Abridged Consolidated Financial Statements

The following abridged consolidated financial statements and notes have been prepared as described in Note 1. While prepared based on the principles of PRC GAAP, they do not contain all of the information which either PRC GAAP or IFRS would require for a complete set of financial statements and should be read in conjunction with the consolidated financial statements of both ADAMA Ltd. and Adama Agricultural Solutions Ltd. as filed with the Shenzhen and Tel Aviv Stock Exchanges, respectively.

Abridged Consolidated Income Statement for the First Quarter

Adjusted[1]	Q1 2019 USD(m)	Q1 2018 USD(m)	Q1 2019 RMB(m)	Q1 2018 RMB(m)
Revenues	**1,006**	**1,022**	**6,788**	**6,500**
Cost of Sales	659	667	4,442	4,241
Business taxes and surcharges	4	3	25	19
Gross profit	**344**	**352**	**2,321**	**2,239**
% of revenue	*34.2%*	*34.4%*	*34.2%*	*34.4%*
Selling and distribution expenses	164	162	1,103	1,027
General and administrative expenses	32	38	217	242
Research and development expenses	14	13	96	80
Other	8	4	52	28
Total Operating expenses	218	217	1,468	1,377
Operating income (EBIT)	**127**	**136**	**853**	**862**
% of revenue	*12.6%*	*13.3%*	*12.6%*	*13.3%*
Financial expenses and investment income	37	34	252	216
Income before taxes	**89**	**102**	**601**	**646**
Taxes on Income	9	18	61	113
Net income	**80**	**84**	**540**	**533**
% of revenue	*8.0%*	*8.2%*	*8.0%*	*8.2%*
EBITDA	**187**	**190**	**1,264**	**1,208**
% of revenue	*18.6%*	*18.6%*	*18.6%*	*18.6%*
Earnings per Share – Basic	*0.0327*	*0.0343*	*0.2207*	*0.2178*
– Diluted	*0.0327*	*0.0343*	*0.2207*	*0.2178*

Earnings per share are the same for basic and diluted. The number of shares used to calculate earnings per share is 2,446.6 million shares.

[1] For an analysis of the differences between the adjusted income statement items and the income statement items as reported in the financial statements, see below "Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements".

Abridged Consolidated Balance Sheet

	March 31 2019 USD (m)	March 31 2018 USD (m)	March 31 2019 RMB (m)	March 31 2018 RMB (m)
Assets				
Current assets:				
Cash at bank and on hand	713	891	4,801	5,605
Bills and accounts receivable	1,344	1,018	9,052	6,398
Inventories	1,482	1,247	9,979	7,844
Other current assets, receivables and prepaid expenses	290	394	1,949	2,475
Total current assets	**3,829**	**3,550**	**25,781**	**22,323**
Non-current assets:				
Fixed assets, net	1,213	1,076	8,171	6,763
Intangible assets, net	1,497	1,518	10,077	9,547
Deferred tax assets	119	114	801	731
Other non-current assets	100	80	674	503
Total non-current assets	**2,929**	**2,789**	**19,723**	**17,544**
Total assets	**6,758**	**6,339**	**45,504**	**39,866**
Liabilities				
Current liabilities:				
Loans and credit from banks and others	390	134	2,627	845
Bills and accounts payable	767	739	5,163	4,646
Other current liabilities	796	752	5,358	4,726
Total current liabilities	**1,953**	**1,625**	**13,148**	**10,217**
Long-term liabilities:				
Long-term loans	70	75	472	472
Debentures	1,147	1,171	7,723	7,363
Deferred tax liabilities	56	69	380	435
Employee benefits	87	95	588	595
Other long-term liabilities	141	74	950	466
Total long-term liabilities	**1,502**	**1,484**	**10,113**	**9,330**
Total liabilities	**3,455**	**3,109**	**23,261**	**19,547**
Equity				
Total equity	3,304	3,230	22,243	20,319
Total equity	**3,304**	**3,230**	**22,243**	**20,319**
Total liabilities and equity	**6,758**	**6,339**	**45,504**	**39,866**

Abridged Consolidated Cash Flow Statement for the First Quarter

	Q1 2019 USD (m)	Q1 2018 USD (m)	Q1 2019 RMB (m)	Q1 2018 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	-191	-34	-1,232	-216
Cash flow from operating activities	**-191**	**-34**	**-1,232**	**-216**
Investing activities:				
Acquisitions of fixed and intangible assets	-43	-373	-321	-2,374
Proceeds from disposal of fixed and intangible assets	5	379	31	2,412
Acquisitions of a subsidiary	-122	-	-825	-
Other investing activities	1	1	10	7
Cash flow used for investing activities	**-159**	**7**	**-1,105**	**46**
Financing activities:				
Receipt of loans from banks and other lenders	228	-	1,358	-
Repayment of loans from banks and other lenders	-38	-289	-110	-1,836
Other financing activities	-66	-8	-426	-50
Cash flow from (used for) financing activities	**124**	**-297**	**823**	**-1,886**
Effects of exchange rate movement on cash and cash equivalents	**5**	**10**	**-78**	**-211**
Net change in cash and cash equivalents	**-221**	**-313**	**-1,593**	**-2,267**
Cash and cash equivalents at the beginning of the period	925	1,204	6,043	7,864
Cash and cash equivalents at the end of the period	**704**	**890**	**4,450**	**5,597**
Free Cash Flow	**-355**	**-31**	**-2,371**	**-196**

Notes to Abridged Consolidated Financial Statements

Note 1: Basis of preparation

Basis of presentation and accounting policies: The abridged consolidated financial statements for the quarters ended March 31, 2019 and 2018 incorporate the financial statements of ADAMA Ltd. and of all of its subsidiaries (the "Company"), including Adama Agricultural Solutions Ltd. ("Solutions") and its subsidiaries.

The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance (the "MoF") and the implementation guidance, interpretations and other relevant provisions issued or revised subsequently by the MoF (collectively referred to as "CASBE").

The abridged consolidated financial statements contained in this release are presented in both Chinese Renminbi (RMB), as the Company's shares are traded on the Shenzhen Stock Exchange, as well as in United States dollars ($) as this is the major currency in which the Company's business is conducted. For the purposes of this release, a customary convenience translation has been used for the translation from RMB to US dollars, with Income Statement and Cash Flow items being translated using the quarterly average exchange rate, and Balance Sheet items being translated using the exchange rate at the end of the period.

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.

Note 2: Abridged Financial Statements
For ease of use, the Financial Statements shown in this release have been abridged as follows:

Abridged Consolidated Income Statement:

- "Operating expenses" includes selling and distribution expenses; general and administrative expenses; research and development expenses; asset and credit impairment losses; gain (loss) from disposal of assets and non-operating income and expenses
- "Financial expenses and investment income" includes net financing expenses; gains from changes in fair value; and investment income (including share of income of equity accounted investees)

Abridged Consolidated Balance Sheet:

- "Other current assets, receivables and prepaid expenses" includes financial assets held for trading, derivatives financial assets, prepayments, other receivables; and other current assets
- "Fixed assets, net" includes fixed assets, construction in progress and rights-of-use assets
- "Intangible assets, net" includes intangible assets and goodwill
- "Other non-current assets" includes other equity investments; long-term equity investments; long-term receivables; investment property; and other non-current assets
- "Loans and credit from banks and others" includes short-term loans and non-current liabilities due within one year
- "Other current liabilities" includes derivatives financial liabilities, payables for employee benefits, contract liabilities, taxes payable, other payables and other current liabilities
- "Other long-term liabilities" includes long-term payables, lease liability, provisions and other non-current liabilities

Analysis of Gaps between Adjusted Income Statement and Reported Income Statement in Financial Statements

Q1	Adjusted		Adjustments		Reported	
USD(m)	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Revenues	1,006	1,022	-	-	1,006	1,022
Gross profit	344	352	1	1	343	351
Operating expenses	218	216	-29	305	247	-88
Operating income (EBIT)	127	136	30	-303	97	439
Income before taxes	89	102	28	-303	61	405
Net income	80	84	26	-236	54	320
EBITDA	187	190	5	-312	183	502
Earnings per share	0.0327	0.0343			0.0222	0.1307

Q1	Adjusted		Adjustments		Reported	
RMB(m)	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Revenues	6,788	6,500	-	-	6,788	6,500
Gross profit	2,321	2,239	7	9	2,314	2,230
Operating expenses	1,468	1,377	-195	1,938	1,663	-561
Operating income (EBIT)	853	862	202	-1,929	651	2,791
Income before taxes	601	646	186	-1,929	415	2,575
Net income	540	533	173	-1,499	367	2,032
EBITDA	1,264	1,208	32	-1,985	1,232	3,193
Earnings per share	0.2207	0.2178			0.1499	0.8306



Income Statement Adjustments

In addition to the reported financial results that the Company prepares in accordance with PRC GAAP, the Company's management prepares non-GAAP, Adjusted financial results to present what the Company believes is a more useful view of the true economic performance of the business on an ongoing basis. These Adjusted results exclude items that are of a one-time or non-cash/non-operational nature that do not impact the ongoing performance of the business and reflects the way the Company's management and Board of Directors view the performance of the Company. The Company believes that excluding the effects of these items from its operating results allows an effective assessment and comparison of the underlying financial performance of its business from period to period and within the market.

	Q1 2019 USD (m)	Q1 2018 USD (m)	Q1 2019 RMB (m)	Q1 2018 RMB (m)
Net Income (Reported)	**54.4**	**319.6**	**366.8**	**2,032.2**
Adjustments to COGS & Operating Expenses:				
1. Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash)	11.5	11.5	77.2	72.8
2. One-time capital gain from Divestment of registrations due to 2017 ChemChina-Syngenta transaction	-	-314.3	-	-1,998.5
3. Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	10.6	-	71.7	-
4. Reinstatement of amortization expenses due to Divestment (non-cash)	-	-2.6	-	-16.5
5. Accelerated depreciation due to relocation (non-cash)	2.3	-	15.5	-
6. Non-core assets closure (non-cash)	-	1.6	-	9.9
7. Long-term incentive classified on an equity-settled basis (non-cash)	4.7	-0.9	31.9	-5.9
8. Amortization of acquisition PPA (non-cash)	0.9	-	6.1	-
9. Sanonda-ADAMA Combination transaction one-time stamp tax	-	1.5	-	9.4
Total Adjustments to Operating Income (EBIT)	**30.0**	**-303.4**	**202.4**	**-1,928.7**
Total Adjustments to EBITDA	**4.7**	**-312.2**	**31.9**	**-1,985.0**
Adjustments to Financing Expenses:				
10. Revaluation of non-cash adjustment related to non-controlling interest	-2.4	-	-16.1	-
Total Adjustments to Income before Taxes	**27.6**	**-303.4**	**186.4**	**-1,928.7**
Adjustments to Taxes				
1. Tax shield on Legacy PPA of 2011 acquisition of Solutions	-1.9	-1.9	-13.1	-12.4
2. Tax expense due to capital gain from registrations Divestment	-	69.5	-	441.8
Total adjustments to Net Income	**25.7**	**-235.9**	**173.2**	**-1,499.3**
Net Income (Adjusted)	**80.1**	**83.8**	**540.0**	**532.8**

Notes:

1. **Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash)**: Under PRC GAAP, the Company has inherited the historical "legacy" amortization charge from the first combined reporting for Q3 2017 that ChemChina previously was incurring in respect of its acquisition of Solutions in 2011. This amortization is done in a linear manner on a quarterly basis, most of which will be completed and removed in the second half of 2020.
2. **One-time capital gain from Divestment of registrations due to 2017 ChemChina-Syngenta transaction:** In the first quarter of 2018, the Company earned a one-time profit on the Divestment of crop protection products in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina. This one-time profit is excluded from the Adjusted financial results due to its one-time nature, while the related tax expense is also adjusted for.
3. **Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash):** The proceeds from the Divestment of crop protection products in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value. Since the products acquired from Syngenta are of the same nature and with the same net economic value as those divested, and since the Company excludes the one-time gain that it made on the divested products, the additional amortization charge incurred due to the

written-up of the acquired assets is also excluded to present a consistent view of Divestment and Transfer transactions, which had no net impact on the underlying economic performance of the Company. See note 2.

4. **Reinstatement of amortization expenses, related to the Divestment (non-cash):** Reinstatement of amortization expenses due to classification of to-be-divested European registrations as "Held-for-Sale", related to 2017 ChemChina acquisition of Syngenta.
5. **Accelerated depreciation due to relocation (non-cash):** Production assets located in the old production sites in Jingzhou and Huai'An will be relocated to the new sites in the coming years. Since some of the older production assets may not be able to be relocated, some of these assets which are no longer operational are being written off (or impaired), while for others, their economic life has been shortened and therefore will be depreciated over a shorter period. Since these are older assets that were built many years ago and will be replaced by newer production facilities at the new sites, and since the ongoing operations of the business will not be impacted thereby, the Company adjusts for the impact of the accelerated depreciation of these assets.
6. **Non-core assets closure (non-cash):** One-time charge due to closure of peripheral, non-material assets.
7. **Long-term incentive classified on an equity-settled basis (non-cash):** The Company granted its employees, who are mainly non-Chinese residents, a long term incentive (LTI) in the form of 'phantom' options, due to the complexity of granting Chinese-listed, equity-settled options to non-Chinese employees. As such, the Company records an expense, or recognizes income, depending on the fluctuation in the Company's share price, even though the Company will not incur any cash impact prior to exercise of the phantom options. To neutralize the impact of such share price movements on the measurement of the Company's performance and expected employee compensation, in the Company's adjusted financial performance, the LTI is presented on an equity-settled basis in accordance with the value of the plan at the grant date.
8. **Amortization of acquisition PPA (non-cash)**: Related to the amortization of non-cash intangible assets created as part of acquisitions, in addition to the full reflection of the purchase price paid in the Company's Net Debt; has no impact on the ongoing performance of the companies acquired.
9. **Sanonda-ADAMA Combination transaction one-time stamp tax:** One-time stamp tax expense incurred related to the Combination.
10. **Revaluation of non-cash adjustment related to non-controlling interest:** Relates to put options issued to non-controlling interests as part of historical business combinations which took place before January 1, 2010. The put options are presented as a liability at the present value of the future exercise price. The revaluation of these put options in Solutions is recognized under IFRS to Goodwill, but due to the acquisition of Solutions by the Company in 2017, which is treated from an accounting perspective as a "Business Combination Under Common Control", such revaluation is recorded as a profit or loss item in the financial reports of the Company. The revaluations of such put options have no bearing on the ongoing performance of the Company and are therefore adjusted for.

Exchange Rate Data for the Company's Principal Functional Currencies

	March 31			Q1 Average		
	2019	2018	Change	2019	2018	Change
EUR/USD	1.123	1.232	(8.8%)	1.136	1.229	(7.6%)
USD/BRL	3.897	3.324	(17.2%)	3.771	3.244	(16.2%)
USD/PLN	3.837	3.414	(12.4%)	3.790	3.400	(11.5%)
USD/ZAR	14.64	11.82	(23.9%)	14.018	11.945	(17.4%)
AUD/USD	0.708	0.768	(7.8%)	0.713	0.786	(9.4%)
GBP/USD	1.303	1.407	(7.4%)	1.302	1.391	(6.4%)
USD/ILS	3.632	3.514	(3.4%)	3.644	3.458	(5.4%)
USD LIBOR 3M	2.60%	2.03%	28.4%	2.69%	1.81%	48.5%

	March 31			Q1 Average		
	2019	2018	Change	2019	2018	Change
USD/RMB	6.734	6.288	7.1%	6.744	6.358	6.1%
EUR/RMB	7.561	7.746	(2.4%)	7.660	7.813	(2.0%)
RMB/BRL	0.579	0.529	(9.5%)	0.559	0.510	(9.6%)
RMB/PLN	0.570	0.543	(4.9%)	0.562	0.535	(5.1%)
RMB/ZAR	0.570	1.789	68.2%	2.079	1.838	(13.1%)
AUD/RMB	4.770	4.831	(1.3%)	4.806	4.999	(3.8%)
GBP/RMB	8.774	8.847	(0.8%)	8.784	8.843	(0.7%)
RMB/ILS	0.539	0.559	3.5%	0.540	0.544	0.7%