

Syngenta AG

Interim Condensed Consolidated Financial Statements

The following 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	2022	2021
Sales	5	10,377	8,398
Cost of goods sold		(5,859)	(4,743)
Gross profit		4,518	3,655
Marketing and distribution		(1,376)	(1,131)
Research and development		(442)	(539)
General and administrative:			
Restructuring	6	(104)	(69)
Other general and administrative		(611)	(587)
Operating income		1,985	1,329
Loss from associates and joint ventures		-	(3)
Financial expense, net		(174)	(219)
Income before taxes		1,811	1,107
Income tax expense		(265)	(171)
Net income		1,546	936
Attributable to:			
Syngenta AG shareholder		1,549	934
Non-controlling interests		(3)	2
Net income		1,546	936

All activities were in respect of continuing operations.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended June 30,

(\$m)	2022	2021
Net income	1,546	936
Components of other comprehensive income/(loss) (OCI)		
Items that will not be reclassified to profit or loss:		
Gains/(Losses) on equity investments at fair value through OCI	30	(12)
Actuarial gains of defined benefit post-employment plans	44	313
Income tax relating to items that will not be reclassified to profit or loss	(41)	(28)
	33	273
Items that may be reclassified subsequently to profit or loss:		
Unrealized losses on derivatives designated as cash flow and net investment hedges and related hedging costs	(58)	(73)
Currency translation effects	(165)	54
Income tax relating to items that may be reclassified subsequently to profit or loss	7	6
	(216)	(13)
Total OCI	(183)	260
Total comprehensive income	1,363	1,196
Attributable to:		
Syngenta AG shareholder	1,370	1,193
Non-controlling interests	(7)	3
Total comprehensive income	1,363	1,196

All activities were in respect of continuing operations.

During the six months ended June 30, 2022, in respect of cash flow hedges, losses of \$44 million (2021: \$73 million) were recognized in OCI and gains of \$14 million (2021: \$nil) were reclassified from OCI to profit and loss. Income tax of \$7 million was credited to OCI (2021: \$6 million) in respect of these movements.

Condensed Consolidated Balance Sheet

(\$m)	Notes	June 30, 2022	June 30, 2021	December 31, 2021
Assets				
Current assets:				
Cash and cash equivalents	10	1,477	1,753	1,523
Trade receivables	10	6,876	6,059	4,842
Other accounts receivable		900	645	691
Inventories		7,178	5,350	5,841
Derivative and other financial assets	10	674	419	413
Other current assets		689	527	581
Income taxes recoverable		106	127	123
Total current assets		17,900	14,880	14,014
Non-current assets:				
Property, plant and equipment		3,686	3,653	3,799
Right-of-use assets		376	398	399
Intangible assets		5,343	5,121	5,273
Deferred tax assets		1,440	1,334	1,366
Financial and other non-current assets	10	793	861	895
Investments in associates and joint ventures		155	166	168
Total non-current assets		11,793	11,533	11,900
Total assets		29,693	26,413	25,914
Liabilities and equity				
Current liabilities:				
Trade accounts payable	10	(7,560)	(5,593)	(5,484)
Contract liabilities		(592)	(627)	(1,178)
Current financial debt and other financial liabilities	10	(3,886)	(2,852)	(1,867)
Income taxes payable		(733)	(708)	(627)
Other current liabilities		(1,121)	(866)	(1,251)
Provisions		(128)	(337)	(138)
Total current liabilities		(14,020)	(10,983)	(10,545)
Non-current liabilities:				
Financial debt and other non-current liabilities	9, 10	(7,170)	(8,054)	(8,008)
Deferred tax liabilities		(1,034)	(1,011)	(1,016)
Provisions		(509)	(672)	(760)
Total non-current liabilities		(8,713)	(9,737)	(9,784)
Total liabilities		(22,733)	(20,720)	(20,329)
Shareholder's equity:				
Total shareholder's equity		(6,911)	(5,634)	(5,529)
Non-controlling interests		(49)	(59)	(56)
Total equity		(6,960)	(5,693)	(5,585)
Total liabilities and equity		(29,693)	(26,413)	(25,914)

Condensed Consolidated Cash Flow Statement

for the six months ended June 30,

(\$m)	Notes	2022	2021
Income before taxes		1,811	1,107
Reversal of non-cash and other reconciling items	7	689	816
Cash (paid)/received in respect of:			
Interest and other financial receipts		149	41
Interest and other financial payments		(278)	(321)
Income taxes		(191)	(190)
Restructuring costs		(5)	(18)
Contributions to pension plans, excluding restructuring costs		(61)	(67)
Other provisions		(37)	(14)
Operating cash flow before change in net working capital		2,077	1,354
Change in net working capital:			
Change in inventories		(1,460)	46
Change in trade and other working capital assets		(2,578)	(1,848)
Change in trade and other working capital liabilities		1,483	641
Cash flow (used for)/from operating activities		(478)	193
Additions to property, plant and equipment		(226)	(214)
Purchases of intangible assets, investments in associates and other financial assets		(408)	(273)
Proceeds from disposals of non-current assets	4	77	209
Acquisitions and divestments, net	4	(45)	(322)
Cash flow used for investing activities		(602)	(600)
Proceeds from increase in interest-bearing debt		2,008	990
Repayments of interest-bearing debt		(999)	(1,339)
Cash flow from/(used for) financing activities		1,009	(349)
Net effect of currency translation on cash and cash equivalents		25	(8)
Net change in cash and cash equivalents		(46)	(764)
Cash and cash equivalents at the beginning of the period		1,523	2,517
Cash and cash equivalents at the end of the period		1,477	1,753

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
January 1, 2021	6	3,416	(89)	(2,326)	3,427	4,434	56	4,490
Net income	-	-	-	-	934	934	2	936
OCI	-	-	(76)	53	282	259	1	260
Total comprehensive income	-	-	(76)	53	1,216	1,193	3	1,196
Other	-	-	9	-	(2)	7	-	7
June 30, 2021	6	3,416	(156)	(2,273)	4,641	5,634	59	5,693
January 1, 2022	6	3,416	(63)	(2,579)	4,749	5,529	56	5,585
Net income	-	-	-	-	1,549	1,549	(3)	1,546
OCI	-	-	(23)	(161)	5	(179)	(4)	(183)
Total comprehensive income	-	-	(23)	(161)	1,554	1,370	(7)	1,363
Other	-	-	15	-	(3)	12	-	12
June 30, 2022	6	3,416	(71)	(2,740)	6,300	6,911	49	6,960

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, 2022 and 2021 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 with the accounting policies described in Notes 2 and 26 to Syngenta’s 2021 annual consolidated financial statements. Syngenta prepared its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The 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:

In the six months ended June 30, 2022, Research and development costs decreased by \$97 million from the six month period ended June 30, 2021, which is largely due to increased capitalization of development costs in the first six months of 2022. During 2022, Syngenta introduced enhanced project planning and reporting processes that enabled it to measure reliably, and hence to capitalize, intangible assets arising from specific seeds development programs in respect of deregulated genetically modified traits.

COVID-19 has not significantly affected Syngenta’s ability to maintain business operations nor resulted in significant adjustments to carrying amounts of assets and liabilities or revisions to critical accounting estimates.

Syngenta is closely monitoring the impact of the military conflict in Ukraine and related sanctions on Russia on business operations. Operations continue, subject to significant logistics and financial constraints and in Ukraine are limited, though continuing wherever feasible and safe. In the six months ended June 30, 2022, the impact of provisions against inventories and trade receivables was less than 2 percent of operating costs.

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

Syngenta has adopted the following revised IFRSs from January 1, 2022. These IFRSs have not been early adopted and their adoption had no material impact on these condensed consolidated financial statements:

- "Covid-19 -Related Rent Concessions beyond 30 June 2021", Amendment to IFRS 16;
- "Reference to the Conceptual Framework", Amendments to IFRS 3;
- "Onerous Contracts-Cost of Fulfilling a Contract", Amendments to IAS 37;
- "Property, Plant and Equipment: Proceeds before Intended Use", Amendments to IAS 16;
- "Annual Improvement to IFRS Standards" 2018-2020 Cycle.

Note 4: Business combinations, divestments and other significant transactions

Six months ended June 30, 2022

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

Cash flow used for Acquisitions and divestments, net, related to payments of deferred consideration related to acquisitions completed in prior periods.

Six months ended June 30, 2021

Acquisitions and divestments

No acquisitions or material divestments were completed in the six months ended June 30, 2021.

On October 1, 2020, Syngenta acquired 100 percent of the issued shares of Valagro S.p.A. ("Valagro"), a joint stock company incorporated in Italy, a producer of innovative Biologicals with a global presence and a strong position in biostimulants and specialty nutrients. The final purchase price adjustment was completed during the period ended June 30, 2021 and resulted in a \$4 million reduction in the purchase price and to goodwill. During the period ended June 30, 2021, deferred consideration payments of \$327 million were made related to this acquisition.

On December 3, 2020, Syngenta acquired a 100 percent equity interest of Progeny Advance Genetics, Inc., a California-based lettuce breeding corporation. The acquisition provides an opportunity for Syngenta to increase its market share in the US lettuce segment. On December 16, 2020, Syngenta acquired a 100 percent equity interest of Hollar & Co., Inc., a Colorado-based vegetable seed corporation that specializes in breeding and development of cucurbits. With this acquisition, Syngenta will enter the mid-tier vegetable seed segment. The acquisition-date fair values of assets, liabilities and consideration for the aforementioned acquisitions were not individually and in aggregate material, and therefore were presented in 'Others' in Note 3 to the 2020 consolidated financial statements. During the first six months of 2021, the assets and liabilities recognized, which were provisional as at December 31, 2020, were finalized as follows.

(\$m)	Total
Cash and cash equivalents	5
Inventories	27
Trade receivables and other current assets	4
Property, plant and equipment	14
Intangible assets	41
Trade and other liabilities	(2)
Deferred tax liabilities	(17)
Net assets acquired	72
Purchase price	89
Goodwill	17

The changes in fair values of the net assets acquired and goodwill recognized are not considered material to the 2020 consolidated financial statements and therefore the consolidated balance sheet as at December 31, 2020 was not restated. Other payments of deferred consideration related to acquisitions completed in prior periods were not material.

Sale and leaseback transaction

During March 2021, Syngenta completed a sale-and-leaseback transaction for a seeds research and development site. The sale of the site resulted in \$15 million of gains on disposal and \$100 million of cash inflows, reported as Proceeds from disposal of property, plant and equipment, together with the recognition of \$83 million of lease liabilities repayable over 20 years, and \$8 million of right-of-use assets, which will be depreciated over 20 years.

Note 5: Segmental information and analysis of revenue

Syngenta is organized on a worldwide basis into 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.

For the six months ended June 30, 2022 (\$m)	Crop Protection	Seeds	Total segments	Restructuring	Group
Product sales	8,298	1,923	10,221	-	10,221
Royalty and license income	9	147	156	-	156
Total segment sales	8,307	2,070	10,377	-	10,377
Cost of goods sold	(4,747)	(1,108)	(5,855)	(4)	(5,859)
Gross profit	3,560	962	4,522	(4)	4,518
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)
Operating income	1,797	296	2,093	(108)	1,985
Financial expense, net					(174)
Income before taxes					1,811

For the six months ended June 30, 2021 (\$m)	Crop Protection	Seeds	Total segments	Restructuring	Group
Product sales	6,585	1,726	8,311	-	8,311
Royalty and license income	1	86	87	-	87
Total segment sales	6,586	1,812	8,398	-	8,398
Cost of goods sold	(3,757)	(976)	(4,733)	(10)	(4,743)
Gross profit	2,829	836	3,665	(10)	3,655
Marketing and distribution	(792)	(339)	(1,131)	-	(1,131)
Research and development	(316)	(223)	(539)	-	(539)
General and administrative:					
Restructuring	-	-	-	(69)	(69)
Other general and administrative	(464)	(123)	(587)	-	(587)
Operating income	1,257	151	1,408	(79)	1,329
Loss from associates and joint ventures					(3)
Financial expense, net					(219)
Income before taxes					1,107

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,

(\$m)	2022	2021
Selective herbicides	2,304	1,857
Non-selective herbicides	1,248	551
Fungicides	2,358	2,090
Insecticides	1,128	1,078
Seedcare	721	594
Professional solutions	297	263
Biologicals	179	156
Other crop protection	154	53
Total Crop Protection	8,389	6,642
Corn and soybean	1,096	870
Diverse field crops	471	417
Vegetables	373	383
Flowers	130	142
Total Seeds	2,070	1,812
Elimination of Crop Protection sales to Seeds	(82)	(56)
Group sales	10,377	8,398

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

For the six months ended June 30,

(\$m)	2022	2021
Europe, Africa and Middle East	3,223	3,009
North America	2,593	2,238
Latin America	2,971	1,763
Asia Pacific	1,590	1,388
Group sales	10,377	8,398

Note 6: Restructuring

For the six months ended June 30,

(\$m)	2022	2021
Productivity programs and other restructuring costs:		
Cash costs	18	27
Non-cash costs	55	23
Acquisition, divestment and related costs:		
Cash costs	41	24
Non-cash costs	4	10
Divestment gains, net	(10)	(5)
Total	108	79

For the six months ended June 30, 2022, \$4 million (2021: \$10 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, 2022 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 costs of analyzing and preparing for potential industry consolidation transactions, as well as the effects of 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 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.

2022

Productivity programs and other restructuring costs

Cash costs of \$18 million were incurred for productivity initiatives consisting 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 consist 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 relates to a reversal of an inventory write off provision previously reported under Restructuring.

Acquisition, divestment and related costs

Cash costs include \$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 acquisition, \$3 million incurred for integration projects and \$1 million of costs related to the formation of the Syngenta Group, consisting of communications, consultancy and project management office expenses. Non-cash costs are the reversal of inventory step-up reported on acquisitions. Divestment gains relate to disposal of property, plant and equipment, largely relating to sites disposals under integration and site rationalization plans.

2021

Productivity programs and other restructuring costs

Cash costs of \$11 million were incurred for productivity initiatives consisting of \$2 million incurred to better align the organization in EAME with the business strategies, \$3 million for system projects, including digital tools and automation initiatives and an upgraded financial reporting and analytics platform, \$3 million for other strategic alignment projects, mainly in the Seeds business, and \$3 million across a number of individually small initiatives driving operational efficiencies. Remaining cash costs consist of \$6 million related to the closure and clean-up of a manufacturing site in the USA announced in 2019 and \$10 million related to transitioning the manufacturing facility acquired in 2020 to optimal capacity.

Other non-current asset impairments consist of \$16 million for previously capitalized development costs, \$6 million to write off the value of an exclusive license agreement where the future value is expected to be lower than previous projections, and \$1 million of other small impairments.

Acquisition, divestment and related costs

Cash costs include \$7 million incurred for merger and acquisition projects and transaction costs, \$3 million incurred for integration projects and \$14 million of costs related to the formation of the Syngenta Group, consisting of communications, consultancy, and promotional advertising and market research. Non-cash costs are the reversal of inventory step-up reported on acquisitions. Divestment gains include \$5 million relating to disposal of property, plant and equipment, largely relating to sites 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)	2022	2021
Depreciation, amortization and impairment of:		
Property, plant and equipment and right-of-use assets	261	242
Intangible assets	171	144
Deferred revenue, divestment and other gains and losses	3	(36)
Charges/(credits) in respect of pension provisions	52	(16)
Charges in respect of other provisions	15	199
Financial expense, net	174	219
Losses on hedges reported in operating income	13	61
Losses from associates and joint ventures	-	3
Total	689	816

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 condensed consolidated financial statements were as follows:

Per \$		Average		June 30, 2022	June 30, 2021	December 31, 2021
		six months ending June 30, 2022	six months ending June 30, 2021			
Brazilian real	BRL	5.08	5.38	5.24	5.00	5.58
Swiss franc	CHF	0.94	0.91	0.96	0.92	0.91
Euro	EUR	0.91	0.83	0.96	0.84	0.88
British pound sterling	GBP	0.76	0.72	0.83	0.72	0.74
Russian ruble	RUB	78.53	74.90	54.49	73.16	74.91
Ukrainian hryvnia	UAH	28.85	27.91	29.25	27.18	27.28

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

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). The loan is guaranteed by Syngenta AG.

In March 2022, Syngenta repaid a \$500 million bond at maturity.

2021

In February 2021, Syngenta repaid \$278 million, following a cash tender offer for any and all of its outstanding 4.375% USD Notes 2042 and 5.676% USD bond 2048.

In April 2021, Syngenta repaid a \$750 million bond at maturity and raised a \$250 million loan with a floating interest rate based on LIBOR and a term of four years.

During the first six months of 2021, Syngenta entered into a \$1 billion revolving credit facility for a period of two years, with an option to extend by another year. At June 30, 2021, drawings under the credit facility were nil.

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, 2022 and December 31, 2021. 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, 2022 (\$m)	Carrying amount (based on measurement basis)				Total	Comparison fair value
	Amortized cost	Fair value level 1	Fair value level 2	Fair value level 3		
Cash and cash equivalents	1,477	-	-	-	1,477	1,477
Trade receivables, net	6,876	-	-	-	6,876	6,876
Derivative and other financial assets:						
Derivative financial assets	-	14	241	-	255	255
Marketable securities	35	122	-	-	157	157
Other current financial assets	262	-	-	-	262	262
Total					674	
Financial and other non-current assets:						
Equity investments at fair value through OCI	-	6	-	159	165	165
Derivative financial assets	-	-	156	-	156	156
Loans, receivables and pooled investments	194	37	-	-	231	231
Other, not carried at fair value	-	-	-	-	241	-
Total					793	
Trade accounts payable	7,560	-	-	-	7,560	7,560
Current financial debt and other financial liabilities:						
Derivative financial liabilities	-	-	351	-	351	351
Lease liabilities	99	-	-	-	99	-
Other non-derivative financial liabilities	3,436	-	-	-	3,436	3,436
Total					3,886	
Financial debt and other non-current liabilities:						
Derivative financial liabilities	-	-	156	-	156	156
Lease liabilities	483	-	-	-	483	-
Other non-derivative financial liabilities	6,384	-	-	-	6,384	6,258
Non-financial liabilities	-	-	-	-	147	-
Total					7,170	

**Carrying amount
(based on measurement basis)**

At December 31, 2021

(\$m)	Amortized cost	Fair value level 1	Fair value level 2	Fair value level 3	Total	Comparison fair value
Cash and cash equivalents	1,523	-	-	-	1,523	1,523
Trade receivables, net	4,842	-	-	-	4,842	4,842
Derivative and other financial assets:						
Derivative financial assets	-	12	185	-	197	197
Marketable securities	-	146	-	-	146	146
Other current financial assets	70	-	-	-	70	70
Total					413	
Financial and other non-current assets:						
Equity investments at fair value through OCI	-	-	-	125	125	125
Derivative financial assets	-	-	146	-	146	146
Loans, receivables and pooled investments	185	35	-	-	220	220
Other, not carried at fair value	-	-	-	-	404	-
Total					895	
Trade accounts payable	5,484				5,484	5,484
Current financial debt and other financial liabilities:						
Derivative financial liabilities	-	-	148	-	148	148
Lease liabilities	109	-	-	-	109	-
Other non-derivative financial liabilities	1,610	-	-	-	1,610	1,610
Total					1,867	
Financial debt and other non-current liabilities:						
Derivative financial liabilities	-	-	77	-	77	77
Lease liabilities	525	-	-	-	525	-
Other non-derivative financial liabilities	7,258	-	-	-	7,258	7,705
Non-financial liabilities	-	-	-	-	148	-
Total					8,008	

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 2021 annual consolidated financial statements. During the six month period ended June 30, 2022, Syngenta completed the sale of \$24 million of equity investments that were previously classified as held for sale as they were no longer considered strategic priorities. There were no other material movements in those 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: Commitments and contingencies

2022

There have been no significant developments in litigation matters since December 31, 2021.

2021

Paraquat litigation

On June 1, 2021, Syngenta reached a master settlement agreement with certain paraquat claimants. In exchange for (and contingent upon) dismissal of all pending cases by the counsel of the claimants and a broad release from certain covered claimants, Syngenta paid \$187.5 million into a settlement fund. Provision for the settlement was reported within Other general and administrative in the condensed consolidated income statement and within Current provisions in the condensed consolidated balance sheet. The payment was made on July 21, 2021. Syngenta believes that all of these claims are without merit and the settlement agreement was solely for the purpose of bringing to an end these claims.

Note 12: Related party transactions

2022

In April 2022, Syngenta raised a CNY 3,800 million loan from a fellow subsidiary of the Syngenta Group with a floating interest rate based on SOFR and a term of three years.

In July 2022, Syngenta entered into a \$700 million facility agreement with a fellow subsidiary of the Syngenta Group with a floating interest rate based on LIBOR and a term of three years. Drawings of \$500 million were made under the facility.

2021

In March 2021, Syngenta entered into a revolving credit facility of up to \$1.5 billion with a fellow subsidiary of the Syngenta Group. As at June 30, 2022, drawings under the facility were \$450 million (June 30, 2021: \$300 million).

Note 13: Subsequent events

On June 29, 2022, in order to pro-actively manage its debt portfolio and reduce future interest expense, Syngenta commenced a cash tender offer for any and all of its outstanding 5.676% Notes 2048 and 4.375% Notes 2042, and a certain maximum amount of its outstanding 5.182% Notes 2028 and 4.892% Notes 2025. The any and all tender offer expired on July 12, 2022 and all valid tenders received were accepted and settled on July 15, 2022 for an amount of \$262.5 million. As a result, the Maximum Purchase Amount in respect of the 5.182% Notes 2028 and 4.892% Notes 2025 was \$737.5 million, which was settled on July 18, 2022.

The condensed consolidated financial statements were authorized for issue by the Board of Directors on August 25, 2022.

Financial summary

For the six months ended June 30, (\$m)	Excluding restructuring and impairment ¹		Restructuring and impairment		As reported under IFRS	
	2022	2021	2022	2021	2022	2021
Sales	10,377	8,398	-	-	10,377	8,398
Gross profit	4,522	3,665	(4)	(10)	4,518	3,655
Marketing and distribution	(1,376)	(1,131)	-	-	(1,376)	(1,131)
Research and development	(442)	(539)	-	-	(442)	(539)
General and administrative:						
Restructuring	-	-	(104)	(69)	(104)	(69)
Other general and administrative	(611)	(587)	-	-	(611)	(587)
Operating income	2,093	1,408	(108)	(79)	1,985	1,329
Income before taxes	1,919	1,186	(108)	(79)	1,811	1,107
Income tax expense	(281)	(186)	16	15	(265)	(171)
Net income	1,638	1,000	(92)	(64)	1,546	936
Attributable to non-controlling interests	3	(2)	-	-	3	(2)
Attributable to Syngenta AG shareholder	1,641	998	(92)	(64)	1,549	934
			2022	2021	2022 CER²	
EBITDA³			2,467	1,768		
EBITDA margin			23.8%	21.1%		24.0%
EBITDA adjusted for Paraquat litigation			2,467	1,956		
Tax rate on results excluding restructuring and impairment			15%	16%		
Free cash flow⁴			(1,200)	(423)		
Debt/equity gearing⁵			124%	148%		
Net debt⁵			8,550	8,331		

1 For further analysis of restructuring and impairment charges, see Note 6 on page 11. 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)	2022	2021
Net income attributable to Syngenta AG shareholder	1,549	934
Non-controlling interests	(3)	2
Income tax expense	265	171
Financial expense, net	174	219
Restructuring and impairment	108	79
Depreciation, amortization and other impairment	374	363
EBITDA	2,467	1,768

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,

(\$m)	2022	2021
Cash flow (used for)/from operating activities	(478)	193
Cash flow used for investing activities	(602)	(600)
Excluding: cash flow used for marketable securities	16	2
Excluding: cash flow from foreign exchange movements and settlement of hedges of inter-company loans	(136)	(18)
Free cash flow	(1,200)	(423)

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:

For the six months ended June 30,	2022	2021
(\$m)		
Opening balance at January 1	7,571	7,897
Other non-cash items	47	160
Cash paid under Credit Support Annex agreements, net	226	29
Foreign exchange effect on net debt	(494)	(178)
Free cash flow	1,200	423
Closing balance at June 30	8,550	8,331
Components of closing balance:		
Cash and cash equivalents	(1,477)	(1,753)
Marketable securities ¹	(194)	(68)
Current financial debt ²	3,392	2,316
Non-current financial debt ³	6,829	7,836
Closing balance at June 30	8,550	8,331

¹ 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.

² Included in Current financial debt and other financial liabilities.

³ Included in Financial debt and other non-current liabilities.

The following table presents the derivation of the debt/equity gearing ratio at June 30, 2022 and 2021:

(\$m)	2022	2021
Net debt	8,550	8,331
Shareholder's equity	6,911	5,634
Debt/Equity gearing ratio (%)	124	148