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# ICL Reports Second Quarter 2023 Results

*Delivers sales of $1.8 billion, adjusted EBITDA of $441 million, adjusted EBITDA margin of 24% and diluted earnings per share of $0.13*

*Tel Aviv, Israel, August 9, 2023 – ICL (NYSE: ICL) (TASE: ICL),* a leading global specialty minerals company, today reported its financial results for the second quarter ended June 30, 2023. Consolidated sales were $1.8 billion versus $2.9 billion, while operating income was $300 million versus $1,139 million in the second quarter of last year. Operating cash flow was $391 million vs. $627 million. Adjusted EBITDA was $441 million versus $1,258 million, and diluted earnings per share were $0.13 versus $0.44.

"ICL delivered another solid quarter, as we reacted swiftly to challenging market conditions, while executing with resolve against our long-term strategy. For the second quarter, results declined year-over-year, as expected, following an all-time record quarter in 2022, which reflected peak commodity prices," said Raviv Zoller, president and CEO of ICL. "The deterioration in market conditions witnessed in the second quarter of this year was more rapid than expected, until fertilizer prices stabilized at the end of the quarter. Our efforts focused on enhancing efficiencies and competitiveness helped drive continued strong cash generation in the quarter. ICL remains committed to its long-term strategy of growing its specialties product portfolio, while targeting M&A and strategic partnership opportunities."

As indicated on June 22, 2023, the company's guidance for full year adjusted EBITDA is between $1.6 billion to $1.8 billion, with $0.8 billion to $0.9 billion of this amount estimated to come from the company's specialties focused businesses. *(1a)*

## Key Financials

Second Quarter 2023

| US$M<br>Ex. per share data | 2Q'23 | 2Q'22 | 1H'23 | 1H'22 |
|---|---|---|---|---|
| Sales | $1,834 | $2,880 | $3,932 | $5,405 |
| Gross profit | $645 | $1,539 | $1,473 | $2,784 |
| Gross margin | 35% | 53% | 37% | 52% |
| Operating income | $300 | $1,139 | $765 | $2,041 |
| Adjusted operating income [(1)] | $300 | $1,139 | $780 | $2,019 |
| Operating margin | 16% | 40% | 19% | 38% |
| Adjusted operating margin [(1)] | 16% | 40% | 20% | 37% |
| Net income attributable to shareholders | $163 | $563 | $443 | $1,195 |
| Adjusted net income attributable to shareholders [(1)] | $163 | $751 | $455 | $1,364 |
| Adjusted EBITDA [(1)] | $441 | $1,258 | $1,051 | $2,260 |
| Adjusted EBITDA margin [(1)] | 24% | 44% | 27% | 42% |
| Diluted earnings per share | $0.13 | $0.44 | $0.34 | $0.93 |
| Diluted adjusted earnings per share [(1)] | $0.13 | $0.58 | $0.35 | $1.06 |
| Cash flows from operating activities | $391 | $627 | $773 | $952 |

*(1) (1) Adjusted operating income and margin, adjusted net income attributable to shareholders, adjusted EBITDA, diluted adjusted earnings per share and margin are non-GAAP financial measures. Please refer to the adjustments table and disclaimer.*

## Industrial Products

Second quarter 2023

- Sales of $300 million vs. $486 million.
- EBITDA of $74 million vs. $206 million.
- Delayed recovery in flame retardant demand, as the Chinese economic rebound has abated and certain end-markets remain challenged.

Key developments

- Flame retardants: Experienced lower volumes and prices versus the prior year, as the weakness in the electronics and construction end-markets was extended.
- Industrial solutions: Chinese spot bromine price continued to decline.
- Specialty minerals: Higher prices combined with mixed product demand to drive EBITDA higher year-over-year.

## Potash

Second quarter 2023

- Sales of $546 million vs. $951 million.
- EBITDA of $213 million vs. $616 million.
- Grain Price Index decreased 12.8% year-over-year, with rice up 5.5%, while corn, soybeans and wheat were down 19.0%, 15.8% and 23.2%, respectively.

- Potash price (CIF) per ton of $403 was down 50% year-over-year, as prices declined versus the peaks reached in the second quarter of 2022.
- Fertilizer affordability remained above average.

Key developments

- ICL Dead Sea: Production according to plan.
- ICL Iberia: Production lower than expected, as operational challenges continued to impact ore extraction.

## Phosphate Solutions

Second quarter 2023

- Sales of $605 million vs. $915 million.
  - Phosphate specialties: Sales of $395 million vs. $493 million.
  - Phosphate commodities: Sales of $210 million vs. $422 million.
- EBITDA of $130 million vs. $315 million.
  - Phosphate specialties: EBITDA of $83 million vs. $131 million.
  - Phosphate commodities: EBITDA of $47 million vs. $184 million.
- Lower prices and volumes were partially offset by lower raw material and transportation costs.

Key developments

- White phosphoric acid: Sales declined year-over-year, as higher prices in both North and South America were offset by lower prices, mainly in Europe and China, while volumes were lower for most regions.
- Industrial phosphates: Slightly higher prices in North and South America were offset by lower volumes in all regions except South America.
- Food phosphates: Sales increased on higher prices in North and South America and in Europe, while volumes were lower in all three regions.
- Battery materials: Broke ground in St. Louis for LFP cathode active material facility.

## Growing Solutions

Second quarter 2023

- Sales of $481 million vs. $700 million.
- EBITDA of $22 million vs. $155 million.
- Margin decreased, due to destocking in a declining price environment.

Key developments

- Specialty agriculture: Sales declined versus the prior year, due to lower quantities and prices, primarily for micronutrients and straight fertilizers.
- Turf and ornamental: Ornamental and horticulture sales volumes were weaker, while turf sales remained good.
- Brazil: Sales decreased versus the prior year, as quantities and prices both declined year-over-year.
- Polysulphate: Record second quarter production at Boulby of 267 thousand metric tons.

## Financial Items

### Financing Expenses

Net financing expenses for the second quarter of 2023 were $49 million, up versus $14 million in the corresponding quarter of last year.

### Tax Expenses

Tax expenses in the second quarter of 2023 were $84 million, reflecting an effective tax rate of 33%, compared to $540 million in the corresponding quarter of last year. For this year, the effective tax rate was slightly higher than usual, due to a withholding tax on dividends of $8 million. For last year, the tax expense included an adjustment of $188 million, and excluding this amount resulted in an effective tax rate of 31%.

### Available Liquidity

ICL's available cash resources, which are comprised of cash and deposits, unutilized revolving credit facility, and unutilized securitization, totaled $1,659 million, as of June 30, 2023.

### Outstanding Net Debt

As of June 30, 2023, ICL's net financial liabilities amounted to $2,253 million, a decrease of $63 million compared to December 31, 2022.

### Dividend Distribution

In connection with ICL's second quarter 2023 results, the Board of Directors declared a dividend of 6.32 cents per share, or approximately $81 million, versus 29.18 cents per share, or approximately $375 million, in the second quarter of last year. The dividend will be payable on September 13, 2023, to shareholders of record as of August 30, 2023.

## About ICL

ICL Group Ltd. is a leading global specialty minerals company, which creates impactful solutions for humanity's sustainability challenges in the food, agriculture and industrial markets. ICL leverages its unique bromine, potash and phosphate resources, its global professional workforce, and its sustainability focused R&D and technological innovation capabilities, to drive the company's growth across its end markets. ICL shares are dual listed on the New York Stock Exchange and the Tel Aviv Stock Exchange (NYSE and TASE: ICL). The company employs more than 12,500 people worldwide, and its 2022 revenue totaled approximately $10 billion.

For more information, visit ICL's website at icl-group.com.
To access ICL's interactive CSR report, visit icl-group-sustainability.com.
You can also learn more about ICL on Facebook, LinkedIn, YouTube 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 Growing 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, targets, and potential, among others. The Company is relying on the safe harbor provided in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in making such forward-looking statements.

Forward-looking statements appear in a number of places in this announcement and include, but are not limited to 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:

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 and cost of compliance with environmental regulatory legislative and licensing restrictions including laws and regulation related to, and physical impacts of climate change and greenhouse gas emissions; failure to "harvest" salt which could lead to accumulation of salt at the bottom of the evaporation Pond 5 in the Dead Sea; litigation, arbitration and regulatory proceedings; disruptions at our seaport shipping facilities or regulatory restrictions affecting our ability to export our products overseas; changes in exchange rates or prices compared to those we are currently experiencing; general market, political or economic conditions in the countries in which we operate; price increases or shortages with respect to our principal raw materials; pandemics may create disruptions, impacting our sales, operations, supply chain and customers; delays in termination of engagements with contractors and/or governmental obligations; the inflow of significant amounts of water into the Dead Sea which could adversely affect production at our plants; labor disputes, slowdowns and strikes involving our employees; pension and health insurance liabilities; changes to governmental incentive programs or tax benefits, creation of new fiscal or tax related legislation; and/or higher tax liabilities; changes in our evaluations and estimates, which serve as a basis for the recognition and manner of measurement of assets and 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; 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; cyclicality of our businesses; The Company is exposed to risks relating to its current and future activity in emerging markets; 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; disruption of our, or our service providers', 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 Amfert Israel; volatility or crises in the financial markets; hazards inherent to mining and chemical manufacturing; the failure to ensure the safety of our workers and processes; 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; 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; closing of transactions, mergers and acquisitions; 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, 2022, filed with the U.S. Securities and Exchange Commission (the "SEC") on February 28, 2023 (the "Annual Report").

Forward looking statements speak only as of the date they are made, and, except as otherwise required by law, we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements, targets or goals in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. Investors are cautioned to consider these risk and uncertainties and to not place undue reliance on such information. Forward-looking statements should not be read as a guarantee of future performance or results and are subject to risks and uncertainties,

and the actual results may differ materially from those expressed or implied in the forward-looking statements

This announcement for the first quarter of 2023 (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, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 | December 31, 2022 |
| Sales | 1,834 | 2,880 | 3,932 | 5,405 | 10,015 |
| Cost of sales | 1,189 | 1,341 | 2,459 | 2,621 | 4,983 |
| **Gross profit** | 645 | 1,539 | 1,473 | 2,784 | 5,032 |
| Selling, transport and marketing expenses | 279 | 321 | 543 | 600 | 1,181 |
| General and administrative expenses | 55 | 74 | 123 | 143 | 291 |
| Research and development expenses | 19 | 17 | 37 | 35 | 68 |
| Other expenses | 2 | 6 | 18 | 6 | 30 |
| Other income | (10) | (18) | (13) | (41) | (54) |
| **Operating income** | 300 | 1,139 | 765 | 2,041 | 3,516 |
| Finance expenses | 89 | 138 | 176 | 205 | 327 |
| Finance income | (40) | (124) | (83) | (157) | (214) |
| **Finance expenses, net** | 49 | 14 | 93 | 48 | 113 |
| Share in earnings of equity-accounted | - | - | - | - | 1 |
| **Income before taxes on income** | 251 | 1,125 | 672 | 1,993 | 3,404 |
| Taxes on income | 84 | 540 | 211 | 751 | 1,185 |
| **Net income** | 167 | 585 | 461 | 1,242 | 2,219 |
| Net income attributable to the non-controlling interests | 4 | 22 | 18 | 47 | 60 |
| **Net income attributable to the shareholders of the Company** | 163 | 563 | 443 | 1,195 | 2,159 |
| **Earnings per share attributable to the shareholders of the Company:** | | | | | |
| Basic earnings per share (in dollars) | 0.13 | 0.44 | 0.34 | 0.93 | 1.68 |
| Diluted earnings per share (in dollars) | 0.13 | 0.44 | 0.34 | 0.93 | 1.67 |
| **Weighted-average number of ordinary shares outstanding:** | | | | | |
| Basic (in thousands) | 1,289,347 | 1,286,380 | 1,289,293 | 1,286,097 | 1,287,304 |
| Diluted (in thousands) | 1,290,792 | 1,291,696 | 1,290,950 | 1,291,243 | 1,289,947 |

Condensed Consolidated Statements of Financial Position as of (Unaudited)

| $ millions | June 30, 2023 | June 30, 2022 | December 31, 2022 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | **372** | 426 | 417 |
| Short-term investments and deposits | **166** | 90 | 91 |
| Trade receivables | **1,380** | 1,812 | 1,583 |
| Inventories | **2,006** | 1,857 | 2,134 |
| Prepaid expenses and other receivables | **333** | 572 | 323 |
| **Total current assets** | **4,257** | 4,757 | 4,548 |
| **Non-current assets** | | | |
| Deferred tax assets | **149** | 132 | 150 |
| Property, plant and equipment | **6,097** | 5,749 | 5,969 |
| Intangible assets | **872** | 867 | 852 |
| Other non-current assets | **209** | 273 | 231 |
| **Total non-current assets** | **7,327** | 7,021 | 7,202 |
| **Total assets** | **11,584** | 11,778 | 11,750 |
| **Current liabilities** | | | |
| Short-term debt | **674** | 466 | 512 |
| Trade payables | **893** | 1,132 | 1,006 |
| Provisions | **75** | 53 | 81 |
| Other payables | **789** | 1,227 | 1,007 |
| **Total current liabilities** | **2,431** | 2,878 | 2,606 |
| **Non-current liabilities** | | | |
| Long-term debt and debentures | **2,117** | 2,291 | 2,312 |
| Deferred tax liabilities | **467** | 450 | 423 |
| Long-term employee liabilities | **362** | 435 | 402 |
| Long-term provisions and accruals | **236** | 266 | 234 |
| Other | **61** | 62 | 60 |
| **Total non-current liabilities** | **3,243** | 3,504 | 3,431 |
| **Total liabilities** | **5,674** | 6,382 | 6,037 |
| **Equity** | | | |
| Total shareholders' equity | **5,670** | 5,153 | 5,464 |
| Non-controlling interests | **240** | 243 | 249 |
| **Total equity** | **5,910** | 5,396 | 5,713 |
| **Total liabilities and equity** | **11,584** | 11,778 | 11,750 |

Condensed Consolidated Statements of Cash Flows (Unaudited)

| $ millions | Three-months ended | | Six-months ended | | Year ended |
|---|---|---|---|---|---|
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 | December 31, 2022 |
| **Cash flows from operating activities** | | | | | |
| Net income | **167** | 585 | **461** | 1,242 | 2,219 |
| Adjustments for: | | | | | |
| Depreciation and amortization | **141** | 119 | **271** | 241 | 498 |
| Exchange rate, interest and derivative, net | **30** | 75 | **48** | 116 | 157 |
| Tax expenses | **84** | 540 | **211** | 751 | 1,185 |
| Change in provisions | **(13)** | (41) | **(28)** | (59) | (83) |
| Other | **2** | 6 | **6** | (14) | (15) |
| | **244** | 699 | **508** | 1,035 | 1,742 |
| Change in inventories | **113** | (208) | **164** | (295) | (527) |
| Change in trade receivables | **268** | 21 | **233** | (448) | (215) |
| Change in trade payables | **(71)** | 105 | **(108)** | 99 | (42) |
| Change in other receivables | **1** | (89) | **(5)** | (90) | (46) |
| Change in other payables | **(184)** | (52) | **(207)** | (9) | 107 |
| **Net change in operating assets and liabilities** | **127** | (223) | **77** | (743) | (723) |
| Interest paid, net | **(42)** | (39) | **(59)** | (55) | (106) |
| Income taxes paid, net of refund | **(105)** | (395) | **(214)** | (527) | (1,107) |
| **Net cash provided by operating activities** | **391** | 627 | **773** | 952 | 2,025 |
| **Cash flows from investing activities** | | | | | |
| Payments for deposits, net | **(35)** | (30) | **(79)** | (38) | (36) |
| Business combinations | **-** | (18) | **-** | (18) | (18) |
| Purchases of property, plant and equipment and intangible assets | **(170)** | (220) | **(334)** | (351) | (747) |
| Proceeds from divestiture of assets and businesses, net of transaction expenses | **-** | 2 | **3** | 22 | 33 |
| Other | **-** | 2 | **1** | 14 | 14 |
| **Net cash used in investing activities** | **(205)** | (264) | **(409)** | (371) | (754) |
| **Cash flows from financing activities** | | | | | |
| Dividends paid to the Company's shareholders | **(146)** | (307) | **(324)** | (476) | (1,166) |
| Receipt of long-term debt | **95** | 190 | **353** | 533 | 1,045 |
| Repayments of long-term debt | **(228)** | (259) | **(398)** | (615) | (1,181) |
| Receipts (repayments) of short-term debt | **(54)** | 25 | **(17)** | (72) | (21) |
| Receipts from transactions in derivatives | **-** | - | **6** | 19 | 20 |
| Dividend paid to the non-controlling interests | **(15)** | - | **(15)** | - | - |
| **Net cash used in financing activities** | **(348)** | (351) | **(395)** | (611) | (1,303) |
| Net change in cash and cash equivalents | **(162)** | 12 | **(31)** | (30) | (32) |
| Cash and cash equivalents as of the beginning of the period | **552** | 439 | **417** | 473 | 473 |
| Net effect of currency translation on cash and cash equivalents | **(18)** | (25) | **(14)** | (17) | (24) |
| **Cash and cash equivalents as of the end of the period** | **372** | 426 | **372** | 426 | 417 |

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

| $ millions | Three-months ended | | Six-months ended | |
|---|---|---|---|---|
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| **Operating income** | **300** | 1,139 | **765** | 2,041 |
| Write-off of assets and provision for site closure [1] | **-** | - | **15** | - |
| Divestment related items and transaction costs from acquisitions [2] | **-** | **-** | **-** | (22) |
| **Total adjustments to operating income** | **-** | - | **15** | (22) |
| **Adjusted operating income** | **300** | 1,139 | **780** | 2,019 |
| Net income attributable to the shareholders of the Company | **163** | 563 | **443** | 1,195 |
| Total adjustments to operating income | **-** | - | **15** | (22) |
| Total tax adjustments [3] | **-** | 188 | **(3)** | 191 |
| **Total adjusted net income - shareholders of the Company** | **163** | 751 | **455** | 1,364 |

*(1) For 2023, reflects a write-off of assets and closure costs due to the closure of the Company's Summerville site in the US.*

*(2) For 2022, reflects a capital gain related to the sale of an asset in Israel and the Company's divestment of a 50%-owned joint venture, Novetide.*

*(3) For 2023, reflects the tax impact of adjustments made to operating income. For 2022, reflects tax expenses in respect of prior years following a settlement with Israel's Tax Authority regarding Israel's surplus profit levy, which outlines understandings for the calculation of the levy, including the measurement of fixed assets, as well as the tax impact of adjustments made to operating income.*

Consolidated EBITDA for the Periods of Activity

| $ millions | Three-months ended | | Six-months ended | |
|---|---|---|---|---|
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| Net income | **167** | 585 | **461** | 1,242 |
| Financing expenses, net | **49** | 14 | **93** | 48 |
| Taxes on income | **84** | 540 | **211** | 751 |
| Operating income | **300** | 1,139 | **765** | 2,041 |
| Depreciation and amortization | **141** | 119 | **271** | 241 |
| Adjustments [1] | **-** | - | **15** | (22) |
| **Total adjusted EBITDA [2]** | **441** | 1,258 | **1,051** | 2,260 |

*(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 | | Growing Solutions | |
|---|---|---|---|---|---|---|---|---|
| | Three-months ended | | | | | | | |
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| Segment operating | 60 | 191 | 167 | 576 | 71 | 268 | 4 | 141 |
| Depreciation and amortization | 14 | 15 | 46 | 40 | 59 | 47 | 18 | 14 |
| **Segment EBITDA** | **74** | **206** | **213** | **616** | **130** | **315** | **22** | **155** |