



# Financial Statements of Syngenta AG 2019

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## Income Statement

(for the years ended December 31, 2019 and 2018)

	Notes	2019 (USD million) <sup>1</sup>	2019 (CHF million)	2018 (CHF million)
<b>Income:</b>				
Dividend income	2	1,930	1,869	533
Other financial income	2	68	66	63
<b>Total income</b>		<b>1,998</b>	<b>1,935</b>	<b>596</b>
<b>Expenses:</b>				
Financial expenses		(16)	(16)	(26)
Operating expenses		(11)	(10)	(11)
Direct taxes		(6)	(6)	(3)
<b>Total expenses</b>		<b>(33)</b>	<b>(32)</b>	<b>(40)</b>
<b>Net income</b>		<b>1,965</b>	<b>1,903</b>	<b>556</b>

<sup>1</sup> On January 1, 2019, the accounting functional currency was changed from Swiss Franc (CHF) to US Dollar (USD). See Note 1 for further details.

## Balance Sheet

(at December 31, 2019 and 2018)

	Notes	2019 (USD million) <sup>1</sup>	2019 (CHF million)	2018 (CHF million)
<b>Assets</b>				
<b>Current assets:</b>				
Short-term loans to subsidiaries	2	191	185	774
Prepayments and accrued income		1	1	1
<b>Total current assets</b>		<b>192</b>	<b>186</b>	<b>775</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	3	5,381	5,211	4,284
<b>Total non-current assets</b>		<b>5,381</b>	<b>5,211</b>	<b>4,284</b>
<b>Total assets</b>		<b>5,573</b>	<b>5,397</b>	<b>5,059</b>
<b>Liabilities and shareholders' equity:</b>				
<b>Short-term liabilities:</b>				
Short-term interest-bearing loans from subsidiaries	2	-	-	(630)
Short-term liabilities to subsidiaries		(8)	(8)	(4)
Accrued expenses and deferred income		(14)	(14)	(10)
<b>Total short-term liabilities</b>		<b>(22)</b>	<b>(22)</b>	<b>(644)</b>
<b>Equity</b>				
Share capital	4, 5	(9)	(9)	(9)
Legal reserves:				
Legal reserves from capital contributions	4	(28)	(27)	(27)
Legal reserves from retained earnings	4	(2)	(2)	(2)
Voluntary retained earnings:				
Other reserves	4	(1,653)	(1,601)	(1,628)
Cumulative translation adjustment	4	-	1	-
Retained earnings	4	(1,894)	(1,834)	(2,257)
Net income		(1,965)	(1,903)	(556)
Treasury shares	4, 6	-	-	64
<b>Total shareholders' equity</b>		<b>(5,551)</b>	<b>(5,375)</b>	<b>(4,415)</b>
<b>Total liabilities and shareholders' equity</b>		<b>(5,573)</b>	<b>(5,397)</b>	<b>(5,059)</b>

<sup>1</sup> On January 1, 2019, the accounting functional currency was changed from Swiss Franc (CHF) to US Dollar (USD). See Note 1 for further details.

### 1. Accounting policies

#### Ownership

Syngenta AG, domiciled in Basel, Switzerland, is a fully owned subsidiary of CNAC Saturn (NL) B.V., a subsidiary of China National Chemical Corporation ("ChemChina").

Syngenta AG ordinary shares were delisted from the SIX Swiss Exchange on January 8, 2018, and Syngenta AG ADSs were delisted from the New York Stock Exchange on January 18, 2018. On January 19, 2018, Syngenta terminated its registration with the U.S. Securities and Exchange Commission of the securities issued by Syngenta AG and Syngenta Finance N.V. under Section 12(g) of the Securities Exchange Act of 1934 (the "Act").

#### General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations) (the "Law"). The significant accounting and valuation principles applied that are not prescribed by the Law are described below.

On January 1, 2019, the accounting functional currency was changed from Swiss Franc (CHF) to US Dollar (USD). The change was made to reflect that Syngenta AG, under the ownership of ChemChina has the USD as its predominant currency for the majority of its cash flows, which includes dividend payments made to ChemChina. All income statement and balance sheet positions are translated at the closing exchange rates approved by the tax authorities of canton Basel-Stadt. Share capital and legal reserves are translated at historical rates.

All references to the "Syngenta AG group" relate to Syngenta AG and its direct and indirect subsidiaries.

#### Exchange rate differences

##### Exchange rate differences recorded in the financial statements in USD:

Except for investments in subsidiaries, associates and joint ventures, which are translated at historical rates, all assets and liabilities denominated in foreign currencies are translated into USD using year-end rates of exchange. Realized exchange gains and losses arising from these as well as those from business transactions denominated in foreign currencies are recorded in the income statement. Net unrealized exchange losses are recorded in the income statement; net unrealized gains, however, are deferred within accrued liabilities.

##### Exchange rate difference arising on translation of the financial statements from USD to CHF:

All income statement and balance sheet positions are translated at the closing rate approved by the tax authorities of canton Basel-Stadt, which is 0.9684 at December 31, 2019. Share capital and legal reserves are translated at historical rates. The change in foreign exchange rate as compared to the closing rate of the previous year creates a translation difference on the net assets, which is reflected as translation difference directly in voluntary retained earnings.

#### Investments in subsidiaries

Investments are recorded at acquisition cost less any impairment loss.

#### Treasury shares

Treasury shares were recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition.

#### Foregoing a cash flow statement and additional disclosures in the notes

In accordance with the Law, Syngenta AG has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes, as well as a cash flow statement, because it has prepared its consolidated financial statements in accordance with a recognized accounting standard (International Financial Reporting Standards as issued by the International Accounting Standards Board).

### 2. Information on income statement and balance sheet items

#### Dividend income

Dividend income in the current year consists entirely of dividends received from subsidiaries related to earnings from the previous business years.

#### Other financial income

Other financial income consists mainly of guarantee and other fees received from subsidiaries as well as currency translation gains generated on dividends.

#### Short-term interest-bearing loans to/from subsidiaries

Syngenta AG receives loans from Syngenta AG group companies and provides loans to Syngenta AG group companies.

## Notes to the Financial Statements of Syngenta AG

### 3. Investments in subsidiaries

The following are the significant legal entities of the Syngenta AG group. The disclosure criteria are as follows:

- Companies directly owned by Syngenta AG
- Companies indirectly owned by Syngenta AG with sales in excess of USD 100 million or equivalent or total assets in excess of one percent of total Syngenta AG group assets
- Companies with a financing function

None of the legal entities are listed.

Country	Domicile	Capital and voting rights owned by Syngenta <sup>1</sup>
<b>Argentina</b>		
Syngenta Agro S.A.	Buenos Aires	100%
Nidera Seeds Argentina SAU	Buenos Aires	100%
<b>Australia</b>		
Syngenta Australia Pty Limited	North Ryde	100%
<b>Bangladesh</b>		
Syngenta Bangladesh Limited	Dhaka	60%
<b>Brazil</b>		
Syngenta Proteção de Cultivos Ltda.	São Paulo	100%
Syngenta Seeds Ltda.	São Paulo	100%
<b>Canada</b>		
Syngenta Canada Inc.	Guelph	100%
<b>China</b>		
Syngenta (China) Investment Company Limited	Shanghai	100%
<b>France</b>		
Syngenta France S.A.S.	Saint-Sauveur	100%
Syngenta Holding France SA	Guyancourt	100%
<b>Germany</b>		
Syngenta Agro GmbH	Maintal	100%
<b>Hungary</b>		
Syngenta Hungary Kft.	Budapest	100%
<b>India</b>		
Syngenta India Limited	Pune	96%
<b>Indonesia</b>		
PT Syngenta Indonesia	Jakarta	100%
<b>Italy</b>		
Syngenta Italia S.p.A.	Milano	100%
<b>Japan</b>		
Syngenta Japan K.K.	Tokyo	100%
<b>Mexico</b>		
Syngenta Agro, S.A. de C.V.	México City, D.F.	100%
<b>Netherlands</b>		
Syngenta Seeds B.V.	Enkhuizen	100%
Syngenta Finance N.V.	Enkhuizen	100%
Syngenta Treasury N.V.	Enkhuizen	100%
<b>Panama</b>		
Syngenta Crop Protection S.A.	Panama City	100%
<b>Poland</b>		
Syngenta Polska Sp.z.o.o.	Warsaw	100%
<b>Russian Federation</b>		
OOO Syngenta	Moscow	100%

### 3. Investments in subsidiaries (continued)

Country	Domicile	Capital and voting rights owned by Syngenta <sup>1</sup>
<b>Spain</b>		
Syngenta España S.A.	Madrid	100%
<b>Switzerland</b>		
Syngenta Crop Protection AG <sup>2</sup>	Basel	100%
Syngenta Crop Protection Monthey SA <sup>2</sup>	Monthey	100%
Syngenta Agro AG	Dielsdorf	100%
Syngenta Agroservices Asia AG <sup>2</sup>	Basel	100%
Syngenta Finance AG <sup>2</sup>	Basel	100%
Syngenta Participations AG <sup>2</sup>	Basel	100%
Syngenta South Asia AG <sup>2</sup>	Basel	100%
<b>Ukraine</b>		
Syngenta Limited Liability Company	Kiev	100%
<b>United Kingdom</b>		
Syngenta Limited	Bracknell	100%
Syngenta UK Limited	Fulbourn	100%
<b>USA</b>		
Syngenta Crop Protection, LLC	Wilmington	100%
Syngenta Seeds, LLC	Wilmington	100%
Syngenta Corporation	Wilmington	100%

<sup>1</sup> Except for the merger of Syngenta International AG into Syngenta Crop Protection AG and the merger of Greenleaf Genetics, LLC into Syngenta Seeds, LLC, the capital and voting rights in 2019 have not changed compared to 2018

<sup>2</sup> Direct holding of Syngenta AG

## Notes to the Financial Statements of Syngenta AG

### 4. Equity

In 2019 the accounting functional currency was changed from Swiss Franc (CHF) to US Dollar (USD). See Note 1 for further details.

(USD million)	Share capital and legal reserves			Voluntary retained earnings				Treasury shares	Total
	Share capital	From capital contribution	From retained earnings	Other reserves	Retained earnings	Net income			
<b>Balance at December 31, 2018</b>	<b>9</b>	<b>28</b>	<b>2</b>	<b>1,653</b>	<b>2,293</b>	<b>566</b>	<b>(65)</b>	<b>4,486</b>	
Appropriation of available earnings	-	-	-	-	566	(566)	-	-	
Dividend payment <sup>1</sup>	-	-	-	-	(965)	-	65	(900)	
Net income of the period	-	-	-	-	-	1,965	-	1,965	
<b>Balance at December 31, 2019</b>	<b>9</b>	<b>28</b>	<b>2</b>	<b>1,653</b>	<b>1,894</b>	<b>1,965</b>	<b>-</b>	<b>5,551</b>	

<sup>1</sup> On April 26, 2019 and on November 15, 2019, cash dividends of \$450 million, in total \$900 million, were paid to Syngenta AG's parent company, CNAC Saturn (NL) B.V. 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.

(CHF million)	Share capital and legal reserves			Voluntary retained earnings				Treasury shares	Total
	Share capital	From capital contribution	From retained earnings	Other reserves	Cumulative translation difference	Retained earnings	Net income		
<b>Balance at December 31, 2017</b>	<b>9</b>	<b>27</b>	<b>2</b>	<b>1,628</b>	-	<b>6,543</b>	<b>443</b>	<b>(64)</b>	<b>8,588</b>
Appropriation of available earnings	-	-	-	-	-	443	(443)	-	-
Dividend payment <sup>1</sup>	-	-	-	-	-	(4,729)	-	-	(4,729)
Net income of the period	-	-	-	-	-	-	556	-	556
<b>Balance at December 31, 2018</b>	<b>9</b>	<b>27</b>	<b>2</b>	<b>1,628</b>	-	<b>2,257</b>	<b>556</b>	<b>(64)</b>	<b>4,415</b>
Appropriation of available earnings	-	-	-	-	-	556	(556)	-	-
Translation difference	-	-	-	(27)	(1)	(43)	-	-	(71)
Dividend payment	-	-	-	-	-	(936)	-	64	(872)
Net income of the period	-	-	-	-	-	-	1,903	-	1,903
<b>Balance at December 31, 2019</b>	<b>9</b>	<b>27</b>	<b>2</b>	<b>1,601</b>	<b>(1)</b>	<b>1,834</b>	<b>1,903</b>	<b>-</b>	<b>5,375</b>

<sup>1</sup> On May 7, 2018, a dividend of \$4,707 million was paid to Syngenta AG's parent company, CNAC Saturn (NL) B.V.

### 5. Share capital

	December 31, 2019	Movement in period	December 31, 2018
Total Syngenta AG registered shares	<b>92,578,149</b>	-	92,578,149
Nominal value per share (CHF)	<b>0.10</b>	-	0.10
<b>Total share capital (CHF million)</b>	<b>9.26</b>	-	9.26

### 6. Treasury shares

The number of treasury shares held by Syngenta AG and their movements are as follows:

	2019	2018
Total treasury shares held by Syngenta AG at January 1	<b>195,676</b>	195,676
Distribution in kind <sup>1</sup>	<b>(195,676)</b>	-
Total treasury shares held by Syngenta AG at December 31	-	195,676
Average purchase price per share, CHF	-	325.42

<sup>1</sup> 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.



### 7. Contingent liabilities

	Maximum amount December 31,		Amount in effect at December 31,			
	2019 (USD million)	2019 (CHF million)	2018 (CHF million)	2019 (USD million)	2019 (CHF million)	2018 (CHF million)
External borrowing activities:						
Euro medium-term notes	1,535	1,486	1,877	1,535	1,486	1,877
US bonds <sup>1</sup>	5,500	5,326	5,413	5,500	5,326	5,413
Private placement notes	104	100	102	104	100	102
Commercial paper	2,500	2,421	2,461	877	850	79
Credit facilities and loans	3,500	3,389	2,953	500	484	148
Group treasury lending, borrowing and hedging activities	22,244	21,540	21,559	13,339	12,917	12,855
<b>Total</b>	<b>35,383</b>	<b>34,262</b>	<b>34,365</b>	<b>21,855</b>	<b>21,163</b>	<b>20,474</b>

<sup>1</sup> Consists of Rule 144/Regulation S under the U.S. Securities Act of 1933 notes

#### External borrowing activities

Syngenta AG has fully and unconditionally guaranteed on a senior unsecured basis the due and punctual payment of the principal of and any premium and interest on the debt securities issued by Syngenta Finance N.V., which is an indirect wholly-owned finance subsidiary, and Syngenta Finance AG, which is a direct, wholly-owned finance subsidiary. The guarantees rank equally with all other unsecured and unsubordinated debt of the Syngenta AG group. No other subsidiary of Syngenta AG guarantees such debt securities.

#### Treasury - intercompany lending, borrowing and hedging activities

Syngenta AG guarantees intercompany loans for the Syngenta AG group for a maximum amount of USD 22,244 million (CHF 21,540 million) as at December 31, 2019, out of which USD 13,339 million (CHF 12,917 million) are outstanding as at December 31, 2019. Additionally, at the request of the Dutch authorities, Syngenta AG guarantees credit risk arising on lending, borrowing and hedging activities between Syngenta Treasury N.V. (a limited liability company organized under the laws of the Netherlands and an indirectly wholly-owned finance subsidiary) and other group companies, subject to a threshold of EUR 250 million.

#### External hedging activities – financial instruments

External hedging activities refer to financial instruments where Syngenta Treasury N.V. is the contractual party hedging exposures arising in the Syngenta AG group with external counterparties.

These financial instruments are transacted under International Swap and Derivative Association (ISDA) contracts. In addition, for certain financial instruments positions, Credit Support Annex (CSA) contracts are in place under which cash is exchanged as collateral.

Syngenta AG guarantees the financial instruments transactions entered into under these ISDA contracts. The contingent liabilities related to these financial instruments are significantly limited by the credit risk mitigation measures applicable under the ISDA and the CSA contracts and amount to USD 25 million (CHF 24 million) at December 31, 2019 (2018: USD 5 million; CHF 5 million).

#### Litigation matters

Since September 12, 2014, several thousand lawsuits were filed against various Syngenta legal entities, among them Syngenta AG, in state and federal courts in the United States by plaintiffs seeking damages from Syngenta for commercializing its Agrisure Viptera<sup>®</sup> (MIR162) and Duracade<sup>™</sup> corn seeds in the U.S. without having obtained import approval from China for those products. In September 2017, a settlement of USD 1.5 billion to resolve all claims on behalf of U.S. non-Viptera and Viptera producers as well as grain elevators and ethanol plants was reached. The settlement amount, which was to be paid by Syngenta entities in the U.S. and in Switzerland, was included in the net result 2017 of the Syngenta AG group. On April 10, 2018, preliminary court approval was granted in respect of the pending settlement, and the establishment of a Qualified Settlement Fund of \$1.51 billion was granted for the submission of claims by eligible claimants who contracted to price corn or DDGs (distillers dried grains with solubles) after September 2013. The Syngenta AG group was directed to make the first and second installments of \$200 million each into an escrow account. Final approval for the pending settlement was granted by court order dated December 7, 2018. On March 29, 2019 the Syngenta AG group made its final payment of USD 1.1 billion. The settlement does not cover claims of certain exporter plaintiffs such as Cargill (separate settlements were reached with exporters ADM and Louis Dreyfus), and there are 16 producers and one ethanol plant who opted out of the settlement. The Syngenta AG group is continuing to defend against claims of exporters and plaintiffs who opted out of the settlement. It strongly believes that those claims are without merit and will vigorously defend the lawsuits.

Putative class actions similar to those in the U.S. were filed in Ontario and Quebec, Canada, against Syngenta Canada Inc. and Syngenta AG in December 2015 and February 2017, respectively. In the Ontario action, the judge granted Syngenta's motion to strike and, by decision dated November 28, 2018, dismissed the action in its entirety. The plaintiff appealed and, while the Court of Appeal denied plaintiff's appeal of the lower court's decision dismissing the claim as to the negligent misrepresentation and Competition Act claims, it granted the appeal as to the premature commercialization claim which would allow the lawsuit to continue as to that claim alone. The Syngenta AG group has filed the documents necessary to seek leave to appeal the Court of Appeal's decision to the Supreme Court of Canada. The Quebec action is at a very

early stage. The Canadian actions are not covered by the settlement in the U.S. The Syngenta AG group is continuing to vigorously defend against the Canadian actions and strongly believes that they are without merit.

In August 2013, a personal injury complaint relating to atrazine was filed under seal in St. Clair County, Illinois, State Court on behalf of an unnamed minor and his parents against Syngenta Crop Protection LLC, Syngenta AG and certain dealers and distributors. The Court granted the minor permission to proceed in the public record under the fictitious name "James Doe" - and for his parents to use the names "Jane Doe" and "John Doe". The lawsuit alleges that James Doe's congenital birth defect, hypospadias, was caused by his mother consuming atrazine contaminated drinking water while she was pregnant. The complaint alleges public nuisance, strict liability, and negligence and seeks unspecified damages together with the costs of suit. Fact discovery in the litigation started in early 2014 and is continuing. Syngenta strongly believes that the claims are without merit and is vigorously defending against the action.

On September 15, 2017, a complaint was filed in St. Clair County, Illinois state court on behalf of plaintiffs Thomas Hoffmann and Diana Hoffmann against Syngenta Crop Protection, LLC; Syngenta AG; and Growmark, Inc. The complaint alleges that Mr. Hoffmann suffers from Parkinson's disease caused by chronic exposure to the herbicide paraquat while working as a corn, soybean, and wheat farmer in Illinois. On October 6, 2017, an amended complaint was filed in St. Clair County, Illinois state court on behalf of twelve plaintiffs (seven men who are said to have been diagnosed with Parkinson's disease and five of their wives) against Syngenta Crop Protection LLC, Syngenta AG and certain dealers and distributors. The complaint alleges that the seven men suffer from Parkinson's disease due to chronic exposure to paraquat and states the following counts: (1) Strict Liability – Design Defect; (2) Strict Liability – Failure to Warn; (3) Negligence; (4) Public Nuisance; (5) Consumer Fraud & Deceptive Business Practices Act; and (6) Breach of Implied Warranty of Merchantability. The Syngenta AG group's motion to dismiss was denied by court order dated July 31, 2018, and the case is now at the discovery stage. In December 2018, a complaint was filed in St. Clair County, Illinois state court on behalf of plaintiffs Marvin Wendler and Lorena Wendler against Syngenta Crop Protection, LLC, Syngenta AG, and certain dealers and distributors. The complaint asserts the same claims as the Hoffmann complaint. Also in December 2018, a complaint was filed in St. Clair County, Illinois state court on behalf of plaintiffs Lloyd Pulcher and Patricia Pulcher against Syngenta AG and a distributor. The complaint asserts the same claims as the Hoffmann complaint. Syngenta Crop Protection, LLC filed its answer to the Wendler complaint in February 2019, and Syngenta AG filed its answers to the two complaints, Wendler and Pulcher, in March 2019. The Syngenta AG group strongly believes that these claims are without merit and is vigorously defending against the actions.

In April 2019, ten complaints were filed in California state court on behalf of 16 plaintiffs (including ten men who are said to have been diagnosed with Parkinson's disease and six of their wives). The complaints name Syngenta AG and Syngenta Crop Protection LLC and various distributors. The ten California complaints allege the following counts: (1) Strict Products Liability; (2) Negligence; (3) Public Nuisance; (4) California Consumer Legal Remedies Act; and (5) Breach of Implied Warranty of Merchantability. The California cases have been consolidated for pretrial purposes. On December 23, 2019, the court denied defendants' motion to dismiss. No case schedule has been set and the California cases remain at an early stage. The Syngenta AG group strongly believes that the claims are without merit and is vigorously defending against the actions.

### Canada beekeeper lawsuits

In September 2014, a claim was filed in Ontario, Canada by two proposed representative members on behalf of a putative class comprising all beekeepers who have owned or continue to own and operate honey producing, pollinating, and/or queen bee rearing businesses in Canada since January 1, 2006, against a number of Syngenta AG group legal entities together with certain entities of a second manufacturer of neonicotinoid insecticides. Plaintiffs allege negligence through the sale by that manufacturer and by Syngenta AG group of products containing such insecticides in the knowledge that they would be injurious to bees and by virtue of misrepresentations and concealment relating thereto. Plaintiffs claim 400 million Canadian dollars (\$308 million at December 31, 2019 exchange rates) general and 50 million Canadian dollars (\$38 million at December 31, 2019 exchange rates) punitive damages. The pleadings in the Ontario proceedings were subsequently amended by plaintiffs' counsel to add waiver of tort and unlawful conspiracy to the single cause of action, negligence, which was previously pleaded. Both of the additional causes of action are ancillary to and largely dependent on the negligence claim. The class has not yet been authorized. The Syngenta AG group strongly believes that the claims are without merit and is vigorously defending against the action.

In October 2014, a Motion for Authorization was filed by the same firm of plaintiffs' counsel in Montréal, Quebec seeking permission to bring a similar class proceeding in that province. The proposed representative plaintiff operates a family business specialized in the breeding of queen bees. The Quebec litigation closely resembles the original Ontario lawsuit claiming negligence except that, rather than a nationwide class, it alleges a class limited to Quebec. At this early stage damages are unspecified. The Motion for Authorization was argued in November 2017. The Quebec class has been authorized on August 20, 2018, and notices have been sent to potential class members. Plaintiffs' motion to add Syngenta AG as a defendant has been granted. The Syngenta AG group strongly believes that the claims are without merit and is vigorously defending against the action.

### Other

In a Deed of Guarantee dated December 6, 2017, Syngenta AG guaranteed to Syngenta Pensions Trustee Limited (the "Fund"), that if Syngenta Limited, or other Syngenta affiliates ("Employers"), which participate in the Fund, do not pay punctually amounts they owe to the Fund, then Syngenta AG will pay that amount instead of the Employers. This replaced the letter addressed to Syngenta Pensions Trustee Limited, dated July 2, 2013, and subsequently updated on January 24, 2014, in which Syngenta AG confirmed that it would ensure that Syngenta Limited would honor its obligation to guarantee the solvency and due payment of benefits of the Syngenta UK Pension Fund.

In a Deed of Guarantee dated 23.12.2019, Syngenta AG guaranteed to Jealott's Hill Unit Trust the rental payments for the Jealott's Hill research station to be paid by Syngenta Limited.

Syngenta AG is part of a group of Swiss entities of Syngenta which are jointly and severally liable for the whole Swiss VAT amount due to the Swiss tax authorities by this group.

### 8. Full-time equivalents

Syngenta AG does not have any employees.

### 9. Subsequent events

On January 5, 2020, ChemChina announced a planned reorganization to bring together under a single holding company, Syngenta Group Co., Ltd., 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. Syngenta Group Co., Ltd and subsidiaries will have approximately 48,000 employees and \$23 billion in annual sales, with a portfolio that includes crop protection products, seeds, fertilizers and the Modern Agriculture Platform technology. This will enable Syngenta Group Co., Ltd. to better execute growth plans that will bring an even broader portfolio to customers around the world to meet local farmer needs, and strengthen global capabilities in Research and Development, Production and Supply and digital agriculture technologies. Adama Ltd. and the Syngenta AG group will continue to operate independently outside China, maintaining their distinctive brands and competing in the market, but also exploring local collaboration opportunities where this makes sense to best serve customers. Syngenta AG will continue to be headquartered in Basel, and while Syngenta Group Co., Ltd. is domiciled in China, the operational headquarters of the expanded group will also be in Basel.

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## Appropriation of Available Earnings of Syngenta AG

	2019 (USD million)	2019 (CHF million)
<b>Available earnings:</b>		
Balance brought forward from previous year	1,894	1,834
Net profit of the year	1,965	1,903
<b>Total available earnings</b>	<b>3,859</b>	<b>3,737</b>
Appropriation of available earnings:		
Payment of a cash dividend proposed to the AGM	-	-
<b>Total available earnings after appropriation</b>	<b>3,859</b>	<b>3,737</b>



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Report of the Statutory Auditor to the General Meeting of Shareholders of  
**Syngenta AG, Basel**

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**Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of Syngenta AG, which comprise the income statement, balance sheet and notes for the year ended December 31, 2019.

*Board of Directors' Responsibility*

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements for the year ended December 31, 2019 comply with Swiss law and the company's articles of incorporation.



## **Report on Other Legal Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Michael Blume  
*Licensed Audit Expert  
Auditor in Charge*

Artem Chumakov

Basel, February 13, 2020



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Editorial completion: February 2020

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