Q3 & 9M 2021 Review

October 2021

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General Performance Overview

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General Market Update

- In Q3, the industry saw **continued strong demand for crop protection in most regions**, driven by:
  - High crop prices of most major commodity crops
  - Positive weather conditions in various regions
- **Farmer incomes are generally improving** as a result of high crop prices, but farmers are seeing inflationary pressures across most of their inputs (incl. seeds, fertilizers, crop protection, fuel and machinery)
- **Supply of intermediates and active ingredients sourced from China was constrained,** contributing further to the already high procurement prices amid strong global demand
  - **"Dual Control" energy restrictions and suspensions in China** disrupted production of much of the chemical industry
  - Resulting in even **higher procurement costs**
- Global **freight and logistics costs continued to rise**, driven by severe shortage of shipping and transportation resources amid resurgent demand for container shipping
  - Container shortages from disruptions in port activity due to COVID-19
  - Frictions in domestic supply lines due to pandemic-related restrictions
- Actions taken by ADAMA to mitigate these impacts:
  - Continued active **management of procurement and supply chain activities**
  - **Increasing pricing wherever market conditions allow**, to compensate for higher costs

Q3: strong volume-driven sales growth offset by continued margin pressure

Adj. $ million	Q3 2021	Q3 2020	%▲ USD
Sales	**1,147**	**978**	**+17%**
Gross Profit	313	281	+12%
% of Sales	*27.3%*	*28.7%*	
Operating Expenses	254	203	+25%
% of Sales	*22.2%*	*20.8%*	
EBITDA	**122**	**137**	**-11%**
% of Sales	*10.6%*	*14.0%*	
Adjusted Net Income	**(30)**	**29**	
% of Sales	*(2.6)%*	*2.9%*	
Adjustments	(27)	(26)	
Reported Net Income	(57)	3	
% of Sales	*(5.0)%*	*0.3%*	

Q3 Highlights

- **Sales**
  - Sales up 17% to Q3 record-high
  - Robust 14% volume growth, +1.4% higher prices
- **Gross Profit**
  - Strong volume growth, positive mix, higher prices and strengthening of local currencies against the US dollar
  - More than offsetting higher logistics and procurement costs, but impacting gross margin
- **EBITDA**
  - Higher Opex accommodating strong sales growth, new acquisitions, significantly higher logistics costs
- **Net income**
  - Lower Operating Income
  - Higher financial expenses (IL CPI, put options)
  - Higher taxes due largely to BRL weakness

Pressure on margins due to supply and logistics constraints; prices starting to increase to mitigate

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9M: another quarter of strong growth pushing YTD sales to record-high

Adj. $ million	9M 2021	9M 2020	%▲ USD
Sales	**3,476**	**2,987**	**+16%**
Gross Profit	1,000	888	+13%
% of Sales	*28.8%*	*29.7%*	
Operating Expenses	718	601	+19%
% of Sales	*20.6%*	*20.1%*	
EBITDA	**464**	**461**	**+1%**
% of Sales	*13.4%*	*15.4%*	
Adjusted Net Income	**85**	**124**	**-31%**
% of Sales	*2.5%*	*4.1%*	
Adjustments	(86)	(92)	
Reported Net Income	(1)	32	
% of Sales	*0.0%*	*1.1%*	

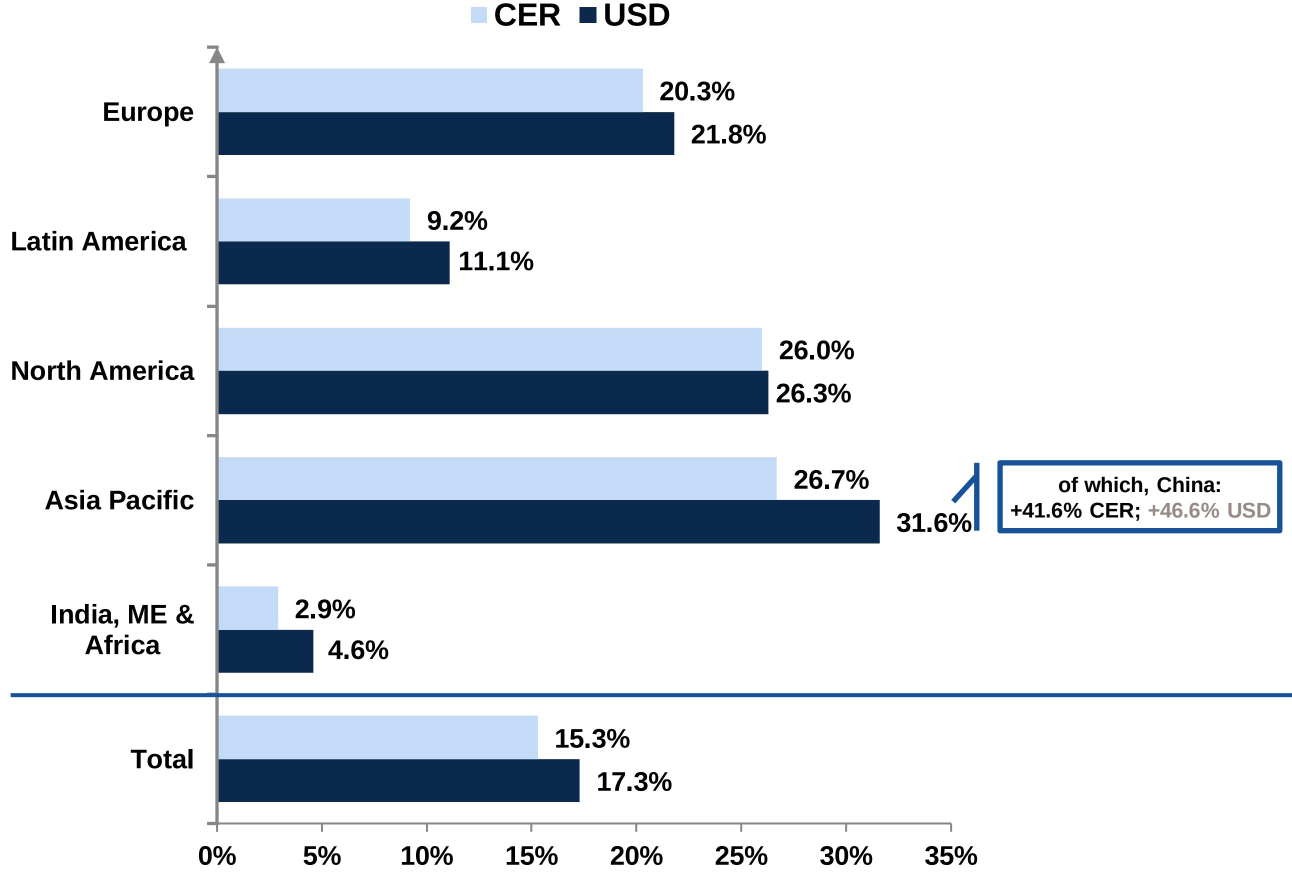
9M Highlights

- **Sales**
  - 16% Sales growth driven by 14% increase in volumes; aided by favorable currencies
- **Gross Profit**
  - Volume growth alongside positive mix and impact of stronger currencies against the US dollar
  - More than offsetting tighter pricing environment, higher logistics and procurement costs
- **EBITDA**
  - In-line with 9M'20
  - Higher Opex accommodating higher sales, recent acquisitions, and significantly higher logistics costs
- **Net income**
  - Slightly lower Operating Income
  - Higher financial expenses (IL CPI, put options)
  - Higher taxes due to BRL weakness

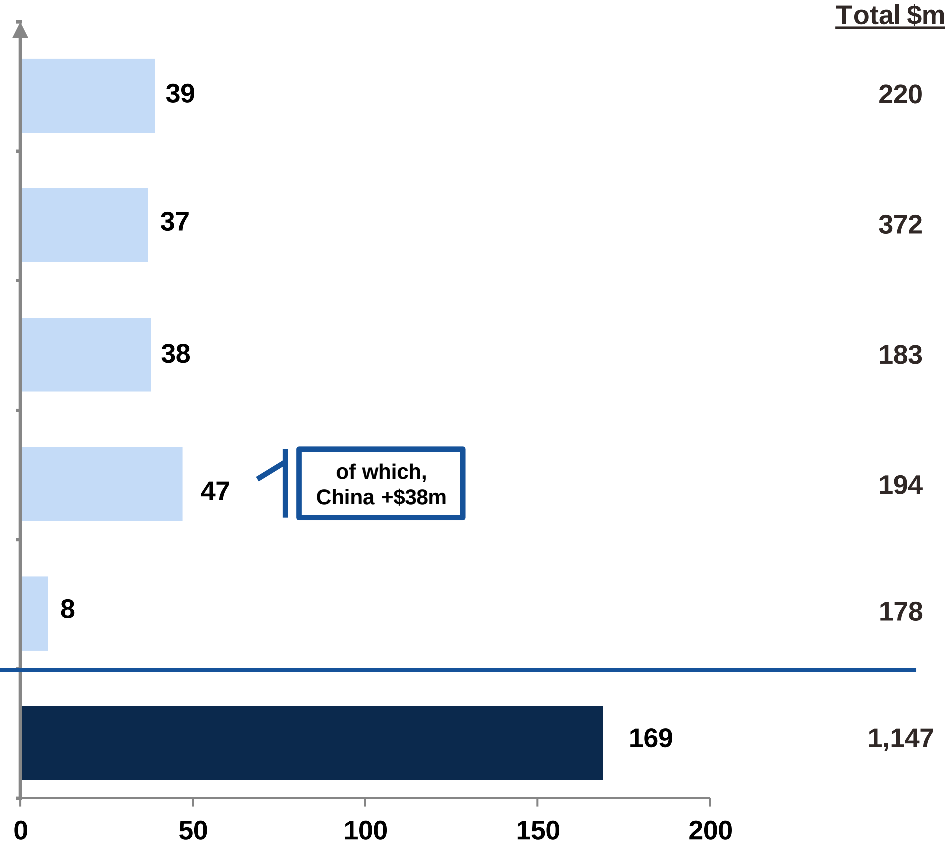
Continued strong sales growth driving 16% increase over 9M; EBITDA in-line with 9M'20 amid margin pressure

Regional Sales Performance
Q3 2021 vs. Q3 2020

% Sales growth by region



Absolute Sales change (USD $m)

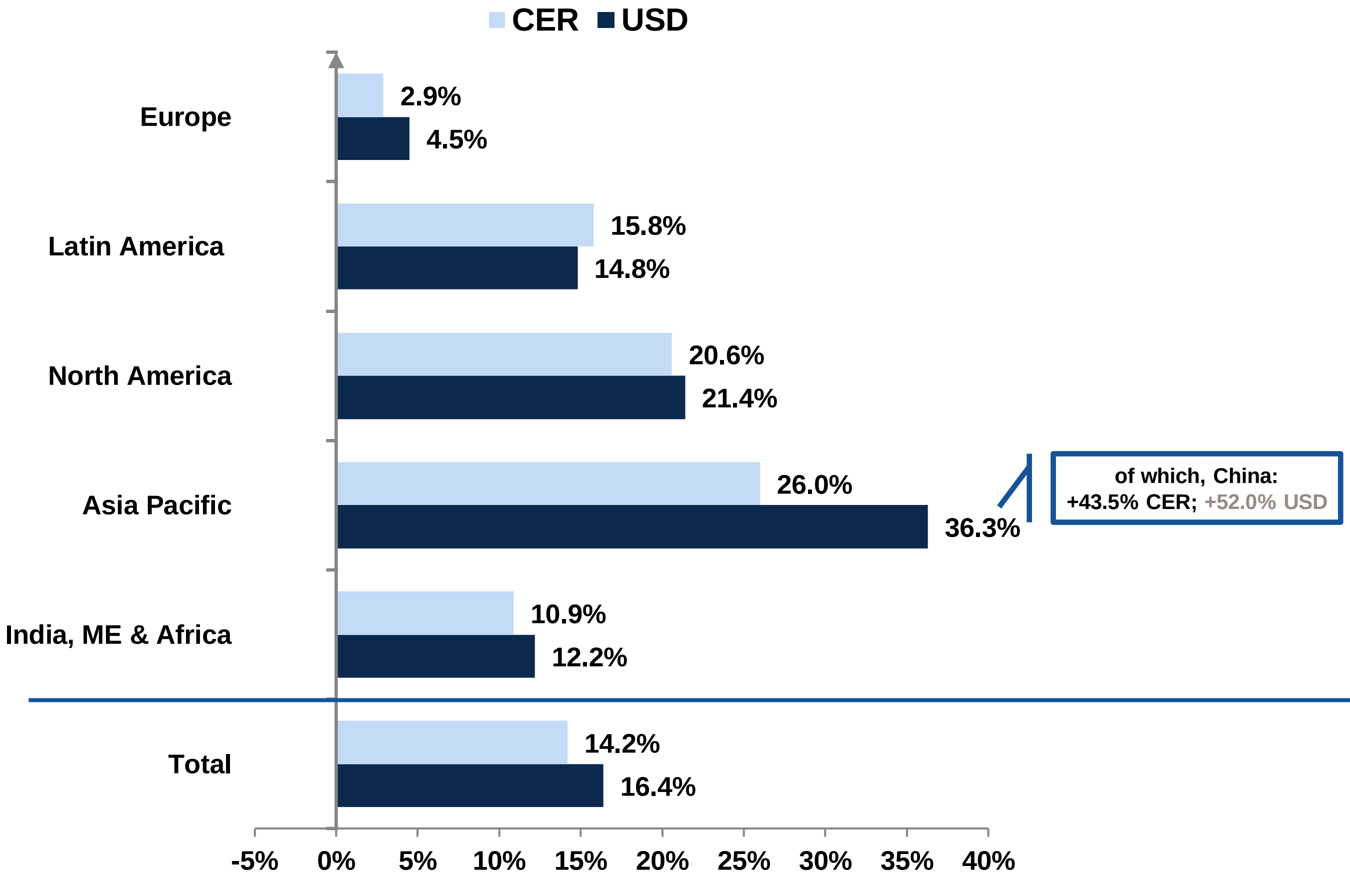


Notes:
- Regional breakdown above includes sales of the Consumer & Professional as well as Ingredients & Intermediates businesses, and are therefore different from the Cluster highlights slide that follows in this presentation

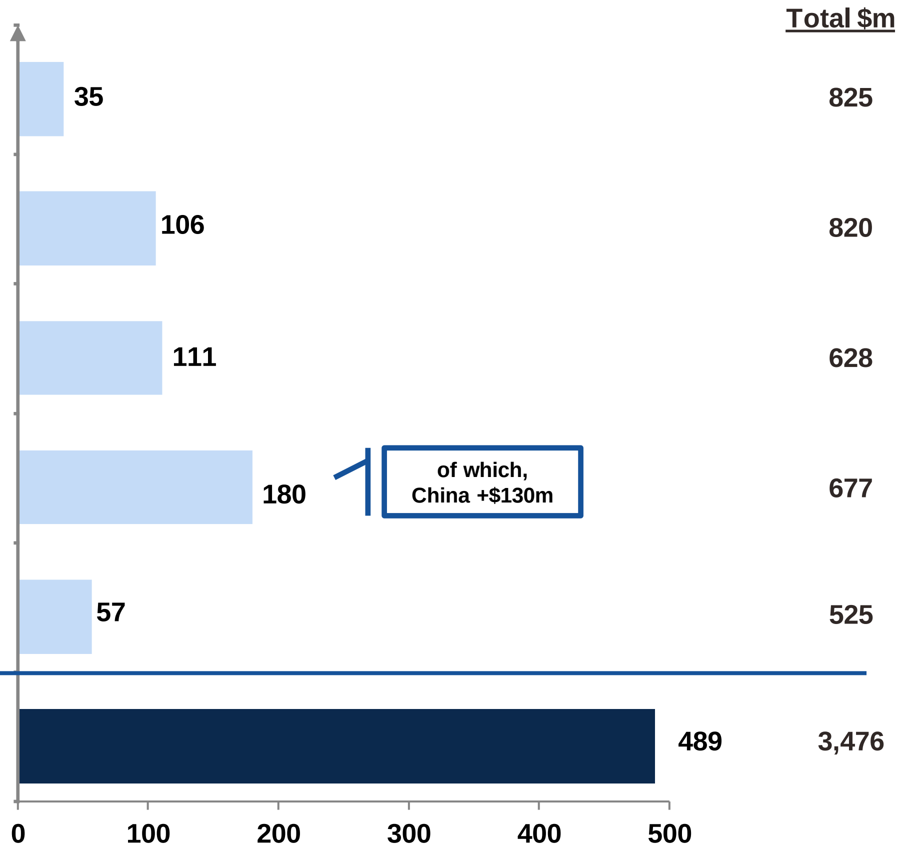
Regional Sales Performance

9M 2021 vs. 9M 2020

% Sales growth by region



Absolute Sales change (USD $m)



Notes:

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Q3 & 9M 2021 Regional Highlights (USD)

North America

+26% Q3 | +21% 9M

- **US CP:** Strong demand supporting strong volume growth and higher prices, but severe cost and supply uncertainty posing challenges for margins
- **Consumer & Professional:** Continuing strong demand, now further aided by fears of potential supply shortages

Europe

+22% Q3 | +4% 9M

- Significant growth across most of Europe, with strong demand driven by continued high crop prices
- Noteworthy performances in most markets of **Central, Eastern and Northern Europe**, where supportive weather later in the quarter ensured a positive start to the autumn season, especially in oilseed rape, winter cereals and sunflower

APAC (incl. China)

+32% Q3 | +36% 9M

- Strong performance in **Australia** due mainly to positive seasonal conditions and demand
- Softer performance in **South-East Asian countries**; ongoing COVID restrictions continue to impact commercial activities, poor seasonal conditions in many countries
- Commenced activities in **Cambodia**
- **China:**
  - **Ag:** Sales of branded, formulated portfolio supported by new product launches and bolstered by acquisition of Huifeng's domestic commercial arm
  - **Non-Ag:** Benefiting from higher pricing environment in sales of raw materials and intermediates amid strong demand

Latin America

+11% Q3 | +15% 9M

- **Brazil:**
  - Strong growth driven by strong demand, higher prices, newly launched products
  - Country reopening after COVID situation starting to improve, allowing resumption of business travel and in-person contact with customers
- Mixed performance across other LatAm countries as COVID restrictions continue

IMA

+5% Q3 | +12% 9M

- Favorable cropping conditions and new product launches driving strong growth in **South Africa**
- Volatile weather conditions in **India** resulted in some missed applications and slowing growth

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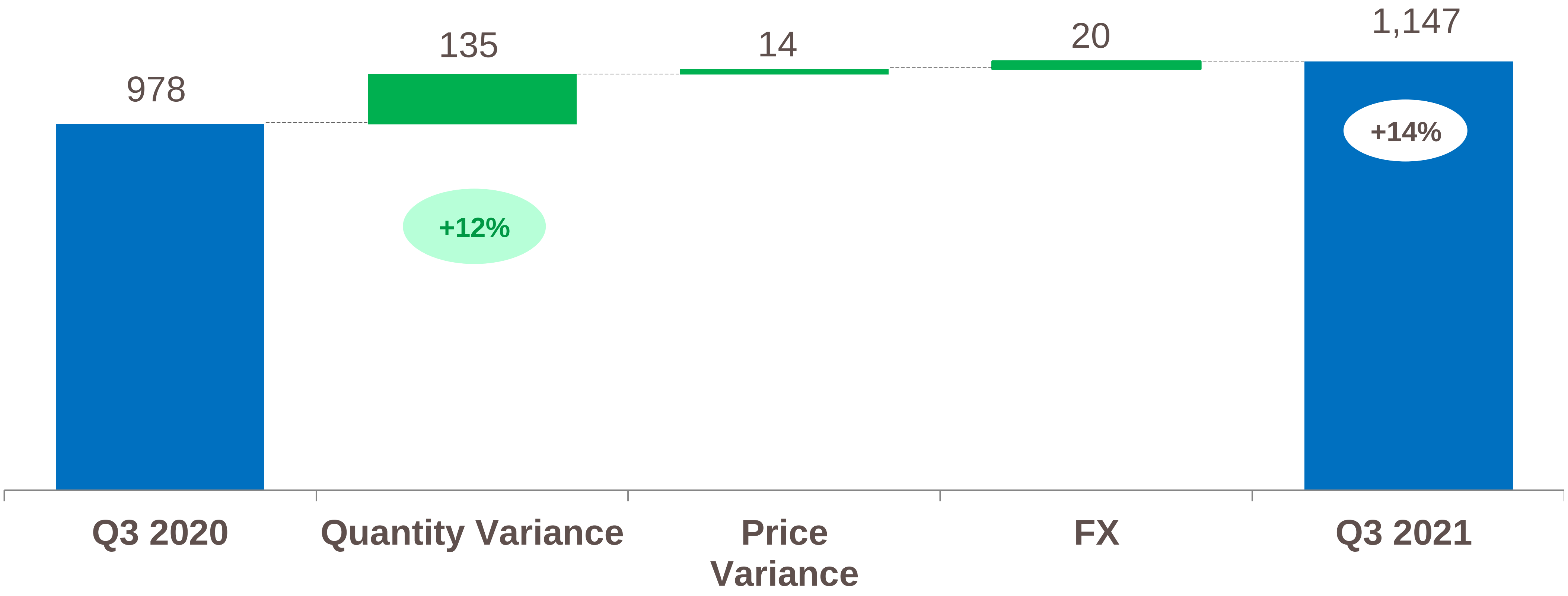
Detailed Financial Review

Q3 Sales +17% driven by robust volume growth

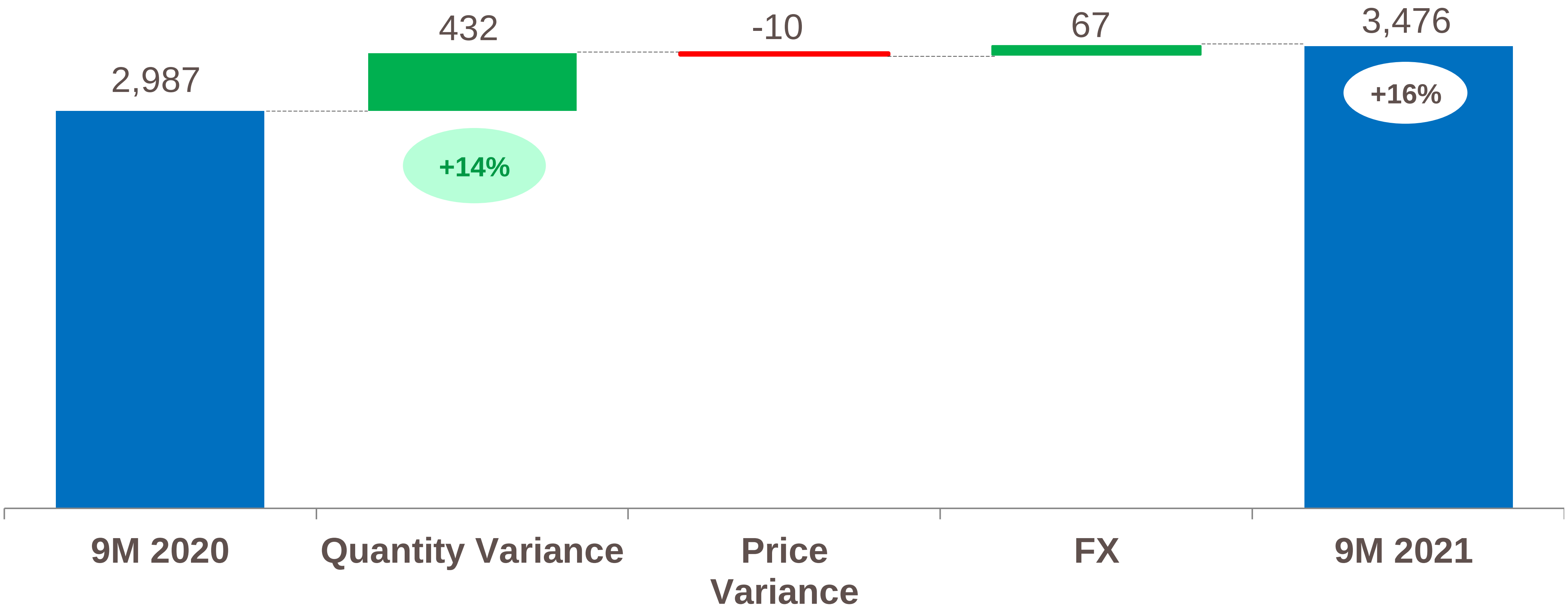
Sales bridge analysis



NOTE: FX includes currency effect on sales, net of hedging

9M Sales +16% driven by robust volume growth

Sales bridge analysis



NOTE: FX includes currency effect on sales, net of hedging

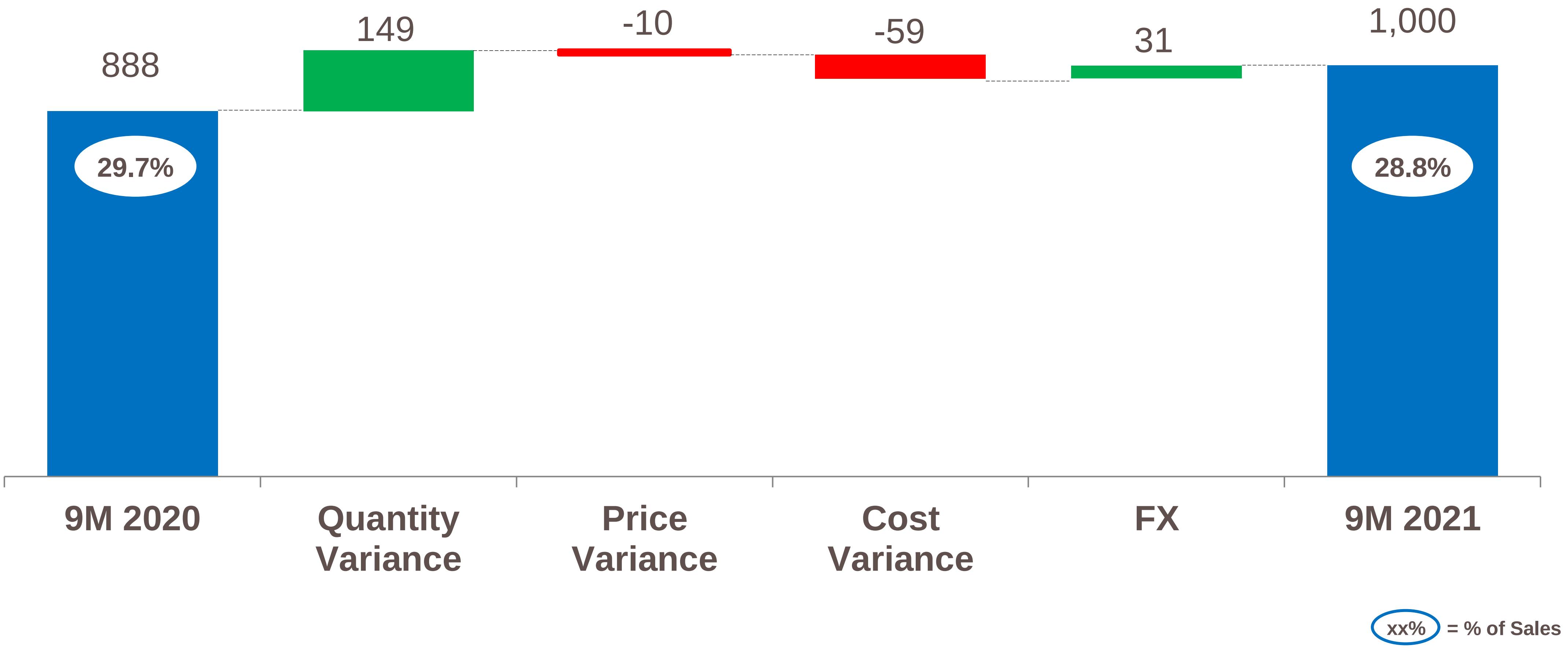
Q3 Gross Profit: Volume growth, price increases, FX more than offset logistics & procurement pressures

GP bridge analysis

NOTE: Quantity variance includes mix effect; FX includes currency effect on sales and costs, net of hedging

9M Gross Profit: Volume growth and FX more than offsetting pricing, logistics & procurement pressures

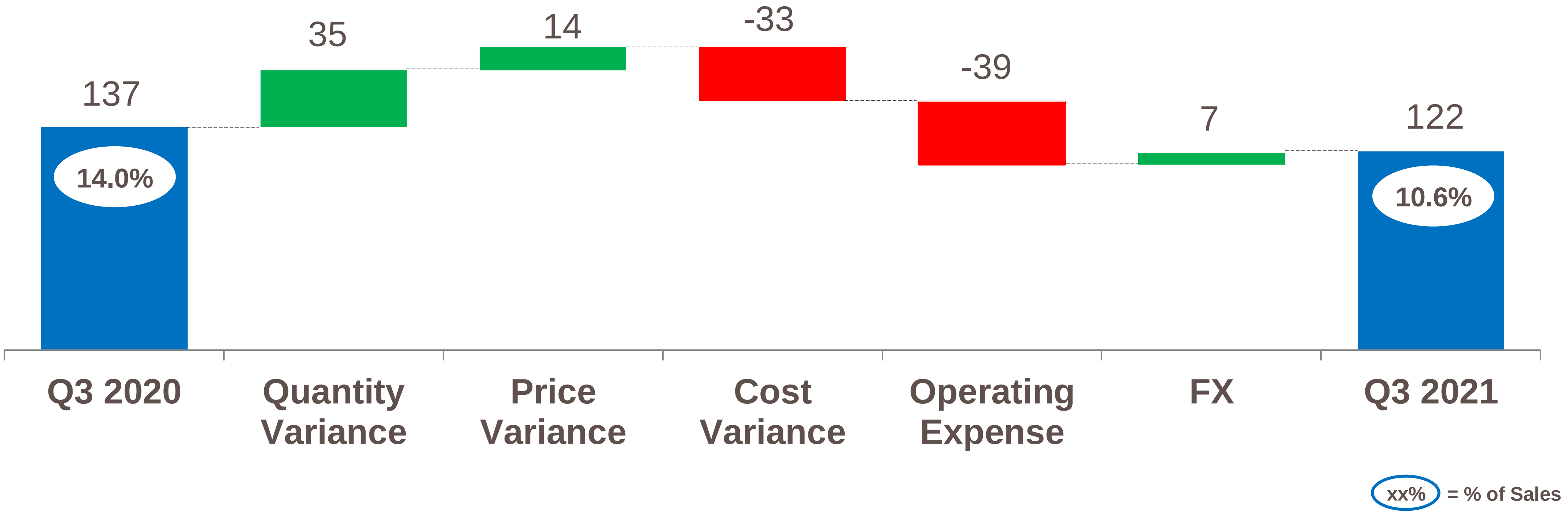
GP bridge analysis



NOTE: Quantity variance includes mix effect; FX includes currency effect on sales and costs, net of hedging

Q3 EBITDA: Growth, pricing and FX more than offset by logistics & procurement pressures

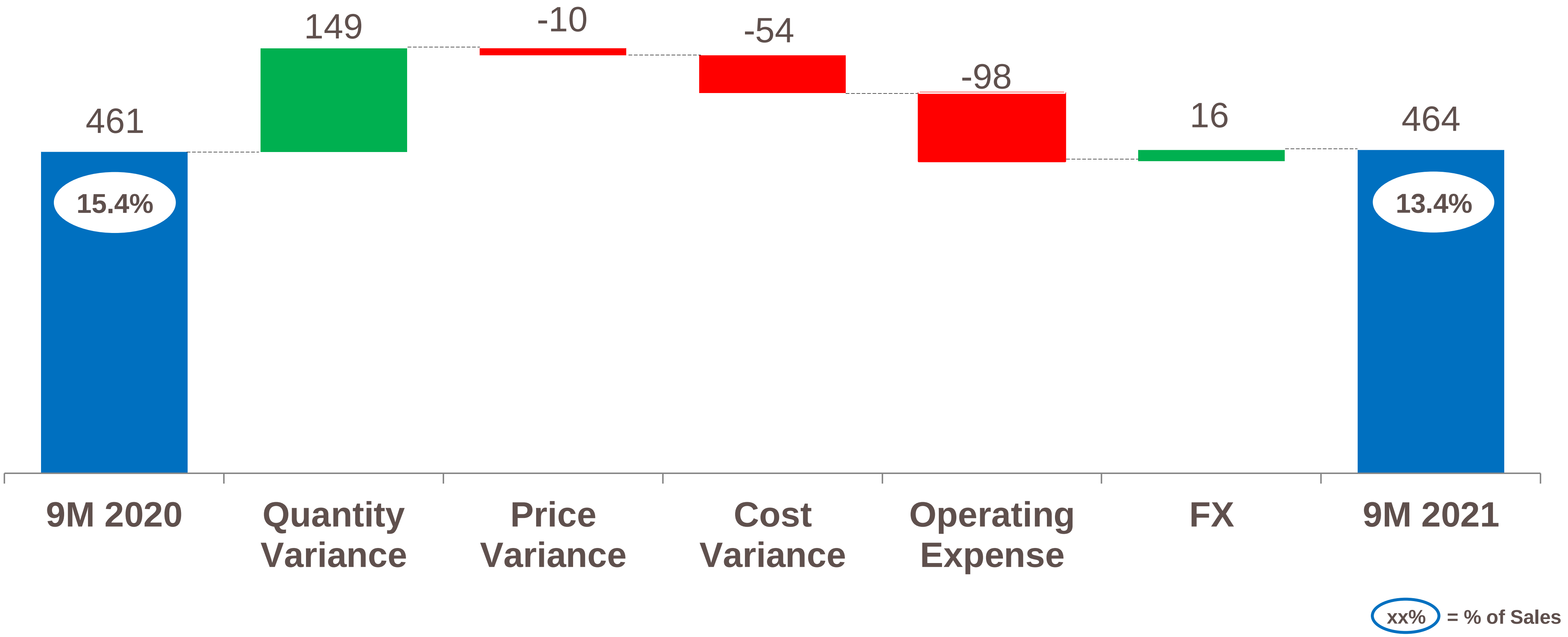
EBITDA Bridge analysis



NOTE: Quantity variance includes mix effect; FX includes currency effect on sales, costs and opex, net of hedging

9M EBITDA: Increase in EBITDA despite logistics & procurement pressures

EBITDA Bridge analysis



NOTE: Quantity variance includes mix effect; FX includes currency effect on sales, costs and opex, net of hedging

Adjusted vs. Reported Financial Results

The financial results in this presentation are presented on an “Adjusted” basis, and differ to some extent from the “Reported” financials contained in the formal financial statements of the Company.

ADAMA’s approach on the use of adjustments:

- Adjusted results:
  - Exclude **items that are of a one-time or non-cash/non-operational nature that do not impact the ongoing performance of the business**
  - Reflect the way the Company’s management and the Board of Directors view the performance of the Company internally
- The Company believes that **excluding the effects of these items from its operating results allows management and investors to effectively compare the true underlying financial performance of its business from period to period and against its global peers**

$ million	Q3’21 USD	Q3’20 USD	9M’21 USD	9M’20 USD
Net Income (Reported)	**-57.3**	**3.0**	**-0.6**	**31.8**
Amortization of Legacy PPA of 2011 acquisition of Solutions, net (non-cash)	0.3	11.5	0.8	34.4
Syngenta Divestments & Transfers (D&T) amortization (non-cash)	4.3	7.6	18.8	23.0
Upgrade & Relocation-related costs	26.7	7.8	66.9	31.3
Incentive plans (non-cash)	-2.0	-2.5	1.5	-7.7
Others	-2.2	1.2	-2.1	11.1
Total adjustments to net income	27.1	25.6	85.9	92.1
Net Income (Adjusted)	**-30.2**	**28.6**	**85.3**	**123.9**

Note: “Others” include: amortization of acquisition-related PPA (non-cash) and other acquisition-related costs, employee early retirement expenses in Q3 2020 periods, capital gain on acquisition of control of an equity investee, and non-core assets impairment in Q3 2020. Please see appendix to Q3 & 9M press release for more details

Working capital build-up driven by strong growth momentum

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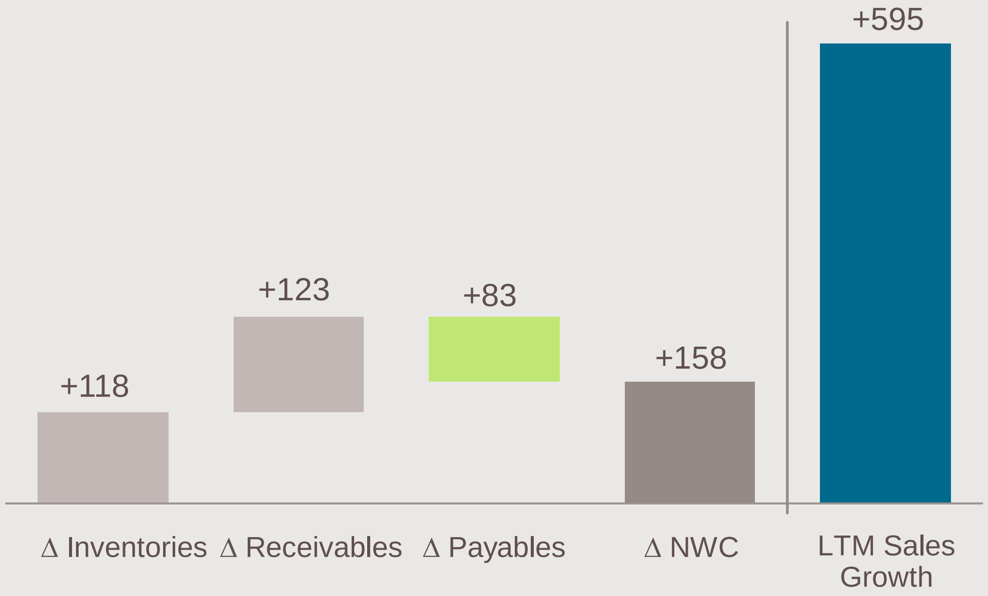
Continued growth, especially in emerging markets, putting pressure on working capital

Inventory higher due to anticipation of further volume growth and potential supply shortages

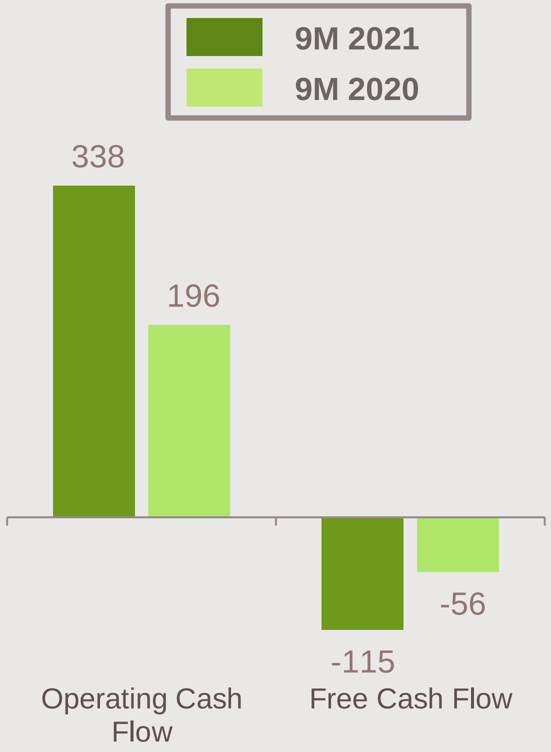
Receivables up reflecting significant growth in recent quarters, especially in emerging markets

Partially mitigated by extended payables



Working Capital

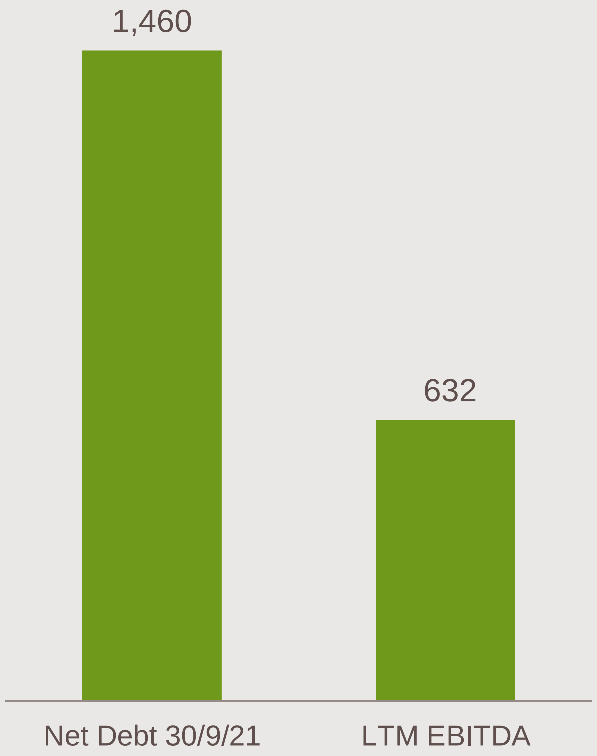
Cash Flow



Cash Flow
($mm)

Strong Balance Sheet

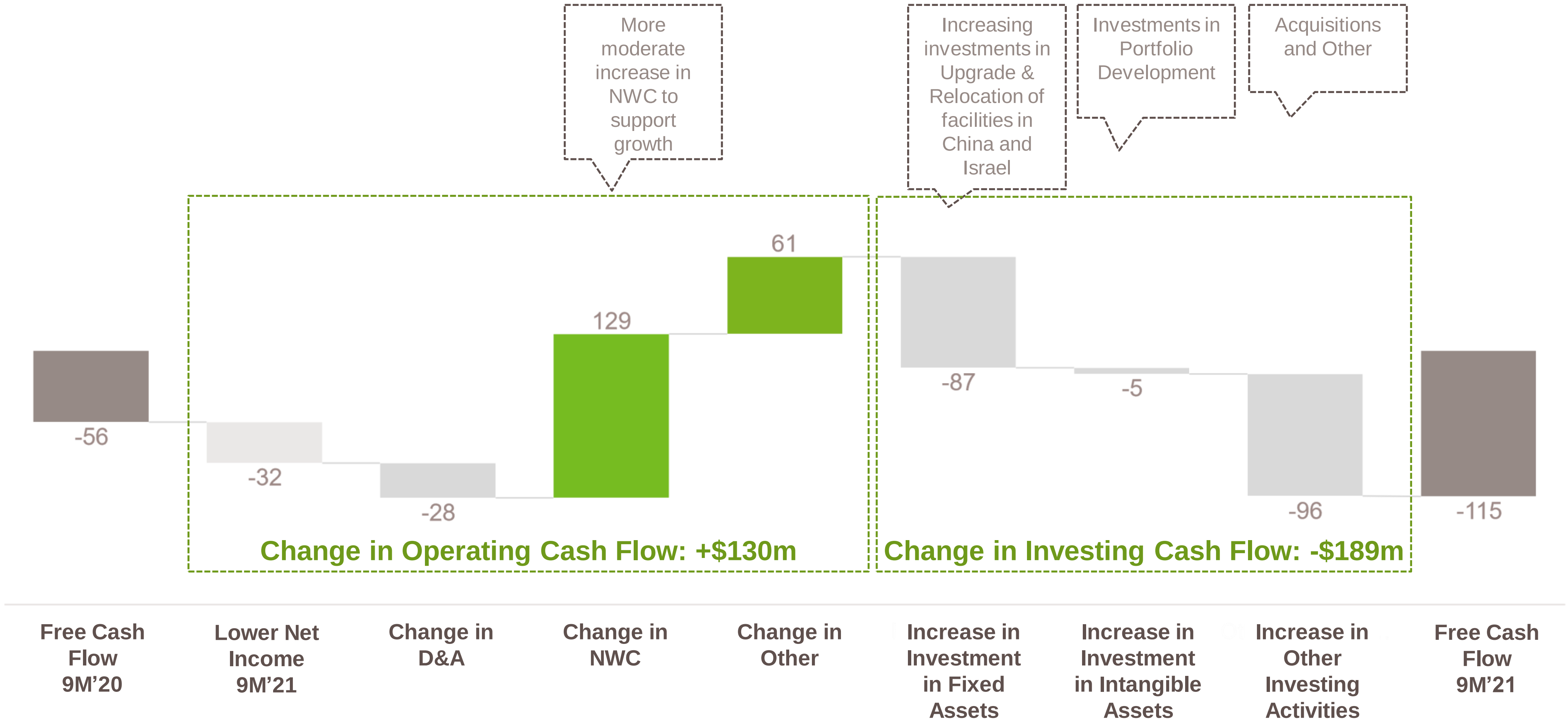
Net debt / EBITDA ratio of 2.3x



Balance Sheet Net Debt
($mm and Net Debt / EBITDA)

Note: Operating Cash Flow excluding cash interest paid

9M Free Cash Flow: funding growth



Higher consumption of Free Cash Flow reflects mainly growth-related investments in acquisitions and Relocation & Upgrade projects, partially mitigated by the more moderate increase in working capital

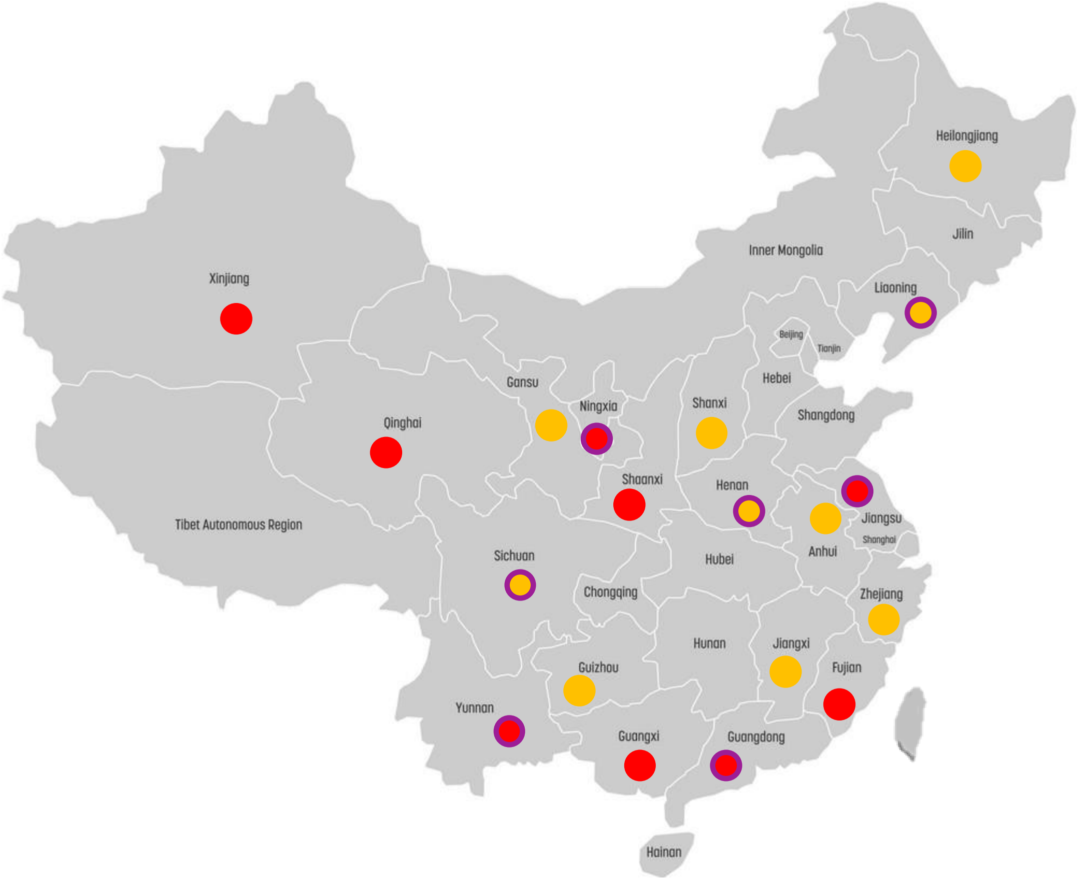
Note: Operating Cash Flow includes $12 million increase in cash interest paid; Increase in Other Investing Activities includes $101m paid for acquisitions

Outlook

China Energy Dual Control – A “Climate Change”

Red and yellow represents the consumption intensity reduction; these provinces will have to reduce the energy consumption for the rest of the year.

○ **Include the major production regions for basic chemicals, intermediates and technical AIs**



- **Energy dual control**
- **Shortage in Raw Materials**
- **Instability of supply**

Results in a sharp decrease in production outputs, causing uncertainty regarding delivery times and material costs

Dual Control – Impact on China Production

Anpon

- Ag production is on planned maintenance so was not impacted by the power usage restrictions
- Non-Ag operating at ~60% capacity

HF

- All lines were requested to stop production on September 17
- Since October 12, four production lines have resumed production at low rate due to Dual Control

Leading to increased idleness costs in Q3; effect to continue into Q4

2021 Outlook

- Crop prices expected to remain elevated, driving robust demand/consumption
- However, pressure on margins expected to intensify:
  - Ongoing supply and logistics constraints continue to reduce availability of shipping resources and significantly increase their cost: logistics costs expected to continue to increase
  - Procurement costs expected to generally remain relatively high amid continued strong demand
  - Highly competitive market environment persists, although some competitors are starting to increase prices to offset cost increases, enabling others to follow suit
- Continuing COVID impact in many key Ag markets
- Brazil FX volatility expected to continue

Thank You

Adjusted vs. Reported P&L

$ million	Q3 2021 Adjusted	Q3 2020 Adjusted	%▲	Q3 2021 Reported	Q3 2020 Reported	%▲	9M 2021 Adjusted	9M 2020 Adjusted	%▲	9M 2021 Reported	9M 2020 Reported	%▲
Sales	1,147	978	**+17%**	1,147	978	**+17%**	3,476	2,987	**+16%**	3,476	2,987	**+16%**
Gross Profit	313	281	**+12%**	287	266	**+8%**	1,000	888	**+13%**	932	844	**+10%**
% of Sales	27.3%	28.7%		25.0%	27.2%		28.8%	29.7%		26.8%	28.2%	
EBITDA	122	137	**-11%**	103	137	**-25%**	464	461	**+1%**	405	438	**-8%**
% of Sales	10.6%	14.0%		9.0%	14.0%		13.4%	15.4%		11.6%	14.7%	
Net Income	(30)	29		(57)	3		85	124	**-31%**	(1)	32	
% of Sales	(2.6)%	2.9%		(5.0)%	0.3%		2.5%	4.1%		0.0%	1.1%	

Q3 & 9M performance trends largely similar between Adjusted and Reported