



ADAMA

ADAMA Reports Results of Fourth Quarter and Full Year of 2021

Strong Q4 performance, driven by significant price increases and continued volume growth, caps another record growth year for ADAMA and brings a marked improvement in cash flow generation

Fourth Quarter 2021 Highlights

- Sales up 17% to an all-time quarterly record-high of \$1,337 million (RMB: +13%), driven by 14% higher prices and 5% volume growth
- Adjusted EBITDA up by 23%, reaching \$207 million (RMB: +19%)
- Reported net income up by 31% to \$25 million (RMB: +26%); Adjusted net income of \$54 million
- Operating cash flow up \$277 million to \$372 million; Free cash flow up \$282 million to \$190 million

Full Year 2021 Highlights

- Sales up 17% to a record-high of \$4,813 million (RMB: +9%), driven by 12% volume growth and 4% higher prices
- Adjusted EBITDA up 7%, reaching \$671 million (RMB: +0%)
- Reported net income of \$25 million; Adjusted net income of \$139 million
- Operating cash flow up \$418 million to \$710 million; Free cash flow up \$225 million to \$75 million

BEIJING, CHINA and TEL AVIV, ISRAEL, March 30, 2022 – ADAMA Ltd. (the “Company”) (SZSE 000553), today reported its financial results for the fourth quarter and full year period ended December 31, 2021.

Commenting on the results,

Ignacio Dominguez, President and CEO of ADAMA, said, “2021 was an outstanding year of exceptional growth. Nevertheless, it was a very difficult year with many challenges, including massive cost increases of raw materials and intermediates, as well as significantly higher shipping and logistics costs and container shortages. These factors were in addition to the ongoing and debilitating effects of the COVID-19 pandemic, including its intensification in December with the onset of the Omicron wave. It is in these times of challenge and uncertainty that the true strength of our business shines through, with not only strong sales growth, but also as we started to see in the fourth quarter, significant price increases to compensate for the higher cost environment. As we face yet another year of uncertainty, this time emanating from massive geopolitical volatility, we remain focused on supporting our people and our customers as they navigate through this difficult time. Indeed, I am deeply humbled by the great spirit and courage shown by our colleagues in Ukraine, as well as our other leaders across the region, who are supporting the team and their families in every way they can.”



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Table 1. Financial Performance Summary

USD (m)	As Reported			Adjustments		Adjusted		
	Q4 2021	Q4 2020	% Change	Q4 2021	Q4 2020	Q4 2021	Q4 2020	% Change
Revenues	1,337	1,141	+17%	-	-	1,337	1,141	+17%
Gross profit	379	330	+15%	33	5	412	335	+23%
% of sales	28.4%	28.9%				30.8%	29.4%	
Operating income (EBIT)	110	63	+73%	33	44	143	107	+33%
% of sales	8.2%	5.5%				10.7%	9.4%	
Income before taxes	47	17	+183%	34	42	81	59	+37%
% of sales	3.5%	1.4%				6.0%	5.2%	
Net income	25	19	+31%	29	33	54	52	+2%
% of sales	1.9%	1.7%				4.0%	4.6%	
EPS								
- USD	0.0108	0.0083	+31%			0.0231	0.0225	+3%
- RMB	0.0692	0.0547	+27%			0.1476	0.1489	-1%
EBITDA	188	154	+22%	19	14	207	168	+23%
% of sales	14.1%	13.5%				15.5%	14.7%	

USD (m)	As Reported			Adjustments		Adjusted		
	FY 2021	FY 2020	% Change	FY 2021	FY 2020	FY 2021	FY 2020	% Change
Revenues	4,813	4,128	+17%	-	-	4,813	4,128	+17%
Gross profit	1,311	1,173	+12%	101	50	1,412	1,223	+15%
% of sales	27.2%	28.4%				29.3%	29.6%	
Operating income (EBIT)	291	251	+16%	134	143	425	394	+8%
% of sales	6.0%	6.1%				8.8%	9.6%	
Income before taxes	85	83	+2%	134	142	219	225	-3%
% of sales	1.8%	2.0%				4.6%	5.5%	
Net income	25	51	-52%	114	125	139	176	-21%
% of sales	0.5%	1.2%				2.9%	4.3%	
EPS								
- USD	0.0106	0.0213	-50%			0.0596	0.0734	-19%
- RMB	0.0676	0.1469	-54%			0.3843	0.5039	-24%
EBITDA	593	592		78	36	671	628	+7%
% of sales	12.3%	14.4%				13.9%	15.2%	

Notes:

"As Reported" denotes the Company's financial statements according to the Accounting Standards for Business Enterprises and the implementation guidance, interpretations and other relevant provisions issued or revised subsequently by the Chinese Ministry of Finance (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. Please see the appendix to this release for further information.

Relevant income statement items contained in this release are also presented on an "Adjusted" basis, which exclude items that are of a transitory 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. A detailed summary of these adjustments appears in the appendix below.

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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The general crop protection market environment

During the fourth quarter of 2021, crop prices of most of the major commodity crops remained elevated, and even further increased, supporting strong crop protection demand in most regions. This demand was also further supported by higher planted area in South America as planting progressed there in the quarter.

On the whole, farmers continue to benefit from the high global crop prices. However, this benefit is somewhat dampened by broad inflationary pressures they are experiencing across most of their input costs, including seeds, fertilizers, crop protection, fuel and machinery.

During the quarter, availability of intermediates and active ingredients sourced from China improved somewhat as the “Dual Control” energy saving measures in the country were relaxed, and agrochemical production came back online. However, China agrochemical prices remained high and COVID-19 restrictions and lockdowns continued to negatively impact agrochemical production and logistics.

Global energy prices remained high during the fourth quarter of 2021. In addition, global freight and logistics costs remained significantly elevated during the quarter, and even further increased in December as COVID-19 continued to disrupt port activity, coupled with high stay-at-home demand brought on by the Omicron wave. Similarly, in-land logistics remained challenged as pandemic-related restrictions continued to create frictions in domestic supply lines. Taken together, these constraints have impacted both availability of shipping and transportation resources, as well as significantly increased their costs, a dynamic widely observed across all international trade-related industries.

The Company continues to actively manage its procurement and supply chain activities in order to mitigate these higher procurement and logistics costs. It also endeavors to adjust its pricing wherever market conditions allow, to compensate for these increased costs, the results of which were apparent in Q4, and are continuing to be seen into the beginning of this year.

As the world continues to watch in horror the unfolding tragic and traumatic events in Ukraine, the Company is doing everything possible to ensure the safety and security of its people, and stands strongly in support of its employees, partners and customers. Although the Company is continuing to support farmers in Ukraine, its business in the country is being impacted to a certain extent. At this stage, the Company anticipates that its overall results for the first quarter of 2022 will not be materially impacted, due to promising performance in other geographies. The Company is continuously reviewing the situation on the ground and assessing the potential risks involved, and will provide a further update in due course. At times like these, ADAMA is keenly aware of the important role it plays in helping farmers to continue to grow their crops, in order to ensure global food security.

China Operations Update

The Company's manufacturing site in Jingzhou, Hubei (ADAMA Sanonda) continues on its path of gradually ramping up production following the completion of the Relocation & Upgrade program at the site, progressively reducing the need for incurring additional procurement costs, and gradually reducing idleness charges as production and utilization levels steadily increase.

As a result of the institution during 2021 of China's "Dual Control" energy restrictions as well as certain regulatory inspections conducted at some industrial parks, the Company's manufacturing facilities in Huai'An (ADAMA Anpon) and in Dafeng (ADAMA Huifeng), both in Jiangsu province, were suspended for a number of weeks in September and October 2021. As the restrictions were loosened in the following weeks, operations at these sites resumed, albeit initially at a more limited capacity, reaching normal operations by December. This temporary suspension caused an increase in idleness costs during the quarter.



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The energy restrictions and resulting widespread production suspensions contributed to a significant increase in procurement costs of raw materials and intermediates, on top of the already high costs seen in prior months in the face of strong underlying demand and relatively constrained supply. Although these industry-wide supply shortages have started to alleviate somewhat in recent weeks, the Company is expecting the high procurement costs seen in H2 2021 to continue to pose challenges for its margins in the coming months as these inventories progress through the Company's inventory cycle. The Company endeavors, wherever possible and supported by market conditions, to increase prices in order to mitigate the impact of the higher costs.

In China, the Company is benefiting to some extent from the generally higher pricing environment in the sales of its raw materials and intermediates, where it is seeing robust demand, driving the strong performance in China in the fourth quarter.

Financial Highlights

Revenues in the fourth quarter grew by 17% (+13% in RMB terms) to \$1,337 million, driven by a significant 14% increase in prices, a trend which started in the third quarter and accelerated into the fourth quarter. The markedly higher prices were complemented by continued volume growth (5%), including the contribution of newly acquired companies, and only slightly moderated by the adverse impact of exchange rate movements.

In the quarter, ADAMA delivered significant growth in Latin America, both in Brazil and across much of the rest of the region. In Brazil, the Company benefited from the good soybean planting season, as well as the strong farmer demand which supported higher prices, factors which are also supporting growth throughout South and Central America. The Company continues to grow strongly in Asia Pacific, led by a significant increase in sales in the quarter in China, with sales of its raw materials and intermediates in the country benefiting from higher prices resulting from strong demand in a generally supply-constrained environment. In North America, the Company saw a pleasing performance in the fourth quarter, enjoying robust pre-season demand in both US and Canadian agricultural markets as farmers order early in light of continued industry-wide concerns around availability later in the season. Sales in the India, Middle-East & Africa region grew in the quarter, led by a strong performance in India driven by new product launches in the country, as well as South Africa, where the Company continues to benefit from favorable cropping conditions and new product launches. The fourth quarter saw sales in Europe only slightly higher than the same period last year, as growth across most of the region was largely offset by supply challenges, felt mainly in France and Germany.

The continued robust growth in the quarter brought full year sales to a record-high of \$4,813 million, an increase of 17% (+9% in RMB terms), driven by 12% volume growth alongside 4% higher prices, and further aided somewhat by stronger currencies.

Gross Profit reported in the fourth quarter increased 15% to \$379 million (gross margin of 28.4%) compared to \$330 million (gross margin of 28.9%) in the same quarter last year, and was up 12% to \$1,311 million (gross margin of 27.2%) in the full year period compared to \$1,173 million (gross margin of 28.4%) last year.

The Company recorded certain extraordinary charges within its reported cost of goods sold, totaling approximately \$33 million in the fourth quarter (Q4 2020: \$5 million) and \$101 million in the full year period (FY 2020: \$50 million). These charges were largely related to its continuing Relocation & Upgrade program, and include mainly (i) excess procurement costs, both in quantity and cost terms, 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, and (ii) elevated idleness charges largely related to suspensions at the facilities being relocated and upgraded, as well as to the temporary suspension of the Jingzhou site in Q1 2020 at the outbreak of



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COVID-19 in Hubei Province. For further details on these extraordinary charges, please see the appendix to this release.

Excluding the impact of the abovementioned extraordinary items, adjusted gross profit in the fourth quarter increased 23% to \$412 million (30.8% of sales) compared to \$335 million (gross margin of 29.4%) in the same quarter last year, and was up 15% to \$1,412 million (gross margin of 29.3%) in the full year period compared to \$1,223 million (gross margin of 29.6%) last year.

In the quarter, the significantly higher gross profit and pleasing improvement in the adjusted gross margin were largely driven by the markedly higher prices, complemented by continued volume growth, which more than offset higher logistics, procurement and production costs as well as the effect of the strong RMB and ILS, the Company's main production currencies.

In the full year period, the increased gross profit was driven by the higher prices, a trend which started in the third quarter and accelerated into the fourth quarter, alongside the strong volume increases seen in each of the four quarters of the year, as well as a net positive impact from portfolio mix, and generally favorable currency movements. These combined to more than offset higher logistics, procurement and production costs, which nevertheless resulted in a somewhat lower adjusted gross margin over the full year period.

Operating expenses reported in the fourth quarter were \$270 million (20.2% of sales) and \$1,020 million (21.2% of sales) in the full year period, compared to \$267 million (23.4% of sales) and \$923 million (22.3% of sales) in the corresponding periods last year, respectively.

The Company recorded certain non-operational, mostly non-cash, charges within its reported operating expenses, totaling approximately \$1 million in the fourth quarter (Q4 2020: \$39 million) and \$33 million in the full year period (FY 2020: \$93 million). These charges include mainly (i) \$4 million in Q4 2021 (Q4 2020: \$8 million) and \$23 million in FY 2021 (FY 2020: \$31 million) in non-cash amortization charges in respect of Transfer assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition, (ii) \$6 million benefit in Q4 2021 (Q4 2020: \$5 million) and \$4 million benefit in FY 2021 (FY 2020: benefit of \$12 million) in non-cash impacts related to incentive plans, and (iii) \$2 million in Q4 2021 (Q4 2020: \$3 million) and \$13 million in FY 2021 (FY 2020: \$11 million) in charges 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. The higher aggregate amount of non-operational charges in Q4 and FY 2020 then also included \$10 million and \$45 million, respectively, in non-cash amortization charges related to the legacy PPA of the 2011 acquisition of Adama Agricultural Solutions, which have now largely finished, and \$1 million and \$11 million, respectively, in early retirement expenses. For further details on these non-operational charges, please see the appendix to this release.

Excluding the impact of the abovementioned non-operational charges, adjusted operating expenses in the quarter and full year period were \$269 million (20.1% of sales) and \$986 million (20.5% of sales), compared to \$228 million (20.0% of sales) and \$829 million (20.1% of sales) in the corresponding periods last year, respectively.

The higher operating expenses in the quarter and the full year period largely reflect the strong growth of the business and the additional operating expenses of the newly acquired companies, together with significantly higher global logistics and shipping costs. In addition, in the full year, alongside the many benefits the Company enjoys from the collaboration with other companies in the Syngenta Group, most notably in commercial cross-sales as well as in the areas of procurement and operations, ADAMA recorded certain related expenses. The Company also saw the impact on its operating expenses of generally stronger global currencies against the US dollar, as well that of the generally inflationary environment being seen globally in recent quarters.



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Operating income reported in the fourth quarter increased 73% to \$110 million (8.2% of sales) compared to \$63 million (5.5% of sales) in the same quarter last year, and was up 16% to \$291 million (6.0% of sales) in the full year period compared to \$251 million (6.1% of sales) last year.

Excluding the impact of the abovementioned non-operational, mostly non-cash items, adjusted operating income in the fourth quarter increased 33% to \$143 million (10.7% of sales) compared to \$107 million (9.4% of sales) in the same quarter last year, and was up 8% to \$425 million (8.8% of sales) in the full year period compared to \$394 million (9.6% of sales) last year.

EBITDA reported in the fourth quarter increased 22% to \$188 million (14.1% of sales) compared to \$154 million (13.5% of sales) in the same quarter last year, and reached \$593 million (12.3% of sales) in the full year period, in line with the \$592 million (14.4% of sales) recorded last year.

Excluding the impact of the abovementioned non-operational, mostly non-cash items, adjusted EBITDA in the fourth quarter increased 23% to \$207 million (15.5% of sales) compared to \$168 million (14.7% of sales) in the same quarter last year, and was up 7% to \$671 million (13.9% of sales) in the full year period compared to \$628 million (15.2% of sales) last year.

Financial expenses and investment income were \$62 million in the fourth quarter and \$206 million in the full year period, compared to \$48 million and \$169 million in the corresponding periods last year, respectively. The higher financial expenses in the quarter and the full year period were mainly driven by the net effect of the increase in the Israeli CPI on the ILS-denominated, CPI-linked bonds, and higher non-cash charges related to put options in respect of minority interests. In the fourth quarter, the Company also saw higher receivables securitization charges incurred in respect of the markedly higher sales recorded in Brazil. In the full year, the higher financial expenses also reflect increased hedging costs on the BRL, which were somewhat mitigated by the benefit from hedges in respect of the RMB.

Taxes on income in the fourth quarter were \$27 million and \$79 million in the full year period, compared to \$7 million and \$49 million in the corresponding periods last year, respectively. The significantly higher tax expenses in the fourth quarter and over the full year period reflects the incurring of higher taxes by the Company's high-growth selling entities in end-markets.

In the fourth quarter, the increase also reflects the largely non-cash impact on the value of non-monetary tax assets of the less significant strengthening of the BRL in the fourth quarter of 2021 when compared to the same quarter in 2020, which then resulted in higher tax income in Q4 2020.

By contrast, over the full year period, the increased tax expenses seen in 2021 were partially mitigated by the relatively lower weakening of the BRL during 2021 as compared to its more significant weakening during 2020, which then resulted in relatively higher BRL-related tax expenses during 2020.

Net income attributable to the shareholders of the Company reported in the fourth quarter was \$25 million (1.9% of sales) and \$25 million (0.5% of sales) in the full year period, compared to \$19 million (1.7% of sales) and \$51 million (1.2% of sales) in the corresponding periods last year, respectively.

Excluding the impact of the abovementioned extraordinary and non-operational charges, adjusted net income in the fourth quarter was \$54 million (4.0% of sales) and \$139 million (2.9% of sales) in the full year period, compared to \$52 million (4.6% of sales) and \$176 million (4.3% of sales) in the corresponding periods last year, respectively.

Trade working capital at December 31, 2021 was \$2,210 million compared to \$2,357 million at the same point last year. The marked reduction in working capital was due in large part to significantly higher trade payables, reflecting higher purchases made in the fourth quarter in advance of the continued growth expected in 2022, as well as a certain lengthening of credit terms received. In addition, the Company saw a reduction in its trade receivables, despite its strong growth in emerging



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markets where customer credit terms are generally longer, due largely to improved collections and increasing use of receivables securitization in Brazil. Against this, the Company is holding higher inventory levels, due mainly to a shift in geographic and portfolio sales mix, the anticipation of further volume growth in coming quarters in the face of uncertain supply conditions, the increase in procurement and production costs, as well as the inclusion of recent acquisitions. Notwithstanding the strong improvement in working capital levels seen during the fourth quarter, the Company expects working capital to increase during the first half of 2022 back to the higher levels customarily seen in the first half of the year, in support of the solid growth of the business.

Cash Flow: Operating cash flow of \$372 million was generated in the quarter and \$710 million in the full year period, compared to \$95 million and \$292 million generated in the corresponding periods last year, respectively. The markedly stronger operating cash flow generated in both the fourth quarter and full year periods reflects the higher reported operating income achieved in both periods this year, alongside the abovementioned reduction in working capital during 2021 compared to its expansion during the same periods in 2020.

Net cash used in investing activities was \$136 million in the quarter and \$525 million in the full year period, compared to \$141 million and \$341 million in the corresponding periods last year, respectively. The higher level of cash used in investing activities over the year largely reflects an increase in investments in fixed assets, mainly driven by the payments for the upgrading of manufacturing facilities in Israel and globally, as well as the payments for acquisitions.

The aforementioned operating and investing cash flow dynamics drove a significant improvement in the Company's free cash flow generation, with free cash flow of \$190 million being generated in the fourth quarter compared to a net free cash outflow of \$93 million in the same quarter last year, while \$75 million of free cash flow was generated over the full year period compared to \$150 million consumed over the course of last year.

Portfolio Development Update

In the fourth quarter, ADAMA continued to advance the development of its differentiated product portfolio, launching multiple new products in markets across the globe. Of special note was the launch in Europe of **TIMELINE® FX**, a unique three-way spring foliar herbicide mixture providing cross-spectrum protection for cereals against broadleaf and grass weeds. The Company continues to strengthen its presence in the biologic space with the launch in Europe of **VIGNEXEL®**, a plant extract biostimulant for the treatment of abiotic stress in vines. In the Consumer & Professional space, ADAMA launched **SUPRADO™**, a product developed uniquely by the Company to address Annual Bluegrass Weevil, a highly devastating pest affecting golf courses across the northeastern U.S., as well as Neem Max cold-pressed neem oil, an innovative natural insecticide in the U.S. consumer market.



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Table 2. Regional Sales Performance

	Q4 2021 \$m	Q4 2020 \$m	Change USD	Change CER	FY 2021 \$m	FY 2020 \$m	Change USD	Change CER
Europe	247	246	+0.4%	+3.4%	1,072	1,036	+3.5%	+3.0%
North America	289	258	+11.7%	+11.1%	917	776	+18.2%	+17.4%
Latin America	456	374	+21.9%	+25.8%	1,276	1,088	+17.3%	+19.3%
Asia Pacific	221	159	+38.6%	+36.4%	898	656	+36.8%	+28.5%
<i>Of which China</i>	133	73	+80.8%	+75.7%	513	324	+58.5%	+50.8%
India, Middle East & Africa	125	104	+20.4%	+20.7%	650	572	+13.7%	+12.7%
Total	1,337	1,141	+17.2%	+18.7%	4,813	4,128	+16.6%	+15.4%

CER: Constant Exchange Rates

Europe: Sales were up by 3.4% in the fourth quarter and by 3.0% in the full year, in CER terms, compared with the corresponding periods last year.

In the fourth quarter, the Company saw moderate growth in Europe, achieved despite the impact of the COVID-19 Omicron wave hampering regular commercial activities, with growth across most of the region being partially offset by supply challenges, mainly felt in France and Germany.

In US dollar terms, sales were higher by 0.4% in the quarter and by 3.5% in the full year, compared to the corresponding periods last year, reflecting the net impact of the weaker currencies in the quarter, contrasted with the somewhat stronger currencies over the full year.

North America: Sales were up by 11.1% in the fourth quarter and by 17.4% in the full year, in CER terms, compared with the corresponding periods last year.

The pleasing performance in the fourth quarter reflects the robust pre-season demand seen in both US and Canadian agricultural markets as farmers order early in light of continued industry-wide concerns around availability later in the season.

In US dollar terms, sales in the region grew by 11.7% in the quarter and by 18.2% in the full year, compared to the corresponding periods last year, reflecting the strengthening of the Canadian Dollar.

Latin America: Sales grew by 25.8% in the fourth quarter and by 19.3% in the full year, in CER terms, compared to the corresponding periods last year.

Strong growth was seen in Brazil and across much of the rest of the region. In Brazil, the Company benefited from the good soybean planting season, as well as the strong farmer demand which supported higher prices. The Company commenced local production and commercialization in Brazil of ARMERO™, its new dual-mode fungicide containing the active ingredients Prothioconazole and Mancozeb, benefiting from its new in-house production of Prothioconazole, a leading broad-spectrum systemic fungicide. The Company also delivered pleasing growth in Paraguay following an acquisition in the country in the fourth quarter of 2020, as well as in Central America and many other countries in the wider region.

In US dollar terms, sales in the region grew by 21.9% in the quarter, and by 17.3% in the full year, compared to the corresponding periods last year, reflecting the generally weaker average currency levels that prevailed over the periods, in particular the BRL.

Asia-Pacific: Sales grew by 36.4% in the quarter and by 28.5% in the full year, in CER terms, compared to the corresponding periods last year.



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The Company continues to grow strongly in Asia Pacific, led by a significant increase in sales in the quarter in China. In China, the Company's sales of raw materials and intermediates, where it continues to see strong demand, benefited from the higher pricing environment resulting from general supply constraints. In addition, ADAMA continues to grow sales of its branded, formulated portfolio, and was also bolstered by the acquisition of Huifeng during the year.

In the wider APAC region, the Company saw moderate growth in the quarter, with increases in the Pacific region being balanced by somewhat softer performances in some east Asian markets, where commercial activities continued to be hampered by COVID-related restrictions and supply constraints.

In US dollar terms, sales in the region grew by 38.6% in the fourth quarter and by 36.8% in the full year, compared to the corresponding periods last year, reflecting the impact of the strengthening of regional currencies, most notably the Australian Dollar and Chinese Renminbi.

India, Middle East & Africa: Sales grew by 20.7% in the quarter and by 12.7% in the full year, in CER terms, compared to the corresponding periods last year.

Growth in the quarter was led by a strong performance in India, driven by new product launches in the country, including BARROZ®, a leading tool for the control of stem borer in rice, as well as South Africa, where the Company continues to benefit from favorable cropping conditions and new product launches.

In US dollar terms, sales in the region grew by 20.4% in the quarter and by 13.7% in the full year, compared to the corresponding periods last year, reflecting the impact of the somewhat weaker currencies in the quarter contrasted with the strengthening of regional currencies over the full year period, most notably the Israeli Shekel.

Table 3. Revenues by operating segment

Fourth quarter sales by segment

	Q4 2021 USD (m)	%	Q4 2020 USD (m)	%
Crop Protection	1,197	89.5%	1,032	90.5%
Intermediates and Ingredients	140	10.5%	109	9.5%
Total	1,337	100%	1,141	100%

Fourth quarter sales by product category

	Q4 2021 USD (m)	%	Q4 2020 USD (m)	%
Herbicides	582	43.5%	477	41.8%
Insecticides	359	26.8%	316	27.7%
Fungicides	256	19.1%	240	21.0%
Intermediates and Ingredients	140	10.5%	109	9.5%
Total	1,337	100%	1,141	100%

Note: the sales split by product category is provided for convenience purposes only and is not representative of the way the Company is managed or in which it makes its operational decisions.



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Full year sales by segment

	FY 2021 USD (m)	%	FY 2020 USD (m)	%
Crop Protection	4,389	90.4%	3,738	90.6%
Intermediates and Ingredients	464	9.6%	389	9.4%
Total	4,813	100%	4,128	100%

Full year sales by product category

	FY 2021 USD (m)	%	FY 2020 USD (m)	%
Herbicides	1,972	41.0%	1,707	41.4%
Insecticides	1,425	29.6%	1,174	28.5%
Fungicides	952	19.8%	857	20.8%
Intermediates and Ingredients	464	9.6%	389	9.4%
Total	4,813	100%	4,128	100%

Note: the sales split by product category is provided for convenience purposes only and is not representative of the way the Company is managed or in which it makes its operational decisions.

Further Information

All filings of the Company, together with a presentation of the key financial highlights of the period, can be accessed through the Company website at www.adama.com.

About ADAMA

ADAMA Ltd. is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally. For more information, visit us at www.ADAMA.com and follow us on Twitter® at [@ADAMAAgri](https://twitter.com/ADAMAAgri).

Contact

Rivka Neufeld
Global Investor Relations
Email: ir@adama.com

Zhujun Wang
China Investor Relations
Email: irchina@adama.com



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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 ¹	Q4 2021 USD (m)	Q4 2020 USD (m)	Q4 2021 RMB (m)	Q4 2020 RMB (m)
Revenues	1,337	1,141	8,550	7,555
Cost of Sales	918	804	5,870	5,324
Other costs	7	2	46	14
Gross profit	412	335	2,634	2,218
% of revenue	30.8%	29.4%	30.8%	29.4%
<i>Selling & Distribution expenses</i>	198	170	1,265	1,125
<i>General & Administrative expenses</i>	45	38	289	249
<i>Research & 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
% of revenue	20.1%	20.0%	20.1%	20.0%
Operating income (EBIT)	143	107	915	710
% of revenue	10.7%	9.4%	10.7%	9.4%
Financial expenses and investment income	62	48	398	319
Income before taxes	81	59	517	391
Taxes on Income	27	7	173	43
Net Income	54	52	344	348
Attributable to:				
Non-controlling interest	0	0	0	0
Shareholders of the Company	54	52	344	348
% of revenue	4.0%	4.6%	4.0%	4.6%
Adjustments	-29	-33	-182	-220
Reported Net income attributable to the shareholders of the Company	25	19	161	128
% of revenue	1.9%	1.7%	1.9%	1.7%
Adjusted EBITDA	207	168	1,324	1,111
% of revenue	15.5%	14.7%	15.5%	14.7%
Adjusted EPS²	– Basic	0.0231	0.0225	0.1476
	– Diluted	0.0231	0.0225	0.1476
Reported EPS²	– Basic	0.0108	0.0083	0.0692
	– Diluted	0.0108	0.0083	0.0692
				0.0547

¹ 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”.

² 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

<i>Adjusted³</i>	FY 2021 USD (m)	FY 2020 USD (m)	FY 2021 RMB (m)	FY 2020 RMB (m)
Revenues	4,813	4,128	31,039	28,445
Cost of Sales	3,377	2,886	21,779	19,897
Other costs	24	18	156	125
Gross profit	1,412	1,223	9,103	8,422
<i>% of revenue</i>	<i>29.3%</i>	<i>29.6%</i>	<i>29.3%</i>	<i>29.6%</i>
<i>Selling & Distribution expenses</i>	743	635	4,793	4,378
<i>General & Administrative expenses</i>	171	127	1,100	873
<i>Research & 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
<i>% of revenue</i>	<i>20.5%</i>	<i>20.1%</i>	<i>20.5%</i>	<i>20.1%</i>
Operating income (EBIT)	425	394	2,742	2,714
<i>% of revenue</i>	<i>8.8%</i>	<i>9.6%</i>	<i>8.8%</i>	<i>9.5%</i>
Financial expenses and investment income	206	169	1,328	1,163
Income before taxes	219	225	1,414	1,551
Taxes on Income	79	49	511	341
Net Income	140	176	903	1,210
Attributable to:				
Non-controlling interest	1	0	7	0
Shareholders of the Company	139	176	895	1,210
<i>% of revenue</i>	<i>2.9%</i>	<i>4.3%</i>	<i>2.9%</i>	<i>4.3%</i>
Adjustments	-114	-125	-738	-857
Reported Net income attributable to the shareholders of the Company	25	51	157	353
<i>% of revenue</i>	<i>0.5%</i>	<i>1.2%</i>	<i>0.5%</i>	<i>1.2%</i>
Adjusted EBITDA	671	628	4,328	4,329
<i>% of revenue</i>	<i>13.9%</i>	<i>15.2%</i>	<i>13.9%</i>	<i>15.2%</i>
Adjusted EPS⁴	– Basic	0.0596	0.0734	0.3843
	– Diluted	0.0596	0.0734	0.3843
Reported EPS⁴	– Basic	0.0106	0.0213	0.0676
	– Diluted	0.0106	0.0213	0.0676

³ 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”.

⁴ 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)
Assets				
Current assets:				
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
Total current assets	4,453	4,174	28,389	27,228
Non-current assets:				
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
Total non-current assets	3,427	3,000	21,847	19,573
Total assets	7,879	7,173	50,235	46,801
Liabilities				
Current liabilities:				
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
Total current liabilities	2,257	1,980	14,387	12,920
Long-term liabilities:				
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
Total long-term liabilities	2,317	1,908	14,773	12,447
Total liabilities	4,574	3,888	29,160	25,367
Equity				
Total equity	3,306	3,285	21,075	21,434
Total liabilities and equity	7,879	7,173	50,235	46,801



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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)
Cash flow from operating activities:				
Cash flow from operating activities	372	95	2,380	631
Cash flow from operating activities	372	95	2,380	631
Investing activities:				
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	-
Cash flow used for investing activities	-136	-141	-872	-938
Financing activities:				
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
Cash flow from (used for) financing activities	-95	-209	-609	-1,381
Effects of exchange rate movement on cash and cash equivalents	1	6	-80	-171
Net change in cash and cash equivalents	142	-248	819	-1,859
Cash and cash equivalents at the beginning of the period	762	836	4,940	5,694
Cash and cash equivalents at the end of the period	903	588	5,759	3,835
Free Cash Flow	190	-93	1,212	-613



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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)
Cash flow from operating activities:				
Cash flow from operating activities	710	292	4,562	2,023
Cash flow from operating activities	710	292	4,562	2,023
Investing activities:				
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
Cash flow used for investing activities	-525	-341	-3,383	-2,332
Financing activities:				
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
Cash flow from (used for) financing activities	128	8	837	143
Effects of exchange rate movement on cash and cash equivalents	2	10	-91	-319
Net change in cash and cash equivalents	316	-31	1,924	-485
Cash and cash equivalents at the beginning of the period	588	619	3,835	4,320
Cash and cash equivalents at the end of the period	903	588	5,759	3,835
Free Cash Flow	75	-150	467	-990



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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)
Net Income (Reported)	25.8	19.3	165.0	127.7
<u>Adjustments to COGS & Operating Expenses:</u>				
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
Total Adjustments to Operating Income (EBIT)	33.4	44.0	213.9	291.2
Total Adjustments to EBITDA	19.1	13.8	122.3	91.3
<u>Adjustments to Financing Expenses</u>				
Revaluation of non-cash adjustment related to non-controlling interest	0.5	-1.5	3.4	-9.7
<u>Adjustments to Taxes</u>				
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
Total adjustments to Net Income	28.0	33.2	178.9	220.1
Net Income (Adjusted)	53.7	52.5	343.8	347.7
Total adjustments to Net Income attributable to the shareholders of the Company	28.5	-	182.5	-



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	FY 2021 USD (m)	FY 2020 USD (m)	FY 2021 RMB (m)	FY 2020 RMB (m)
Net Income (Reported)	25.5	51.1	163.3	352.8
Adjustments to COGS & Operating Expenses:				
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
Total Adjustments to Operating Income (EBIT)	134.3	143.4	866.3	979.5
Total Adjustments to EBITDA	78.5	35.9	507.0	240.4
Adjustments to Financing Expenses				
10. Revaluation of non-cash adjustment related to non-controlling interest	0.5	-0.7	3.4	-4.0
Adjustments to Taxes				
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
Total adjustments to Net Income	114.6	125.3	739.4	857.4
Net Income (Adjusted)	140.1	176.4	902.7	1,210.2
Total adjustments to Net Income attributable to the shareholders of the Company	114.4	-	738.0	-

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%