancing of the multi-bank syndicated revolving credit facility for \$3 billion for a term of five years, with options for two one-year extensions.

During August 2023, Syngenta settled all remaining material claims of exporter plaintiffs related to Viptera.

No other events occurred between the balance sheet date and the date on which these interim condensed consolidated financial statements were approved by the Board of Directors that would require adjustment to or disclosure in the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2023.

## Financial summary

| For the six months ended June 30,<br>(\$m)                            | Excluding<br>restructuring and<br>impairment <sup>1</sup> |               | Restructuring and<br>impairment |                | As reported under<br>IFRS   |               |
|-----------------------------------------------------------------------|-----------------------------------------------------------|---------------|---------------------------------|----------------|-----------------------------|---------------|
|                                                                       | 2023                                                      | 2022          | 2023                            | 2022           | 2023                        | 2022          |
| <b>Sales</b>                                                          | <b>10,121</b>                                             | <b>10,377</b> | -                               | -              | <b>10,121</b>               | <b>10,377</b> |
| <b>Gross profit</b>                                                   | <b>4,059</b>                                              | <b>4,522</b>  | <b>(4)</b>                      | <b>(4)</b>     | <b>4,055</b>                | <b>4,518</b>  |
| Marketing and distribution                                            | (1,210)                                                   | (1,376)       | -                               | -              | (1,210)                     | (1,376)       |
| Research and development                                              | (496)                                                     | (442)         | -                               | -              | (496)                       | (442)         |
| General and administrative:                                           |                                                           |               |                                 |                |                             |               |
| Restructuring                                                         | -                                                         | -             | (43)                            | (104)          | (43)                        | (104)         |
| Other general and administrative                                      | (245)                                                     | (611)         | -                               | -              | (245)                       | (611)         |
| <b>Operating income</b>                                               | <b>2,108</b>                                              | <b>2,093</b>  | <b>(47)</b>                     | <b>(108)</b>   | <b>2,061</b>                | <b>1,985</b>  |
| <b>Income before taxes</b>                                            | <b>1,661</b>                                              | <b>1,919</b>  | <b>(47)</b>                     | <b>(108)</b>   | <b>1,614</b>                | <b>1,811</b>  |
| Income tax expense                                                    | (275)                                                     | (281)         | 9                               | 16             | (266)                       | (265)         |
| <b>Net income</b>                                                     | <b>1,386</b>                                              | <b>1,638</b>  | <b>(38)</b>                     | <b>(92)</b>    | <b>1,348</b>                | <b>1,546</b>  |
| Attributable to non-controlling interests                             | 1                                                         | 3             | -                               | -              | 1                           | 3             |
| <b>Attributable to Syngenta AG<br/>shareholder</b>                    | <b>1,387</b>                                              | <b>1,641</b>  | <b>(38)</b>                     | <b>(92)</b>    | <b>1,349</b>                | <b>1,549</b>  |
|                                                                       |                                                           |               | <b>2023</b>                     | <b>2022</b>    | <b>2023 CER<sup>2</sup></b> |               |
| <b>EBITDA<sup>3</sup></b>                                             |                                                           |               | <b>2,517</b>                    | <b>2,467</b>   |                             |               |
| <b>EBITDA margin</b>                                                  |                                                           |               | <b>24.9%</b>                    | <b>23.8%</b>   |                             | <b>25.0%</b>  |
| <b>Tax rate on results excluding restructuring and<br/>impairment</b> |                                                           |               | <b>17%</b>                      | <b>15%</b>     |                             |               |
| <b>Free cash flow<sup>4</sup></b>                                     |                                                           |               | <b>(2,705)</b>                  | <b>(1,200)</b> |                             |               |
| <b>Debt/equity gearing<sup>5</sup></b>                                |                                                           |               | <b>142%</b>                     | <b>124%</b>    |                             |               |
| <b>Net debt<sup>5</sup></b>                                           |                                                           |               | <b>11,580</b>                   | <b>8,550</b>   |                             |               |

1 For further analysis of restructuring and impairment charges, see Note 6 on page 13. Net income excluding restructuring and impairment are provided as additional information and not as an alternative to net income determined in accordance with IFRS.

2 For a description of CER see Appendix A on page 20.

3 EBITDA is defined in Appendix B on page 20.

4 For a description of free cash flow, see Appendix C on page 21.

5 For a description of net debt and the calculation of debt/equity gearing, see Appendix D on page 22.

## Appendix A: Constant exchange rates (CER)

Results in this report from one period to another period are, where appropriate, compared using constant exchange rates (CER). To present that information, current period results for entities reporting in currencies other than US dollars are converted into US dollars at the prior period's exchange rates, rather than at the exchange rates for the current year. CER margin percentages for gross profit and EBITDA are calculated by the ratio of these measures to sales after restating the measures and sales at prior period exchange rates. The CER presentation indicates the underlying business performance before taking into account currency exchange fluctuations.

## Appendix B: Reconciliation of EBITDA to net income

EBITDA is defined as earnings before interest, tax, non-controlling interests, depreciation, amortization, restructuring and impairment. Information concerning EBITDA has been included as it is used by management and by investors as a supplementary measure of operating performance. Management excludes restructuring and impairment from EBITDA in order to focus on results excluding items affecting comparability from one period to the next. EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles and the EBITDA measures used by Syngenta may not be comparable to other similarly titled measures of other companies. EBITDA should not be construed as an alternative to operating income or cash flow as determined in accordance with generally accepted accounting principles.

For the six months ended June 30,

| (\$m)                                                     | 2023         | 2022         |
|-----------------------------------------------------------|--------------|--------------|
| <b>Net income attributable to Syngenta AG shareholder</b> | <b>1,349</b> | <b>1,549</b> |
| Non-controlling interests                                 | (1)          | (3)          |
| Income tax expense                                        | 266          | 265          |
| Financial expense, net                                    | 451          | 174          |
| Restructuring and impairment                              | 47           | 108          |
| Depreciation, amortization and other impairment           | 405          | 374          |
| <b>EBITDA</b>                                             | <b>2,517</b> | <b>2,467</b> |

## Appendix C: Free cash flow

Free cash flow comprises cash flow from operating and investing activities:

- excluding investments in and proceeds from marketable securities, which are included in investing activities;
- excluding cash flows from and used for foreign exchange movements and settlement of related hedges on inter-company loans, which are included in operating activities; and
- including cash flows from acquisitions of non-controlling interests, which are included in financing activities.

Free cash flow is not a measure of financial performance under generally accepted accounting principles and the free cash flow measure used by Syngenta may not be identical to similarly titled measures in other companies. Free cash flow has been included as many investors consider it to be a useful supplementary measure of cash generation.

### For the six months ended June 30,

| <b>(\$m)</b>                                                                                                    | <b>2023</b>    | <b>2022</b>    |
|-----------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Cash flow used for operating activities                                                                         | (2,154)        | (478)          |
| Cash flow used for investing activities                                                                         | (902)          | (602)          |
| Excluding: cash flow used for marketable securities                                                             | 197            | 16             |
| Including: cash flow used for acquisition of non-controlling interests                                          | (7)            | -              |
| Excluding: cash flow used for/(from) foreign exchange movements and settlement of hedges of inter-company loans | 161            | (136)          |
| <b>Free cash flow</b>                                                                                           | <b>(2,705)</b> | <b>(1,200)</b> |

## Appendix D: Net debt reconciliation

Net debt comprises total debt net of cash and cash equivalents and marketable securities. Net debt is not a measure of financial position under generally accepted accounting principles and the net debt measure used by Syngenta may not be comparable to the similarly titled measure of other companies. Net debt has been included as many investors consider it to be a useful measure of financial position and risk. The following table provides a reconciliation of movements in net debt during the period:

| <b>For the six months ended June 30,</b>                         | <b>2023</b>   | <b>2022</b>  |
|------------------------------------------------------------------|---------------|--------------|
| <b>(\$m)</b>                                                     |               |              |
| <b>Opening balance at January 1</b>                              | <b>8,588</b>  | <b>7,571</b> |
| Other non-cash items                                             | 101           | 47           |
| Cash (received)/ paid under Credit Support Annex agreements, net | (15)          | 226          |
| Foreign exchange effect on net debt                              | 201           | (494)        |
| Free cash flow                                                   | 2,705         | 1,200        |
| <b>Closing balance at June 30</b>                                | <b>11,580</b> | <b>8,550</b> |
| <b>Components of closing balance:</b>                            |               |              |
| Cash and cash equivalents                                        | (1,447)       | (1,477)      |
| Marketable securities <sup>1</sup>                               | (389)         | (194)        |
| Current financial debt <sup>2</sup>                              | 6,087         | 3,392        |
| Non-current financial debt <sup>3</sup>                          | 7,329         | 6,829        |
| <b>Closing balance at June 30</b>                                | <b>11,580</b> | <b>8,550</b> |

<sup>1</sup> Long-term marketable securities are included in Financial and other non-current assets. Short-term marketable securities are included in Derivative and other financial assets.

<sup>2</sup> Included in Current financial debt and other financial liabilities.

<sup>3</sup> Included in Financial debt and other non-current liabilities.

The following table presents the derivation of the debt/equity gearing ratio at June 30, 2023 and 2022:

| <b>(\$m)</b>                         | <b>2023</b> | <b>2022</b> |
|--------------------------------------|-------------|-------------|
| Net debt                             | 11,580      | 8,550       |
| Shareholder's equity                 | 8,165       | 6,911       |
| <b>Debt/Equity gearing ratio (%)</b> | <b>142</b>  | <b>124</b>  |