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 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**	**2020**	**2019**
Sales	**5**	**7,097**	**6,766**
Cost of goods sold		(3,909)	(3,619)
Gross profit		**3,188**	**3,147**
Marketing and distribution		(1,068)	(1,058)
Research and development		(453)	(624)
General and administrative:			
Restructuring	6	(78)	(211)
Gains on divestments and disposals of other non-current assets	4	-	115
Other general and administrative	1	(333)	(418)
Operating income		**1,256**	**951**
Income from associates and joint ventures		1	2
Financial expense, net		(244)	(219)
Income before taxes		**1,013**	**734**
Income tax (expense)/benefit	7	(155)	66
Net income		**858**	**800**
Attributable to:			
Syngenta AG shareholder		855	798
Non-controlling interests		3	2
Net income		**858**	**800**

All activities were in respect of continuing operations.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, ($m)	2020	2019
Net income	**858**	**800**
Components of other comprehensive income/(loss) (OCI)		
Items that will not be reclassified to profit or loss:		
(Losses)/gains on equity investments at fair value through OCI	(10)	6
Actuarial losses of defined benefit post-employment plans	(197)	(87)
Income tax relating to items that will not be reclassified to profit or loss	33	(43)
	(174)	(124)
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	(129)	(36)
Currency translation effects	(548)	(50)
Income tax relating to items that may be reclassified subsequently to profit or loss	(42)	(27)
	(719)	(113)
Total OCI	**(893)**	**(237)**
Total comprehensive (loss)/income	**(35)**	**563**
Attributable to:		
Syngenta AG shareholder	(36)	561
Non-controlling interests	1	2
Total comprehensive (loss)/income	**(35)**	**563**

All activities were in respect of continuing operations.

During the six months ended June 30, 2020, in respect of cash flow hedges, losses of $119 million (2019: losses of $45 million) were recognized in OCI and gains of $10 million (2019: losses of $9 million) were reclassified from OCI to profit and loss. Income tax of $14 million was credited to OCI (2019: $27 million debited to OCI) in respect of these movements.

Condensed Consolidated Balance Sheet

($m)	Notes	June 30, 2020	June 30, 2019	December 31, 2019
Assets				
Current assets:				
Cash and cash equivalents		1,606	1,251	1,933
Trade receivables	11	5,286	5,793	4,358
Other accounts receivable		563	655	546
Inventories		5,047	4,783	4,973
Derivative and other financial assets	11	867	571	314
Other current assets		354	372	324
Income taxes recoverable		101	150	96
Total current assets		**13,824**	**13,575**	**12,544**
Non-current assets:				
Property, plant and equipment		3,161	3,216	3,251
Right-of-use assets		402	321	430
Intangible assets		4,108	3,960	4,201
Deferred tax assets		1,144	1,399	1,187
Financial and other non-current assets	11	577	532	608
Investments in associates and joint ventures		144	197	147
Total non-current assets		**9,536**	**9,625**	**9,824**
Assets held for sale		-	-	29
Total assets		**23,360**	**23,200**	**22,397**
Liabilities and equity				
Current liabilities:				
Trade accounts payable		(4,610)	(4,544)	(4,146)
Contract liabilities		(365)	(278)	(542)
Current financial debt and other financial liabilities	11	(2,232)	(3,789)	(2,453)
Income taxes payable		(623)	(751)	(551)
Other current liabilities		(739)	(762)	(870)
Provisions		(168)	(147)	(183)
Total current liabilities		**(8,737)**	**(10,271)**	**(8,745)**
Non-current liabilities:				
Financial debt and other non-current liabilities	10, 11	(8,469)	(7,425)	(7,611)
Deferred tax liabilities		(756)	(855)	(778)
Provisions		(970)	(842)	(792)
Total non-current liabilities		**(10,195)**	**(9,122)**	**(9,181)**
Total liabilities		**(18,932)**	**(19,393)**	**(17,926)**
Shareholder's equity:				
Total shareholder's equity		(4,353)	(3,779)	(4,397)
Non-controlling interests		(75)	(28)	(74)
Total equity		**(4,428)**	**(3,807)**	**(4,471)**
Total liabilities and equity		**(23,360)**	**(23,200)**	**(22,397)**

Condensed Consolidated Cash Flow Statement

For the six months ended June 30, ($m)	Notes	2020	2019
Income before taxes		**1,013**	**734**
Reversal of non-cash and other reconciling items	8	629	646
Cash (paid)/received in respect of:			
Interest and other financial receipts		86	105
Interest and other financial payments		(421)	(237)
Income taxes		(103)	(160)
Restructuring costs		(15)	(20)
Contributions to pension plans, excluding restructuring costs		(62)	(62)
Other provisions	12	(14)	(1,136)
Operating cash flow before change in net working capital		**1,113**	**(130)**
Change in net working capital:			
Change in inventories		(219)	(470)
Change in trade and other working capital assets		(1,209)	(1,409)
Change in trade and other working capital liabilities		370	603
Cash flow from/(used for) operating activities		**55**	**(1,406)**
Additions to property, plant and equipment		(177)	(184)
Purchases of intangible assets, investments in associates and other financial assets		(205)	(53)
Proceeds from disposals of non-current assets	4	41	352
Acquisitions and divestments, net		(3)	-
Cash flow (used for)/from investing activities		**(344)**	**115**
Proceeds from increase in third party interest-bearing debt		1,659	1,819
Repayments of third party interest-bearing debt		(1,650)	(395)
Distributions paid to shareholder		-	(450)
Cash flow from financing activities		**9**	**974**
Net effect of currency translation on cash and cash equivalents		(47)	5
Net change in cash and cash equivalents		**(327)**	**(312)**
Cash and cash equivalents at the beginning of the period		1,933	1,563
Cash and cash equivalents at the end of the period		**1,606**	**1,251**

Condensed Consolidated Statement of Changes in Equity

($m)	Attributable to Syngenta AG shareholder: Par value of ordinary shares	Additional paid-in capital	Treasury shares, at cost	Fair value reserves	Cumulative translation adjustment	Retained earnings	Total share-holder's equity	Non-controlling interests	Total equity
January 1, 2019 as restated [1]	**6**	**3,416**	**(67)**	**(25)**	**(1,610)**	**2,398**	**4,118**	**26**	**4,144**
Net income						798	798	2	800
OCI				(58)	(50)	(129)	(237)		(237)
Total comprehensive (loss)/income	**-**	**-**	**-**	**(58)**	**(50)**	**669**	**561**	**2**	**563**
Transactions with owner as owner:									
Distributions to shareholder						(900)	(900)		(900)
Distribution in kind: Treasury shares			67			(67)	-		-
Other				2		(2)	-		-
June 30, 2019	**6**	**3,416**	**-**	**(81)**	**(1,660)**	**2,098**	**3,779**	**28**	**3,807**
January 1, 2020	**6**	**3,416**	**-**	**(11)**	**(1,796)**	**2,782**	**4,397**	**74**	**4,471**
Net income						855	855	3	858
OCI				(123)	(602)	(166)	(891)	(2)	(893)
Total comprehensive (loss)/income	**-**	**-**	**-**	**(123)**	**(602)**	**689**	**(36)**	**1**	**(35)**
Other				(8)	-	-	(8)	-	(8)
June 30, 2020	**6**	**3,416**	**-**	**(142)**	**(2,398)**	**3,471**	**4,353**	**75**	**4,428**

1 *After effect of accounting policy changes and restatements described in Note 2 to Syngenta's 2019 annual consolidated financial statements.*

On April 12, 2019, a dividend of $900 million was declared. On April 24, 2019, $450 million was paid to Syngenta's parent company, CNAC Saturn (NL) B.V. The remaining $450 million was paid on November 15, 2019.

In June 2019, Syngenta distributed the remaining 195,676 Treasury shares as an in-kind dividend to its parent company, CNAC Saturn (NL) B.V.

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 chemicals include herbicides, insecticides, fungicides and seed treatments to control weeds, insects and diseases in crops, 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, 2020 and 2019 incorporate the financial statements of Syngenta AG and of 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 27 to Syngenta's 2019 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 were authorized for issue by the Board of Directors on July 21, 2020.

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: On March 11 2020, the World Health Organization declared the coronavirus disease ("COVID-19") a pandemic and governments around the world implemented stringent restrictions to limit business operations and movement of people. Most governments, however, have declared agriculture as an "essential activity" allowing Syngenta to continue operating to the fullest extent possible. Syngenta is managing the impacts of COVID-19 through emergency management teams at global, regional, country and site levels. To date, there have not been significant disruptions to supply and mitigation plans are in place to manage potential risks to supply chains. During March, remote working was implemented where possible and non-critical business travel restricted. These measures have not significantly affected Syngenta's ability to maintain business operations.

Syngenta regularly monitors the economic uncertainty impacting global markets, including currency values and commodity prices and has not identified any risks that could materially impact its financial position as at June 30, 2020. COVID-19 has not resulted in significant adjustments to carrying amounts of assets and liabilities or revisions to critical accounting estimates.

In the six months ended June 30, 2020, Research and development costs decreased by $171 million from the six month period ended June 30, 2019, which is largely due to the capitalization of development costs in the first six months of 2020. During 2019, as described in Note 2 to Syngenta's 2019 annual consolidated financial statements, Syngenta introduced enhanced project planning and reporting processes that enabled it to measure reliably, and hence to capitalize, the costs of intangible assets arising from development.

Other general and administrative costs have reduced significantly in the six months ended June 30, 2020 compared with the six months ended June 20, 2019. This includes $29 million of gains from currency hedging (2019: $25 million of losses) as well as reductions in travel, meeting and event costs and a slowdown in recruitment activity due to COVID-19 restrictions on the movement of people.

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 accounts receivable 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 new or revised IFRSs from January 1, 2020. These IFRSs have not been early adopted and their adoption had no material impact on these condensed consolidated financial statements:

- "Definition of Material", Amendments to IAS 1 and IAS 8;
- "Interest Rate Benchmark Reform", Amendments to IFRS 9, IAS 39 and IFRS 7; Syngenta has exposures to interbank offered rates (IBORs) on its financial instruments that will be replaced or reformed as part of market-wide initiatives to fundamentally reform major interest rate benchmarks.

  Syngenta is evaluating the extent to which contracts reference IBOR cash flows and managing the transition to alternative rates. Syngenta reviews critical terms to determine the economic relationship between the hedged items and the hedging instruments and to assess hedge effectiveness. Hedged items and hedging instruments continue to reference quoted IBOR benchmark rates. Syngenta has a limited volume of hedging relationships where both the hedged items and hedging instruments settlement amounts are impacted by the transition to alternative rates. Syngenta assumes that the replacement rates will be materially the same for the hedged items and the hedging instruments and thus does not expect material ineffectiveness on these hedging relationships.

Syngenta enters into netting agreements under an International Swaps and Derivatives Association (ISDA) master agreement with its respective counterparties. ISDA is currently reviewing its standardized contracts in the light of IBOR reform. When ISDA has completed its review, Syngenta expects to negotiate the inclusion of new fallback clauses with its derivative counterparties. No derivative instruments have been modified as at June 30, 2020.

- "Covid-19-Related Rent Concessions", Amendment to IFRS 16, was issued in May 2020 and provides an exception that allows rent concessions occurring as a direct consequence of the COVID-19 pandemic not to be accounted for as a lease modification. Syngenta has not received rent concessions that meet this requirement and is therefore not applying this exception.

Note 4: Business combinations, divestments and other significant transactions

Six months ended June 30, 2020

No acquisitions, divestments or other significant transactions were completed in the six months ended June 30, 2020.

Six months ended June 30, 2019

No significant acquisitions were completed in the six months ended June 30, 2019.

On January 3, 2019, Syngenta divested certain crop protection products in India, pursuant to commitments given to the Indian antitrust authority Competition Commission of India relating to ChemChina's acquisition of Syngenta. The gain on this disposal was $28 million. With this transaction, Syngenta has now completed all remedy divestments it committed to make in connection with ChemChina's acquisition.

On January 3, 2019, Syngenta completed the sale and leaseback transaction for those buildings and land at its Basel site which were not disposed of in 2018. The total gain on this 2019 disposal was $128 million, of which $87 million was recognized as a gain at the disposal date and $41 million, corresponding to the value of the retained leaseback, is deferred in accordance with IFRS 16, through reduction in the amount recognized for the right-of-use asset, and is being amortized over a 10 year period from the disposal date.

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, 2020 ($m)	**Crop Protection**	**Seeds**	**Total segments**	**Restructuring**	**Group**
Sales	**5,477**	**1,620**	**7,097**	**-**	**7,097**
Cost of goods sold	(3,041)	(868)	(3,909)	-	(3,909)
Gross profit	**2,436**	**752**	**3,188**	**-**	**3,188**
Marketing and distribution	(721)	(347)	(1,068)	-	(1,068)
Research and development	(276)	(177)	(453)	-	(453)
General and administrative:					
Restructuring	-	-	-	(78)	(78)
Other general and administrative	(226)	(107)	(333)	-	(333)
Operating income/(loss)	**1,213**	**121**	**1,334**	**(78)**	**1,256**
Income from associates and joint ventures					1
Financial expense, net					(244)
Income before taxes					**1,013**

For the six months ended June 30, 2019 ($m)	**Crop Protection**	**Seeds**	**Total segments**	**Restructuring**	**Group**
Sales	**5,172**	**1,594**	**6,766**	**-**	**6,766**
Cost of goods sold	(2,771)	(847)	(3,618)	(1)	(3,619)
Gross profit/(loss)	**2,401**	**747**	**3,148**	**(1)**	**3,147**
Marketing and distribution	(716)	(342)	(1,058)	-	(1,058)
Research and development	(347)	(277)	(624)	-	(624)
General and administrative:					
Restructuring	-	-	-	(211)	(211)
Gains on divestments and disposals of non-current assets	66	21	87	28	115
Other general and administrative	(287)	(131)	(418)	-	(418)
Operating income	**1,117**	**18**	**1,135**	**(184)**	**951**
Income from associates and joint ventures					2
Financial expense, net					(219)
Income before taxes					**734**

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)	2020	2019
Selective herbicides	1,604	1,493
Non-selective herbicides	411	417
Fungicides	1,778	1,661
Insecticides	899	896
Seedcare	498	458
Professional solutions	215	219
Other crop protection	111	62
Total Crop Protection	**5,516**	**5,206**
Corn and soybean	806	755
Diverse field crops	369	397
Vegetables	333	319
Flowers	112	123
Total Seeds	**1,620**	**1,594**
Elimination of Crop Protection sales to Seeds	(39)	(34)
Group sales	**7,097**	**6,766**

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

For the six months ended June 30,

($m)	2020	2019
Europe, Africa and Middle East	2,636	2,661
North America	1,974	1,894
Latin America	1,378	1,216
Asia Pacific	1,109	995
Group sales	**7,097**	**6,766**

Note 6: Restructuring

($m)	2020	2019
Accelerating operational leverage and other productivity programs:		
Cash costs	34	19
Acquisition, divestment and related costs:		
Cash costs	14	12
Non-cash items	-	1
Other restructuring:		
Cash costs	28	38
Other non-current asset impairments	2	142
Total	**78**	**212**

In 2019, $1 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, 2019 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.

2020

Accelerating operational leverage and other productivity programs
Cash costs of $34 million, including $21 million of severance charges, were incurred for productivity initiatives consisting of $26 million incurred to better align the organization in EAME with the business strategies and $8 million for system projects, include digital tools and automation initiatives and an upgraded financial reporting and analytics platform.

Acquisition, integration and related costs
Cash costs includes $4 million incurred for merger and acquisition projects and other transaction costs, $5 million incurred for integration projects and $5 million of costs related to the formation of the Syngenta Group.

Other restructuring
Other cash costs consist of $15 million related to the closure of a manufacturing site in the USA announced in June 2019 and $13 million to provide for a Seeds development contract where forecasted demand is less than minimum future commitments. Other non-current asset impairments consist of $2 million for property, plant and equipment.

2019

Accelerating operational leverage and other productivity programs
Cash costs of $19 million, including $11 million of severance and pension charges and $2 million of information systems projects, were incurred for productivity initiatives and to continue to simplify the layers of management, including at the global headquarters.

Acquisition, integration and related costs
Cash costs included $5 million for merger and acquisition projects and other transaction costs and $7 million incurred for integration projects related to 2018 acquisitions.

Other restructuring
Other cash costs related to the closure of a manufacturing site in the US announced in June 2019, including charges to provide for environmental remediation activities and severance. Other non-current asset impairments consisted of $90 million for property, plant and equipment and $10 million for inventories at the manufacturing site; and an impairment of capitalized agreements related to a seed technology where future value is expected to decrease significantly due to increasing competition and a declining market.

Note 7: Income taxes

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”)

The CARES Act, a law intended to address the economic fallout of the COVID-19 pandemic in the United States, came into effect on March 27, 2020.

Among many other provisions, the CARES Act increases the tax deduction for net operating losses from 80 percent to 100 percent, for 2018, 2019, and 2020 and allows net operating losses from 2018, 2019, and 2020 to be carried back to up to five years, resulting in retroactive tax refunds. As a result, Syngenta recorded an estimated $27 million favourable one-time impact (tax credit) within income tax expense for the six months ended June 30, 2020.

Swiss Corporate Income Tax Reform

The Swiss public voted on May 19, 2019 to adopt the Federal Act on Tax Reform and AHV Financing ("TRAF") which reforms corporate taxation in Switzerland. The tax reform has several consequences including a change of the Swiss Cantonal and Communal Income Tax Harmonization Act ("CCITHA") which provides guidance on provisions in the cantonal tax laws for income and capital taxes. The changed CCITHA is scheduled to enter into force at federal level on January 1, 2020. To the extent that the tax reform measures relate to cantonal and communal income tax law changes, the measures will effectively be implemented through modification of the cantonal tax law.

As a result of the changes, described in detail in Note 2 to Syngenta's 2019 annual consolidated financial statements, Syngenta revalued its Swiss deferred tax positions that will be settled or realized in tax year 2020 onwards, recording an estimated $195 million favourable one-time impact (tax credit) within income tax expense for the six months ended June 30, 2019, and a $70 million unfavourable one-time impact (tax charge) within OCI for deferred tax positions related to pension actuarial losses charged to OCI.

Note 8: Non-cash and other reconciling items included in income before taxes

($m)	**2020**	**2019**
Depreciation, amortization and impairment of:		
Property, plant and equipment and right-of-use assets	213	289
Intangible assets	129	166
Deferred revenue, divestment and other gains and losses	1	(115)
Charges in respect of pension provisions	50	47
Charges in respect of other provisions	29	42
Financial expense, net	244	219
Gains on hedges reported in operating income	(36)	-
Income from associates and joint ventures	(1)	(2)
Total	**629**	**646**

Note 9: 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:

		Average six months ending June 30,		June 30,	June 30,	December 31,
Per $		**2020**	**2019**	**2020**	**2019**	**2019**
Brazilian real	BRL	4.93	3.84	5.48	3.83	4.03
Swiss franc	CHF	0.97	1.00	0.95	0.97	0.97
Euro	EUR	0.91	0.88	0.89	0.88	0.89
British pound sterling	GBP	0.79	0.77	0.82	0.79	0.76
Russian ruble	RUB	69.13	65.88	70.98	63.04	62.17
Ukrainian hryvnia	UAH	25.85	27.17	26.69	26.18	23.69

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 10: Issuances, repurchases and repayments of debt and equity securities

2020

In February 2020, Syngenta issued a CHF 200 million 0.125% bond with a maturity date of December 2022 and a CHF 140 million 0.700% bond with a maturity date of December 2026. In March 2020, Syngenta also raised an additional $500 million on the floating interest rate loan raised in 2019. In April 2020, Syngenta issued a EUR 600 million 3.375% bond with a maturity date of April 2026.

In April 2020, Syngenta repaid a $750 million bond at maturity.

2019

In April 2019, Syngenta raised a $500 million loan with a floating interest rate and a term of 5 years.

Note 11: 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, 2020 and December 31, 2019. The fair value hierarchy is shown for those financial assets and liabilities that are carried at fair value in the condensed consolidated balance sheet.

	Carrying amount (based on measurement basis)				
At June 30, 2020 ($m)	**Fair value level 1**	**Fair value level 2**	**Fair value level 3**	**Total**	**Comparison fair value**
Trade receivables, net:					
At amortized cost				5,286	5,286
Total				**5,286**	**5,286**
Derivative and other financial assets:					
Derivative financial assets	9	557	-	566	566
Marketable securities	6	-	-	6	6
At amortized cost				295	295
Total				**867**	**867**
Financial and other non-current assets:					
Equity investments at fair value through OCI	-	-	141	141	141
Derivative financial assets	-	37	-	37	37
Loans, receivables and pooled investments:					
at fair value through profit and loss	55	18	-	73	73
at amortized cost				160	160
Other, not carried at fair value				166	
Total				**577**	
Current financial debt and other financial liabilities:					
Derivative financial liabilities	-	579	-	579	579
Lease liabilities at amortized cost				99	
Other non-derivative financial liabilities at amortized cost				1,554	1,524
Total				**2,232**	
Financial debt and other non-current liabilities:					
Derivative financial liabilities	-	259	-	259	259
Lease liabilities at amortized cost				448	
Other non-derivative financial liabilities at amortized cost				7,653	7,805
Non-financial liabilities				109	
Total				**8,469**	

At December 31, 2019 ($m)	Carrying amount (based on measurement basis) Fair value level 1	Fair value level 2	Fair value Level 3	Total	Comparison fair value
Trade receivables, net:					
At amortized cost				4,358	4,358
Total				**4,358**	**4,358**
Derivative and other financial assets:					
Derivative financial assets	12	73	-	85	85
Marketable securities	19	-	-	19	19
At amortized cost				210	210
Total				**314**	**314**
Financial and other non-current assets:					
Equity investments at fair value through OCI	-	-	140	140	140
Derivative financial assets	-	37	-	37	37
Loans, receivables and pooled investments:					
at fair value through profit and loss	58	31	-	89	89
at amortized cost				174	174
Other, not carried at fair value				168	
Total				**608**	
Current financial debt and other financial liabilities:					
Derivative financial liabilities	-	147	-	147	147
Lease liabilities at amortized cost				103	
Other non-derivative financial liabilities at amortized cost				2,203	2,203
Total				**2,453**	
Financial debt and other non-current liabilities:					
Derivative financial liabilities	-	139	-	139	139
Lease liabilities at amortized cost				476	
Other non-derivative financial liabilities at amortized cost				6,856	7,113
Non-financial liabilities				140	
Total				**7,611**	

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 26 to Syngenta's 2019 annual consolidated financial statements. During the six month periods ended June 30, 2020 and 2019, there were no 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 12: Commitments and contingencies

Litigation matters

Viptera™

On March 29, 2019, Syngenta made its final payment of $1.1 billion to the settlement fund described in Note 20 to Syngenta's 2019 annual consolidated financial statements.

Note 13: Related party transactions

On January 5, 2020, ChemChina announced a planned reorganization to bring together its Crop Protection and Seeds businesses, consisting of ChemChina's holdings in the Syngenta AG group and in Adama Ltd., as well as major agricultural assets to be acquired from Sinochem Group. On June 18, 2020, Syngenta Group Co. Ltd. announced the official launch of the Syngenta Group, a new global leader in agricultural science and innovation. The new entity, which is domiciled in China, but operationally headquartered in Switzerland, encompasses four business units: Syngenta Crop Protection, based in Basel, Switzerland; Syngenta Seeds, based in Chicago, USA; Adama, based in Airport City, Israel; and Syngenta Group China, based in Shanghai, China.

Syngenta has provided collateral in the form of a $20 million short-term bank deposit to guarantee a credit line for Syngenta Group Co. Ltd.'s initial expenses.

Note 14: Subsequent events

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

Financial summary

For the six months ended June 30, ($m)	Excluding restructuring and impairment [1] 2020	2019	Restructuring and impairment 2020	2019	As reported under IFRS 2020	2019
Sales	**7,097**	**6,766**	**-**	**-**	**7,097**	**6,766**
Gross profit/(loss)	**3,188**	**3,148**	**-**	**(1)**	**3,188**	**3,147**
Marketing and distribution	(1,068)	(1,058)	-	-	(1,068)	(1,058)
Research and development	(453)	(624)	-	-	(453)	(624)
General and administrative:						
Restructuring	-	-	(78)	(211)	(78)	(211)
Gains on divestments and disposals of non-current assets	-	87	-	28	-	115
Other general and administrative	(333)	(418)	-	-	(333)	(418)
Operating income/(loss)	**1,334**	**1,135**	**(78)**	**(184)**	**1,256**	**951**
Income/(loss) before taxes	**1,091**	**918**	**(78)**	**(184)**	**1,013**	**734**
Income tax (expense)/benefit	(169)	34	14	32	(155)	66
Net income/(loss)	**922**	**952**	**(64)**	**(152)**	**858**	**800**
Attributable to non-controlling interests	(3)	(2)	-	-	(3)	(2)
Attributable to Syngenta AG shareholder	**919**	**950**	**(64)**	**(152)**	**855**	**798**

	2020	2019	2020 CER [2]
EBITDA [3]	**1,675**	**1,461**	
EBITDA margin	**23.6%**	**21.6%**	**24.4%**
Tax rate on results excluding restructuring and impairment	**15%**	**(4)%**	
Free cash flow [4]	**(258)**	**(1,439)**	
Debt/equity gearing [5]	**185%**	**229%**	
Net debt [5]	**8,035**	**8,665**	

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 19.*

3 *EBITDA is defined in Appendix B on page 19.*

4 *For a description of free cash flow, see Appendix C on page 20.*

5 *For a description of net debt and the calculation of debt/equity gearing, see Appendix D on page 21.*

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 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)	**2020**	**2019**
Net income attributable to Syngenta AG shareholder	**855**	**798**
Non-controlling interests	3	2
Income tax expense/(benefit)	155	(66)
Financial expense, net	244	219
Restructuring and impairment	78	184
Depreciation, amortization and other impairment	340	324
EBITDA	**1,675**	**1,461**

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)	**2020**	**2019**
Cash flow from/(used for) operating activities	55	(1,406)
Cash flow (used for)/from investing activities	(344)	115
Cash flow from marketable securities	(17)	(54)
Cash flow used for/(from) foreign exchange movements and settlement of hedges of inter-company loans	48	(94)
Free cash flow	**(258)**	**(1,439)**

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, ($m)	2020	2019
Opening balance at January 1	**7,572**	**6,326**
Other non-cash items	54	363
Cash paid under Credit Support Annex agreements, net	92	187
Foreign exchange effect on net debt	59	(100)
Dividends paid	-	450
Free cash flow	258	1,439
Closing balance at June 30	**8,035**	**8,665**
Components of closing balance:		
Cash and cash equivalents	(1,606)	(1,251)
Marketable securities [1]	(24)	(160)
Current financial debt [2]	1,567	2,907
Non-current financial debt [3]	8,098	7,169
Closing balance at June 30	**8,035**	**8,665**

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, 2020 and 2019:

($m)	2020	2019
Net debt	8,035	8,665
Shareholder's equity	4,353	3,779
Debt/Equity gearing ratio (%)	**185**	**229**

Contact Information
Media Relations Switzerland
Graeme Taylor
+41 79 309 20 68
media.relations@syngenta.com

Cautionary Statement Regarding Forward-Looking Statements

This document contains forward-looking statements, which can be identified by terminology such as ‘expect’, ‘would’, ‘will’, ‘potential’, ‘plans’, ‘prospects’, ‘estimated’, ‘aiming’, ‘on track’ and similar expressions. Such statements may be subject to risks and uncertainties that could cause the actual results to differ materially from these statements. For Syngenta, such risks and uncertainties include risks relating to legal proceedings, regulatory approvals, new product development, increasing competition, customer credit risk, general economic and market conditions, compliance and remediation, intellectual property rights, implementation of organizational changes, impairment of intangible assets, consumer perceptions of genetically modified crops and organisms or crop protection chemicals, climatic variations, fluctuations in exchange rates and/or commodity prices, single source supply arrangements, political uncertainty, natural disasters, and breaches of data security or other disruptions of information technology. Syngenta assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.