

**ADAMA Ltd.****Supplementary Announcement on the 2018 Performance Estimation**

The Company and all the directors confirm that the information disclosed is true, accurate, complete and with no false recording, misleading statement or material omission.

In the fourth quarter, as described in the Announcement of Full Year 2018 Performance Estimation of 24 January 2019 (Announcement Number 2019-7), on an adjusted basis the Company is expecting to report a significant increase in its Net Income, due to the strong growth in revenues and robust operating performance of the business.

On a reported basis, including the impact of certain one time or non-cash/non-operational items, the Company's Net Income in the fourth quarter is expected to be somewhat lower than that of Q4 2017.

The Adjusted Net Income presents to investors what the Company believes is a more useful view of the true economic performance of the business on an ongoing basis. It excludes items that are of a one-time or non-cash/non-operational nature that do not impact the ongoing performance of the business. The Company believes that excluding the effects of these items from its operating results allows management and investors to effectively compare the true underlying financial performance of its business from period to period and against its peers. Therefore, in the above stated announcement the Company not only provided the reported net profit, but also provided the Adjusted Net Income for the reference of the investors.

**Specific Adjustments performed to 2018 Net Income:**

- Legacy amortization of the 2011 PPA for the acquisition of Adama Agricultural Solutions Ltd. by ChemChina:
  - The acquisition by ADAMA Ltd. of Adama Agricultural Solutions Ltd. ("Solutions") in 2017 is treated from an accounting perspective as a "Business Combination Under Common Control".
  - The effect of such accounting treatment is that ADAMA Ltd. has inherited the historical "legacy" amortization charge that ChemChina previously was incurring in respect of its acquisition of Solutions in 2011.
- Amortization of assets transferred from Syngenta, the value of which was written-up, related to the 2017 ChemChina acquisition of Syngenta:
  - In the first quarter of 2018, the Company earned a one-time profit on the divestiture of several crop protection products in Europe in connection with the prior approval by the EU Commission of the acquisition of Syngenta by

ChemChina. The proceeds of this divestiture, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value.

- Since the products acquired from Syngenta are of the same nature and with the same net economic value as those divested, and since the Company excludes the one-time gain that it made on the divested products, the additional amortization charge incurred due to the write-up of the acquired assets should be excluded in order to present a true view of Divestment and Transfer transactions, which had no net impact on the underlying economic performance of the Company.
- Sanonda facility relocation and related non-cash items:
  - The Company will be required to relocate its production assets located at the Sanonda facility in Jingzhou City in the coming years. Since some of the older production assets may not be able to be relocated, some of these assets which are no longer operational are being written off (or impaired), while for others their economic life has been shortened and therefore will be depreciated over a shorter period.
  - Since these are older assets that were acquired many years ago and will be replaced by newer production facilities at the new site, and since the ongoing operations of the business will not be impacted, therefore the Company adjusts for the impact of the impairment and accelerated depreciation of these assets.
- Recording of historical tax expenses, the majority thereof already provisioned, resulting from the finalization of tax assessments relating to periods concluding in 2016:
  - Since these tax assessments were in respect of historical periods and not the current year and not impacting the ongoing and future performance of the business, the Company adjusts its 2018 net income for this effect.

By order of the Board

**ADAMA Ltd.**

January 25, 2019