ADAMA DELIVERS RECORD FOURTH QUARTER WITH OVER $1 BILLION IN SALES, TOUCHING $4 BILLION SALES FOR THE YEAR

- **Q4 Sales grew 7% to a record-high $1,035 million, up 10% at constant exchange rates**
  - Strong business growth in nearly all regions, most notably in Europe, Asia-Pacific and North America, bolstered by contribution of joiners
  - Q4 sales constrained by more than $40 million due to Jingzhou old site disruption impacting supply of high-demand products

- **Full year sales up 3% (+5% at constant exchange rates) to a record-high, touching $4 billion mark**
  - Driven by business growth, led by Latin America and complemented by joiners, alongside robust price increases, resulting in a continued increase of share
  - Overcoming significant headwinds seen during the year, including challenging weather conditions in H1, as well as the impact of material supply constraints, in particular more than $200 million in missing sales of Jingzhou old site products

- **Q4 Gross Profit of $313 million, in line with last-year's record-high**
  - Gross margin of 30.2% (2018: 32.4%)
  - Business growth, improved portfolio mix and slightly higher prices offset by higher procurement costs and currency headwinds
  - Jingzhou old site disruption constrained Q4 gross profit by $16 million

- **Full year Gross Profit of $1,280 million (2018: $1,291 million)**
  - Gross margin of 32.0% (2018: 33.3%)
  - Markedly higher prices, business growth and improvement in product mix more than offset by higher procurement costs and impact of softer currencies
  - Jingzhou old site disruption constrained full year gross profit by $80 million

- **Q4 EBITDA up 16% to an all-time fourth quarter record-high $147 million**
  - EBITDA margin of 14.2%, up 1.0 percentage points over last year, reflecting strong operating cost discipline
  - Achieved despite Jingzhou old site disruption which constrained Q4 EBITDA by $26 million, including related idleness cost

- **All-time high Full year EBITDA of $656 million, beating last year's record**
  - EBITDA margin of 16.4% (2018: 16.5%), despite significant headwinds throughout the year
  - Jingzhou old site disruption constrained full year EBITDA by $111 million

- **Q4 Net Income of $35 million (Q4 2018: $38 million)**
  - Net income margin of 3.4% (2018: 4.0%), reflecting higher financial and tax expenses
  - Jingzhou old site disruption constrained Q4 net income by $20 million

- **Full year Net Income of $208 million (2018: $236 million)**
  - Net income margin of 5.2% (2018: 6.1%), reflecting higher financial expenses partially offset by lower tax expenses
  - Jingzhou old site disruption constrained full year net income by $89 million

BEIJING, CHINA and TEL AVIV, ISRAEL, March 30, 2020 – ADAMA Ltd. (the "Company") (SZSE 000553), today reported its financial results for the fourth quarter and full year period ended December 31, 2019.

Table 1. Financial Performance Summary

Adjusted, US$m		Q4 2019	Q4 2018	% Change	% Change CER	FY 2019	FY 2018	% Change	% Change CER
Revenues		**1,035**	**963**	**+7%**	**+10%**	**3,997**	**3,881**	**+3%**	**+5%**
Gross profit		313	312	-		1,280	1,291	-1%	
Gross margin		*30.2%*	*32.4%*			*32.0%*	*33.3%*		
Operating income (EBIT)		85	74	+15%		410	427	-4%	
EBIT margin		*8.2%*	*7.7%*			*10.3%*	*11.0%*		
Net income		35	38	-9%		208	236	-12%	
Net income margin		*3.4%*	*3.9%*			*5.2%*	*6.1%*		
EBITDA		**147**	**127**	**+16%**		**656**	**639**	**+3%**	
EBITDA margin		*14.2%*	*13.2%*			*16.4%*	*16.5%*		
Earnings per share	- USD	0.0144	0.0157			0.0852	0.0963		
	- RMB	0.1031	0.1089			0.5867	0.6289		

All income statement items contained in this release are presented on an adjusted basis. A detailed description and analysis of differences between the adjusted income statement and that reported in the financial statements is contained in the "Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements" in the appendix to this release. EPS are the same for basic and diluted.

2018 Operating Income, EBITDA and Net Income have been adjusted from those presented at the time to consistently reflect treatment of employee options on an equity-settled basis for both 2018 and 2019.

Q4 and Full Year 2019 include the results of acquisitions made in 2019, but which are not included in the 2018 figures in this release. 2018 results in the audited financial statements reflect the consolidation of Anpon (acquired in March 2019) as if it had been acquired prior to 1 January 2018, due to accounting for "Business Combination Under Common Control".

Commenting on the results, **Erik Fyrwald, incoming Chairman of ADAMA's Board of Directors**, said, "ADAMA has delivered record sales, year after year, in the face of some major market challenges. I am very excited to welcome the company to the Syngenta Group, and to take on the role as its Chairman. For years I have admired ADAMA and its impressive history of profitable growth. It is one of the leading off-patent crop protection companies in the world, and it will be a key part of the newly formed Syngenta Group. With ADAMA in the fold, Syngenta is well on its way to becoming the world's largest agricultural technology and service company, serving farmers across the globe."

Ignacio Dominguez, President and CEO of ADAMA, added, "Our solid business growth in the fourth quarter enabled us to deliver yet another all-time record high full-year performance in what was a challenging year for the global crop protection market. Under Chen Lichtenstein's leadership, our agile teams from around the world focused on execution, while being responsive to the tough market conditions, ensuring our ability to continue our growth momentum. I now look forward to building on this foundation and leading the Company in its next growth phase."

Performance in Context of Market Environment

In 2019, the global crop protection market experienced challenging weather conditions in many regions, most notably flooding in North America and droughts in Southeast Asia and Australia, limiting crop protection application, delaying harvesting and reducing planted areas in key crops.

In Europe, channel inventories remained elevated, limiting sales into distribution and putting pressure on prices and margins.

The US-China trade tensions continued to affect global agricultural crop trading patterns, most notably with soybean growers in South America benefiting from a shift of Chinese import demand away from the US.

Despite these challenging market conditions, the Company delivered record sales in the fourth quarter and full year, driven by a combination of solid business growth as well as higher prices and the introduction of new and differentiated products, which have supported penetration and continued share gains in markets across the globe.

The Company continues to maintain cost discipline and raise prices wherever demand allows, mitigating to the extent possible the continued impact of shortages in certain raw materials and intermediates, mostly owing to increased environmental focus in China. While some production capacity returned to the market in the second half of 2019, procurement costs remained generally elevated compared to the prior year.

Going forward, the Company is seeing many challenges, both from the supply and demand side, including effects related to the ongoing COVID-19 pandemic, including the suspension for most of the quarter of the Company's manufacturing facilities in Jingzhou resulting in significant idleness costs, as well as from the related depreciation of many currencies against the US Dollar, most notably the Brazilian Real. As the outbreak in China appears to be coming under control, production facilities of the Company and the vast majority of its China-based suppliers are now back on line, and logistics and supply lines within the country are opening up. At this point, the Company's major production facilities globally are continuing to operate, although logistics and supply lines in many places are becoming increasingly restricted due to the pandemic.

These impacts are expected to have a material negative effect on the performance of the business in Q1 2020, and potentially beyond. With respect to the potential impact on the remainder of the year, as this is a dynamic situation, the Company will continue to actively monitor the situation as it evolves in the coming weeks and months, and will provide a further update in its first quarter report. The Company is actively managing its response to the outbreak in order to ensure the safety of its employees, and making every effort to limit the impact on the performance of the Company.

Financial Highlights

Revenues in the fourth quarter grew to an all-time Q4 record of $1,035 million, up 7% in US dollar terms and up 10% at constant exchange rates.

The robust performance in the quarter was driven by strong business growth, with noteworthy results recorded in Europe, benefiting from an early start to the 2020 season, as well as in Latin America, North America and Asia-Pacific. The strong growth was achieved despite the impact of the disruption at the Jingzhou old site, which limited the supply of high-demand products in many geographies as it continues its gradual ramp-up of operations, constraining fourth quarter sales by $42 million. Growth was further tempered by the strength of the US dollar against most currencies worldwide, most notably against the Brazilian Real.

In the full year, the Company continued its growth momentum, aided by the contribution of joiners, growing revenues by 3% in US dollar terms and 5% in constant exchange rate terms, to a best-ever level just shy of the $4 billion mark. This growth was achieved despite the significant headwinds encountered throughout the year, including the impact of continued supply constraints, in particular $204 million in missing sales of Jingzhou old site products, as well as challenging weather conditions in many regions.

Gross profit in the fourth quarter was $313 million (gross margin of 30.2%), in line with the $312 million (gross margin of 32.4%) recorded in the corresponding period last year. The robust business growth in the quarter, complemented by an improved portfolio mix and somewhat higher prices, fully compensated for the $16 million gross profit impact of missing sales of the Jingzhou old site products, as well as higher procurement costs and weaker currencies.

Over the full year, gross profit was $1,280 million (gross margin of 32.0%), compared to $1,291 million (gross margin of 33.3%) last year. Strong demand for the Company's differentiated portfolio, as well as the contribution of joiners, alongside significantly higher prices, largely offset the $80 million gross profit impact of missing sales of the Jingzhou old site products, as well as higher procurement costs and weaker currencies.

Operating expenses. The Company continues to maintain strong operating cost discipline while accommodating higher sales, inclusion of joiners and the recording of Jingzhou old-site related idleness costs of $9 million in the fourth quarter and $35 million in the full year period.

Total operating expenses recorded in the fourth quarter were $227 million (22.0% of sales) and $870 million (21.8% of sales) in the full year, compared to $238 million (24.7% of sales) and $864 million (22.3% of sales) in the corresponding periods last year, respectively. In addition to the tight control of operating expenses, part of the reduction was due to the strengthening of the US dollar, as well as income from expropriation of land recorded in the first half of the year. Operating Expenses in the respective 2018 periods have been adjusted from those presented at the time, by $7 million in fourth quarter and by $13 million in the full year, to consistently reflect treatment of employee options on an equity-settled basis for both 2018 and 2019. This change to the 2018 Operating Expenses is consequently reflected in Operating Income, EBITDA and Net Income, which have all been adjusted accordingly from those presented at the time.

Sales and Marketing expenses in the fourth quarter were $151 million (14.6% of sales), compared to $166 million (17.2% of sales) recorded in the corresponding period last year. Sales and Marketing expenses in the full year were $623 million (15.6% of sales), compared to $631 million (16.2% of sales) last year. The marked improvements in the expense-to-sales ratios in both the quarter and the full year largely reflect the containment of expenses as well as lower logistics costs due to the Jingzhou old site disruption, and were achieved despite the inclusion of joiners.

General and Administrative expenses in the fourth quarter were $38 million (3.7% of sales), and $139 million (3.5% of sales) in the full year, both in line with the $38 million (3.9% of sales) and $138 million (3.6% of sales) recorded in the corresponding periods last year, despite the inclusion of joiners.

R&D expenses in the fourth quarter were $17 million (1.6% of sales) and $63 million (1.6% of sales) in the full year, compared to $16 million (1.6% of sales) and $66 million (1.7% of sales) in the corresponding periods last year.

Operating income grew by 15% in the fourth quarter to $85 million (8.2% of sales), compared to $74 million (7.7% of sales) in the corresponding period last year. Over the full year, operating income was $410 million (10.3% of sales), compared to $427 million (11.0% of sales) last year. The Jingzhou old site disruption, including related idleness costs, constrained operating income by $26 million in the fourth quarter and by $111 million in the full year.

EBITDA grew by 16% in the fourth quarter to $147 million (14.2% of sales), compared to $127 million (13.2% of sales) recorded in the corresponding period last year. In the full year, EBITDA was $656 million (16.4% of sales), 3% above the $639 million (16.5% of sales) achieved last year. The Jingzhou

old site disruption, including related idleness costs, constrained EBITDA by $26 million in the fourth quarter and by $111 million in the full year.

Financial expenses and investment income. Total net financial expenses and investment income were $38 million in the fourth quarter and $160 million in the full year, compared to $34 million and $130 million in the corresponding periods last year, respectively.

The higher financial expenses in the quarter reflect a higher borrowing base. Over the full year, the higher financial expenses reflect the higher borrowing base, the effect on balance sheet positions of a moderate weakening of the RMB in 2019 compared to its more marked weakening during 2018, as well as the impact of accounting changes related to IFRS 16 / ASBE 21, offset to some extent by the reduction in financing costs on the NIS-denominated, CPI-linked bonds due to a lower CPI in Israel.

Tax expenses. Net tax expenses were $12 million in the fourth quarter and $42 million in the full year, compared to $2 million and $61 million in the corresponding periods last year, respectively.

Taxes in the fourth quarter of 2018 were exceptionally low due to the fact that a greater portion of the taxable profit in that quarter was generated in lower tax rate jurisdictions. In the full year, the Company recorded lower taxes on the lower pre-tax income, while in comparison, 2018 saw higher tax expenses due to the impact of the devaluation of net, non-cash tax assets as a result of the weakening in 2018 of the Brazilian Real against the US dollar.

Net income in the fourth quarter was $35 million (3.4% of sales) compared to $38 million (3.9% of sales) recorded in the corresponding period last year. In the full year, net income was $208 million (5.2% of sales), compared to $236 million (6.1% of sales) in the corresponding period last year. The Jingzhou old site disruption constrained net income in the quarter by $20 million and in the full year by $89 million.

Trade working capital at December 31, 2019 was $2,097 million, including $66 million in working capital from 2019 joiners, compared to $1,707 million at the same point last year. The higher level also reflects increased trade receivables resulting from the Company's robust growth in the fourth quarter, alongside somewhat lower payable days caused by changes in the Company's supplier mix in light of the continued supply-constrained environment. Inventory levels, excluding those acquired with joiners, were only slightly above those of the same point last year, due to the higher procurement costs.

Cash Flow. Operating cash flow of $107 million was generated in the fourth quarter and $117 million in the full year, compared to $79 million and $301 million generated in the corresponding periods last year, respectively. The increase in the fourth quarter was driven by the strong performance and the containment of working capital. Over the full year, the lower operating cash flow generation largely reflects the lower profit in the year, mainly as a result of the disruption from the Jingzhou old site, alongside the build-up of working capital.

Net cash used in investing activities was $144 million in the fourth quarter and $389 million in the full year, compared to $57 million and $142 million in the corresponding periods last year, respectively. Investing activities in both the fourth quarter and full year include increased investments in the relocation and upgrading of manufacturing and environmental facilities in China, as well as acquisitions made during the year. In 2018 the Company recorded the one-time proceeds from the divestiture of several products in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina, in parallel with the outflow of a lesser net amount in payment for the transfer of a similar portfolio of products in Europe received from Syngenta.

Free cash flow of $78 million was consumed in the fourth quarter compared to $14 million consumed in the same period last year, reflecting the higher investment levels and acquisitions made during the period. Free cash flow of $368 million was consumed in the full year compared to $79 million generated last year, reflecting the impact of the higher working capital and acquisitions made during 2019, and noting the impact of the net proceeds from divestitures in 2018.

Leverage: Balance sheet net debt at December 31, 2019 was $1,055 million, compared to $457 million as of year-end 2018, largely reflecting the lower operating cash flow, acquisitions and the assumption of their debt, capital investments in portfolio expansion and the Company's other growth engines, and dividends paid.

Business Update

Corporate Development

During 2019, ADAMA executed a number of acquisitions and investments in support of its growth strategy. In the fourth quarter, the Company acquired two companies: the Peruvian crop protection company **AgroKlinge**, providing a leading commercial platform countrywide as well as a comprehensive portfolio of solutions for Peruvian farmers; the French-Swiss company **SFP**, strengthening ADAMA's PGR (plant growth regulator) and fungicide franchises in Europe. In addition, the Company acquired a minority stake in **Agricover SA**, one of Romania's leading distributors of agricultural inputs.

These follow two acquisitions performed by ADAMA earlier in the year: in the first quarter, the Company acquired **Bonide** Products Inc., a US provider of pest-control solutions for the consumer Home & Garden market, as well as Jiangsu **Anpon** Electrochemical Co., Ltd., a backward-integrated manufacturer of key active ingredients used in crop protection markets worldwide.

Innovation, Development, Research and Registrations

In 2019, the Company made significant progress in the development of its advanced product portfolio, complementing its existing offering and strengthening its position in global crop protection markets.

Highlights include:

- ARMERO®, a broad-spectrum systemic fungicide containing Prothioconazole and Mancozeb, launched in Paraguay, the first market globally where ADAMA is launching a product containing Prothioconazole;
- BRAZEN®, a herbicide for the protection of spring wheat and barley, launched in Canada as the world's first alternative Pinoxaden herbicide; Pinoxaden is one of the world's leading post-emergence grassy weed-herbicides for spring wheat and barley, and prior to its launch by ADAMA had only been available from one source;
- BARAZIDE®, a differentiated combination insecticide for the treatment of lepidoptera in multiple crops, launched in India, and PLEMAX®, a broad-spectrum mixture insecticide launched in Turkey; both products contain ADAMA's own proprietary active ingredient Novaluron, now in unique combinations with other complementary active ingredients, providing dual modes of action and increased breadth of coverage;
- COMISSARIO®, a dual mixture insecticide developed for use in cotton plantations, launched in Brazil;
- FOLPAN®, ADAMA's proprietary fungicide, launched in Germany as a solution for resistant Septoria leaf blotch in wheat;
- MERPLUS®, a differentiated fungicide controlling apple scab in pome fruits, launched in Europe; and

- EXELGROW®, a unique seaweed-based biostimulant promoting plant growth, launched in Europe.

During the fourth quarter, ADAMA and Tel Aviv University announced the launch of 'The ADAMA Center for Novel Crop Protection Delivery Systems', a unique research and teaching center for the development of innovative delivery systems for crop protection products, combining the worlds of industry and academia. This initiative is tied to ADAMA's vision for the next generation of differentiated, advanced formulations and delivery systems.

China Facilities Upgrade and Relocation Update

ADAMA continues to progress the upgrade and relocation of its production and environmental facilities at both its Jingzhou (Hubei Province) and Huai'An (Jiangsu Province) sites.

The Company expects to realize significant operational efficiencies from upgrading of processes and technology at the sites, including automated control and data systems, machinery and laboratory equipment, as well as the termination of less profitable production lines. As the Company is reaching the final stages of relocation of the old sites, and expecting to commence production of the relocated products at the new Jingzhou site in the second half of 2020, in its fourth quarter 2019 financial reports the Company has recorded a one-time, non-cash asset impairment charge related to terminated facilities at the old sites in both Jingzhou and Huai'An, together with related implementation costs, of approximately $50 million. In addition, the upgraded sites and their level of automation will allow for a more skilled, smaller workforce, a process which is expected to be largely completed by the end of 2020. As such, the Company has recorded a one-time provision for employee severance costs of approximately $35 million in the fourth quarter of 2019.

Going forward, these actions are expected to deliver ongoing annual savings of up to $34-47 million per year, commencing in 2020, including the elimination of most idleness charges, which were approximately $42 million in 2019.

ADAMA is aiming to complete most of the relocations and be operational with improved cost and efficiency at its new sites at Jingzhou by year-end 2020 and at Huai'An by mid-2021. The transformed new sites are designed to be more profitable than the old ones, and ready to accommodate additional new molecules emerging from the Company's strong development pipeline.

Over the longer term, the Company is working towards the commercialization of all its vacated old sites, subject to receipt of the required approvals. As a result, the Company aims to be able to recover the remainder of its upgrade and relocation investments, with the anticipated gains from the realization of this significant value expected to be included in the Company's reported net income in the coming years.

COVID-19 Impact

The ramp-up of production at the Jingzhou site was temporarily interrupted from late January to the end of February 2020 due to the COVID-19 novel coronavirus outbreak in Hubei province in the first few months of the year. Although the ramp-up of production at the site has since resumed, the Company will nevertheless see related idleness costs reflecting the temporary interruption. Although logistics in Hubei province are starting to open up, certain restrictions remain, impacting the free transport of goods to the ports.

The Company's operations at its Huai'An, Jiangsu site have continued without material interruption during 2020. Relevant supply and transport lines are open.

As a result of the COVID-19 outbreak, the Company is again seeing some renewed tightening of supply of raw materials and intermediates sourced from third parties in China and sold through the Company's global channels.

The Company is actively managing its response to the outbreak in order to ensure the safety of its employees and limit the impact on the performance of the Company. Actions being taken include extending and strengthening distribution channels, use of expedited transport options where possible, working collaboratively with supply chain partners, and raising prices wherever possible to accommodate the increased logistics costs.

ADAMA becoming part of the Syngenta Group

ADAMA announced in January 2020 that it is becoming a distinctive member of the Syngenta Group ("Group"), a newly-formed ag-industry leader being created through the bringing together of the agricultural businesses of ChemChina and Sinochem. The Group, comprising ADAMA, Syngenta and Sinochem's agriculture-related activities, is expected to become the world's leading agriculture inputs company, spanning crop protection, seeds, fertilizers, additional agricultural and digital technologies, as well as an advanced distribution network in China, reaching farmers nationwide.

ADAMA is joining this new industry leader through the contribution of the stake that ChemChina currently owns in ADAMA into the Group, which will also be owned by ChemChina. As such, there is no change in the Company's ultimate controlling shareholder. ADAMA will continue to be headquartered in Israel, and remain traded on the Shenzhen Stock Exchange, as well as maintain its unique brand and positioning.

Chen Lichtenstein, former President and CEO of ADAMA, has taken up the position of CFO of Syngenta Group, with responsibility also for Strategy and Integration. Mr. Lichtenstein will be based in Basel, Switzerland. Frank Ning, Chairman of ChemChina and Sinochem, is the Chairman of the new Group. After the completion of the transfer of ADAMA's shares into the Group, Chen Lichtenstein remains on ADAMA's board of directors, and is joined by Erik Fyrwald, CEO of the new Group, who replaces Yang Xingqiang as Chairman of the board.

The various companies within the Syngenta Group have made significant advances in their intra-Group collaboration over the last year, generating meaningful additional revenue through cross-sales and benefiting from procurement and operational savings. The forming of the Group will further bolster the alignment between the companies and capitalize on the value creation and synergy opportunities identified.

Regional Sales Performance

	Q4 2019 $m	*Q4 2018 $m*	*Change USD*	*Change CER*	*FY 2019 $m*	*FY 2018 $m*	*Change USD*	*Change CER*
Europe	214	188	+14.1%	+16.4%	1,030	1,058	-2.6%	-3.7%
North America	226	204	+10.5%	+10.4%	786	735	+6.9%	+7.0%
Latin America	365	347	+5.0%	+10.2%	1,022	935	+9.3%	+14.2%
Asia Pacific	136	124	+10.3%	+11.5%	633	610	+3.6%	+7.2%
Of which China	*59*	*43*	*+0.6%*	*+2.2%*	*314*	*275*	*+4.6%*	*+7.9%*
India, Middle East & Africa	94	100	-6.1%	-7.6%	526	543	-3.0%	+0.6%
Total	**1,035**	**963**	**+7.5%**	**+9.8%**	**3,997**	**3,881**	**+3.0%**	**+4.9%**

CER: Constant Exchange Rates

Europe: Sales increased by 16.4% in the fourth quarter at constant exchange rates, compared with the corresponding period last year. This robust performance was driven by significant business growth, which more than offset the impact of lower prices. The stronger third and fourth quarter performance brought sales in Europe over the full year to be lower by only 3.7% at constant exchange rates, despite the continued tight supply conditions, and largely recovering from the supply- and weather-impacted performance in the first half of the year.

In Northern Europe, ADAMA grew strongly in the fourth quarter in most major markets including Germany, Russia and Ukraine, despite the impact of lower sugar-beet crop prices negatively impacting farmer profits, as well as in the UK, even though the excessive rainfall limited planting of winter cereals.

The Company saw solid growth in South Europe in the quarter, with continued market share gains despite a delayed planting season due to extremely wet winter conditions flooding fields in some areas. Noteworthy performances were recorded in France, Spain and Portugal.

In US dollar terms, sales in Europe grew by 14.1% in the quarter and were lower by 2.6% in the full year, compared to the corresponding periods last year, reflecting the net impact of currency headwinds seen throughout the year.

North America: Sales grew by 10.4% in the fourth quarter and by 7.0% in the full year, at constant exchange rates, compared with the corresponding periods last year. The growth in the quarter was achieved through a combination of business growth, largely in the Consumer and Professional Solutions segment, alongside higher prices, and despite the impact of lost sales from the Jingzhou old site.

The performance over the full year was bolstered by the joining of Bonide and the contribution from sales of backward-integrated products produced at the Company's newly acquired Anpon (Huai'An, Jiangsu) operations, but impacted by the record flooding seen in the US in the first half of the year and the effect of global trade tensions on US agriculture, as well as the impact of lost sales from the Jingzhou old site.

In US dollar terms, sales in North America grew by 10.5% in the quarter and 6.9% in the full year, compared to the corresponding periods last year.

Latin America: Sales grew by 10.2% in the fourth quarter and by 14.2% in the full year, at constant exchange rates, compared to the corresponding periods last year. The quarter saw strong business growth in key countries despite a severe drought across the region, alongside price increases, which more than offset the continued impact of constrained supply.

The Company continued to grow in Brazil in the quarter, with a strong performance in its differentiated product portfolio, including GALIL® – a broad spectrum insecticide for the control of a wide range of pests in field crops and vegetables, and TRIVOR® – a unique insecticide mixture for rapid and extended control of sucking pests. The growth was achieved despite drought conditions which delayed the planting season in key crops including soybean and corn, as well as reduced planted areas in cotton, alongside missed sales of Jingzhou old site products.

Noteworthy performances were also recorded in the fourth quarter in Peru, Costa Rica and Paraguay, as the Company continues to expand its differentiated product offering in the region. The quarter saw the launch of ARMERO™, ADAMA's first self-produced Prothioconazole-based mixture, in Paraguay, opening up a $1 billion market. In addition, ADAMA launched the EXPERTGROW® range of biostimulants and vegetable insecticide KADABRA®, both in Ecuador, and CRONNOS®, the unique three-way formulation addressing Asian soybean rust, in Bolivia.

Over the full year, Brazil delivered another year of stellar growth, with a robust contribution from CRONNOS®, and was complemented by strong performances throughout key markets in the region, including Argentina, Colombia and Peru.

In US dollar terms, sales in Latin America increased by 5.0% in the quarter and 9.3% in the full year, compared to the corresponding periods last year, reflecting the weaker currencies in the region, in particular the Brazilian Real.

Asia-Pacific: Sales in the region grew by 11.5% in the fourth quarter and 7.2% in the full year, at constant exchange rates, compared to the corresponding periods last year. The strong growth in the quarter was driven by business growth, somewhat offset by lower prices. In the full year, growth was driven by a combination of business growth tempered by constrained supply of Jingzhou old site products, alongside continued price increases.

In China, ADAMA recorded solid business growth in both the fourth quarter and full year, supported by a pleasing performance of products produced at newly acquired Anpon, and despite drought in some areas impacting consumption of wheat herbicides. The Company continues to see strong demand for its differentiated, formulated and branded products in China, with annual sales growth of more than 20%, excluding those from the Jingzhou old site. ADAMA launched two more herbicides for winter wheat in the quarter, bringing a total of 14 new product launches for 2019 in China.

The Company saw robust growth in the full year in New Zealand, Indonesia and Japan, benefiting from favorable weather conditions, while a resilient performance was recorded in Australia, recovering from extreme weather conditions seen throughout the year.

During the quarter, the Company obtained new registrations in Thailand, including FIREPOWER®, a broad-spectrum herbicide for use in a wide variety of crops, as well as HAMPER®, an insecticide controlling thrips in potatoes.

In US dollar terms, sales in Asia-Pacific grew by 10.3% in the quarter and by 3.6% in the full year, compared to the corresponding periods last year, reflecting the impact of softer currencies.

India, Middle East & Africa: Sales in the fourth quarter were lower by 7.6%, yet remained steady in the full year, at constant exchange rates, compared to the corresponding periods last year. The Company was impacted in both the quarter and the full year by shortages of key products produced at the Jingzhou old site.

In the quarter, the Company delivered robust growth in its branded portfolio in India, benefiting from the monsoon rains. However, this was somewhat offset by the loss of bulk unformulated sales of Jingzhou old site products in the country. South Africa delivered a resilient performance in the face of severe drought conditions.

Over the full year, ADAMA saw another year of strong growth in both its branded activities in India as well as in Turkey, offsetting the impact of the missing sales of Jingzhou old site products. The Company enjoyed a strong contribution from its recently launched differentiated products, including the NIMITZ® suite of products, as well as TAKAF® and ZOHAR™, two differentiated mixture insecticides in India.

In US dollar terms, sales were lower by 6.1% in the quarter and by 3.0% in the full year, compared to the corresponding periods last year, reflecting the impact of softer currencies, most notably the Turkish Lira, over the full year.

Revenues by operating segment

Fourth quarter sales by segment

	Q4 2019 USD(m)	%	Q4 2018 USD(m)	%
Crop Protection	941	90.9%	900	93.5%
Intermediates and Ingredients	94	9.1%	63	6.5%
Total	**1,035**	**100.0%**	**963**	**100.0%**

Fourth quarter sales by product category

	Q4 2019 USD(m)	%	Q4 2018 USD(m)	%
Herbicides	428	41.3%	419	43.5%
Insecticides	294	28.4%	289	30.0%
Fungicides	220	21.3%	193	20.0%
Intermediates and Ingredients	94	9.1%	63	6.5%
Total	**1,035**	**100.0%**	**963**	**100.0%**

Note: the sales split per product category is provided for convenience purposes only, and is not representative of the way the Company is managed or in which it makes its operational decisions.

Full year sales by segment

	FY 2019 USD(m)	%	FY 2018 USD(m)	%
Crop Protection	3,611	90.4%	3,617	93.2%
Intermediates and Ingredients	385	9.6%	264	6.8%
Total	**3,997**	**100.0%**	**3,881**	**100.0%**

Full year sales by product category

	FY 2019 USD(m)	%	FY 2018 USD(m)	%
Herbicides	1,720	43.0%	1,770	45.6%
Insecticides	1,140	28.5%	1,110	28.6%
Fungicides	752	18.8%	736	19.0%
Intermediates and Ingredients	385	9.6%	264	6.8%
Total	**3,997**	**100.0%**	**3,881**	**100.0%**

Note: the sales split per product category is provided for convenience purposes only, and is not representative of the way the Company is managed.

Further Information

All filings of the Company, together with a presentation of the key financial highlights of the period, can be accessed through the Company website at www.adama.com.

##

About ADAMA

ADAMA Ltd. is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally. For more information, visit us at www.ADAMA.com and follow us on Twitter® at @ADAMAAgri.

Contact

Ben Cohen
Global Investor Relations
Email: ir@adama.com

Zhujun Wang
China Investor Relations
Email: irchina@adama.com

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 Fourth Quarter

Adjusted[1]	Q4 2019 USD(m)	Q4 2018 USD(m)	Q4 2019 RMB(m)	Q4 2018 RMB(m)
Revenues	**1,035**	**963**	**7,281**	**6,660**
Cost of Sales	719	647	5,062	4,478
Business taxes and surcharges	3	4	20	27
Gross profit	**313**	**312**	**2,199**	**2,155**
% of revenue	*30.2%*	*32.4%*	*30.2%*	*32.4%*
Operating expenses	228	238	1,595	1,643
Operating income (EBIT)	**85**	**74**	**604**	**512**
% of revenue	*8.2%*	*7.7%*	*8.3%*	*7.7%*
Financial expenses and investment income	38	34	268	233
Income before taxes	**47**	**40**	**336**	**279**
Taxes on Income	12	2	84	13
Net income	**35**	**38**	**252**	**266**
% of revenue	*3.4%*	*3.9%*	*3.5%*	*4.0%*
EBITDA	**147**	**127**	**1,034**	**878**
% of revenue	*14.2%*	*13.2%*	*14.2%*	*13.2%*
Earnings per Share – Basic	*0.0144*	*0.0157*	*0.1031*	*0.1089*
– Diluted	*0.0144*	*0.0157*	*0.1031*	*0.1089*

The number of shares used to calculate both basic and diluted 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 Income Statement for the Full Year

Adjusted[2]	FY 2019 USD(m)	FY 2018 USD(m)	FY 2019 RMB(m)	FY 2018 RMB(m)
Revenues	**3,997**	**3,881**	**27,563**	**25,615**
Cost of Sales	2,704	2,578	18,656	17,022
Business taxes and surcharges	12	12	84	81
Gross profit	**1,280**	**1,291**	**8,823**	**8,512**
% of revenue	*32.0%*	*33.3%*	*32.0%*	*33.2%*
Operating expenses	871	864	5,997	5,715
Operating income (EBIT)	**410**	**427**	**2,826**	**2,797**
% of revenue	*10.3%*	*11.0%*	*10.3%*	*10.9%*
Financial expenses and investment income	160	130	1,101	862
Income before taxes	**250**	**297**	**1,725**	**1,935**
Taxes on Income	42	61	290	396
Net income	**208**	**236**	**1,435**	**1,539**
% of revenue	*5.2%*	*6.1%*	*5.2%*	*6.0%*
EBITDA	**656**	**639**	**4,515**	**4,199**
% of revenue	*16.4%*	*16.5%*	*16.4%*	*16.4%*
Earnings per Share – Basic	*0.0852*	*0.0963*	*0.5867*	*0.6289*
– Diluted	*0.0852*	*0.0963*	*0.5867*	*0.6289*

The number of shares used to calculate both basic and diluted earnings per share is 2,446.6 million shares.

[2] 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

	December 31 2019 USD (m)	December 31 2018 USD (m)	December 31 2019 RMB (m)	December 31 2018 RMB (m)
Assets				
Current assets:				
Cash at bank and on hand	623	908	4,349	6,233
Bills and accounts receivable	1,298	1,068	9,052	7,330
Inventories	1,424	1,347	9,933	9,247
Other current assets, receivables and prepaid expenses	259	274	1,808	1,879
Total current assets	**3,604**	**3,597**	**25,142**	**24,689**
Non-current assets:				
Fixed assets, net	1,108	1,029	7,728	7,063
Rights of use assets	77	-	536	-
Intangible assets, net	1,483	1,423	10,347	9,763
Deferred tax assets	119	107	827	733
Other non-current assets	101	82	709	565
Total non-current assets	**2,888**	**2,641**	**20,147**	**18,124**
Total assets	**6,492**	**6,238**	**45,289**	**42,813**
Liabilities				
Current liabilities:				
Loans and credit from banks and other lenders	441	134	3,076	923
Bills and accounts payable	649	731	4,528	5,019
Other current liabilities	622	794	4,341	5,446
Total current liabilities	**1,712**	**1,652**	**11,945**	**11,340**
Long-term liabilities:				
Long-term loans from banks and other lenders	133	34	927	236
Debentures	1,142	1,115	7,966	7,649
Deferred tax liabilities	46	57	323	392
Employee benefits	106	85	739	580
Other long-term liabilities	146	49	1,017	336
Total long-term liabilities	**1,573**	**1,340**	**10,972**	**9,193**
Total liabilities	**3,285**	**2,992**	**22,917**	**20,532**
Equity				
Total equity	3,207	3,246	22,372	22,280
Total equity	**3,207**	**3,246**	**22,372**	**22,280**
Total liabilities and equity	**6,492**	**6,238**	**45,289**	**42,813**

Abridged Consolidated Cash Flow Statement for the Fourth Quarter

	Q4 2019 USD (m)	Q4 2018 USD (m)	Q4 2019 RMB (m)	Q4 2018 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	107	79	749	548
Cash flow from operating activities	**107**	**79**	**749**	**548**
Investing activities:				
Acquisitions of fixed and intangible assets	-95	-59	-670	-410
Cash received from disposal of investments	-	-	3	
Proceeds from disposal of fixed and intangible assets	1	1	5	8
Acquisition of subsidiaries	-42	-	-295	-
Other investing activities	-9	1	-59	10
Cash flow used for investing activities	**-145**	**-57**	**-1,016**	**-392**
Financing activities:				
Receipt of loans from banks and other lenders	52	16	364	111
Repayment of loans from banks and other lenders	-	-29	-3	-198
Interest payments and other	-40	-36	-280	-247
Other financing activities	-2	-	-11	-
Cash flow from (used for) financing activities	**10**	**-49**	**73**	**-334**
Effects of exchange rate movement on cash and cash equivalents	**3**	**1**	**-41**	**-13**
Net change in cash and cash equivalents	**-25**	**-26**	**-235**	**-191**
Cash and cash equivalents at the beginning of the period	644	926	4,555	6,371
Cash and cash equivalents at the end of the period	**619**	**900**	**4,320**	**6,180**
Free Cash Flow	**-78**	**-14**	**-547**	**-99**
Free Cash Flow excl. acquisitions	**-27**	**-14**	**-192**	**-99**

Abridged Consolidated Cash Flow Statement for the Full Year

	FY 2019 USD (m)	FY 2018 USD (m)	FY 2019 RMB (m)	FY 2018 RMB (m)
Cash flow from operating activities:				
Cash flow from operating activities	117	301	843	2,002
Cash flow from operating activities	**117**	**301**	**843**	**2,002**
Investing activities:				
Acquisitions of fixed and intangible assets	-254	-523	-1,760	-3,376
Cash received from disposal of investments	9	-	64	-
Proceeds from disposal of fixed and intangible assets	27	381	187	2,421
Acquisition of subsidiaries	-165	-	-1,122	-
Other investing activities	-7	-	-48	-
Cash flow used for investing activities	**-390**	**-142**	**-2,679**	**-954**
Financing activities:				
Receipt of loans from banks and other lenders	443	29	3,032	196
Repayment of loans from banks and other lenders	-215	-361	-1,487	-2,314
Interest payments and other	-102	-86	-664	-569
Dividends to shareholders	-43	-23	-294	-152
Acquisition via combination under common control	-59	-	-415	-
Other financing activities	-50	-9	-383	-53
Cash flow from (used for) financing activities	**-26**	**-450**	**-211**	**-2,892**
Effects of exchange rate movement on cash and cash equivalents	**-7**	**-12**	**21**	**159**
Net change in cash and cash equivalents	**-305**	**-303**	**-2,026**	**-1,684**
Cash and cash equivalents at the beginning of the period	925	1,204	6,346	7,864
Cash and cash equivalents at the end of the period	**619**	**900**	**4,320**	**6,180**
Free Cash Flow	**-368**	**79**	**-2,499**	**528**
Free Cash Flow excl. acquisitions and D&T	**-195**	**26**	**-1,308**	**184**

Notes to Abridged Consolidated Financial Statements

Note 1: Basis of preparation

Basis of presentation and accounting policies: The abridged consolidated financial statements for the years ended December 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.

Q4 and Full Year 2019 include the results of acquisitions made in 2019, but which are not included in the 2018 figures in this release. 2018 results in the audited financial statements reflect the consolidation of Anpon (acquired in January 2019) as if it had been acquired prior to 1 January 2018, due to accounting for “Business Combination Under Common Control”.

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; 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; financial assets in respect of derivatives; prepayments; other receivables; and other current assets
- “Fixed assets, net” includes fixed assets and construction in progress
- “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 other lenders” includes short-term loans and non-current liabilities due within one year
- “Other current liabilities” includes financial liabilities in respect of derivatives; payables for employee benefits, taxes, interest, dividends and others; advances from customers and other current liabilities
- “Other long-term liabilities” includes long-term payables, provisions, deferred income and other non-current liabilities

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

Q4	Adjusted		Adjustments		Reported	
USD(m)	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
Revenues	1,035	963	-	-	1,035	963
Gross profit	313	312	1	2	311	309
Operating expenses	227	238	-120	-46	347	283
Operating income (EBIT)	85	74	121	48	-36	26
Income before taxes	47	40	120	54	-73	-14
Net income	35	38	109	59	-74	-20
EBITDA	147	127	52	-3	95	130
Earnings per share	0.0144	0.0157			-0.0301	-0.0083

Q4	Adjusted		Adjustments		Reported	
RMB(m)	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
Revenues	7,281	6,660	-	-	7,281	6,660
Gross profit	2,199	2,155	9	16	2,189	2,139
Operating expenses	1,595	1,643	-846	-316	2,441	1,959
Operating income (EBIT)	604	512	856	332	-251	180
Income before taxes	336	279	846	373	-511	-94
Net income	252	266	770	406	-518	-140
EBITDA	1,034	878	363	-23	671	901
Earnings per share	0.1031	0.1089			-0.2116	-0.0572

FY	Adjusted		Adjustments		Reported	
USD(m)	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenues	3,997	3,881	-	-	3,997	3,881
Gross profit	1,280	1,291	3	11	1,277	1,280
Operating expenses	870	863	-183	227	1,053	636
Operating income (EBIT)	410	427	187	-216	224	644
Income before taxes	250	297	182	-211	68	507
Net income	208	236	166	-142	43	378
EBITDA	656	639	45	-320	610	959
Earnings per share	0.0852	0.0963			0.0175	0.1543

FY	Adjusted		Adjustments		Reported	
RMB(m)	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenues	27,563	25,615	-	-	27,563	25,615
Gross profit	8,823	8,512	24	73	8,799	8,440
Operating expenses	5,996	5,715	-1,280	1,415	7,276	4,300
Operating income (EBIT)	2,826	2,797	1,303	-1,342	1,523	4,139
Income before taxes	1,725	1,935	1,273	-1,301	452	3,236
Net income	1,435	1,539	1,158	-864	277	2,402
EBITDA	4,515	4,199	320	-2,038	4,195	6,237
Earnings per share	0.5867	0.6289			0.1132	0.9820

Income Statement Adjustments

	Q4 2019 USD (m)	Q4 2018 USD (m)	Q4 2019 RMB (m)	Q4 2018 RMB (m)
Net Income (Reported)	**-73.6**	**-20.3**	**-517.7**	**-140.0**
Adjustments to COGS & Operating Expenses:				
1. Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash)	11.5	11.5	80.5	79.2
2. One-time capital gain from Divestment of registrations due to 2017 ChemChina-Syngenta transaction	-	3.9	-	26.8
3. Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	7.7	10.6	54.3	73.0
5. China Relocation & Upgrade related costs	89.2	29.1	632.5	201.9
7. Long-term incentive (non-cash)	0.8	-7.1	5.7	-49.2
8. Amortization of acquisition-related PPA (non-cash)	1.3	-	9.4	-
10. Historical import tax settlement	3.2	-	22.7	-
11. Intangible asset impairment	3.0	-	21.1	-
12. Syngenta Group short-term incentive (STI, to be reimbursed)	4.2	-	29.5	-
Total Adjustments to Operating Income (EBIT)	**120.9**	**48.0**	**855.7**	**331.7**
Total Adjustments to EBITDA	**51.5**	**-3.2**	**363.5**	**-22.4**
Adjustments to Financing Expenses:				
13. Revaluation of non-cash adjustment related to non-controlling interest	-1.3	6.0	-9.3	41.3
Total Adjustments to Income before Taxes	**119.6**	**54.0**	**846.4**	**373.0**
Adjustments to Taxes				
1. Tax shield on Legacy PPA of 2011 acquisition of Solutions	-1.9	-1.9	-13.7	-13.5
2. Tax expense due to capital gain from registrations Divestment	-	-0.7	-	-5.2
5. China Relocation & Upgrade related costs	-8.4	-0.9	-58.9	-6.3
8. Deferred tax due to PPA	1.3	-	8.9	-
10. Historical import tax settlement	-1.1	-	-7.7	-
12. Deferred taxes from Syngenta Group STI (to be reimbursed)	-0.7	-	-4.9	-
14. Historical tax expense resulting from finalization of tax assessment	-	8.4	-	58.2
Total adjustments to Net Income	**108.8**	**58.9**	**770.1**	**406.2**
Net Income (Adjusted)	**35.2**	**38.4**	**252.4**	**266.2**

		FY 2019 USD (m)	FY 2018 USD (m)	FY 2019 RMB (m)	FY 2018 RMB (m)
Net Income (Reported)		**42.8**	**377.6**	**277.0**	**2,402.5**
	Adjustments to COGS & Operating Expenses:				
1.	Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash)	45.8	45.8	315.9	302.9
2.	One-time capital gain from Divestment of registrations due to 2017 ChemChina-Syngenta transaction	-	-310.5	-	-1,971.6
3.	Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	35.2	30.9	242.1	207.0
4.	Reinstatement of amortization expenses due to Divestment (non-cash)	-	-2.6	-	-16.5
5.	China Relocation & Upgrade related costs	95.3	29.1	674.3	201.9
6.	Non-core assets closure (non-cash)	-	2.3	-	14.8
7.	Long-term incentive (non-cash)	-5.5	-13.2	-39.3	-90.2
8.	Amortization of acquisition-related PPA (non-cash)	5.3	-	36.9	-
9.	Sanonda-ADAMA Combination transaction one-time costs	-	1.5	-	9.4
10.	Historical import tax settlement	3.2	-	22.7	-
11.	Intangible asset impairment	3.0	-	21.1	-
12.	Syngenta Group short-term incentive (STI, to be reimbursed)	4.2	-	29.5	-
	Total Adjustments to Operating Income (EBIT)	**186.5**	**-216.5**	**1,303.2**	**-1,342.3**
	Total Adjustments to EBITDA	**45.4**	**-320.0**	**320.0**	**-2,039.1**
	Adjustments to Financing Expenses:				
13.	Revaluation of non-cash adjustment related to non-controlling interest	-4.4	6.0	-29.9	41.3
	Total Adjustments to Income before Taxes	**182.1**	**-210.5**	**1,273.3**	**-1,301.0**
	Adjustments to Taxes				
1.	Tax shield on Legacy PPA of 2011 acquisition of Solutions	-7.8	-7.8	-53.7	-51.5
2.	Tax expense due to capital gain from registrations Divestment	-	68.7	-	436.6
5.	China Relocation & Upgrade related costs	-8.4	-0.9	-58.9	-6.3
8.	Deferred tax due to PPA	1.5	-	10.3	-
10.	Historical import tax settlement	-1.1	-	-7.7	-
12.	Deferred taxes from Syngenta Group STI (to be reimbursed)	-0.7	-	-4.9	-
14.	Historical tax expense resulting from finalization of tax assessment	-	8.4	-	58.2
Total adjustments to Net Income		**165.6**	**-142.1**	**1,158.4**	**-864.0**
Net Income (Adjusted)		**208.4**	**235.5**	**1,435.4**	**1,538.5**

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. **China Relocation & Upgrade related costs:** These charges all relate to the three-year Relocation & Upgrade program in China, and include (i) non-cash accelerated depreciation charges due to the relocations, (ii) one-time provision for employee severance and other costs, and (iii) one-time, non-cash asset impairment charges related to terminated facilities at the Jingzhou and Huai'An sites. 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 (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 and to reflect the existing phantom options, in the Company's adjusted financial performance, the LTI is presented on an equity-settled basis in accordance with the value of the existing plan at the grant date.
8. **Amortization of acquisition-related PPA (non-cash)**: Related to the amortization of non-cash intangible assets created as part of the allocation of the purchase price (PPA) on acquisitions; has no impact on the ongoing performance of the companies acquired.
9. **Sanonda-ADAMA Combination transaction one-time costs:** One-time stamp tax expense incurred related to the Combination.
10. **Historical import tax settlement:** In December 2019 the Company settled a long-standing disputed import tax claim in Brazil from 1993
11. **Intangible asset impairment:** Due to regional regulatory decision regarding a product registration in Europe
12. **Syngenta Group short-term incentive (to be reimbursed):** The Company has provided a short-term incentive to certain of the Company's senior employees, in accordance with the newly formed Syngenta Group's short-term incentive plan, in respect of outperformance by the Syngenta Group companies of their combined 2019 targets. The Syngenta Group has committed to reimburse the Company for the amount disbursed by the Company to the relevant employees.
13. **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.
14. **Historical tax expenses from finalization of tax assessment:** Recording of historical tax expenses, the majority thereof already provisioned, resulting from finalization of tax assessments relating to periods concluding in 2016 and not impacting the ongoing and future performance of the Company.

Exchange Rate Data for the Company's Principal Functional Currencies

	December 31			Q4 Average			FY Average		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
EUR/USD	1.122	1.145	(2.0%)	1.107	1.141	(3.0%)	1.120	1.180	(5.2%)
USD/BRL	4.031	3.875	(4.0%)	4.119	3.810	(8.1%)	3.945	3.655	(8.0%)
USD/PLN	3.798	3.760	(1.0%)	3.871	3.768	(2.7%)	3.839	3.612	(6.3%)
USD/ZAR	14.065	14.428	2.5%	14.689	14.284	(2.8%)	14.448	13.239	(9.1%)
AUD/USD	0.701	0.706	(0.7%)	0.684	0.717	(4.6%)	0.695	0.747	(6.9%)
GBP/USD	1.319	1.279	3.2%	1.289	1.287	0.2%	1.277	1.334	(4.3%)
USD/ILS	3.456	3.748	7.8%	3.492	3.705	5.7%	3.565	3.591	0.7%
USD LIBOR 3M	1.91%	2.81%	(32.0%)	1.93%	2.62%	(26.3%)	2.33%	2.30%	1.4%

	December 31			Q4 Average			FY Average		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
USD/RMB	6.976	6.863	1.6%	7.034	6.916	1.7%	6.897	6.612	4.3%
EUR/RMB	7.937	7.859	1.0%	7.743	7.892	(1.9%)	7.671	7.806	(1.7%)
RMB/BRL	0.570	0.565	(0.9%)	0.589	0.551	(6.9%)	0.576	0.553	(4.2%)
RMB/PLN	0.537	0.533	(0.8%)	0.554	0.544	(1.8%)	0.560	0.559	(0.2%)
RMB/ZAR	1.989	2.102	5.4%	2.101	2.065	(1.7%)	2.109	2.002	(5.3%)
AUD/RMB	4.959	4.844	2.4%	4.782	4.960	(3.6%)	1.334	4.764	(3.6%)
GBP/RMB	9.332	8.777	6.3%	9.010	8.897	1.3%	8.746	8.821	(0.9%)
RMB/ILS	0.489	0.546	10.5%	0.500	0.536	6.8%	0.520	0.543	4.2%