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## ICL Reports Outstanding Second Quarter 2021 Results

*Record results in Industrial Products, Phosphate Solutions and Innovative Ag Solutions, aided by continued focus on specialties*

**Tel Aviv, Israel, July 28, 2021 – ICL (NYSE: ICL) (TASE: ICL)**, a leading global specialty minerals company, today reported its financial results for the second quarter ended June 30, 2021. Consolidated sales of \$1,617 million were up 34% year-over-year. Operating income of \$243 million was up versus an operating loss of \$169 million, while adjusted operating income of \$236 million was up 84% versus \$128 million. Net income of \$140 million was up versus a net loss of \$168 million, while adjusted net income of \$135 million was up nearly 90% versus \$72 million. Adjusted EBITDA of \$351 million was up 43% over \$246 million.

ICL reported another quarter of record-breaking results, driven by its specialties businesses and augmented by commodity price upside. The strong performance across all divisions was supported by increased demand and higher prices in most markets. In addition, just after the quarter ended, the company completed its acquisition of the Compass Minerals South American Plant Nutrition business, making ICL the leading specialty plant nutrition company in Brazil – one of the world's fastest growing agriculture markets.

"During the quarter, our Industrial Products, Phosphate Solutions and Innovative Ag Solutions businesses all delivered high double-digit growth in segment profit and EBITDA. We saw continued end-market recovery in Industrial Products, with record sales for bromine compounds and phosphorous- and magnesia-based products. Phosphate Solutions delivered record results in both specialties and commodities, as did our YPH joint venture in China. For Innovative Ag Solutions, all product lines showed sales growth, with improvement across both existing and new markets. We also continued with our focused innovation approach for new product development and operational excellence across all divisions," said Raviv Zoller, president and CEO of ICL.

Due to another quarter of strong results and improved market conditions, ICL is raising its expectations for full year adjusted EBITDA to a range of \$1,315 million to \$1,375 million. (1a)

## Key Financials

Second Quarter 2021

US\$M Ex. per share data	2Q'21	2Q'20	YoY Change
Sales	\$1,617	\$1,203	34%
Gross profit	\$570	\$320	78%
Gross margin	35.3%	26.6%	870 bps
Operating income	\$243	(\$169)	n/m
Operating margin	15.0%	(14.0)%	2,900 bps
Net income attributable to shareholders	\$140	(\$168)	n/m
EBITDA*	\$351	\$246	43%
EBITDA margin	21.7%	20.4%	130 bps
Diluted earnings (loss) per share	11¢	(13¢)	n/m
Dividend per share	5.26¢	2.80¢	88%
Cash flows from operating activities	\$242	\$177	37%

\* EBITDA is a non-GAAP financial measure; see reconciliation tables in appendix.

## Industrial Products

Second quarter 2021

- Record sales of \$410 million were up \$125 million or 44%.
- Record segment profit of \$114 million was up \$44 million or 63%.
- Record EBITDA of \$128 million was up \$40 million or 45%.
- While the company was able to offset higher freight rates and raw material prices, which continued to increase during the quarter, raw material constraints limited production quantities.

## Highlights

- Elemental bromine: Sales were up on higher prices, as market prices in China continued to increase, due to higher demand for flame retardants and limited local supply.
- Bromine-based flame retardants: Sales were up, with continued demand for consumer electronics, strength in automotive end-markets, and as the strategic shift to long-term contracts continued.
- Clear brine fluids: Sales were up, as some regions saw improved demand, due to the rising price of oil. Overall demand trends remained under pressure and have not returned to pre-COVID levels, as oil and gas drilling activities in the Gulf of Mexico and the Mediterranean have not recovered.
- Phosphorus-based flame retardants: Sales were up, with strong demand from the construction industry, especially in Europe and North America.
- Specialty minerals: Results were driven by record magnesia-based sales, higher prices, and strong demand from the supplements and pharmaceuticals end markets.

## Potash

### Second quarter 2021

- Sales of \$412 million were up \$72 million or 21%.
- Segment profit of \$43 million was up \$5 million or 13%.
- EBITDA of \$85 million was up \$5 million or 6%.
- Grain Price Index increased year-over-year, with corn up 100.9%, soybeans up 53.8% and wheat up 42.5%, due to strong global demand, which supported higher potash prices.
- Average potash realized price per ton of \$281 was up approximately 25% year-over-year, with recent price increases expected to have a significant impact in the second half of the year.
- Business at capacity, due to continued good environment, with tight supply.

### Highlights

- ICL Dead Sea
  - As expected, production declined year-over-year, following the successful annual one-week maintenance shutdown completed in early April.
- ICL Iberia
  - Production was down year-over-year, due to the shutdown for the commissioning of the ramp connecting the Cabanasses mine and the Suria plant, which began in late March and continued through April. The project is expected to increase the mine's capacity, with the annual run rate projected to reach approximately 1 million tons by the beginning of 2022.
- ICL Boulby
  - Polysulphate production was up 5% year-over-year to ~193,000 tons, while sales volume was up 40% year-over-year to ~183,000 tons.

## Phosphate Solutions

### Second quarter 2021

- Record sales of \$623 million were up \$184 million or 42%.
  - Phosphate specialties: Record sales of \$328 million, up \$55 million or 20%.
  - Phosphate commodities: Record sales of \$295 million, up \$129 million or 78%.
- Record segment profit of \$77 million was up \$69 million, due to a significant increase in market prices and strong volumes.
- Record EBITDA of \$134 million was up \$74 million for an increase of more than 120%.
  - Phosphate specialties: Record EBITDA of \$50 million, up \$6 million or 14%.
  - Phosphate commodities: Record EBITDA of \$84 million, up \$68 million or 425%.
- The YPH joint venture delivered year-over-year improvement in results, due to increased volumes, higher commodity prices, and continued efficiency improvements.
- Commodity market price improvement continued in the second quarter, along with increased prices for raw materials, mainly sulfur, as well as higher freight costs and supply chain challenges.

### Highlights

- Phosphate salts: Sales were up significantly, with higher sales of both food grade phosphates and industrial salts.
  - Food phosphates: Strong volume momentum in North America, combined with higher global prices, drove year-over-year improvement. Food service began to recover, and retail demand remained strong, while product innovation and integrated solutions also contributed.
  - Industrial salts: Sales were up, due to higher demand in most regions and industries, and as the institutional cleaning end-market started to show signs of improvement.
- White phosphoric acid: Sales were up appreciably, driven by increased volumes in all regions, especially South America, and higher prices in all regions.

- Dairy protein: Sales were up, despite slower growth in Asia Pacific, due to a continued focus on maintaining the company's global leadership position in the organic cow and goat ingredients market.
- Phosphate fertilizers: Sales were up, driven by higher volumes and as prices continued to surge – especially in the U.S. and Brazil – while raw material prices and freight costs also increased.

## **Innovative Ag Solutions**

### Second quarter 2021

- Sales of \$237 million were up \$41 million or 21%.
- Record segment profit of \$20 million was up \$5 million or 33%, even with higher raw material prices and freight rates.
- Record EBITDA of \$27 million was up \$5 million or 23%.
- All products lines showed year-over-year growth, due to higher prices, increased volumes and positive exchange rate impact.

### Highlights

- Specialty agriculture: Solid sales growth – due to higher volumes of straights, liquid and controlled-release fertilizers – mainly in Europe, China, and North and South America.
- Turf and ornamental: Record results, with all geographies showing growth – especially new markets. Higher volumes and selling prices translated into higher profit, despite raw material price pressure.
- On July 1, the company announced it had completed the acquisition of the South American Plant Nutrition business from Compass Minerals for approximately US\$420 million. The acquisition is expected to position ICL as the leading specialty plant nutrition company in Brazil and to provide further seasonal balance between the Northern and Southern hemispheres.

## **Financial Items**

### Financing Expenses

Net financing expenses for the second quarter of 2021 were \$30 million, similar to the \$31 million in the same quarter of last year.

### Tax Expenses

Tax expenses in the second quarter of 2021 were \$64 million, reflecting an effective tax rate of 30%, versus tax income of \$33 million the prior year. The higher than usual effective tax rate was mainly due to the strengthening of the Israeli Shekel during the quarter, changes in deferred tax balances due to higher profitability, and, to a lesser degree, provisions for taxes in Brazil, which has a tax rate higher than the corporate average.

### Liquidity and Capital Resources

ICL has long-term credit facilities of \$1,100 million, of which \$273 million were utilized as of June 30, 2021.

### Outstanding Net Debt

As of June 30, 2021, ICL's net financial liabilities amounted to \$2,432 million, an increase of \$14 million compared to December 31, 2020.

### Dividend Distribution

In connection with ICL's second quarter 2021 results, the Board of Directors declared a dividend of 5.26 cents per share, or approximately \$68 million, which will be payable on September 1, 2021, to shareholders of record as of August 18, 2021.

### **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 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 2020 revenues totaled approximately \$5.0 billion.

For more information, visit ICL's website at [www.icl-group.com](http://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.

### **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). 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), 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 by adding back to the net income attributable to the company's shareholders the depreciation and amortization, financing expenses, net, taxes on income and the items presented in the reconciliation table under consolidated adjusted EBITDA and diluted adjusted earnings per share for the periods of activity (non-GAAP), which were adjusted for in calculating the adjusted operating income and

adjusted net income attributable to the company's shareholders. Other companies may calculate similarly titled non-IFRS financial measures differently than the company.

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 2021 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; 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 proposed 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, 2020, filed with the U.S. Securities and Exchange Commission (SEC) on March 2, 2021 (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 2021 (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, 2021	June 30, 2020	June 30, 2021	June 30, 2020	December 31, 2020
Sales	1,617	1,203	3,127	2,522	5,043
Cost of sales	1,047	883	2,062	1,802	3,553
<b>Gross profit</b>	<b>570</b>	<b>320</b>	<b>1,065</b>	<b>720</b>	<b>1,490</b>
Selling, transport and marketing expenses	246	183	475	371	766
General and administrative expenses	67	56	129	120	232
Research and development expenses	14	10	29	24	54
Other expenses	25	244	30	246	256
Other income	(25)	(4)	(26)	(4)	(20)
<b>Operating income (loss)</b>	<b>243</b>	<b>(169)</b>	<b>428</b>	<b>(37)</b>	<b>202</b>
Finance expenses	64	54	62	88	219
Finance income	(34)	(23)	(12)	(5)	(61)
<b>Finance expenses, net</b>	<b>30</b>	<b>31</b>	<b>50</b>	<b>83</b>	<b>158</b>
Share in earnings of equity-accounted investees	1	1	1	2	5
<b>Income (loss) before income taxes</b>	<b>214</b>	<b>(199)</b>	<b>379</b>	<b>(118)</b>	<b>49</b>
Provision for income taxes	64	(33)	87	(13)	25
<b>Net income (loss)</b>	<b>150</b>	<b>(166)</b>	<b>292</b>	<b>(105)</b>	<b>24</b>
Net income attributable to the non-controlling interests	10	2	17	3	13
<b>Net income (loss) attributable to the shareholders of the Company</b>	<b>140</b>	<b>(168)</b>	<b>275</b>	<b>(108)</b>	<b>11</b>
<b>Earnings per share attributable to the shareholders of the Company:</b>					
Basic earnings (loss) per share (in dollars)	0.11	(0.13)	0.22	(0.08)	0.01
Diluted earnings (loss) per share (in dollars)	0.11	(0.13)	0.22	(0.08)	0.01
<b>Weighted-average number of ordinary shares outstanding:</b>					
Basic (in thousands)	1,281,977	1,280,524	1,281,192	1,279,977	1,280,026
Diluted (in thousands)	1,285,658	1,280,721	1,284,873	1,280,175	1,280,273

Condensed Consolidated Statements of Financial Position as of (Unaudited)

\$ millions	June 30, 2021	June 30, 2020	December 31, 2020
<b>Current assets</b>			
Cash and cash equivalents	318	323	214
Short-term investments and deposits	92	86	100
Trade receivables	1,097	831	883
Inventories	1,207	1,202	1,250
Investments at fair value through other comprehensive income	180	38	53
Prepaid expenses and other receivables	344	384	341
<b>Total current assets</b>	<b>3,238</b>	<b>2,864</b>	<b>2,841</b>
<b>Non-current assets</b>			
Investments at fair value through other comprehensive income	-	76	83
Deferred tax assets	143	116	127
Property, plant and equipment	5,601	5,228	5,550
Intangible assets	725	634	670
Other non-current assets	373	308	393
<b>Total non-current assets</b>	<b>6,842</b>	<b>6,362</b>	<b>6,823</b>
<b>Total assets</b>	<b>10,080</b>	<b>9,226</b>	<b>9,664</b>
<b>Current liabilities</b>			
Short-term debt	630	544	679
Trade payables	801	720	740
Provisions	55	51	54
Other payables	659	576	704
<b>Total current liabilities</b>	<b>2,145</b>	<b>1,891</b>	<b>2,177</b>
<b>Non-current liabilities</b>			
Long-term debt and debentures	2,212	2,297	2,053
Deferred tax liabilities	368	305	326
Long-term employee liabilities	622	579	655
Long-term provisions and accruals	278	227	267
Other	76	69	98
<b>Total non-current liabilities</b>	<b>3,556</b>	<b>3,477</b>	<b>3,399</b>
<b>Total liabilities</b>	<b>5,701</b>	<b>5,368</b>	<b>5,576</b>
<b>Equity</b>			
<b>Total shareholders' equity</b>	<b>4,201</b>	<b>3,722</b>	<b>3,930</b>
Non-controlling interests	178	136	158
<b>Total equity</b>	<b>4,379</b>	<b>3,858</b>	<b>4,088</b>
<b>Total liabilities and equity</b>	<b>10,080</b>	<b>9,226</b>	<b>9,664</b>

Condensed Consolidated Statements of Cash Flows (Unaudited)

\$ millions	Three-months ended		Six-months ended		Year ended
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	December 31, 2020
<b>Cash flows from operating activities</b>					
Net income	150	(166)	292	(105)	24
Adjustments for:					
Depreciation and amortization	124	119	241	237	489
(Reversal of) Impairment of fixed assets	(9)	90	(9)	90	90
Exchange rate, interest and derivative, net	-	14	53	97	90
Tax expenses (income)	64	(33)	87	(13)	25
Change in provisions	12	153	(9)	128	113
Other	8	4	10	8	5
	<u>199</u>	<u>347</u>	<u>373</u>	<u>547</u>	<u>812</u>
Change in inventories	(3)	34	27	62	54
Change in trade receivables	(27)	111	(174)	(75)	(89)
Change in trade payables	36	(4)	75	67	84
Change in other receivables	(31)	(8)	(40)	(14)	5
Change in other payables	(17)	(87)	(29)	(59)	54
Net change in operating assets and liabilities	(42)	46	(141)	(19)	108
Interests paid	(37)	(36)	(55)	(56)	(109)
Income taxes paid, net of refund	(28)	(14)	(21)	(24)	(31)
<b>Net cash provided by operating activities</b>	<u>242</u>	<u>177</u>	<u>448</u>	<u>343</u>	<u>804</u>
<b>Cash flows from investing activities</b>					
Proceeds from deposits and investments, net	90	17	98	29	34
Business combinations	-	-	(64)	(27)	(27)
Purchases of property, plant and equipment and intangible assets	(151)	(161)	(298)	(300)	(626)
Proceeds from divestiture of businesses net of transaction expenses	-	17	-	17	26
Other	3	4	3	5	10
<b>Net cash used in investing activities</b>	<u>(58)</u>	<u>(123)</u>	<u>(261)</u>	<u>(276)</u>	<u>(583)</u>
<b>Cash flows from financing activities</b>					
Dividends paid to the Company's shareholders	(67)	(30)	(101)	(53)	(118)
Receipt of long-term debt	187	355	497	877	1,175
Repayments of long-term debt	(144)	(408)	(455)	(551)	(1,133)
Receipts (repayments) of short-term debt, net	25	(99)	(16)	(108)	(52)
Receipts (payments) from transactions in derivatives	(32)	14	(18)	(2)	24
Other	-	-	-	-	(1)
<b>Net cash provided by (used in) financing activities</b>	<u>(31)</u>	<u>(168)</u>	<u>(93)</u>	<u>163</u>	<u>(105)</u>
<b>Net change in cash and cash equivalents</b>	<u>153</u>	<u>(114)</u>	<u>94</u>	<u>230</u>	<u>116</u>
Cash and cash equivalents as of the beginning of the period	157	434	214	95	95
Net effect of currency translation on cash and cash equivalents	8	3	10	(2)	3
<b>Cash and cash equivalents as of the end of the period</b>	<u>318</u>	<u>323</u>	<u>318</u>	<u>323</u>	<u>214</u>

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

\$ millions	Three-	Three-	Six-	Six-
	months	months	months	months
	ended	ended	ended	ended
	June 30,	June 30,	June 30,	June 30,
	2021	2020	2021	2020
Operating income (loss)	243	(169)	428	(37)
Impairment and disposal of assets, provision for closure and restoration costs (1)	1	219	1	219
Judicial proceedings (2)	(8)	-	(8)	-
Provision for early retirement (3)	-	78	-	78
Total adjustments to operating income (loss)	(7)	297	(7)	297
Adjusted operating income	236	128	421	260
Net income (loss) attributable to the shareholders of the Company	140	(168)	275	(108)
Total adjustments to operating income (loss)	(7)	297	(7)	297
Total tax impact of the above operating income (loss)	2	(57)	2	(57)
Total adjusted net income - shareholders of the Company	135	72	270	132

(1) For 2021, reflects a disposal of an initial investment that will not materialize in Spain and an increase in restoration costs related to Rotem Amfert Israel, which was offset by a reversal of impairment in Rotem Amfert Israel due to the strengthening of phosphate prices. For 2020, reflects an impairment and write-off of certain assets in Rotem Amfert Israel, following low phosphate prices and the discontinuation of the unprofitable production and sale of phosphate rock activity, which also led to an increase in the provision for asset retirement obligation (ARO) and in facilities restoration costs. Also, reflects an impairment of assets and an increase in closure costs, as a result of the closure of the Sallent site (Vilafruns) in Spain.

(2) For 2021, reflects a reversal of VAT provision following a court ruling in Brazil, less reimbursement of arbitration costs pursuant to the tribunal's decision in Europe regarding the investment in the Ethiopian potash project.

(3) For 2020, this reflects an increase in the provision following implementation of an efficiency plan, primarily through an early retirement plan, at Israeli production facilities (Rotem Amfert Israel, Bromine Compounds and Dead Sea Magnesium).

## Consolidated EBITDA for the Periods of Activity

\$ millions	Three-months ended		Six-months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net income (loss) attributable to the shareholders of the Company	140	(168)	275	(108)
Financing expenses, net	30	31	50	83
Provision for income taxes	64	(33)	87	(13)
Minority and equity income, net (1)	9	1	16	1
<b>Operating income (loss)</b>	<b>243</b>	<b>(169)</b>	<b>428</b>	<b>(37)</b>
Minority and equity income, net (2)	(9)	(1)	(16)	(1)
Depreciation and amortization	124	119	241	237
<b>Adjustments (3)</b>	<b>(7)</b>	<b>297</b>	<b>(7)</b>	<b>297</b>
<b>Total adjusted EBITDA</b>	<b>351</b>	<b>246</b>	<b>646</b>	<b>496</b>

(1) Calculated by deducting the share in earnings of equity-accounted investees and adding the net income attributable to non-controlling interests.

(2) Calculated by adding the share in earnings of equity-accounted investees and deducting the net income attributable to non-controlling interests.

(3) See "Adjustments to reported operating and net income (non-GAAP)" above.

## Calculation of Segment EBITDA

	Industrial Products		Potash		Phosphate Solutions		Innovative Ag Solutions	
	Three-months ended							
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Segment profit	114	70	43	38	77	8	20	15
Depreciation and amortization	14	18	42	42	57	52	7	7
<b>Segment EBITDA</b>	<b>128</b>	<b>88</b>	<b>85</b>	<b>80</b>	<b>134</b>	<b>60</b>	<b>27</b>	<b>22</b>