



ADAMA

## Abridged Adjusted Consolidated Financial Statements

The following abridged consolidated financial statements and notes have been prepared as described in Note 1 in this appendix. While prepared based on the principles of Chinese Accounting Standards (ASBE), they do not contain all of the information which either ASBE or IFRS would require for a complete set of financial statements, and should be read in conjunction with the consolidated financial statements of both ADAMA Ltd. and Adama Agricultural Solutions Ltd. as filed with the Shenzhen and Tel Aviv Stock Exchanges, respectively.

Relevant income statement items contained in this release are also presented on an “Adjusted” basis, which exclude items that are of a one-time or non-cash/non-operational nature that do not impact the ongoing performance of the business, and 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.

### Abridged Consolidated Income Statement for the Fourth Quarter

Adjusted <sup>1</sup>	Q4 2021 USD (m)	Q4 2020 USD (m)	Q4 2021 RMB (m)	Q4 2020 RMB (m)
<b>Revenues</b>	<b>1,337</b>	<b>1,141</b>	<b>8,550</b>	<b>7,555</b>
Cost of Sales	918	804	5,870	5,324
Other costs	7	2	46	14
<b>Gross profit</b>	<b>412</b>	<b>335</b>	<b>2,634</b>	<b>2,218</b>
<b>% of revenue</b>	<b>30.8%</b>	<b>29.4%</b>	<b>30.8%</b>	<b>29.4%</b>
<i>Selling &amp; Distribution expenses</i>	198	170	1,265	1,125
<i>General &amp; Administrative expenses</i>	45	38	289	249
<i>Research &amp; Development expenses</i>	25	19	161	128
<i>Other operating expenses</i>	1	1	5	7
Total operating expenses	269	228	1,719	1,508
<b>% of revenue</b>	<b>20.1%</b>	<b>20.0%</b>	<b>20.1%</b>	<b>20.0%</b>
<b>Operating income (EBIT)</b>	<b>143</b>	<b>107</b>	<b>915</b>	<b>710</b>
<b>% of revenue</b>	<b>10.7%</b>	<b>9.4%</b>	<b>10.7%</b>	<b>9.4%</b>
Financial expenses and investment income	62	48	398	319
<b>Income before taxes</b>	<b>81</b>	<b>59</b>	<b>517</b>	<b>391</b>
Taxes on Income	27	7	173	43
<b>Net Income</b>	<b>54</b>	<b>52</b>	<b>344</b>	<b>348</b>
Attributable to:				
Non-controlling interest	0	0	0	0
<b>Shareholders of the Company</b>	<b>54</b>	<b>52</b>	<b>344</b>	<b>348</b>
<b>% of revenue</b>	<b>4.0%</b>	<b>4.6%</b>	<b>4.0%</b>	<b>4.6%</b>
Adjustments	-29	-33	-182	-220
<b>Reported Net income attributable to the shareholders of the Company</b>	<b>25</b>	<b>19</b>	<b>161</b>	<b>128</b>
<b>% of revenue</b>	<b>1.9%</b>	<b>1.7%</b>	<b>1.9%</b>	<b>1.7%</b>
<b>Adjusted EBITDA</b>	<b>207</b>	<b>168</b>	<b>1,324</b>	<b>1,111</b>
<b>% of revenue</b>	<b>15.5%</b>	<b>14.7%</b>	<b>15.5%</b>	<b>14.7%</b>
<b>Adjusted EPS<sup>2</sup></b>	– Basic	0.0231	0.0225	0.1476
	– Diluted	0.0231	0.0225	0.1476
<b>Reported EPS<sup>2</sup></b>	– Basic	0.0108	0.0083	0.0692
	– Diluted	0.0108	0.0083	0.0692
				<b>0.0547</b>

<sup>1</sup> For an analysis of the differences between the adjusted income statement items and the income statement items as reported in the financial statements, see below “Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements”.

<sup>2</sup> The number of shares used to calculate both basic and diluted earnings per share in Q4 and FY 2020 is 2,334.5 million shares and 2,401.5 million shares, respectively. The number of shares used to calculate both basic and diluted earnings per share in Q4 and FY 2021 is 2,329.8 million shares, reflecting the repurchase and cancellation of 102.4 million shares from CNAC in July 2020 and repurchase and cancellation of 14.3 million B shares during the second half of 2020.



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Abridged Consolidated Income Statement for the Full Year

Adjusted <sup>3</sup>	FY 2021 USD (m)	FY 2020 USD (m)	FY 2021 RMB (m)	FY 2020 RMB (m)
<b>Revenues</b>	<b>4,813</b>	<b>4,128</b>	<b>31,039</b>	<b>28,445</b>
Cost of Sales	3,377	2,886	21,779	19,897
Other costs	24	18	156	125
<b>Gross profit</b>	<b>1,412</b>	<b>1,223</b>	<b>9,103</b>	<b>8,422</b>
<b>% of revenue</b>	<b>29.3%</b>	<b>29.6%</b>	<b>29.3%</b>	<b>29.6%</b>
<i>Selling &amp; Distribution expenses</i>	743	635	4,793	4,378
<i>General &amp; Administrative expenses</i>	171	127	1,100	873
<i>Research &amp; Development expenses</i>	78	70	502	478
<i>Other operating expenses</i>	-5	-3	-33	-21
Total operating expenses	986	829	6,362	5,709
<b>% of revenue</b>	<b>20.5%</b>	<b>20.1%</b>	<b>20.5%</b>	<b>20.1%</b>
<b>Operating income (EBIT)</b>	<b>425</b>	<b>394</b>	<b>2,742</b>	<b>2,714</b>
<b>% of revenue</b>	<b>8.8%</b>	<b>9.6%</b>	<b>8.8%</b>	<b>9.5%</b>
Financial expenses and investment income	206	169	1,328	1,163
<b>Income before taxes</b>	<b>219</b>	<b>225</b>	<b>1,414</b>	<b>1,551</b>
Taxes on Income	79	49	511	341
<b>Net Income</b>	<b>140</b>	<b>176</b>	<b>903</b>	<b>1,210</b>
Attributable to:				
Non-controlling interest	1	0	7	0
<b>Shareholders of the Company</b>	<b>139</b>	<b>176</b>	<b>895</b>	<b>1,210</b>
<b>% of revenue</b>	<b>2.9%</b>	<b>4.3%</b>	<b>2.9%</b>	<b>4.3%</b>
Adjustments	-114	-125	-738	-857
<b>Reported Net income attributable to the shareholders of the Company</b>	<b>25</b>	<b>51</b>	<b>157</b>	<b>353</b>
<b>% of revenue</b>	<b>0.5%</b>	<b>1.2%</b>	<b>0.5%</b>	<b>1.2%</b>
<b>Adjusted EBITDA</b>	<b>671</b>	<b>628</b>	<b>4,328</b>	<b>4,329</b>
<b>% of revenue</b>	<b>13.9%</b>	<b>15.2%</b>	<b>13.9%</b>	<b>15.2%</b>
<b>Adjusted EPS<sup>4</sup></b>	– Basic	0.0596	0.0734	0.3843
	– Diluted	0.0596	0.0734	0.3843
<b>Reported EPS<sup>4</sup></b>	– Basic	0.0106	0.0213	0.0676
	– Diluted	0.0106	0.0213	0.0676

<sup>3</sup> For an analysis of the differences between the adjusted income statement items and the income statement items as reported in the financial statements, see below "Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements".

<sup>4</sup> The number of shares used to calculate both basic and diluted earnings per share in Q4 and FY 2020 is 2,334.5 million shares and 2,401.5 million shares, respectively. The number of shares used to calculate both basic and diluted earnings per share in Q4 and FY 2021 is 2,329.8 million shares, reflecting the repurchase and cancellation of 102.4 million shares from CNAC in July 2020 and repurchase and cancellation of 14.3 million B shares during the second half of 2020.



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Abridged Consolidated Balance Sheet

	Dec 31 2021 USD (m)	Dec 31 2020 USD (m)	Dec 31 2021 RMB (m)	Dec 31 2020 RMB (m)
<b>Assets</b>				
<b>Current assets:</b>				
Cash at bank and on hand	913	592	5,819	3,864
Bills and accounts receivable	1,423	1,512	9,071	9,867
Inventories	1,843	1,585	11,750	10,338
Other current assets, receivables and prepaid expenses	274	484	1,748	3,160
<b>Total current assets</b>	<b>4,453</b>	<b>4,174</b>	<b>28,389</b>	<b>27,228</b>
<b>Non-current assets:</b>				
Fixed assets, net	1,599	1,223	10,192	7,981
Rights of use assets	73	74	464	484
Intangible assets, net	1,527	1,504	9,736	9,811
Deferred tax assets	113	118	723	774
Other non-current assets	115	80	732	523
<b>Total non-current assets</b>	<b>3,427</b>	<b>3,000</b>	<b>21,847</b>	<b>19,573</b>
<b>Total assets</b>	<b>7,879</b>	<b>7,173</b>	<b>50,235</b>	<b>46,801</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Loans and credit from banks and other lenders	419	380	2,671	2,478
Bills and accounts payable	1,065	755	6,788	4,927
Other current liabilities	773	845	4,929	5,515
<b>Total current liabilities</b>	<b>2,257</b>	<b>1,980</b>	<b>14,387</b>	<b>12,920</b>
<b>Long-term liabilities:</b>				
Loans and credit from banks and other lenders	549	366	3,499	2,388
Debentures	1,223	1,238	7,797	8,078
Deferred tax liabilities	60	51	380	332
Employee benefits	124	99	792	646
Other long-term liabilities	361	154	2,304	1,004
<b>Total long-term liabilities</b>	<b>2,317</b>	<b>1,908</b>	<b>14,773</b>	<b>12,447</b>
<b>Total liabilities</b>	<b>4,574</b>	<b>3,888</b>	<b>29,160</b>	<b>25,367</b>
<b>Equity</b>				
<b>Total equity</b>	<b>3,306</b>	<b>3,285</b>	<b>21,075</b>	<b>21,434</b>
<b>Total liabilities and equity</b>	<b>7,879</b>	<b>7,173</b>	<b>50,235</b>	<b>46,801</b>



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Abridged Consolidated Cash Flow Statement for the Fourth Quarter

	Q4 2021 USD (m)	Q4 2020 USD (m)	Q4 2021 RMB (m)	Q4 2020 RMB (m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	372	95	2,380	631
<b>Cash flow from operating activities</b>	<b>372</b>	<b>95</b>	<b>2,380</b>	<b>631</b>
<b>Investing activities:</b>				
Acquisitions of fixed and intangible assets	-123	-101	-786	-668
Proceeds from disposal of fixed and intangible assets	1	1	7	5
Acquisition of subsidiaries	0	-41	-	-275
Other investing activities	-15	0	-93	-
<b>Cash flow used for investing activities</b>	<b>-136</b>	<b>-141</b>	<b>-872</b>	<b>-938</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	81	93	516	613
Repayment of loans from banks and other lenders	-159	-262	-1,015	-1,733
Interest payment and other	-47	-48	-302	-317
Dividends to shareholders	-	-	-	-
Other financing activities	30	8	193	56
<b>Cash flow from (used for) financing activities</b>	<b>-95</b>	<b>-209</b>	<b>-609</b>	<b>-1,381</b>
Effects of exchange rate movement on cash and cash equivalents	1	6	-80	-171
<b>Net change in cash and cash equivalents</b>	<b>142</b>	<b>-248</b>	<b>819</b>	<b>-1,859</b>
Cash and cash equivalents at the beginning of the period	762	836	4,940	5,694
<b>Cash and cash equivalents at the end of the period</b>	<b>903</b>	<b>588</b>	<b>5,759</b>	<b>3,835</b>
<b>Free Cash Flow</b>	<b>190</b>	<b>-93</b>	<b>1,212</b>	<b>-613</b>



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Abridged Consolidated Cash Flow Statement for the Full Year

	FY 2021 USD (m)	FY 2020 USD (m)	FY 2021 RMB (m)	FY 2020 RMB (m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	710	292	4,562	2,023
<b>Cash flow from operating activities</b>	<b>710</b>	<b>292</b>	<b>4,562</b>	<b>2,023</b>
<b>Investing activities:</b>				
Acquisitions of fixed and intangible assets	-402	-287	-2,589	-1,970
Proceeds from disposal of fixed and intangible assets	4	3	27	23
Acquisition of subsidiaries	-101	-55	-655	-371
Other investing activities	-26	-2	-166	-14
<b>Cash flow used for investing activities</b>	<b>-525</b>	<b>-341</b>	<b>-3,383</b>	<b>-2,332</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	756	642	4,885	4,465
Repayment of loans from banks and other lenders	-570	-502	-3,670	-3,405
Interest payment and other	-117	-105	-755	-717
Dividends to shareholders	-6	-2	-37	-11
Other financing activities	64	-26	414	-189
<b>Cash flow from (used for) financing activities</b>	<b>128</b>	<b>8</b>	<b>837</b>	<b>143</b>
Effects of exchange rate movement on cash and cash equivalents	2	10	-91	-319
<b>Net change in cash and cash equivalents</b>	<b>316</b>	<b>-31</b>	<b>1,924</b>	<b>-485</b>
Cash and cash equivalents at the beginning of the period	<b>588</b>	<b>619</b>	3,835	4,320
<b>Cash and cash equivalents at the end of the period</b>	<b>903</b>	<b>588</b>	<b>5,759</b>	<b>3,835</b>
<b>Free Cash Flow</b>	<b>75</b>	<b>-150</b>	<b>467</b>	<b>-990</b>



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## Notes to Abridged Consolidated Financial Statements

### Note 1: Basis of preparation

**Basis of presentation and accounting policies:** The abridged consolidated financial statements for the quarters ended December 31, 2021 and 2020 incorporate the financial statements of ADAMA Ltd. and of all of its subsidiaries (the "Company"), including Adama Agricultural Solutions Ltd. ("Solutions") and its subsidiaries.

The Company has adopted the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance (the "MoF") and the implementation guidance, interpretations and other relevant provisions issued or revised subsequently by the MoF (collectively referred to as "ASBE"). Note that in the reported financial statements, as a result of recent changes in the ASBE guidelines (IAS 37), certain items in 2021 (specifically certain transportation costs and certain idleness charges) have been reclassified from Operating Expenses to COGS, while in this release such items have not been so reclassified in order to maintain comparability between the 2020 and 2021 financial periods. See the notes to the financial statements for more details in this regard.

The abridged consolidated financial statements contained in this release are presented in both Chinese Renminbi (RMB), as the Company's shares are traded on the Shenzhen Stock Exchange, as well as in United States dollars (\$) as this is the major currency in which the Company's business is conducted. For the purposes of this release, a customary convenience translation has been used for the translation from RMB to US dollars, with Income Statement and Cash Flow items being translated using the quarterly average exchange rate, and Balance Sheet items being translated using the exchange rate at the end of the period.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

### Note 2: Abridged Financial Statements

For ease of use, the financial statements shown in this release have been abridged as follows:

#### Abridged Consolidated Income Statement:

- "Gross profit" in this release is revenue less costs of goods sold, taxes and surcharges, inventory impairment and other idleness charges (in addition to those already included in costs of goods sold); part of the idleness charges is removed in the Adjusted financial statements
- "Other operating expenses" includes impairment losses (not including inventory impairment); gain (loss) from disposal of assets and non-operating income and expenses
- "Operating expenses" in this release differ from those in the formally reported financial statements in that in the reported financial statements, as a result of recent changes in the ASBE guidelines (IAS 37), certain items in 2021 (specifically certain transportation costs and certain idleness charges) have been reclassified from Operating Expenses to COGS, while in this release such items have not been so reclassified in order to maintain comparability between the 2020 and 2021 financial periods
- "Financial expenses and investment income" includes net financing expenses; gains from changes in fair value; and investment income (including share of income of equity accounted investees)

#### Abridged Consolidated Balance Sheet:

- "Other current assets, receivables and prepaid expenses" includes financial assets held for trading; financial assets in respect of derivatives; prepayments; other receivables; and other current assets
- "Fixed assets, net" includes fixed assets and construction in progress
- "Intangible assets, net" includes intangible assets and goodwill
- "Other non-current assets" includes other equity investments; long-term equity investments; long-term receivables; investment property; and other non-current assets
- "Loans and credit from banks and other lenders" includes short-term loans and non-current liabilities due within one year
- "Other current liabilities" includes financial liabilities in respect of derivatives; payables for employee benefits, taxes, interest, dividends and others; advances from customers and other current liabilities
- "Other long-term liabilities" includes long-term payables, provisions, deferred income and other non-current liabilities



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### Income Statement Adjustments

	Q4 2021 USD (m)	Q4 2020 USD (m)	Q4 2021 RMB (m)	Q4 2020 RMB (m)
<b>Net Income (Reported)</b>	<b>25.8</b>	<b>19.3</b>	<b>165.0</b>	<b>127.7</b>
<b><u>Adjustments to COGS &amp; Operating Expenses:</u></b>				
1. Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash)	0.3	10.2	1.6	67.7
2. Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	4.3	7.7	27.2	50.7
3. Upgrade & Relocation related costs	29.6	21.4	189.7	142.1
4. Incentive plans (non-cash)	-6.0	-4.7	-38.2	-31.1
5. Amortization of acquisition-related PPA (non-cash), other acquisition-related costs	5.2	2.9	33.7	19.1
6. Employee early retirement expenses	-	0.5	-	3.3
7. Capital gain recognized on acquisition of control of an equity investee	-	-	-	-
8. Non-core assets impairment	-	-	-	-
9. Provisions in tax expenses related to prior years' activities	-	6.0	-	39.5
<b>Total Adjustments to Operating Income (EBIT)</b>	<b>33.4</b>	<b>44.0</b>	<b>213.9</b>	<b>291.2</b>
<b>Total Adjustments to EBITDA</b>	<b>19.1</b>	<b>13.8</b>	<b>122.3</b>	<b>91.3</b>
<b><u>Adjustments to Financing Expenses</u></b>				
Revaluation of non-cash adjustment related to non-controlling interest	0.5	-1.5	3.4	-9.7
<b><u>Adjustments to Taxes</u></b>				
1. Tax shield on Legacy PPA of 2011 acquisition of Solutions	0.0	1.7	0.3	11.5
3. Taxes related to restructuring costs	5.0	0.7	32.3	4.6
5. Deferred tax on amortization of acquisition-related PPA, other acquisition-related costs	0.9	0.5	5.8	3.3
9. Provisions in tax expenses related to prior years' activities	-	6.3	-	42.0
<b>Total adjustments to Net Income</b>	<b>28.0</b>	<b>33.2</b>	<b>178.9</b>	<b>220.1</b>
<b>Net Income (Adjusted)</b>	<b>53.7</b>	<b>52.5</b>	<b>343.8</b>	<b>347.7</b>
<b>Total adjustments to Net Income attributable to the shareholders of the Company</b>	<b>28.5</b>	<b>-</b>	<b>182.5</b>	<b>-</b>



ADAMA

	FY 2021 USD (m)	FY 2020 USD (m)	FY 2021 RMB (m)	FY 2020 RMB (m)
<b>Net Income (Reported)</b>	<b>25.5</b>	<b>51.1</b>	<b>163.3</b>	<b>352.8</b>
<b>Adjustments to COGS &amp; Operating Expenses:</b>				
1. Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash)	1.0	44.6	6.5	307.8
2. Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	23.1	30.6	149.2	211.4
3. Upgrade & Relocation related costs	96.5	52.8	622.1	355.2
4. Incentive plans (non-cash)	-4.5	-12.4	-28.5	-85.4
5. Amortization of acquisition-related PPA (non-cash), other acquisition-related costs	16.6	10.8	106.7	74.1
6. Employee early retirement expenses	-	10.5	-	73.3
7. Capital gain recognized on acquisition of control of an equity investee	-	-8.5	-	-59.0
8. Non-core assets impairment	-	9.0	-	62.6
9. Provisions in tax expenses related to prior years' activities	1.6	6.0	10.3	39.5
<b>Total Adjustments to Operating Income (EBIT)</b>	<b>134.3</b>	<b>143.4</b>	<b>866.3</b>	<b>979.5</b>
<b>Total Adjustments to EBITDA</b>	<b>78.5</b>	<b>35.9</b>	<b>507.0</b>	<b>240.4</b>
<b>Adjustments to Financing Expenses</b>				
10. Revaluation of non-cash adjustment related to non-controlling interest	0.5	-0.7	3.4	-4.0
<b>Adjustments to Taxes</b>				
1. Tax shield on Legacy PPA of 2011 acquisition of Solutions	0.2	7.6	1.1	52.3
3. Taxes related to restructuring costs	16.9	2.0	109.4	13.5
5. Deferred tax on amortization of acquisition-related PPA, other acquisition-related costs	2.7	1.5	17.6	10.2
9. Provisions in tax expenses related to prior years' activities	0.4	6.3	2.5	42.0
<b>Total adjustments to Net Income</b>	<b>114.6</b>	<b>125.3</b>	<b>739.4</b>	<b>857.4</b>
<b>Net Income (Adjusted)</b>	<b>140.1</b>	<b>176.4</b>	<b>902.7</b>	<b>1,210.2</b>
<b>Total adjustments to Net Income attributable to the shareholders of the Company</b>	<b>114.4</b>	<b>-</b>	<b>738.0</b>	<b>-</b>

**Notes:**

- Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash):** Under ASBE, since the first combined reporting for Q3 2017, the Company has inherited the historical "legacy" amortization charge that ChemChina previously was incurring in respect of its acquisition of Solutions in 2011. This amortization is done in a linear manner on a quarterly basis, most of which will have been completed by the end of 2020.
- Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash):** The proceeds from the Divestment of crop protection products in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value. Since the products acquired from Syngenta are of the same nature and with the same net economic value as those divested, and since in 2018 the Company adjusted for the one-time gain that it made on the divested products, the additional amortization charge incurred due to the written-up value of the acquired assets is also adjusted to present a consistent view of Divestment and Transfer transactions, which had no net impact on the underlying economic performance of the Company. These additional amortization charges will continue until 2032 but at a reducing rate, yet will still be at a meaningful level until 2028.
- Upgrade & Relocation-related costs:** These charges all relate to the multi-year Upgrade & Relocation program in China. As part of this program, production assets located in the old production sites in Jingzhou and Huai'An are being relocated to the new sites, both in 2020 and in the coming years. Since some of the older production assets may not be able to be relocated, some of these assets which are no longer operational are being written off (or impaired), while for others, their economic life has been shortened and therefore will be depreciated over a shorter period. Since these are older assets that were built many years ago and will be replaced by newer production facilities at the new sites, and since the ongoing operations of the business will not be impacted thereby, the Company adjusts for the impact of all charges related to the China Upgrade & Relocated program, which include mainly: (i) excess procurement costs incurred as the Company continued to fulfill demand for its products, in order to protect its market position, through replacement sourcing at significantly higher costs from third-party suppliers (ii) elevated idleness charges largely related to suspensions at the facilities being relocated as well as to the temporary suspensions of the Jingzhou site in Q1 2020 (at the outbreak of COVID-19 in Hubei Province).
- Incentive plans (non-cash):** The Company granted its employees, who are mainly non-Chinese residents, a long-term incentive (LTI) in the form of 'phantom' options, due to the complexity of granting Chinese-listed, equity-settled options to non-Chinese employees. As such, the Company records an expense, or recognizes income, depending on the fluctuation in the Company's share price, even though the Company will not incur any cash impact prior to exercise of the phantom options. To neutralize the impact of such share price movements on the measurement of the Company's performance and expected employee compensation and to reflect the existing phantom options, in the Company's adjusted financial performance, the LTI is presented on an equity-settled basis in accordance with the value of the existing plan at the grant date.
- Amortization of acquisition-related PPA (non-cash) and other acquisition-related costs:** Related mainly to the non-cash amortization of



intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired, as well as other M&A-related costs.

6. **Employee early retirement expenses:** Provision for early retirement plan of employees at the Company's Israeli manufacturing sites.
7. **Capital gain recognized on acquisition of control of an equity investee:** On 1 July 2020, the Company acquired the remaining 51% stake in Alfa Agricultural Supplies, S.A., and in so doing, gained control over the company which previously was accounted for as an equity investee. As a result of the change of consolidation scope, the Company recognized a one-time, non-cash, capital gain.
8. **Non-core assets impairment:** One-time, non-cash charge due to closure or impairment of peripheral, non-material assets
9. **Provisions in tax expenses related to prior years' activities:** Provisions in respect of tax expenses related to activities of prior years.
10. **Revaluation of non-cash adjustment related to non-controlling interest:** Relates to put options issued to non-controlling interests as part of historical business combinations which took place before January 1, 2010. The put options are presented as a liability at the present value of the future exercise price. The revaluation of these put options in Solutions is recognized under IFRS to Goodwill, but due to the acquisition of Solutions by the Company in 2017, which is treated from an accounting perspective as a "Business Combination Under Common Control", such revaluation is recorded as a profit or loss item in the financial reports of the Company. The revaluations of such put options have no bearing on the ongoing performance of the Company and are therefore removed from the Adjusted performance figures.

## Exchange Rate Data for the Company's Principal Functional Currencies

	Dec 31			Q4 Average			FY Average		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
EUR/USD	1.132	1.227	(7.7%)	1.144	1.192	(4.1%)	1.183	1.139	3.8%
USD/BRL	5.581	5.197	(7.4%)	5.584	5.396	(3.5%)	5.395	5.156	(4.6%)
USD/PLN	4.060	3.758	(8.0%)	4.040	3.781	(6.9%)	3.862	3.900	1.0%
USD/ZAR	15.924	14.620	(8.9%)	15.739	15.648	(0.6%)	14.864	16.472	9.8%
AUD/USD	0.727	0.772	(5.9%)	0.729	0.731	(0.3%)	0.751	0.688	9.2%
GBP/USD	1.351	1.366	(1.1%)	1.348	1.321	2.1%	1.376	1.282	7.3%
USD/ILS	3.110	3.215	3.3%	3.155	3.333	5.4%	3.231	3.441	6.1%
USD LIBOR 3M	0.22%	0.24%	(9.4%)	0.16%	0.22%	(26.8%)	0.16%	0.65%	(75.1%)

	Dec 31			Q4 Average			FY Average		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
USD/RMB	6.376	6.525	(2.3%)	6.395	6.621	(3.4%)	6.451	6.993	(7.7%)
EUR/RMB	7.216	8.005	(9.9%)	7.315	7.894	(7.3%)	7.630	7.860	(2.9%)
RMB/BRL	0.875	0.796	(9.9%)	0.873	0.815	(7.1%)	0.836	0.747	(11.9%)
RMB/PLN	0.637	0.576	(10.6%)	0.632	0.571	(10.6%)	0.599	0.565	(5.9%)
RMB/ZAR	2.498	2.485	(0.5%)	2.461	2.444	(0.7%)	2.304	2.395	3.8%
AUD/RMB	4.633	5.040	(8.1%)	4.659	4.837	(3.7%)	4.844	4.746	2.1%
GBP/RMB	8.617	8.913	(3.3%)	8.623	8.744	(1.4%)	0.836	8.849	(90.5%)
RMB/ILS	0.488	0.493	1.0%	0.493	0.503	2.0%	0.501	0.565	11.4%
RMB LIBOR 3M	2.50%	2.76%	(9.3%)	2.47%	2.94%	(16.0%)	2.52%	2.40%	5.1%