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ICL Reports Record Second Quarter 2022 Results and Raises Guidance

Company executed on growth strategy, which continued to result in strong performance of specialties businesses, as it also benefitted from significant market upside

Tel Aviv, Israel, July 27, 2022 – ICL (NYSE: ICL) (TASE: ICL), a leading global specialty minerals company, today reported its financial results for the second quarter ended June 30, 2022. Consolidated sales of \$2,880 million were up 78% year-over-year versus \$1,617 million. Operating income of \$1,139 million was up 369% versus \$243 million and up 383% versus adjusted operating income of \$236 million. Net income of \$563 million was up 302%, while adjusted net income of \$751 million was up 456%. Adjusted EBITDA of \$1,258 million was up 249% versus \$360 million. EBITDA margin of 43.7% was up versus 22.3%.

ICL's continued focus on long-term specialties solutions benefitted the company once again, with additional significant upside from commodity prices. During the quarter, the company's strong performance was supported by increased demand and higher prices in most markets and achieved despite increased raw material costs and continued global supply chain challenges.

"In the second quarter, ICL delivered all-time record sales, operating income and EBITDA, and another consecutive quarter of profit and margin growth, with record results from all our specialty businesses and our commodity businesses. We also achieved multiple production records, as we continued to focus on efficiency and productivity," said Raviv Zoller, president and CEO of ICL. "Our performance in the quarter reaffirms our specialties strategy, and our strong balance sheet will allow us to accelerate business expansion opportunities, including growth through investments in R&D, capacity and new products, among others."

Due to very strong results in the first half, ICL is raising its expectations for full year adjusted EBITDA to a range of \$3,800 million to \$4,000 million, from previous guidance of \$3,500 million to \$3,750 million. Between \$1,500 million to \$1,600 million of 2022 EBITDA is expected to come from the company's specialties focused businesses, up from previous expectations calling for contribution of \$1,300 million to \$1,400 million. (7a)

In addition, ICL has reached an understanding with the Israeli Tax Authority and settled the dispute concerning the Israeli Law for Taxation of Profits from Natural Resources. The settlement agreement provides final assessments for the tax years 2016 to 2020, as well as outlines understandings for the calculation of the levy for the years from 2021 and onwards. As a result of the settlement agreement, in the second quarter of 2022, the company recognized tax expenses for prior years in the amount of \$188 million. ICL welcomes the conclusion of this dispute, which ended through a dialogue and prevented the potential for years-long legal proceedings, while providing expected business certainty for years to come.

Key Financials

Second Quarter 2022

US\$M Ex. per share data	2Q'22	2Q'21	YoY Change
Sales	\$2,880	\$1,617	78%
Gross profit	\$1,539	\$570	170%
Gross margin	53.4%	35.3%	1,819 bps
Operating income	\$1,139	\$243	369%
Operating margin	39.5%	15.0%	2,452 bps
Net income attributable to shareholders	\$563	\$140	302%
Adjusted net income attributable to shareholders ⁽¹⁾	\$751	\$135	456%
Adjusted EBITDA ⁽²⁾	\$1,258	\$360	249%
Adjusted EBITDA margin ⁽²⁾	43.7%	22.3%	2,142 bps
Diluted earnings per share	44¢	11¢	300%
Cash flows from operating activities	\$627	\$242	159%

(1) Adjusted net income attributed to shareholders is a non-GAAP financial measure. Please refer to the adjustments table and the disclaimer below. (2) Adjusted EBITDA is a non-GAAP financial measure. Commencing 2022, the company's adjusted EBITDA definition was updated, see consolidated EBITDA table and the disclaimer below.

Industrial Products

Second quarter 2022

- Sales of \$486 million were up \$76 million or 19%.
- Record segment operating income of \$191 million was up \$77 million or 68%.
- Record EBITDA of \$206 million was up \$78 million or 61%.
- Pricing remained elevated year-over-year, even as some end-markets continued to moderate.

Highlights

- Elemental bromine: Sales decreased year-over-year on lower volumes, while overall bromine prices remained higher versus the prior year.
- Bromine-based flame retardants: Sales increased on higher year-over-year prices, however, end-market demand showed signs of moderation.
- Phosphorus-based flame retardants: Sales were lower year-over-year, as some Chinese supply re-entered the market, however, product pricing was preserved.
- Clear brine fluids: Sales increased year-over-year, as the oil and gas industry maintained its positive momentum.
- Specialty minerals: Continued strong demand from the dietary supplements and pharmaceutical end-markets, and also higher sales of magnesium chloride and potassium chloride for use in industrial applications.

Potash

Second quarter 2022

- Sales of \$951 million were up \$571 million or 150%.
- Record segment operating income of \$576 million was up \$534 million – a significant increase.

- EBITDA of \$616 million was up \$536 million or 670%.
- Grain Price Index increased year-over-year, with corn up 15.7%, rice up 22.4%, soybeans up 22.5% and wheat up 62.5%.
- Average potash realized price per ton of \$750 was up 167% year-over-year, as prices increased, with continued disruptions in global fertilizer availability.

Highlights

- ICL Dead Sea
 - Production increased year-over-year, as the site achieved both second quarter and first half production records and continued to benefit from operational improvements and efficiencies.
- ICL Iberia
 - Production improvements continued to advance at the Cabanasses mine, with additional progress expected in the second half of the year.
- Metal Magnesium
 - Sales increased on higher prices, as a competitor faced continued production constraints.

Phosphate Solutions

Second quarter 2022

- Record sales of \$915 million were up \$333 million or 57%.
 - Phosphate specialties: Record sales of \$493 million, up \$164 million or 50%.
 - Phosphate commodities: Record sales of \$422 million, up \$169 million or 67%.
- Record segment operating income of \$268 million was up \$191 million or 248%.
- Record EBITDA of \$315 million was up \$182 million or 137%.
 - Phosphate specialties: Record EBITDA of \$131 million, up \$81 million or 162%.
 - Phosphate commodities: Record EBITDA of \$184 million, up \$101 million or 122%.
- The YPH joint venture realized higher prices for both specialty products and commodity fertilizers, combined with increased production efficiency.
- Commodity market prices continued to trend higher, as did raw material prices and production costs.

Highlights

- Phosphate salts: Sales increased, with higher prices and strong demand across all regions.
- White phosphoric acid: Sales benefitted from continued higher demand and prices across all major regions, which helped offset increases in raw material costs.
- Dairy protein: Sales increased significantly year-over-year, with strong demand for specialty milk powders.
- Phosphate fertilizers: Sales continued to increase, amidst reduced supply, while the market for sulfur and other raw materials remained tight.
- Specialty mono ammonium phosphate (MAP): Demand continued to grow for use in cathode active materials (CAM), such as lithium iron phosphate (LFP) destined for electric vehicles and other energy storage offerings.

Innovative Ag Solutions

Second quarter 2022

- Record sales of \$700 million were up \$366 million or 110%.
- Record segment operating income of \$141 million was up \$120 million or 571%.
- Record EBITDA of \$155 million was up \$121 million or 356%.
- Positive fertilizer price momentum continued, as well as higher raw material prices and reduced availability, combined with ongoing supply chain issues.

Highlights

- Specialty fertilizers: Record sales driven by higher prices across all regions, which helped offset raw material cost inflation.
- Turf and ornamental: Turf and landscape remained strong, based on golf and other sports. Following a good start, ornamental horticulture began to moderate at the end of the quarter, due to a shift in consumer spending.
- Brazil: Synergies and robust results were ahead of expectations and driven by higher prices, in advance of the primary planting season.
- Polysulphate: Signed long-term supply agreement with India Potash Limited (IPL) through 2026 for an aggregate amount of 1 million metric tons.

Financial Items

Financing Expenses

Net financing expenses for the second quarter of 2022 were \$14 million, down versus \$30 million in the corresponding quarter of last year.

Tax Expenses

Tax expenses in the second quarter of 2022 were \$540 million, reflecting, in part, a settlement agreement with the Israeli Tax Authority regarding the Surplus Profit Levy. As a result, the company recorded tax expenses in respect to prior years in the amount of \$188 million. Excluding this amount results in tax expense of \$352 million, reflecting an effective tax rate of 31%, compared to \$64 million in the corresponding quarter of last year, reflecting an effective tax rate of 30%.

Liquidity and Capital Resources

ICL has long-term credit facilities of \$1,200 million, of which \$291 million were utilized as of June 30, 2022. As of July 2022, the total long-term credit facility stands at \$1,100 million, following an early termination by one of the banks.

Outstanding Net Debt

As of June 30, 2022, ICL's net financial liabilities amounted to \$2,241 million, a decrease of \$208 million compared to December 31, 2021.

Dividend Distribution

In connection with ICL's second quarter 2022 results, the Board of Directors declared a dividend of 29.18 cents per share, or approximately \$375 million, up versus 5.26 cents per share, or approximately \$68 million, in the second quarter of last year. The dividend will be payable on September 14, 2022, to shareholders of record as of August 31, 2022.

About ICL

ICL Group is a leading global specialty minerals company, which also benefits from commodity upside. The company creates impactful solutions for humanity's sustainability challenges in the global food, agriculture and industrial markets. ICL leverages its unique bromine, potash and phosphate resources, its passionate team of talented employees, and its strong focus on R&D and technological innovation, to drive growth across its end markets. ICL shares are dually listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs more than 12,000 people worldwide, and its 2021 revenues totaled approximately \$7 billion.

For more information, visit ICL's website at www.icl-group.com.

To access ICL's interactive Corporate Social Responsibility report, please click [here](#).

You can also learn more about ICL on [Facebook](#), [LinkedIn](#) and [Instagram](#).

Guidance

(1a) The company only provides guidance on a non-GAAP basis. The company does not provide a reconciliation of forward-looking adjusted EBITDA (non-GAAP) to GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, in particular because special items such as restructuring, litigation and other matters, used to calculate projected net income (loss) vary dramatically based on actual events, the company is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amount of these deductions may be material and, therefore, could result in projected GAAP net income (loss) being materially less than projected adjusted EBITDA (non-GAAP). The guidance speaks only as of the date hereof. We undertake no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this news release or to reflect actual outcomes, unless required by law. Specialties focused businesses are represented by the Industrial Products and Innovative Ag Solutions segments and the specialties part of the Phosphate Solutions segment. We present EBITDA from the phosphate specialties part of the Phosphate Solutions segment, as we believe this information is useful to investors in reflecting the specialty portion of our business.

Non-GAAP Statement

The company discloses in this quarterly announcement non-IFRS financial measures titled adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share and adjusted EBITDA. The management uses adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share and adjusted EBITDA to facilitate operating performance comparisons from period to period. The company calculates adjusted operating income by adjusting operating income to add certain items, as set forth in the reconciliation table under "adjustments to reported operating and net income (non-GAAP)", in the appendix below. Certain of these items may recur. The company calculates adjusted net income attributable to the company's shareholders by adjusting net income attributable to the company's shareholders to add certain items, as set forth in the reconciliation table under "adjustments to reported operating and net income (non-GAAP)", in the appendix below, excluding the total tax impact of such adjustments. The company calculates diluted adjusted earnings per share by dividing adjusted net income by the weighted-average number of diluted ordinary shares outstanding. The company calculates adjusted EBITDA as net income before financing expenses, net, taxes on income, share in earnings of equity-accounted investees, depreciation and amortization and adjust items presented in the reconciliation table under "consolidated adjusted EBITDA and diluted adjusted earnings per share for the periods of activity" in the appendix below, which were adjusted for in calculating the adjusted operating income. Commencing with the year 2022, the company's adjusted EBITDA calculation is no longer adding back minority and equity income, net.

While minority and equity income, net reflects the share of an equity investor in one of the company's owned operations, since adjusted EBITDA measures the company's performance as a whole, its operations and its ability to satisfy cash needs before profit is allocated to the equity investor, management believes that adjusted EBITDA before deduction of such item is more reflective.

You should not view adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share or adjusted EBITDA as a substitute for operating income or net income attributable to the company's shareholders determined in accordance with IFRS, and you should note that the definitions of adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share and adjusted EBITDA may differ from those used by other companies. Additionally, other companies may use other measures to evaluate their performance, which may reduce the usefulness of ICL's non-IFRS financial measures as tools for comparison. However, the company believes adjusted operating income, adjusted net income attributable to the company's shareholders, diluted adjusted earnings per share and adjusted EBITDA provide useful information to both management and investors by excluding certain items management believes are not indicative of ongoing operations. Management uses these non-IFRS measures to evaluate the company's business strategies and management's performance. The company believes these non-IFRS measures provide useful information to investors because they improve the comparability of financial results between periods and provide for greater transparency of key measures used to evaluate performance.

The company presents a discussion in the period-to-period comparisons of the primary drivers of changes in the results of operations. This discussion is based in part on management's best estimates of the impact of the main trends on its businesses. The company has based the following discussion on its financial statements. You should read such discussion together with the financial statements.

Forward Looking Statements

This announcement contains statements that constitute forward-looking statements, many of which can be identified by the use of forward-looking words such as anticipate, believe, could, expect, should, plan, intend, estimate, strive, forecast, target, and potential, among others.

Forward-looking statements appear in a number of places in this announcement and include, but are not limited to, our 2022 adjusted EBITDA guidance, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and the actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

Changes in exchange rates or prices compared to those we are currently experiencing; loss or impairment of business licenses or mineral extractions permits or concessions; volatility of supply and demand and the impact of competition; the difference between actual reserves and our reserve estimates; natural disasters; global unrest and conflict; failure to harvest salt, which could lead to accumulation at the bottom of evaporation Pond 5 in the Dead Sea; construction of a new pumping station; disruptions at our seaport shipping facilities or regulatory restrictions affecting our ability to export our products overseas; general market, political or economic conditions in the countries in which we operate; price increases or shortages with respect to our principal raw materials; delays in the completion of major projects by third party contractors and/or termination of engagements with contractors and/or governmental obligations; the inflow of significant amounts of water into the Dead Sea could adversely affect production at our plants; labor disputes, slowdowns and strikes

involving our employees; pension and health insurance liabilities; the ongoing COVID-19 pandemic, which has impacted, and may continue to impact our sales, operating results and business operations by disrupting our ability to purchase raw materials, by negatively impacting the demand and pricing for some of our products, by disrupting our ability to sell and/or distribute products, impacting customers' ability to pay us for past or future purchases and/or temporarily closing our facilities or the facilities of our suppliers or customers and their contract manufacturers, or restricting our ability to travel to support our sites or our customers around the world; changes to governmental incentive programs or tax benefits, creation of new fiscal or tax related legislation; changes in our evaluations and estimates, which serve as a basis for the recognition and manner of measurement of assets and liabilities; higher tax liabilities; failure to integrate or realize expected benefits from mergers and acquisitions, organizational restructuring and joint ventures; currency rate fluctuations; rising interest rates; government examinations or investigations; disruption of our, or our service providers', information technology systems or breaches of our, or our service providers', data security; failure to retain and/or recruit key personnel; inability to realize expected benefits from our cost reduction program according to the expected timetable; inability to access capital markets on favorable terms; cyclicity of our businesses; changes in demand for our fertilizer products due to a decline in agricultural product prices, lack of available credit, weather conditions, government policies or other factors beyond our control; sales of our magnesium products being affected by various factors that are not within our control; our ability to secure approvals and permits from the authorities in Israel to continue our phosphate mining operations in Rotem; volatility or crises in the financial markets; uncertainties surrounding the withdrawal of the United Kingdom from the European Union; hazards inherent to mining and chemical manufacturing; the failure to ensure the safety of our workers and processes; cost of compliance with environmental, regulatory, legislative, and licensing restrictions; laws and regulations related to, and physical impacts of climate change and greenhouse gas emissions; litigation, arbitration and regulatory proceedings; exposure to third party and product liability claims; product recalls or other liability claims as a result of food safety and food-borne illness concerns; insufficiency of insurance coverage; closing of transactions, mergers and acquisitions; war or acts of terror and/or political, economic and military instability in Israel and its region; filing of class actions and derivative actions against the Company, its executives and Board members; the company is exposed to risks relating to its current and future activity in emerging markets; and other risk factors discussed under Item 3 - Key Information - D. Risk Factors in the company's annual report on Form 20-F for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission (SEC) on February 23, 2022 (the Annual Report).

Forward-looking statements speak only as of the date they are made, and the company does not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

This announcement for the second quarter of 2022 (herein after the quarterly announcement) should be read in conjunction with the annual report, including the description of the events occurring subsequent to the date of the statement of financial position, as filed with the SEC.

Appendix

Condensed Consolidated Statements of Income (Unaudited)

\$ millions	Three-months ended		Six-months ended		Year ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	December 31, 2021
Sales	2,880	1,617	5,405	3,127	6,955
Cost of sales	1,341	1,047	2,621	2,062	4,344
Gross profit	1,539	570	2,784	1,065	2,611
Selling, transport and marketing expenses	321	246	600	475	1,067
General and administrative expenses	74	67	143	129	276
Research and development expenses	17	14	35	29	64
Other expenses	6	25	6	30	57
Other income	(18)	(25)	(41)	(26)	(63)
Operating income	1,139	243	2,041	428	1,210
Finance expenses	138	64	205	62	216
Finance income	(124)	(34)	(157)	(12)	(94)
Finance expenses, net	14	30	48	50	122
Share in earnings of equity-accounted investees	-	1	-	1	4
Income before taxes on income	1,125	214	1,993	379	1,092
Taxes on income	540	64	751	87	260
Net income	585	150	1,242	292	832
Net income attributable to the non-controlling interests	22	10	47	17	49
Net income attributable to the shareholders of the Company	563	140	1,195	275	783
Earnings per share attributable to the shareholders of the Company:					
Basic earnings per share (in dollars)	0.44	0.11	0.93	0.22	0.61
Diluted earnings per share (in dollars)	0.44	0.11	0.93	0.22	0.60
Weighted-average number of ordinary shares outstanding:					
Basic (in thousands)	1,286,380	1,281,977	1,286,097	1,281,192	1,282,807
Diluted (in thousands)	1,291,696	1,285,658	1,291,243	1,284,873	1,287,051

Condensed Consolidated Statements of Financial Position as of (Unaudited)

\$ millions	June 30, 2022	June 30, 2021	December 31, 2021
Current assets			
Cash and cash equivalents	426	318	473
Short-term investments and deposits	90	92	91
Trade receivables	1,812	1,097	1,418
Inventories	1,857	1,207	1,570
Prepaid expenses and other receivables	572	524	357
Total current assets	4,757	3,238	3,909
Non-current assets			
Deferred tax assets	132	143	147
Property, plant and equipment	5,749	5,601	5,754
Intangible assets	867	725	867
Other non-current assets	273	373	403
Total non-current assets	7,021	6,842	7,171
Total assets	11,778	10,080	11,080
Current liabilities			
Short-term debt	466	630	577
Trade payables	1,132	801	1,064
Provisions	53	55	59
Other payables	1,227	659	912
Total current liabilities	2,878	2,145	2,612
Non-current liabilities			
Long-term debt and debentures	2,291	2,212	2,436
Deferred tax liabilities	450	368	384
Long-term employee liabilities	435	622	564
Long-term provisions and accruals	266	278	278
Other	62	76	70
Total non-current liabilities	3,504	3,556	3,732
Total liabilities	6,382	5,701	6,344
Equity			
Total shareholders' equity	5,153	4,201	4,527
Non-controlling interests	243	178	209
Total equity	5,396	4,379	4,736
Total liabilities and equity	11,778	10,080	11,080

Condensed Consolidated Statements of Cash Flows (Unaudited)

\$ millions	Three-months ended		Six-months ended		Year ended
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	December 31, 2021
Cash flows from operating activities					
Net income	585	150	1,242	292	832
Adjustments for:					
Depreciation and amortization	119	124	241	241	490
Reversal of fixed assets impairment	-	(9)	-	(9)	(6)
Exchange rate, interest and derivative, net	75	-	116	53	99
Tax expenses	540	64	751	87	260
Change in provisions	(41)	12	(59)	(9)	(4)
Other	6	8	(14)	10	(21)
	<u>699</u>	<u>199</u>	<u>1,035</u>	<u>373</u>	<u>818</u>
Change in inventories	(208)	(3)	(295)	27	(267)
Change in trade receivables	21	(27)	(448)	(174)	(426)
Change in trade payables	105	36	99	75	274
Change in other receivables	(89)	(31)	(90)	(40)	9
Change in other payables	(52)	(17)	(9)	(29)	107
Net change in operating assets and liabilities	(223)	(42)	(743)	(141)	(303)
Interest paid, net	(39)	(37)	(55)	(55)	(89)
Income taxes paid, net of refund	(395)	(28)	(527)	(21)	(193)
Net cash provided by operating activities	<u>627</u>	<u>242</u>	<u>952</u>	<u>448</u>	<u>1,065</u>
Cash flows from investing activities					
Proceeds (payments) from deposits, net	(30)	90	(38)	98	355
Business combinations	(18)	-	(18)	(64)	(365)
Purchases of property, plant and equipment and intangible assets	(220)	(151)	(351)	(298)	(611)
Proceeds from divestiture of assets and businesses, net of transaction expenses	2	1	22	1	39
Other	2	2	14	2	3
Net cash used in investing activities	<u>(264)</u>	<u>(58)</u>	<u>(371)</u>	<u>(261)</u>	<u>(579)</u>
Cash flows from financing activities					
Dividends paid to the Company's shareholders	(307)	(67)	(476)	(101)	(276)
Receipt of long-term debt	190	187	533	497	1,230
Repayments of long-term debt	(259)	(144)	(615)	(455)	(1,120)
Receipts (repayments) of short-term debt, net	25	25	(72)	(16)	(58)
Receipts (payments) from transactions in derivatives	-	(32)	19	(18)	(17)
Other	-	-	-	-	(3)
Net cash used in financing activities	<u>(351)</u>	<u>(31)</u>	<u>(611)</u>	<u>(93)</u>	<u>(244)</u>
Net change in cash and cash equivalents	12	153	(30)	94	242
Cash and cash equivalents as of the beginning of the period	439	157	473	214	214
Net effect of currency translation on cash and cash equivalents	(25)	8	(17)	10	17
Cash and cash equivalents as of the end of the period	<u>426</u>	<u>318</u>	<u>426</u>	<u>318</u>	<u>473</u>

Adjustments to Reported Operating and Net Income (non-GAAP)

\$ millions	Three-months ended		Six-months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Operating income	1,139	243	2,041	428
Divestment related items and transaction costs from acquisitions ⁽¹⁾	-	(8)	(22)	(8)
Impairment and disposal of assets, provision for closure and restoration costs ⁽²⁾	-	1	-	1
Total adjustments to operating income	-	(7)	(22)	(7)
Adjusted operating income	1,139	236	2,019	421
Net income attributable to the shareholders	563	140	1,195	275
Total adjustments to operating income	-	(7)	(22)	(7)
Total tax adjustments ⁽³⁾	188	2	191	2
Total adjusted net income to the shareholders	751	135	1,364	270

(1) For 2022, reflects a capital gain related to the company's divestment of a 50%-owned joint venture, Novetide. For 2021, it reflects a capital gain related to the sale of an asset in Israel and the divestment by the company's Industrial Products segment of the Zhapu site in China, partially offset by an earnout adjustment relating to divestment in previous years, as well as transaction costs related to acquisitions in Brazil.

(2) For 2021, reflects the disposal of a pilot investment in Spain that did not materialize and an increase in restoration costs, offset by a reversal of impairment due to the strengthening of phosphate prices.

(3) For 2022, reflects tax expenses in respect of prior years following a settlement with the Israeli Tax Authority regarding Israel's Surplus Profit Levy, which outlines understandings for the calculation of the levy, including for the measurement of fixed assets and the tax impact of adjustments made to operational income. For additional information see Note 6 to the company's interim financial statements. For 2021, the amount includes tax expenses related to the release of trapped earnings of the company and certain Israeli subsidiaries and the tax impact of adjustments made to operational income.

Consolidated EBITDA for the Periods of Activity

\$ millions	Three-months ended		Six-months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net income	585	150	1,242	292
Financing expenses, net	14	30	48	50
Taxes on income	540	64	751	87
Less: Share in earnings of equity-accounted investees	-	(1)	-	(1)
Operating income	1,139	243	2,041	428
Depreciation and amortization	119	124	241	241
Adjustments (1)	-	(7)	(22)	(7)
Total adjusted EBITDA (2)	1,258	360	2,260	662

(1) See "Adjustments to Reported Operating and Net income (non-GAAP)" above.

(2) Commencing 2022, the company's adjusted EBITDA definition was updated. See the statement above.

Calculation of Segment EBITDA

	Industrial Products		Potash		Phosphate Solutions		Innovative Ag Solutions	
	Three-months ended							
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Segment operating	191	114	576	42	268	77	141	21
Depreciation and amortization	15	14	40	38	47	56	14	13
Segment EBITDA	206	128	616	80	315	133	155	34