Corteva Agriscience Reports Third Quarter 2019 Results – Delivers Earnings Improvement Over Prior Year

- GAAP earnings per share (EPS) from continuing operations was a loss of $(0.69) for the third quarter and operating EPS[1] was a loss of $(0.39) – both improved compared to prior year[2].
- Net sales were $1.9 billion, down 2% from the same quarter last year, with flat organic[1] sales. On a segment net sales basis, timing shifts contributed to a 24% increase in Seed, which was more than offset by a 12% decline in Crop Protection.
- GAAP loss from continuing operations after income taxes was $(527) million; Operating EBITDA[1] was a loss of $(207) million – both improved over prior year on a pro-forma basis[2].
- Merger cost synergies for the three months ended September 30, 2019 totalled approximately $100 million and remain on track with full-year commitment of $350 million.
- Outlook[5] – Management provided full-year 2019 operating EBITDA[1] guidance at the low end of the prior range, or approximately $1.9 billion, due to further negative impact of currency. Full-year 2019 operating EPS[1] range revised with a $0.04 improvement over the prior guidance mid-point.

FINANCIAL HIGHLIGHTS	Net Sales	EPS	Loss From Cont. Ops. (AT)
GAAP	$1.91 B	$(0.69)	$(527 M)
vs. 3Q18[2]	(2)%	+90%[6]	+90%[6]
	Organic Sales[1]	Operating EPS[1]	Operating EBITDA[1]
NON-GAAP	$1.94 B	$(0.39)	$(207 M)
vs. 3Q18[2]	-%	+35%	+18%

Our teams around the globe delivered an extraordinary effort in the quarter to support our customers in the face of numerous challenges. Corteva achieved solid earnings improvement relative to the prior year and made ongoing progress on our priorities for shareholder value creation, including securing new product registrations, driving continued synergy and productivity improvements, and returning cash to shareholders. We remain focused on driving operational discipline and committed to setting the stage for solid net sales and operating earnings growth in 2020.

– James C. Collins, Jr., Corteva Chief Executive Officer

Company Updates

2020 Launch of Key Seed Products

Corteva recently launched the 2020 sales season in North America[3]. Expanded launch of new Qrome® products are expected to provide low single digit price uplift in corn, given demonstrated yield advantages. In soybeans, the new Enlist E3™[4] offerings are expected to scale to 10% of North America acres with continued licensing opportunities.

New Investment Authorized to Expand Spinosyns Capacity

Corteva's Board of Directors recently authorized an investment to increase Spinosyns fermentation capacity by 30% to address global market growth in insecticides that handle chewing insects in specialty and row crops. The additional capacity will be staged to come online over the next few years and will generate >$100 million of annual operating EBITDA[1] at maturity.

Delivering on Commitment to Return Cash to Shareholders

Corteva took two critical next steps related to shareholder remuneration commitments as it intends to return approximately $220 million to shareholders by the end of the year. The Company repurchased shares in the quarter as part of its $1 billion share repurchase program and in October declared its second continuous quarterly dividend since spin.

1. Organic sales, Operating EPS, Pro Forma Operating EPS, Operating EBITDA and Pro Forma Operating EBITDA are non-GAAP measures. See page 5 for further discussion. 2. First Quarter 2019 and prior year GAAP information is on a pro forma basis and was determined in accordance with Article 11 of Regulation S-X. Non-GAAP measures for these periods are reconciled to the GAAP pro forma measure. 3. North America is defined as U.S. and Canada. EMEA is defined as Europe, Middle East and Africa. 4. Enlist E3™ soybeans are jointly developed by Dow AgroSciences and MS Technologies™ 5. The company does not provide the most comparable GAAP measure on a forward-looking basis. See page 5 for further discussion. 6. Improvement over prior year for Loss from Continuing Operations After Income Taxes and GAAP EPS is primarily due to the absence of a goodwill impairment charge recognized in the third quarter 2018. See page 1 of the Financial Statement Schedules for further disclosure.

Summary of Third Quarter 2019

WILMINGTON, Del., October 31, 2019 – Corteva, Inc. (NYSE: CTVA) today reported financial results for the quarter ended September 30, 2019 and provided guidance for the full year.

For the quarter, net sales declined 2% versus the same period last year, with flat organic sales[1]. Favorable impacts from shifts of soybean and corn sales into the third quarter, driven by delayed planting in North America[3], were more than offset by shifts of Crop Protection sales in Latin America.

Local price declined 3% in the third quarter 2019 versus the same period last year, driven by North America. Higher replant in soybeans and corn, coupled with increased grower incentive discounts, contributed to the decline.

Volumes increased 3% versus the same period last year, as delayed North America planting shifted second quarter sales into the third quarter. This volume growth was partially offset by declines in Latin America, where early demand for Crop Protection products shifted sales into the second quarter and delays in the Brazil soybean season shifted Crop Protection sales into the fourth quarter. Currency represented a headwind of 2%, primarily due to the Brazilian Real and Euro.

GAAP loss from continuing operations after income taxes was $(527) million in the quarter. Operating EBITDA[1] was a loss of $(207) million, an improvement of 18% as compared to the same period last year on a pro forma basis[2]. Improvement in Seed operating EBITDA due to timing shifts in North America and cost savings from synergies was partially offset by lower Crop Protection operating EBITDA, due to timing of sales in Latin America.

The Company reported a loss $(0.69) for GAAP EPS from continuing operations and a loss of $(0.39) for operating EPS[1] for the third quarter 2019.

($ in millions, except where noted)	3Q 2019	3Q 2018	% Change	% Organic Change[1]
Net Sales	**$1,911**	**$1,947**	**(2)%**	**- %**
North America	$623	$537	16%	16%
EMEA	$305	$296	3%	8%
Latin America	$762	$875	(13)%	(11)%
Asia Pacific	$221	$239	(8)%	(6)%

($ in millions, except where noted)	3Q 2019	3Q 2018[2]	% Change
GAAP Loss from Continuing Operations After Income Taxes	$(527)	$(5,336)	90%[6]
Operating EBITDA[1]	$(207)	$(251)	18%
GAAP EPS from Continuing Operations ($/share)	$(0.69)	$(7.13)	90%[6]
Operating EPS[1] ($/share)	$(0.39)	$(0.60)	35%

Crop Protection Summary

Crop Protection net sales were $1.2 billion in the third quarter, down from $1.4 billion in the same quarter last year. The decrease was due to a 9% decline in volume, a 2% decline in local price, and a 1% decline from currency.

The volume decline was driven by early demand for Spinosyns insecticides and seed applied technologies in Latin America, where approximately $80 million of sales shifted into the second quarter and a delayed soybean season in Brazil shifted sales into the fourth quarter. These shifts more than offset the approximate $65 million improvement in new product sales, driven by EMEA, versus the same quarter last year. The decrease in local price was driven by grower incentive discounts in North America. Unfavorable currency impacts were primarily due to the Brazilian Real and Euro.

Crop Protection operating EBITDA was $119 million, down 25% from the same period last year. Volume declines in Latin America, grower incentive discounts in North America, and currency more than offset cost synergies, sales from new products, and ongoing productivity.

($ in millions, except where noted)	3Q 2019	3Q 2018	% Change	% Organic Change[1]
North America	$397	$425	(7)%	(7)%
EMEA	183	163	12%	16%
Latin America	491	621	(21)%	(20)%
Asia Pacific	159	187	(15)%	(14)%
Total Crop Protection Net Sales	**$1,230**	**$1,396**	**(12)%**	**(11)%**

Seed Summary

Seed net sales were $681 million in the third quarter, up from $551 million in the same quarter last year. The increase was due to a 31% increase in volume, partially offset by a 5% decline in local price and a 2% decline from currency.

Strong volume growth was driven by significant weather-related planting delays in North America in the first half of the year, which shifted soybean and corn seed sales into the third quarter. The decline in local price resulted from competitive pricing pressure in soybeans in the U.S. and increased soybean and corn replant in North America, which was partially offset by mix improvement in Latin America. Unfavorable currency impacts were primarily due to the Brazilian Real.

Seed operating EBITDA was a loss of $(295) million, compared to a loss of $(372) million in the same period last year. Volume gains from delayed seed sales in North America, cost synergies, and ongoing productivity more than offset decreases in local price and the unfavorable impact of currency.

($ in millions, except where noted)	3Q 2019	3Q 2018	% Change	% Organic Change (1)
North America	$226	$112	102%	102%
EMEA	122	133	(8)%	(3)%
Latin America	271	254	7%	9%
Asia Pacific	62	52	19%	23%
Total Seed Net Sales	**$681**	**$551**	**24%**	**26%**

Outlook

The Company affirmed 2019 guidance for net sales and expects operating EBITDA at approximately $1.9 billion, which is the lower end of the previously communicated range of $1.9 billion to $2.05 billion. The Company now expects to deliver at the lower end of the previously communicated range largely due to further negative impact of currency. The Company revised its full-year operating EPS range, now expected to be between $1.20 and $1.26 per share. Using the mid-point, this represents a $0.04 improvement over the mid-point of the prior guidance.

Corteva is not able to reconcile its forward-looking non-GAAP financial measures to its most comparable U.S. GAAP financial measures, as it is unable to predict with reasonable certainty items outside of its control, such as significant items, without unreasonable effort.

Third Quarter Conference Call

The Company will host a live webcast of its third quarter earnings conference call with investors to discuss its results and outlook today, October 31, 2019, at 9:00 a.m. ET. The slide presentation that accompanies the conference call is posted on the Company's Investor Events and Presentations page. A replay of the webcast will also be available on the Investor Events and Presentations page.

About Corteva Agriscience

Corteva, Inc. (NYSE: CTVA) is a publicly traded, global pure-play agriculture company that provides farmers around the world with the most complete portfolio in the industry – including a balanced and diverse mix of seed, crop protection and digital solutions focused on maximizing productivity to enhance yield and profitability. With some of the most recognized brands in agriculture and an industry-leading product and technology pipeline well positioned to drive growth, the Company is committed to working with stakeholders throughout the food system as it fulfills its promise to enrich the lives of those who produce and those who consume, ensuring progress for generations to come. Corteva became an independent public company on June 1, 2019, and was previously the Agriculture Division of DowDuPont. More information can be found at www.corteva.com.

Follow Corteva on Facebook, Instagram, LinkedIn, Twitter and YouTube.

Cautionary Statement About Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, which are intended to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and may be identified by their use of words like "guidance", "plans," "expects," "will," "anticipates," "believes," "intends," "projects," "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including statements about Corteva's strategy for growth, product development, regulatory approval, market position, anticipated benefits of recent acquisitions, timing of anticipated benefits from restructuring actions, outcome of contingencies, such as litigation and environmental matters, expenditures, and financial results, as well as expected benefits from, the separation of Corteva from DuPont, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events which may not be accurate or realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond Corteva's control. While the list of factors presented below is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Corteva's business, results of operations and financial condition. Some of the important factors that could cause Corteva's actual results to differ materially from those projected in any such forward-looking statements include: (i) effect of competition and consolidation in Corteva's industry; (ii) failure to successfully develop and commercialize Corteva's pipeline; (iii) failure to obtain or maintain the necessary regulatory approvals for some Corteva's products; (iv) failure to enforce Corteva's intellectual property rights or defend against intellectual property claims asserted by others; (v) effect of competition from manufacturers of generic products; (vi) impact of Corteva's dependence on third parties with respect to certain of its raw materials or licenses and commercialization; (vii) costs of complying with evolving regulatory requirements and the effect of actual or alleged violations of environmental laws or permit requirements; (viii) effect of the degree of public understanding and acceptance or perceived public acceptance of Corteva's biotechnology and other agricultural products; (ix) effect of changes in agricultural and related policies of governments and international organizations; (x) effect of disruptions to Corteva's supply chain, information technology or network systems; (xi) competitor's establishment of an intermediary platform for distribution of Corteva's products; (xii) effect of volatility in Corteva's input costs; (xiii) failure to raise capital through the capital markets or short-term borrowings on terms acceptable to Corteva; (xiv) failure of Corteva's customers to pay their debts to Corteva, including customer financing programs; (xv) failure to realize the anticipated benefits of the internal reorganizations taken by DowDuPont in connection with the spin-off of Corteva; (xvi) failure to benefit from significant cost synergies and risks related to the indemnification obligations of legacy DuPont liabilities in connection with the separation of Corteva; (xvii) increases in pension and other post-employment benefit plan funding obligations; (xviii) effect of compliance with environmental laws and requirements and adverse judgments on litigation; (xix) risks related to Corteva's global operations; (xx) effect of climate change and unpredictable seasonal and weather factors; (xxi) effect of counterfeit products; (xxii) failure to effectively manage acquisitions, divestitures, alliances and other portfolio actions; and (xxiii) risks related to the discontinuation of LIBOR.

Additionally, there may be other risks and uncertainties that Corteva is unable to currently identify or that Corteva does not currently expect to have a material impact on its business. Where, in any forward-looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of Corteva's management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Corteva disclaims and does not undertake any obligation to update or revise any forward-looking statement, except as required by applicable law. A detailed discussion of some of the significant risks and uncertainties which may cause results and events to differ materially from such forward-looking statements is included in the "Risk Factors" section of Exhibit 99.1 of Amendment No. 4 to Corteva's Registration Statement on Form 10 and of Corteva's Quarterly Report on Form 10-Q for the period ended June 30, 2019, as modified by subsequent reports on Form 10-Q and Current Reports on Form 8-K.

Corteva Unaudited Pro Forma Financial Information

In order to provide the most meaningful comparison of results of operations, supplemental unaudited pro forma financial information for the first quarter of 2019 and prior has been included in this presentation. This presentation presents the pro forma results of Corteva, after giving effect to events that are (1) directly attributable to the merger of DuPont and Dow, debt retirement transactions related to paying off or retiring portions of Historical DuPont's existing debt liabilities, and the separation and distribution to DowDuPont stockholders of all the outstanding shares of Corteva common stock; (2) factually supportable and (3) with respect to the pro forma statements of income, expected to have a continuing impact on the consolidated results. Refer to Corteva's Form 10 registration statement filed on May 6, 2019, which can be found on the investors section of the Corteva website, for further details on the above transactions. The pro forma financial statements were prepared in accordance with Article 11 of Regulation S-X, and are presented for informational purposes only, and do not purport to represent what the results of operations would have been had the above actually occurred on the dates indicated, nor do they purport to project the results of operations for any future period or as of any future date.

Regulation G (Non-GAAP Financial Measures)

This earnings release includes information that does not conform to U.S. GAAP and are considered non-GAAP measures. These measures include organic sales, operating EBITDA, pro forma operating EBITDA, operating EBITDA margin, pro forma operating EBITDA margin, operating earnings per share, pro forma operating earnings per share, base tax rate, and pro forma base tax rate. Management believes that these non-GAAP measures best reflect the ongoing performance of the Company during the periods presented and provide more relevant and meaningful information to investors as they provide insight with respect to ongoing operating results of the Company and a more useful comparison of year over year results. These non-GAAP measures supplement the Company's U.S. GAAP disclosures and should not be viewed as an alternative to U.S. GAAP measures of performance. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. Reconciliations for these non-GAAP measures to U.S. GAAP are provided in the Selected Financial Information and Non-GAAP Measures starting on page 5 of the Financial Statement Schedules. For first quarter and prior year, these non-GAAP measures are being reconciled to a pro forma GAAP financial measure prepared and presented in accordance with Article 11 of Regulation S-X. See Article 11 Pro Forma Combined Statements of Operations starting on page 14 of the Financial Statement Schedules.

Corteva is not able to reconcile its forward-looking non-GAAP financial measures to their most comparable U.S. GAAP financial measures, as it is unable to predict with reasonable certainty items outside of the company's control, such as Significant Items, without unreasonable effort. For Significant items reported in the periods presented, refer to page 8 of the Financial Statement Schedules.

Organic sales is defined as price and volume and excludes currency and portfolio impacts. Operating EBITDA is defined as earnings (i.e., income from continuing operations before income taxes) before interest, depreciation, amortization, non-operating benefits , net and foreign exchange gains (losses), excluding the impact of significant items (including goodwill impairment charges). Non-operating benefits, net consists of non-operating pension and other post-employment benefit (OPEB) credits, tax indemnification adjustments, environmental remediation and legal costs associated with legacy businesses and sites of Historical DuPont. Tax indemnification adjustments relate to changes in indemnification balances, as a result of the application of the terms of the Tax Matters Agreement, between Corteva and Dow and/or DuPont that are recorded by the company as pre-tax income or expense. Operating EBITDA margin is defined as Operating EBITDA as a percentage of net sales. Operating earnings per share are defined as "Earnings per common share from continuing operations - diluted" excluding the after-tax impact of significant items (including goodwill impairment charges), the after-tax impact of non-operating benefits, net, and the after-tax impact of amortization expense associated with intangible assets existing as of the Separation from DowDuPont. Although amortization of the Company's intangible assets is excluded from these non-GAAP measures, management believes it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in amortization of additional intangible assets. Base tax rate is defined as the effective tax rate excluding the impacts of foreign exchange gains (losses), non-operating benefits, net, amortization of intangibles as of the Separation from DowDuPont, and significant items (including goodwill impairment charges). All periods for the first quarter of 2019 and prior are on a pro forma basis as discussed above in the paragraph 'Corteva Unaudited Pro Forma Financial Information'.

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Corteva, Inc.
Consolidated Statements of Operations
(Dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Net sales	**$ 1,911**	**$ 1,947**	**$ 10,863**	**$ 11,472**
Cost of goods sold	1,349	1,485	6,607	7,924
Research and development expense	289	325	857	1,010
Selling, general and administrative expenses	646	633	2,318	2,347
Amortization of intangibles	100	88	314	284
Restructuring and asset related charges - net	46	235	167	466
Integration and separation costs	152	253	694	697
Goodwill impairment charge	—	4,503	—	4,503
Other income - net	59	7	90	118
Loss on early extinguishment of debt	—	—	13	—
Interest expense	19	82	112	251
Loss from continuing operations before income taxes	**(631)**	**(5,650)**	**(129)**	**(5,892)**
(Benefit from) provision for income taxes on continuing operations	(104)	(8)	99	(187)
Loss from continuing operations after income taxes	**(527)**	**(5,642)**	**(228)**	**(5,705)**
Income (loss) from discontinued operations after income taxes	22	526	(695)	1,200
Net loss	**(505)**	**(5,116)**	**(923)**	**(4,505)**
Net (loss) income attributable to noncontrolling interests	(11)	5	15	29
Net loss attributable to Corteva	**$ (494)**	**$ (5,121)**	**$ (938)**	**$ (4,534)**
Basic loss per share of common stock:				
Basic loss per share of common stock from continuing operations	$ (0.69)	$ (7.54)	$ (0.32)	$ (7.64)
Basic earnings (loss) per share of common stock from discontinued operations	0.03	0.71	(0.93)	1.59
Basic loss per share of common stock	**$ (0.66)**	**$ (6.83)**	**$ (1.25)**	**$ (6.05)**
Diluted loss per share of common stock:				
Diluted loss per share of common stock from continuing operations	$ (0.69)	$ (7.54)	$ (0.32)	$ (7.64)
Diluted earnings (loss) per share of common stock from discontinued operations	0.03	0.71	(0.93)	1.59
Diluted loss per share of common stock	**$ (0.66)**	**$ (6.83)**	**$ (1.25)**	**$ (6.05)**
Average number of shares outstanding used in earnings per share (EPS) calculation (in millions)[1]				
Basic	749.5	749.4	749.4	749.4
Diluted	749.5	749.4	749.4	749.4

1. On June 1, 2019, DuPont de Nemours, Inc. ("DuPont") distributed 748,815,000 shares of Corteva, Inc. common stock to holders of its common stock. Basic and diluted (loss) earnings per common share for the three and nine months ended September 30, 2018 were calculated using the shares distributed on June 1, 2019 plus 582,000 of additional shares in which accelerated vesting conditions have been met.

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Corteva, Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions, except per share amounts)

	September 30, 2019	December 31, 2018	September 30, 2018
Assets			
Current assets			
Cash and cash equivalents	$ 1,980	$ 2,270	$ 1,657
Marketable securities	117	5	142
Accounts and notes receivable, net	6,574	5,260	6,547
Inventories	4,403	5,310	4,898
Other current assets	1,043	1,038	1,041
Assets of discontinued operations - current	—	9,089	9,055
Total current assets	**14,117**	**22,972**	**23,340**
Investment in nonconsolidated affiliates	70	138	144
Property, plant and equipment, net of accumulated depreciation (September 30, 2019 - $3,186, December 31, 2018 - $2,796 and September 30, 2018- $2,694)	4,503	4,544	4,384
Goodwill	10,168	10,193	10,203
Other intangible assets	11,667	12,055	12,138
Deferred income taxes	270	304	366
Other assets	2,440	1,932	1,888
Assets of discontinued operations - noncurrent	—	56,545	57,185
Total Assets	**$ 43,235**	**$ 108,683**	**$ 109,648**
Liabilities and Equity			
Current liabilities			
Short-term borrowings and finance lease obligations	$ 3,604	$ 2,154	$ 4,371
Accounts payable	3,014	3,798	3,642
Income taxes payable	126	186	224
Accrued and other current liabilities	2,249	4,005	2,117
Liabilities of discontinued operations - current	—	3,167	2,888
Total current liabilities	**8,993**	**13,310**	**13,242**
Long-Term Debt	116	5,784	10,215
Other Noncurrent Liabilities			
Deferred income tax liabilities	1,328	1,480	1,594
Pension and other post employment benefits - noncurrent	5,405	5,677	5,267
Other noncurrent obligations	2,132	1,795	1,799
Liabilities of discontinued operations - noncurrent	—	5,484	5,532
Total noncurrent liabilities	**8,981**	**20,220**	**24,407**
Commitments and contingent liabilities			
Stockholders' equity			
Common stock, $0.01 par value; 1,666,666,667 shares authorized; issued at September 30, 2019 - 748,390,000	7	—	—
Additional paid-in capital	28,072	—	—
Divisional equity	—	78,020	73,767
Accumulated deficit	(397)	—	—
Accumulated other comprehensive loss	(2,667)	(3,360)	(2,271)
Total Corteva stockholders' equity	**25,015**	**74,660**	**71,496**
Noncontrolling interests	246	493	503
Total equity	25,261	75,153	71,999
Total Liabilities and Equity	**$ 43,235**	**$ 108,683**	**$ 109,648**

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Corteva, Inc.
Pro Forma Consolidated Statements of Operations[1]
(Dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019 [2]	2018	2019	2018
Net sales	**$ 1,911**	**$ 1,947**	**$ 10,863**	**$ 11,472**
Cost of goods sold	1,349	1,388	6,418	6,543
Research and development expense	289	324	857	1,008
Selling, general and administrative expenses	646	633	2,321	2,348
Amortization of intangibles	100	88	314	284
Restructuring and asset related charges - net	46	235	167	466
Integration and separation costs	152	134	582	384
Goodwill impairment charge	—	4,503	—	4,503
Other income - net	59	7	90	118
Loss on early extinguishment of debt	—	—	13	—
Interest expense	19	13	67	51
(Loss) income from continuing operations before income taxes	**(631)**	**(5,364)**	**214**	**(3,997)**
(Benefit from) provision for income taxes on continuing operations	(104)	(28)	146	194
(Loss) income from continuing operations after income taxes	**(527)**	**(5,336)**	**68**	**(4,191)**
Net (loss) income from continuing operations attributable to noncontrolling interests	(11)	5	10	23
Net (loss) income from continuing operations attributable to Corteva	**$ (516)**	**$ (5,341)**	**$ 58**	**$ (4,214)**
Basic (loss) earnings per share of common stock from continuing operations	**$ (0.69)**	**$ (7.13)**	**$ 0.08**	**$ (5.62)**
Diluted (loss) earnings per share of common stock from continuing operations	**$ (0.69)**	**$ (7.13)**	**$ 0.08**	**$ (5.62)**
Average number of shares outstanding used in earnings per share (EPS) calculation (in millions) [3]				
Basic	749.5	749.4	749.4	749.4
Diluted	749.5	749.4	749.4	749.4

1. See Article 11 Pro Forma Combined Statements of Operations beginning on page 14.
2. The three months ended September 30, 2019 are on an as reported basis.
3. On June 1, 2019, DuPont distributed 748,815,000 shares of Corteva, Inc. common stock to holders of its common stock. Basic and diluted (loss) earnings per common share for the three and nine months ended September 30, 2018 were calculated using the shares distributed on June 1, 2019 plus 582,000 of additional shares in which accelerated vesting conditions have been met.

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Corteva, Inc.
Consolidated Segment Information
(Dollars in millions)

SEGMENT NET SALES - SEED	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Corn	$ 372	$ 344	$ 4,149	$ 4,289
Soybean	168	54	1,297	1,449
Other oilseeds	44	57	469	514
Other	97	96	432	464
Seed	$ 681	$ 551	$ 6,347	$ 6,716

SEGMENT NET SALES - CROP PROTECTION	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Herbicides	$ 584	$ 648	$ 2,399	$ 2,579
Insecticides	322	334	1,158	1,111
Fungicides	254	292	776	839
Other	70	122	183	227
Crop Protection	$ 1,230	$ 1,396	$ 4,516	$ 4,756

GEOGRAPHIC NET SALES - SEED	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
North America [1]	$ 226	$ 112	$ 4,238	$ 4,590
EMEA [2]	122	133	1,200	1,222
Asia Pacific	62	52	273	272
Latin America	271	254	636	632
Rest of World [3]	455	439	2,109	2,126
Net Sales	$ 681	$ 551	$ 6,347	$ 6,716

GEOGRAPHIC NET SALES - CROP PROTECTION	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
North America [1]	$ 397	$ 425	$ 1,562	$ 1,844
EMEA [2]	183	163	1,136	1,157
Asia Pacific	159	187	674	653
Latin America	491	621	1,144	1,102
Rest of World [3]	833	971	2,954	2,912
Net Sales	$ 1,230	$ 1,396	$ 4,516	$ 4,756

1. Reflects U.S. & Canada
2. Reflects Europe, Middle East, and Africa
3. Reflects EMEA, Latin America, and Asia Pacific

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Corteva, Inc.
Reconciliation of Non-GAAP Measures
(Dollars in millions, except per share amounts)

OPERATING EBITDA	Three Months Ended September 30, 2019 *As Reported*	Three Months Ended September 30, 2018 *Pro Forma*	Nine Months Ended September 30, 2019 *Pro Forma*	Nine Months Ended September 30, 2018 *Pro Forma*
Seed	$ (295)	$ (372)	$ 1,066	$ 1,226
Crop Protection	119	159	789	905
Corporate Expenses	(31)	(38)	(92)	(109)
Operating EBITDA (Non-GAAP)	$ (207)	$ (251)	$ 1,763	$ 2,022

RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS AFTER INCOME TAXES TO OPERATING EBITDA	Three Months Ended September 30, 2019 *As Reported*	Three Months Ended September 30, 2018 *Pro Forma*	Nine Months Ended September 30, 2019 *Pro Forma*	Nine Months Ended September 30, 2018 *Pro Forma*
(Loss) income from continuing operations after income taxes (**GAAP**)	$ (527)	$ (5,336)	$ 68	$ (4,191)
(Benefit from) provision for income taxes on continuing operations	(104)	(28)	146	194
(Loss) income from continuing operations before income taxes (GAAP)	(631)	(5,364)	214	(3,997)
Depreciation and amortization	226	215	711	667
Interest income	(13)	(12)	(46)	(63)
Interest expense	19	13	67	51
Exchange (gains) losses - net	(22)	74	37	140
Non-operating benefits - net[1]	(32)	(49)	(106)	(155)
Goodwill impairment charge	—	4,503	—	4,503
Significant items charge	246	369	886	876
Operating EBITDA (Non-GAAP)	(207)	(251)	1,763	2,022

1. Non-operating benefits—net consists of non-operating pension and other post-employment benefit (OPEB) (benefit) costs, tax indemnification adjustments, environmental remediation and legal costs associated with legacy EID businesses and sites. Tax indemnification adjustments relate to changes in indemnification balances, as a result of the application of the terms of the Tax Matters Agreement, between Corteva and Dow and/or DuPont that are recorded by the company as pre-tax income or expense.

Corteva, Inc.
Reconciliation of Non-GAAP Measures
(Dollars in millions, except per share amounts)

PRICE - VOLUME - CURRENCY ANALYSIS

REGION

	Q3 2019 vs. Q3 2018				Percent Change Due To:			
	Net Sales Change (GAAP)		Organic Change [1] (Non-GAAP)		Local Price &			Portfolio /
	$	%	$	%	Product Mix	Volume	Currency	Other
North America	$ 86	16 %	$ 86	16 %	(15)%	31 %	— %	—%
EMEA	9	3 %	22	8 %	1 %	7 %	(5)%	—%
Asia Pacific	(18)	(8)%	(14)	(6)%	(4)%	(2)%	(2)%	—%
Latin America	(113)	(13)%	(101)	(11)%	4 %	(15)%	(2)%	—%
Rest of World	(122)	(9)%	(93)	(7)%	2 %	(9)%	(2)%	—%
Total	$ (36)	(2)%	$ (7)	— %	(3)%	3 %	(2)%	—%

SEED

	Q3 2019 vs. Q3 2018				Percent Change Due To:			
	Net Sales Change (GAAP)		Organic Change [1] (Non-GAAP)		Local Price &			Portfolio /
	$	%	$	%	Product Mix	Volume	Currency	Other
North America	$ 114	102 %	$ 114	102 %	(63)%	165 %	— %	—%
EMEA	(11)	(8)%	(5)	(3)%	2 %	(5)%	(5)%	—%
Asia Pacific	10	19 %	12	23 %	5 %	18 %	(4)%	—%
Latin America	17	7 %	21	9 %	14 %	(5)%	(2)%	—%
Rest of World	16	4 %	28	7 %	10 %	(3)%	(3)%	—%
Total	$ 130	24 %	$ 142	26 %	(5)%	31 %	(2)%	—%

CROP PROTECTION

	Q3 2019 vs. Q3 2018				Percent Change Due To:			
	Net Sales Change (GAAP)		Organic Change [1] (Non-GAAP)		Local Price &			Portfolio /
	$	%	$	%	Product Mix	Volume	Currency	Other
North America	$ (28)	(7)%	$ (28)	(7)%	(3)%	(4)%	— %	—%
EMEA	20	12 %	27	16 %	— %	16 %	(4)%	—%
Asia Pacific	(28)	(15)%	(26)	(14)%	(6)%	(8)%	(1)%	—%
Latin America	(130)	(21)%	(122)	(20)%	(1)%	(19)%	(1)%	—%
Rest of World	(138)	(14)%	(121)	(12)%	(1)%	(11)%	(2)%	—%
Total	$ (166)	(12)%	$ (149)	(11)%	(2)%	(9)%	(1)%	—%

Corteva, Inc.
Reconciliation of Non-GAAP Measures
(Dollars in millions, except per share amounts)

PRICE - VOLUME - CURRENCY ANALYSIS

REGION

	Nine Months 2019 vs. Nine Months 2018				Percent Change Due To:			
	Net Sales Change (GAAP)		Organic Change [1] (Non-GAAP)		Local Price &			Portfolio /
	$	%	$	%	Product Mix	Volume	Currency	Other
North America	$ (634)	(10)%	$ (606)	(10)%	(3)%	(7)%	— %	—%
EMEA	(43)	(2)%	164	7 %	1 %	6 %	(9)%	—%
Asia Pacific	22	2 %	66	7 %	4 %	3 %	(5)%	—%
Latin America	46	3 %	114	7 %	4 %	3 %	(4)%	—%
Rest of World	25	— %	344	6 %	2 %	4 %	(6)%	—%
Total	$ (609)	(5)%	$ (262)	(2)%	— %	(2)%	(3)%	—%

SEED

	Nine Months 2019 vs. Nine Months 2018				Percent Change Due To:			
	Net Sales Change (GAAP)		Organic Change [1] (Non-GAAP)		Local Price &			Portfolio /
	$	%	$	%	Product Mix	Volume	Currency	Other
North America	$ (352)	(8)%	$ (338)	(8)%	(4)%	(4)%	— %	—%
EMEA	(22)	(2)%	93	7 %	1 %	6 %	(9)%	—%
Asia Pacific	1	— %	18	6 %	2 %	4 %	(6)%	—%
Latin America	4	1 %	29	5 %	6 %	(1)%	(4)%	—%
Rest of World	(17)	(1)%	140	6 %	3 %	3 %	(7)%	—%
Total	$ (369)	(5)%	$ (198)	(3)%	(1)%	(2)%	(2)%	—%

CROP PROTECTION

	Nine Months 2019 vs. Nine Months 2018				Percent Change Due To:			
	Net Sales Change (GAAP)		Organic Change [1] (Non-GAAP)		Local Price &			Portfolio /
	$	%	$	%	Product Mix	Volume	Currency	Other
North America	$ (282)	(15)%	$ (268)	(15)%	(2)%	(13)%	— %	—%
EMEA	(21)	(2)%	71	6 %	1 %	5 %	(8)%	—%
Asia Pacific	21	3 %	48	7 %	4 %	3 %	(4)%	—%
Latin America	42	4 %	85	8 %	2 %	6 %	(4)%	—%
Rest of World	42	1 %	204	7 %	2 %	5 %	(6)%	—%
Total	$ (240)	(5)%	$ (64)	(1)%	1 %	(2)%	(4)%	—%

1. Organic sales is defined as price and volume and excludes currency and portfolio impacts.

Corteva, Inc.
Significant Items
(Dollars in millions, except per share amounts)

SIGNIFICANT ITEMS BY SEGMENT (PRE-TAX)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
	As Reported	*Pro Forma*	*Pro Forma*	*Pro Forma*
Seed	$ (62)	$ (190)	$ (214)	$ (249)
Crop Protection	1	(30)	(24)	(42)
Corporate	(185)	(149)	(648)	(585)
Total significant items before income taxes	$ (246)	$ (369)	$ (886)	$ (876)

SIGNIFICANT ITEMS - PRE-TAX, AFTER-TAX AND EPS IMPACTS

	Pre-tax		After-tax[9]		($ Per Share)[10]	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
1st Quarter	*Pro Forma*	*Pro Forma*	*Pro Forma*	*Pro Forma*	*Pro Forma*	*Pro Forma*
Integration costs [1]	$ (100)	$ (124)	$ (16)	$ (93)	$ (0.02)	$ (0.12)
Restructuring and asset related charges, net [2]	(61)	(130)	(53)	(100)	(0.07)	(0.13)
Loss on divestiture [3]	(24)	—	(24)	—	(0.03)	—
Income tax items [4]	—	(50)	—	(102)	—	(0.14)
1st Quarter - Total	$ (185)	$ (304)	$ (93)	$ (295)	$ (0.12)	$ (0.39)
2nd Quarter	*As Reported*	*Pro Forma*	*As Reported*	*Pro Forma*	*As Reported*	*Pro Forma*
Integration and separation costs [1]	$ (330)	$ (126)	$ (436)	$ (97)	$ (0.58)	$ (0.13)
Restructuring and asset related charges, net [2]	(60)	(101)	(48)	(81)	(0.06)	(0.11)
Gain on sale of assets [5]	—	24	—	19	—	0.03
Amortization of inventory step up [6]	(52)	—	(41)	—	(0.06)	—
Loss on early extinguishment of debt [7]	(13)	—	(10)	—	(0.01)	—
Income tax items [4]	—	—	—	(7)	—	(0.01)
2nd Quarter - Total	$ (455)	$ (203)	$ (535)	$ (166)	$ (0.71)	$ (0.22)
3rd Quarter	*As Reported*	*Pro Forma*	*As Reported*	*Pro Forma*	*As Reported*	*Pro Forma*
Integration and separation costs [1]	$ (152)	$ (134)	$ (119)	$ (162)	$ (0.16)	$ (0.22)
Restructuring and asset related charges, net [2]	(46)	(235)	(34)	(192)	(0.04)	(0.26)
Amortization of inventory step up [6]	(15)	—	(15)	—	(0.02)	—
Argentina currency devaluation [8]	(33)	—	(38)	—	(0.05)	—
Income tax items[4]	—	—	38	(2)	0.05	—
3rd Quarter - Total	$ (246)	$ (369)	$ (168)	$ (356)	$ (0.22)	$ (0.48)
Year-to-date Total [10]	$ (886)	$ (876)	$ (796)	$ (817)	$ (1.06)	$ (1.09)

1. Integration and separation costs is included in "Integration and separation costs" on the Consolidated Statement of Operations. Beginning in Q2 2019, this includes both integration and separation costs. Included in the after-tax charges are net tax charges of $(32) million and $(114) million related to U.S. state blended tax rate changes associated with the Business Separations for the first and second quarter 2019, respectively. Also, included in the after-tax charges are a net tax charge of $(96) million and a net tax benefit of $13 million related to application of the U.S. tax reform's foreign tax provisions for the second and third quarter 2019, respectively, and a tax benefit of $102 million related to an internal legal entity restructuring associated with the Business Separations for the second quarter 2019.

2. Third quarter, second quarter, and first quarter 2019 included restructuring and asset related charges of $(46) million, $(60) million and $(61) million, respectively. The charge for the third quarter included a $(54) million non-cash asset impairment related to certain intangible assets that primarily relate to heritage Dow AgroSciences intangibles previously acquired from Cooperativa Central de Pesquisa Agrícola's ("Coodetec"), classified as developed technology, other intangible assets and in-process research and development ("IPR&D"), partially offset by a benefit of $8 million associated with the DowDuPont Cost Synergy Program. The charge for the first and second quarter is primarily related to the DowDuPont Cost Synergy Program.

   Third quarter, second quarter, and first quarter 2018 included restructuring and asset related charges of $(235) million, $(101) million and $(130) million, respectively. The charges for the first and second quarter primarily related to the DowDuPont Cost Synergy Program. The charges for the third quarter included a $(109) million charge related to the DowDuPont Cost Synergy Program, an $(85) million non-cash asset impairment related to certain IPR&D intangibles, and a $(41) million other than temporary non-cash impairment related to an investment in nonconsolidated affiliates in China.

3. First quarter 2019 included a loss of $(24) million included in other income - net related to Historical Dow's sale of a joint venture related to synergy actions.

4. First quarter 2018 includes a $(50) million pre-tax foreign exchange loss related to adjustments to foreign currency exchange contracts as a result of U.S. tax reform and a $(64) million after tax charge related to effects of U.S. tax reform.

   Second quarter 2018 relates to effects of U.S. tax reform.

   Third quarter 2018 includes an after tax benefit related to the impacts of a tax valuation allowance recorded against the net deferred tax asset position of a Brazilian legal entity ($75 million expense), a tax charge related to an internal legal entity restructuring associated with the Business Separations ($25 million expense), and U.S. Tax Reform ($16 million expense), which were almost entirely offset by the impact of the company's discretionary pension contribution in 2018 which was deducted on a 2017 tax return ($114 million benefit).

   Third quarter 2019 includes an after tax benefit related to Swiss Tax Reform.

5. Second quarter 2018 includes a gain of $24 million included in other income - net related to an asset sale.

6. Third quarter and second quarter 2019 include amortization of inventory step up of $(15) million and $(52) million, respectively, included in cost of goods sold related to the amortization of the inventory step-up in connection with the Merger.

7. Second quarter 2019 includes a loss on the early extinguishment of debt related to the difference between the redemption price and the par value of the Make Whole Notes and Term Loan Facility, partially offset by the write-off of unamortized step-up related to the fair value step-up of EID's debt.

8. Third quarter 2019 includes a $(33) million loss included in other income - net associated with remeasuring the company's Argentine Peso net monetary assets, resulting from an unexpected August primary election result in Argentina. Throughout the three months ended September 30, 2019, the Argentine Peso dropped approximately a third of its value against the U.S. dollar and in September of 2019, the country's central bank announced new restrictions on foreign currency transactions. The after tax charge of $(38) million includes a tax valuation allowance recorded against the net deferred tax asset position of an Argentine legal entity.

9. Unless specifically addressed in notes above, the income tax effect on significant items was calculated based upon the enacted tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

10. Earnings per share for the year may not equal the sum of quarterly earnings per share due to rounding and the changes in average share calculations.

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Corteva, Inc.
Reconciliation of Non-GAAP Measures
(Dollars in millions, except per share amounts)

Operating (Loss) Earnings Per Share (Non-GAAP)

Operating earnings (loss) per share is defined as earnings per share from continuing operations – diluted, excluding non-operating benefits - net, amortization of intangibles (existing as of Separation), significant items, and goodwill impairment charges.

	Three Months Ended September 30,			
	2019	2018[2]	2019	2018[2]
	$	*$*	*EPS (diluted)*	*EPS (diluted)*
Net loss from continuing operations attributable to Corteva **(GAAP)**	$ (516)	$ (5,341)	(0.69)	(7.13)
Less: Non-operating benefits - net, after tax [1]	23	38	0.03	0.05
Less: Amortization of intangibles (existing as of Separation), after tax	(80)	(71)	(0.11)	(0.09)
Less: Goodwill impairment charge, after tax	—	(4,503)	—	(6.01)
Less: Significant items charge, after tax	(168)	(356)	(0.22)	(0.48)
Operating Loss (Non-GAAP)	$ (291)	$ (449)	$ (0.39)	$ (0.60)

	Nine Months Ended September 30,			
	2019[2]	2018[2]	2019[2]	2018[2]
	$	*$*	*EPS (diluted)*	*EPS (diluted)*
Net income (loss) from continuing operations attributable to Corteva **(GAAP)**	58	(4,214)	0.08	(5.62)
Less: Non-operating benefits - net, after tax [1]	84	121	0.11	0.16
Less: Amortization of intangibles (existing as of Separation), after tax	(250)	(227)	(0.33)	(0.30)
Less: Goodwill impairment charge, after tax	—	(4,503)	—	(6.01)
Less: Significant items charge, after tax	(796)	(817)	(1.06)	(1.09)
Operating Earnings (Non-GAAP)	$ 1,020	$ 1,212	$ 1.36	$ 1.62

1. Non-operating benefits—net consists of non-operating pension and other post-employment benefit (OPEB) (benefit) costs, tax indemnification adjustments, and environmental remediation and legal costs associated with legacy EID businesses and sites. Tax indemnification adjustments relate to changes in indemnification balances, as a result of the application of the terms of the Tax Matters Agreement, between Corteva and Dow and/or DuPont that are recorded by the company as pre-tax income or expense.
2. Periods are presented on a Pro Forma Basis

Corteva, Inc.
Operating EBITDA to Operating Earnings Per Share
(Dollars in millions, except per share amounts)

Operating EBITDA to Operating Earnings Per Share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	As Reported	*Pro Forma*	*Pro Forma*	*Pro Forma*
Operating EBITDA (Non-GAAP)[1]	$ (207)	$ (251)	1,763	2,022
Depreciation	(126)	(127)	(397)	(383)
Interest Income	13	12	46	63
Interest Expense	(19)	(13)	(67)	(51)
Benefit from (provision for) income taxes on operating earnings, excluding exchange losses **(Non-GAAP)**	40	9	(265)	(290)
Base income tax rate from continuing operations **(Non-GAAP)**[1]	11.8%	2.4%	19.7%	17.6%
Exchange losses - net, after tax	(3)	(74)	(50)	(126)
Net loss (income) attributable to non-controlling interests	11	(5)	(10)	(23)
Operating (Loss) Earnings (Non-GAAP)[1]	$ (291)	$ (449)	$ 1,020	$ 1,212
Diluted Shares (in millions)	749.5	749.4	749.4	749.4
Operating (Loss) Earnings Per Share (Non-GAAP)[1]	$ (0.39)	$ (0.60)	$ 1.36	$ 1.62

1. Refer to pages 5, 10, and 12 for Non-GAAP reconciliations.

Corteva, Inc.
Reconciliation of Non-GAAP Measures
(Dollars in millions)

Reconciliation of Base Income Tax Rate to Effective Income Tax Rate

Base income tax rate is defined as the effective income tax rate less the effect of exchange gains (losses), significant items, goodwill impairment charges, amortization of intangibles (existing as of Separation), and non-operating benefits - net.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
	As Reported	*Pro Forma*	*Pro Forma*	*Pro Forma*
(Loss) income from continuing operations before income taxes **(GAAP)**	$ (631)	$ (5,364)	$ 214	$ (3,997)
Add: Significant items - charge [1]	246	369	886	876
Goodwill impairment charge	—	4,503	—	4,503
Non-operating benefits - net	(32)	(49)	(106)	(155)
Amortization of intangibles (existing as of Separation)	100	88	314	284
Less: Exchange gains (losses), net [2]	22	(74)	(37)	(140)
(Loss) income from continuing operations before income taxes, significant items, goodwill impairment charges, non-operating benefits - net, amortization of intangibles (existing as of Separation), and exchange losses, net **(Non-GAAP)**	$ (339)	$ (379)	$ 1,345	$ 1,651
(Benefit from) provision for income taxes on continuing operations **(GAAP)**	$ (104)	$ (28)	$ 146	$ 194
Add: Tax benefits on significant items charge	78	13	90	59
Tax expenses on goodwill impairment charge	—	—	—	—
Tax expenses on non-operating benefits - net	(9)	(11)	(22)	(34)
Tax benefits on amortization of intangibles (existing as of Separation)	20	17	64	57
Tax (expenses) benefits on exchange gains (losses), net	(25)	—	(13)	14
(Benefit from) provision for income taxes on operating earnings, excluding exchange gains (losses), net **(Non-GAAP)**	$ (40)	$ (9)	$ 265	$ 290
Effective income tax rate **(GAAP)**	16.5 %	0.5%	68.2 %	(4.9)%
Significant items, goodwill impairment charge, non-operating benefits, and amortization of intangibles (existing as of Separation) effect	(11.8)%	1.5%	(46.9)%	23.2 %
Tax rate from continuing operations before significant items, goodwill impairment charge, non-operating benefits - net, and amortization of intangibles (existing as of Separation)	4.7 %	2.0%	21.3 %	18.3 %
Exchange gains (losses), net effect	7.1 %	0.4%	(1.6)%	(0.7)%
Base income tax rate from continuing operations **(Non-GAAP)**	11.8 %	2.4%	19.7 %	17.6 %

1. See Significant Items table for further detail.
2. Pre-tax exchange gains (losses), net for the three and nine months ended September 30, 2019, on an operating earnings basis (Non-GAAP), exclude a $(33) million exchange loss associated with the devaluation of the Argentine peso. Pre-tax exchange loss, net for the nine months ended September 30, 2018, on an operating earnings basis (Non-GAAP), excludes a $(50) million exchange loss related to adjustments to foreign currency exchange contracts as a result of U.S. tax reform.

Corteva, Inc.
(Dollars in millions, except per share amounts)

Exchange Gains/Losses

The company routinely uses forward exchange contracts to offset its net exposures, by currency, related to the foreign currency denominated monetary assets and liabilities of its operations. The objective of this program is to maintain an approximately balanced position in foreign currencies in order to minimize, on an after-tax basis, the effects of exchange rate changes. The net pre-tax exchange gains and losses are recorded in other income - net and the related tax impact is recorded in provision for (benefit from) income taxes on continuing operations in the Consolidated Statements of Operations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Subsidiary Monetary Position Loss				
Pre-tax exchange losses	$ (33)	$ (105)	$ (26)	$ (217)
Local tax (expenses) benefits	(12)	7	(15)	32
Net after-tax impact from subsidiary exchange losses	$ (45)	$ (98)	$ (41)	$ (185)
Hedging Program Gain (Loss)				
Pre-tax exchange gains (losses)	$ 55	$ 31	$ (11)	$ 77
Tax (expenses) benefits	(13)	(7)	2	(18)
Net after-tax impact from hedging program exchange gains (losses)	$ 42	$ 24	$ (9)	$ 59
Total Exchange (Loss) Gain				
Pre-tax exchange gains (losses) [1]	$ 22	$ (74)	$ (37)	$ (140)
Tax (expenses) benefits	(25)	—	(13)	14
Net after-tax exchange losses	$ (3)	$ (74)	$ (50)	$ (126)

As shown above, the "Total Exchange (Loss) Gain" is the sum of the "Subsidiary Monetary Position Loss" and the "Hedging Program Gain (Loss)."

1. Pre-tax exchange gains (losses), net for the three and nine months ended September 30, 2019, on an operating earnings basis (Non-GAAP), exclude a $(33) million exchange loss associated with the devaluation of the Argentine peso. Pre-tax exchange loss, net for the nine months ended September 30, 2018, on an operating earnings basis (Non-GAAP), excludes a $(50) million exchange loss related to adjustments to foreign currency exchange contracts as a result of U.S. tax reform.

Corteva, Inc.
Article 11 Pro Forma Combined Statement of Operations
(Dollars in millions, except per share amounts)

	Three Months Ended September 30, 2018				
		Adjustments			
	As Reported Corteva	Merger[1]	Debt Retirement[2]	Separations Related[3]	Pro Forma Corteva
Net sales	**$ 1,947**	**$ —**	**$ —**	**$ —**	**$ 1,947**
Cost of goods sold	1,485	(109)	—	12	1,388
Research and development expense	325	—	—	(1)	324
Selling, general and administrative expenses	633	—	—	—	633
Amortization of intangibles	88	—	—	—	88
Restructuring and asset related charges - net	235	—	—	—	235
Integration and separation costs	253	—	—	(119)	134
Goodwill impairment charge	4,503	—	—	—	4,503
Other income - net	7	—	—	—	7
Interest expense	82	—	(69)	—	13
(Loss) income from continuing operations before income taxes	**(5,650)**	**109**	**69**	**108**	**(5,364)**
(Benefit from) provision for income taxes on continuing operations	(8)	24	15	(59)	(28)
(Loss) income from continuing operations after income taxes	**(5,642)**	**85**	**54**	**167**	**(5,336)**
Net income from continuing operations attributable to noncontrolling interests	5	—	—	—	5
Net loss from continuing operations attributable to Corteva	**$ (5,647)**	**$ 85**	**$ 54**	**$ 167**	**$ (5,341)**
Basic loss per share of common stock from continuing operations	**$ (7.54)**				**$ (7.13)**
Diluted loss per share of common stock from continuing operations	**$ (7.54)**				**$ (7.13)**
Average number of shares outstanding used in earnings per share (EPS) calculation (in millions):					
Basic	749.4				749.4
Diluted	749.4				749.4

1. Related to the amortization of EID's agriculture business' inventory step-up recognized in connection with the Merger, as the incremental amortization is directly attributable to the Merger and will not have a continuing impact.
2. Represents removal of interest expense related to the debt redemptions/repayments.
3. Adjustments directly attributable to the separations and distributions of Corteva Inc. includes the following: elimination of the Telone balances that will not transfer to Corteva as a result of the distribution agreement; elimination of one-time transaction costs directly attributable to the distribution; elimination of the impact of certain manufacturing, leasing and supply agreements entered into in connection with the separation; and the related tax impacts.

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Corteva, Inc.
Article 11 Pro Forma Combined Statement of Operations
(Dollars in millions, except per share amounts)

	Nine Months Ended September 30, 2019				
	As Reported Corteva	Adjustments: Merger[1]	Adjustments: Debt Retirement[2]	Adjustments: Separations Related[3]	Pro Forma Corteva
Net sales	**$ 10,863**	**$ —**	**$ —**	**$ —**	**$ 10,863**
Cost of goods sold	6,607	(205)	—	16	6,418
Research and development expense	857	—	—	—	857
Selling, general and administrative expenses	2,318	—	—	3	2,321
Amortization of intangibles	314	—	—	—	314
Restructuring and asset related charges - net	167	—	—	—	167
Integration and separation costs	694	—	—	(112)	582
Other income - net	90	—	—	—	90
Loss on early extinguishment of debt	13	—	—	—	13
Interest expense	112	—	(45)	—	67
(Loss) income from continuing operations before income taxes	**(129)**	**205**	**45**	**93**	**214**
Provision for income taxes on continuing operations	99	36	10	1	146
(Loss) income from continuing operations after income taxes	**(228)**	**169**	**35**	**92**	**68**
Net income from continuing operations attributable to noncontrolling interests	10	—	—	—	10
Net (loss) income from continuing operations attributable to Corteva	**$ (238)**	**$ 169**	**$ 35**	**$ 92**	**$ 58**
Basic (loss) earnings per share of common stock from continuing operations	**$ (0.32)**				**$ 0.08**
Diluted (loss) earnings per share of common stock from continuing operations	**$ (0.32)**				**$ 0.08**
Average number of shares outstanding used in earnings per share (EPS) calculation (in millions):					
Basic	749.4				749.4
Diluted	749.4				749.4

1. Related to the amortization of EID's agriculture business' inventory step-up recognized in connection with the Merger, as the incremental amortization is directly attributable to the Merger and will not have a continuing impact.
2. Represents removal of interest expense related to the debt redemptions/repayments.
3. Adjustments directly attributable to the separations and distributions of Corteva Inc. includes the following: elimination of the Telone balances that will not transfer to Corteva as a result of the distribution agreement; elimination of one-time transaction costs directly attributable to the distribution; elimination of the impact of certain manufacturing, leasing and supply agreements entered into in connection with the separation; and the related tax impacts.

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Corteva, Inc.
Article 11 Pro Forma Combined Statement of Operations
(Dollars in millions, except per share amounts)

	Nine Months Ended September 30, 2018				
	As Reported Corteva	Adjustments			Pro Forma Corteva
		Merger[1]	Debt Retirement[2]	Separations Related[3]	
Net sales	**$ 11,472**	**$ —**	**$ —**	**$ —**	**$ 11,472**
Cost of goods sold	7,924	(1,424)	—	43	6,543
Research and development expense	1,010	—	—	(2)	1,008
Selling, general and administrative expenses	2,347	—	—	1	2,348
Amortization of intangibles	284	—	—	—	284
Restructuring and asset related charges - net	466	—	—	—	466
Integration and separation costs	697	—	—	(313)	384
Goodwill impairment charge	4,503	—	—	—	4,503
Other income - net	118	—	—	—	118
Interest expense	251	—	(200)	—	51
Loss from continuing operations before income taxes	**(5,892)**	**1,424**	**200**	**271**	**(3,997)**
(Benefit from) provision for income taxes on continuing operations	(187)	264	46	71	194
Loss from continuing operations after income taxes	**(5,705)**	**1,160**	**154**	**200**	**(4,191)**
Net income from continuing operations attributable to noncontrolling interests	23	—	—	—	23
Net (loss) income from continuing operations attributable to Corteva	**$ (5,728)**	**$ 1,160**	**$ 154**	**$ 200**	**$ (4,214)**
Basic loss per share of common stock from continuing operations	**$ (7.64)**				**$ (5.62)**
Diluted loss per share of common stock from continuing operations	**$ (7.64)**				**$ (5.62)**
Average number of shares outstanding used in earnings per share (EPS) calculation (in millions):					
Basic	749.4				749.4
Diluted	749.4				749.4

1. Related to the amortization of EID's agriculture business' inventory step-up recognized in connection with the Merger, as the incremental amortization is directly attributable to the Merger and will not have a continuing impact.
2. Represents removal of interest expense related to the debt redemptions/repayments.
3. Adjustments directly attributable to the separations and distributions of Corteva Inc. includes the following: elimination of the Telone balances that will not transfer to Corteva as a result of the distribution agreement; elimination of one-time transaction costs directly attributable to the distribution; elimination of the impact of certain manufacturing, leasing and supply agreements entered into in connection with the separation; and the related tax impacts.