



## ADAMA Reports Fourth Quarter and Full Year 2024 Results

***Strategic transformation plan launched in 2024, with initial success reflected in certain key metrics including improved free cash flow and adjusted financial results***

**BEIJING, CHINA and TEL AVIV, ISRAEL, March 13, 2025** – ADAMA Ltd. (the “Company”) (SZSE 000553), today reported its financial results for the fourth quarter and full year ended December 31, 2024.

### Fourth Quarter 2024 Highlights:

- **Sales** down 2% (-2% in RMB; **+2% in CER**) to \$1,113 million, mainly reflecting an increase of 7% in volumes more than offset by a decrease of 4% in prices and negative foreign exchange impacts
- **Adjusted gross profit up 14%** to \$280 million, representing an improvement of gross margin from 21.5% in Q4 2023 to 25.2% in Q4 2024, reflecting lower costs and improved product mix
- **Adjusted EBITDA up 45%** to \$137 million representing an improvement of EBITDA margin from 8.3% in Q4 2023 to 12.3% in Q4 2024
- **Adjusted net loss narrowed 43%** to \$58 million from \$101 million in Q4 2023; Reported net loss of \$149 million, including one-time restructuring costs associated with the Company's transformation plan, compared to \$79 million in Q4 2023
- **Operating cash flow** reached \$126 million in Q4 2024 vs. \$293 million in Q4 2023
- **Free cash flow** reached \$38 million in Q4 2024 vs. \$130 million in Q4 2023

### Full Year 2024 Highlights:

- **Sales** down 11% to \$4,141 million (-10% in RMB; -8% in CER), mainly reflecting 8% decrease in prices and stable volumes
- **Adjusted gross profit** reached \$1,061 million (margin of 25.6%) from \$1,060 million (margin of 22.7%) in the full year of 2023, reflecting lower costs and improved product mix
- **Adjusted EBITDA** up 15% to \$469 million, reflecting an improvement of EBITDA margin from 8.7% in 2023 to 11.3% in 2024, demonstrating an improvement in business quality
- **Adjusted net loss** narrowed by 13% to \$206 million from \$236 million in the full year of 2023; Reported net loss of \$407 million, including one-time restructuring costs associated with the company's transformation plan, compared to \$225 million in 2023.
- **Improvement of \$172 million in operating cash flow** reaching \$528 million in 2024 vs. \$356 million in 2023
- **Improvement of \$364 million in free cash flow** reaching an inflow of \$217 million vs. an outflow of \$147 million in 2023

**Gaël Hili, President and CEO of ADAMA**, said, "In 2024 we launched our *Fight Forward* strategic transformation plan. Our *Fight Forward* plan includes improving the way we work to win in the value innovation segment where the market is looking for high-quality solutions with a strong return on investment. As part of the plan, we are streamlining our operations, focusing on products and territories where we can maximize value for all stakeholders, and prioritizing support for our countries to deliver value to our channel partners and to end-customers. I'm pleased to report that we're already seeing tangible results, including improved operational and free cash flow, and growth of adjusted



gross profit and EBITDA and their margins vs. last year. As well, sales volumes in the second half of 2024 were up compared to the previous year. I'm optimistic *Fight Forward's* early accomplishments provide momentum towards further successes in 2025."

**Table 1. Financial Performance Summary**

USD (m)	As Reported			Adjustments		Adjusted		
	Q4 2024	Q4 2023	% Change	Q4 2024	Q4 2023	Q4 2024	Q4 2023	% Change
<b>Revenues</b>	<b>1,113</b>	<b>1,136</b>	<b>(2%)</b>	-	-	<b>1,113</b>	<b>1,136</b>	<b>(2%)</b>
Gross profit	274	220	25%	5	24	280	245	14%
% of sales	24.7%	19.4%				25.2%	21.5%	
Operating income (loss) (EBIT)	(45)	(27)		120	51	75	24	208%
% of sales	(4.1%)	(2.4%)				6.7%	2.1%	
Income (loss) before taxes	(95)	(42)		109	(23)	14	(65)	
% of sales	(8.6%)	(3.7%)				1.2%	(5.7%)	
<b>Net loss</b>	<b>(149)</b>	<b>(79)</b>		<b>91</b>	<b>(22)</b>	<b>(58)</b>	<b>(101)</b>	
% of sales	(13.4%)	(6.9%)				(5.2%)	(8.9%)	
EPS								
- USD	(0.0639)	(0.0338)				(0.0247)	(0.0434)	
- RMB	(0.4572)	(0.2418)				(0.1767)	(0.3099)	
<b>EBITDA</b>	<b>117</b>	<b>86</b>	<b>36%</b>	<b>20</b>	<b>9</b>	<b>137</b>	<b>95</b>	<b>45%</b>
% of sales	10.5%	7.5%				12.3%	8.3%	

USD (m)	As Reported			Adjustments		Adjusted		
	FY 2024	FY 2023	% Change	FY 2024	FY 2023	FY 2024	FY 2023	% Change
<b>Revenues</b>	<b>4,141</b>	<b>4,661</b>	<b>(11%)</b>	-	-	<b>4,141</b>	<b>4,661</b>	<b>(11%)</b>
Gross profit	946	968	(2%)	115	91	1,061	1,060	
% of sales	22.9%	20.8%				25.6%	22.7%	
Operating income (loss) (EBIT)	(45)	62		256	79	212	141	50%
% of sales	(1.1%)	1.3%				5.1%	3.0%	
Loss before taxes	(298)	(197)		225	(10)	(74)	(207)	
% of sales	(7.2%)	(4.2%)				(1.8%)	(4.4%)	
<b>Net loss</b>	<b>(407)</b>	<b>(225)</b>		<b>201</b>	<b>(11)</b>	<b>(206)</b>	<b>(236)</b>	
% of sales	(9.8%)	(4.8%)				(5.0%)	(5.1%)	
EPS								
- USD	(0.1749)	(0.0964)				(0.0885)	(0.1013)	
- RMB	(1.2461)	(0.6893)				(0.6302)	(0.7260)	
<b>EBITDA</b>	<b>369</b>	<b>400</b>	<b>(8%)</b>	<b>100</b>	<b>7</b>	<b>469</b>	<b>407</b>	<b>15%</b>
% of sales	8.9%	8.6%				11.3%	8.7%	

**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, according to the ASBE guidelines [IAS 37], certain items (specifically certain transportation costs and certain idleness charges) are classified under COGS. 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 both Q4 & FY 2024 and 2023 is 2,329.8 million shares.*
- *In this table and all tables in this release numbers may not sum due to rounding.*

## The General Crop Protection (CP) Market Environment

Key commodity crop prices remained subdued in 2024, pressuring farmer income, despite some ease in the prices of inputs. Global crop protection industry sales are estimated to have declined in 2024<sup>1</sup>.

While channel inventory levels continue to ease following pandemic-era stockpiling, the high-interest rate environment, coupled with ample product supply (driven by significant over-capacity production of active ingredients (“AIs”) in China) contributing to low AI prices, continue to drive a just-in-time purchasing approach by the channel.

## ‘Fight Forward’ Transformation Plan

In early 2024, ADAMA launched 'Fight Forward', a strategic transformation plan aimed at gradually delivering improved profit and cash targets over a three-year period.

This plan has three main pillars:

1. **Optimize financial management:** With a focus on improving the company’s financial fitness in both the short and long term through cost reduction, as well as commercial and manufacturing excellence. Improvements in certain key metrics, including free cash flow and adjusted financial results in 2024 reflect the plan's early impact.
2. **Streamline ADAMA’s operating model:** Focus on key geographies and centralize global functions to leverage expertise in order to enable the Company’s commercial unit resources to primarily focus on customer needs to maximize ROI for all stakeholders.
3. **Focus on the Value Innovation segment,** where value is provided by using off-patent AIs enhanced by proprietary formulation technologies that are designed to address farmers’ needs and improve their efficiency by delivering tangible benefits such as rainfastness, improved leaf penetration, ease of use, as well as enhancing ROI.

## Sustainability

In 2024, ADAMA remained committed to developing innovative formulations that enhance both farmers' productivity and sustainability, while also advancing sustainable manufacturing practices.

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<sup>1</sup> Sources: AgbioInvestor Market Insight – Crop Protection and Seed Markets 2024 (February 2025); AgbioInvestor, Crop Protection and Traded Seed Market 2028 Forecast; CCPIA (China Crop Protection Industry Association), peer quarterly financial reports, internal sources



#### Sustainability in Products:

- In 2024 ADAMA launched **EDAPTIS®**, a unique formulation which not only expands the spectrum of efficacy but also improves the effectiveness in combating resistant weed populations. In addition, the product is formulated as an oil dispersion using refined rapeseed oil, a renewable resource, thus eliminating use of hydrocarbons found in conventional oil dispersion formulations.
- **Feralla®** a novel molluscicide active ingredient, achieved a key milestone with EFSA's positive assessment towards EU approval. Its unique and patented formulation, powered by ADAMA's **Desidro®** Technology, enhances pest palatability, while its low active ingredient concentration supports farmers in achieving their sustainability goals.
- ADAMA continued to grow the market presence of **Sesgama™** based products. Sesgama™ is ADAMA's proprietary formulation technology platform addressing high-load and otherwise challenging formulations enabling less use of co-formulants, transport and packaging materials per acre treated with a resulting improved product sustainability profile.
- During 2024, ADAMA continued to register and launch products based on its proprietary **Asorbital®** formulation technology platform that improves the leaf penetration and systemic movement of the AI in the plant. This technology provides greater efficacy and sustainability and can be used to reduce application rates.

#### Sustainability in manufacturing:

- **Opening of the new energy-efficient chloralkali production facility** – The advanced technology utilized in the facility allows ADAMA Makhteshim to produce chlorine up to 40% more efficiently, reducing energy consumption and ensuring a safer, more sustainable process. The chloralkali plant utilizes cutting-edge membrane cell technology, replacing the company's mercury-based system. This transition not only eliminates the risks associated with mercury, but also significantly improves energy efficiency.
- **Installment of Regenerative Thermal Oxidizer (RTO)** – In 2024, an RTO system was installed in ADAMA Agan's wastewater treatment plant to effectively manage odor and pollutant emissions. This initiative aims to enhance air quality for both site employees and neighboring communities. The system is scheduled to become operational in the second quarter of 2025.

### **Portfolio Development Update**

During 2024 ADAMA continued to register and launch multiple new products in markets across the globe, adding on to its differentiated product portfolio. As part of the *Fight Forward* plan, the Company is focused on improving its overall portfolio mix, particularly by targeting the Value Innovation segment, with the intent of improving value delivered to all stakeholders.

New Product Introductions (NPI) percentage out of the full year sales of 2024 reached 22%, referring to products launched over the past 5 years.

Several products were highlighted in the Company's previous 2024 quarterly reports. In Q4 2024, **launches** of differentiated products included:



- **Forpido®** in India. A new GR-type innovative insecticide formulation. Combining Chlorantraniliprole, Fipronil, and Zinc, it effectively controls resistant rice stem borer while enhancing early crop establishment, ensuring healthier rice cultivation. The formulation incorporates a patent-pending technology that delivers a prominent phytotonic effect, clearly evident in the field.
- **Edaptis®** in Poland, Italy and Greece, with plans to expand across other European nations. This innovative post-emergence herbicide combines the actives Pinoxaden and Mesosulfuron-methyl, providing effective control over a very broad spectrum of grasses, including enhanced performance in the presence of resistant populations. Its advanced formulation, protected by a patent, stabilizes this unique combination ensuring efficacy and reliability.
- **Matos®** in South Korea as the first country, with expansion plans targeting additional markets. This innovative SC insecticide formulation, powered by Spirotetramat, offers effective control of sucking pests across various fruits and vegetables crops as Apples Cabbage Peppers etc. The formulation leverages the patent-pending Ayalon formulation technology for enhanced efficacy.
- ADAMA continued to expand the Prothioconazol based products into new regions. **Forapro®**, combining Prothioconazole with Fenpropidin, was introduced in France and Malta; **Maganic**, featuring a blend with Difenoconazole, expanded to Italy. Both products leverage ADAMA's unique Asorbital® Formulation Technology, delivering enhanced uptake and exceptional systemic performance.
- **Paramer**, a pre-emergence WG herbicide featuring Pyroxasulfone, was launched in Argentina. Designed to control grass and broadleaf weeds, effective in key crops such as wheat, soy, corn, and barley.

**Registrations** of differentiated products during Q4 2024 included:

- **Cazado**, a new innovative OD herbicide formulation, has been registered in Canada. Combining Pinoxaden and Thien carbazon-methyl for a dual mode of action, it offers wheat growers the first in-crop solution to effectively control wild oats and proactively combat grassy weed resistance.
- Expanded registrations of Prothioconazol based products, all powered by ADAMA's proprietary **Asorbital®** Formulation Technology, into new regions, including **Soratel** in Netherland and Romania, **Maganic** in Belgium, UK and France, **Avastel** in Greece, UK, Ireland and Czech Republic, and **Forapro** in Germany, Spain and Romania.
- **Gilboa™**, an innovative proprietary fungicide, submitted to the Fungicide Resistance Action Committee (**FRAC**) for classification as new mode of action for cereals.

In addition, **patents** granted during Q4 2024 included:

- **China:** Approval was secured for a patent covering the formulation of *Saflufenacil* in a soluble liquid form.
- **Australia:** A patent was granted for the proprietary formulation of *Quadrant®*.



## Geopolitical Situation: No Material Impact

ADAMA is headquartered and has three manufacturing sites in Israel. The regional tensions which escalated on October 7, 2023 have had no material impact to-date on the Company's ability to support its markets or its consolidated financial results.

## Financial Highlights

**Revenues** in the fourth quarter declined by approximately 2% (-2% in RMB; **+2% in CER**) to \$1,113 million, reflecting an increase of 7% in volumes more than offset by a decrease of 4% in prices and negative foreign exchange impacts. Volumes were up compared with Q4 2023 driven by demand recovery in many regions due to improved channel inventory levels, while the Company has continued shifting away from selected low profit products, marking the second consecutive quarter of volume growth. However, the positive impacts were more than offset by lower prices due to just-in-time purchasing patterns of the channel in light of overcapacity and a higher interest rate environment, and negative foreign exchange impacts, primarily depreciation of the Brazilian Real.

These results brought the revenues in the full year of 2024 to \$4,141 million, a decline of approximately 11% (-10% in RMB; -8% in CER), reflecting a decrease of 8% in prices attributable to reasons stated above and stable volumes.

Table 2. Regional Sales Performance

	Q4 2024 \$m	Q4 2023 \$m	Change USD	Change CER	FY 2024 \$m	FY 2023 \$m	Change USD	Change CER
Europe, Africa & Middle East	240	241	0%	0%	1,122	1,240	(9%)	(8%)
North America	279	252	11%	11%	851	820	4%	4%
Latin America	348	379	(8%)	4%	1,035	1,292	(20%)	(13%)
Asia Pacific	246	264	(7%)	(6%)	1,133	1,308	(13%)	(12%)
<i>Of which China</i>	102	97	5%	6%	486	550	(12%)	(11%)
<b>Total</b>	<b>1,113</b>	<b>1,136</b>	<b>(2%)</b>	<b>2%</b>	<b>4,141</b>	<b>4,661</b>	<b>(11%)</b>	<b>(8%)</b>

Notes:

CER: Constant Exchange Rates

Numbers may not sum due to rounding

**Europe, Africa & Middle East (EAME):** Revenues in Q4 2024 were similar to those of Q4 2023, with an increase in volumes offset by a similar decrease in pricing. Throughout 2024, pricing pressure remained strong, but channel stock levels began to normalize after two years of high levels.

### North America

**Consumer & Professional Solutions:** Fourth quarter and full year 2024 sales grew in every sector of its market, and margins remained strong. Demand was fueled by a growth in disposable income.

ADAMA's **US Ag** market enjoyed positive volume growth, only partially offset by pricing





pressures. While channel inventory levels returned to post-pandemic normal, high interest rates and lower crop commodity prices continue to result in just-in-time purchasing patterns.

In **Canada**, the 2024 crop season had good growing conditions, leading to high usage rates of herbicides and fungicides. However, lower insect pressure resulted in a smaller insecticide market.

**Latin America:** In **Brazil**, ADAMA's sales in FY and Q4 2024 enjoyed strong growth in fungicides (e.g., ALMADA, BLINDADO TOV) and insecticides (e.g., MAGNUM), with a decline in non-selective herbicides. However, pricing pressures and the weak currency negatively impacted performance. In the **rest of LATAM**, sales were weaker in FY and Q4 2024 as compared to FY and Q4 2023, mostly due to increased competition and just-in-time purchasing patterns.

**Asia-Pacific (APAC):** Sales in **APAC, excluding China**, continued to experience pricing pressure throughout 2024, with sales declining compared to FY and Q4 2023. Ample over supply of Chinese generics contributed to the declines. Sales in 2024 were also impacted by unpredictable weather in India. However, pricing in some key markets such as Australia seem to have stabilized. And new product registrations in India such as Bazak®, Forpido® and the soft introduction of Upturn® in Q4 were well received.

In **China**, the sales in the fourth quarter increased mainly driven by volume growth of the active ingredient (AI) business and higher pricing of the non-ag business. The fourth quarter is an off season for branded formulations. The AI sales increased driven by demand recovery in many regions globally and enhanced management of key customers, while the non-ag sales were affected by lower sales partially offset by higher prices. Sales in the full year still reflected weak demand and prices. In response to the sluggish markets, the branded formulations business proactively promoted differentiated and high-margin products, and the non-ag business adjusted sales of certain low-profit products, both achieving business quality improvement.

**Reported gross profit** in the fourth quarter increased 25% to \$274 million (gross margin of 24.7%) compared to \$220 million (gross margin of 19.4%) in the same quarter last year and reached \$946 million (gross margin of 22.9%) in the full year compared to \$968 million (gross margin of 20.8%) last year.

Adjustments to reported results: The adjusted gross profit includes reclassification of inventory impairment, taxes and surcharge and excludes certain transportation costs (classified under operating expenses), as well as a provision related to the soil & water cleanup and remediation regarding the Company's different sites, mainly in Israel.

**Adjusted gross profit** in the fourth quarter increased 14% to \$280 million (gross margin of 25.2%) compared to \$245 million (gross margin of 21.5%) in the same quarter last year and reached \$1,061 million (gross margin of 25.6%) in the full year compared to \$1,060 million (gross margin of 22.7%) last year.

The Company improved the gross margin in the fourth quarter and the full year, mainly reflecting the positive impact of lower costs of new inventory sold, and an improved sales mix towards higher margin products following management's focus on the quality of business. The gross profit increased in the fourth quarter compared to Q4 2023, also attributable to volume growth which started in the third quarter and got stronger in the fourth quarter. The positive impacts were moderated by lower prices and the negative impact of exchange rates.

**Operating expenses** reported in the fourth quarter and full year of 2024 were \$320 million (28.7% of sales) and \$991 million (23.9% of sales), compared to \$247 million (21.8% of sales) and \$906 million (19.4% of sales) in the corresponding periods last year, respectively.



Adjustments to reported results: please refer to the explanation regarding adjustments to the gross profit in respect to certain transportation costs, taxes and surcharges and inventory impairment.

The Company recorded certain non-operational items within its reported operating expenses amounting to \$118 million in Q4 2024 in comparison to \$49 million in Q4 2023 and \$230 in FY 2024 in comparison to \$75 in FY 2023. These include mainly: i. non-cash amortization charges in respect of transfer assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition; ii. non-cash amortization net charges related to intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired; iii. expenses related to legal claims; iv. restructuring and advisory costs incurred as part of the implementation of the Fight Forward transformation plan; v. fixed asset impairment related to improvement of operational efficiency, as part of the Fight Forward plan; vi. registration impairment and update of registration depreciation. For further details on these non-operational items, please see the appendix to this release.

**Adjusted operating expenses** in the fourth quarter and full year were \$205 million (18.4% of sales) and \$850 million (20.5% of sales), compared to \$220 million (19.4% of sales) and \$918 million (19.7% of sales) in the corresponding periods last year, respectively.

The operating expenses were lower in the fourth quarter and full year of 2024, following undertaking tight OPEX management measures, including initiatives included in the Company's transformation plan, lower transportation and logistics costs and the positive impact of exchange rates.

**Operating income** reported in the fourth quarter reached a loss of \$45 million (-4.1% of sales) compared to a loss of \$27 million (-2.4% of sales) in the same quarter last year and amounted to a loss of \$45 million (-1.1% of sales) in the full year compared to an income of \$62 million (1.3% of sales) last year.

**Adjusted operating income** in the fourth quarter increased 208% to \$75 million (6.7% of sales) from \$24 million (2.1% of sales) in the same quarter last year, and increased to \$212 million (5.1% of sales) in the full year from \$141 million (3.0% of sales) in the same period last year. The increase in operating income during the fourth quarter and for the full year of 2024 was a combined result of higher gross profit and lower operating expenses.

**EBITDA** reported in the fourth quarter increased 36% to \$117 million (10.5% of sales) from \$86 million (7.5% of sales) in the same quarter last year, and reached \$369 million (8.9% of sales) in the full year compared to \$400 million (8.6% of sales) last year.

**Adjusted EBITDA** in the fourth quarter increased 45% to \$137 million (12.3% of sales) from \$95 million (8.3% of sales) in the same quarter last year and increased 15% to \$469 million (11.3% of sales) in the full year from \$407 million (8.7% of sales) last year.

**Adjusted financial expenses** amounted to \$61 million in the fourth quarter and \$285 million in the full year, compared to \$89 million and \$348 million in the corresponding periods last year, respectively.

In both the fourth quarter and the full year of 2024, financial expenses were lower mainly due to (i) lower net CPI impact; (ii) lower interest paid on loans following a decrease in loans and improved efficiency of cash management in light of the positive cash flow achieved and, for the full year, better loan mix; and (iii) lower put options expenses related to minority stake in subsidiaries.

**Adjusted taxes on income** in the fourth quarter amounted to an expense of \$71 million and \$133 million in the full year, compared to \$36 million and \$30 million in the corresponding periods last year.

Despite reaching losses before tax, the Company recorded tax expenses in the fourth quarter and full year of 2024 mainly because the losses were primarily incurred by subsidiaries with relatively lower tax rates, while some of them did not create deferred tax assets on the losses. On the other hand, the subsidiaries that generated profit have a higher tax rate.





In the fourth quarter and full year of 2024 the company recorded tax expenses due to the non-cash impact of the weakness of the BRL compared with tax income due to stronger BRL in the fourth quarter and full year of 2023.

**Net loss** reported in the fourth quarter was \$149 million and \$407 million in the full year, compared to \$79 million and \$225 million in the corresponding periods last year, respectively.

After reflecting the impact of the abovementioned extraordinary and non-operational charges, **adjusted net loss** in the fourth quarter was \$58 million, and \$206 million in the full year, compared to \$101 million, and \$236 million in the corresponding periods last year, respectively.

**Trade working capital** as of December 31, 2024, was \$2,111 million compared to \$2,421 million as of December 31, 2023. The decrease in working capital was mainly because of the decline in the level of inventory, including that of finished goods, from \$1,848 million by end of 2023 to \$1,553 million as of end of 2024. The decline of inventories resulted from continued implementation of selective procurement practices, which started in 2023. As the Company improved its payable terms following implementation of initiatives as part of the Company's transformation plan, trade payables remained flat while procurement was strictly managed. The decrease in receivables reflected the intensive collections and the lower sales.

**Cash Flow:** Operating cash flow of \$126 million was generated in the fourth quarter and \$528 million generated in the full year of 2024, compared to \$293 million and \$356 million in the fourth quarter and full year period of 2023, respectively. The operating cash flow was lower in the fourth quarter mainly due to lower sales and one-time legal claims-related payments. In the full year, despite lower sales, the operating cash flow significantly improved due to the company maintaining strict procurement practices, intensive collections and an improvement in supplier terms, reflecting implementation of initiatives taken as part of the company's transformation plan.

Net cash used in investing activities was \$40 million in the fourth quarter and \$162 million in the full year of 2024, compared to \$108 million and \$339 million in the corresponding periods last year, respectively. The lower cash used in investing activities in the fourth quarter and the full year reflected prioritization of investments in its manufacturing facilities and the decision to increase focus on products in line with the optimization of the Company's portfolio. The difference in the full year also reflected proceeds from the sale of a real estate asset in the third quarter of 2024 and the payment of the acquisition of AgriNova New Zealand in the first quarter of 2023.

Free cash flow of \$38 million was generated in the fourth quarter and \$217 million generated in the full year of 2024 compared to \$130 million generated in the fourth quarter and \$147 million consumed in the corresponding periods in 2023, respectively, reflecting the aforementioned operating and investing cash flow dynamics.



**Table 3. Revenues by operating segment**

**Sales by segment**

	Q4 2024 USD (m)	%	Q4 2023 USD (m)	%	FY 2024 USD (m)	%	FY 2023 USD (m)	%
Crop Protection	1,022	92%	1,034	91%	3,768	91%	4,268	92%
Intermediates and Ingredients	91	8%	102	9%	372	9%	393	8%
<b>Total</b>	<b>1,113</b>	<b>100%</b>	<b>1,136</b>	<b>100%</b>	<b>4,141</b>	<b>100%</b>	<b>4,661</b>	<b>100%</b>

**Sales by product category**

	Q4 2024 USD (m)	%	Q4 2023 USD (m)	%	FY 2024 USD (m)	%	FY 2023 USD (m)	%
Herbicides	436	39%	438	39%	1,649	40%	1,969	42%
Insecticides	338	30%	345	30%	1,233	30%	1,334	29%
Fungicides	248	22%	251	22%	886	21%	965	21%
Intermediates and Ingredients	91	8%	102	9%	373	9%	393	8%
<b>Total</b>	<b>1,113</b>	<b>100%</b>	<b>1,136</b>	<b>100%</b>	<b>4,141</b>	<b>100%</b>	<b>4,661</b>	<b>100%</b>

*Notes:*

*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.*

*Numbers may not sum due to rounding.*

**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](http://www.adama.com).

**About ADAMA**

ADAMA Ltd. is a global leader in crop protection, providing practical solutions to farmers across the world to combat weeds, insects and disease. Our culture empowers ADAMA's people to actively listen to farmers and ideate from the field. ADAMA's diverse portfolio of existing active ingredients, coupled with its leading formulation capabilities and proprietary formulation technology platforms, uniquely position the company to develop high-quality, innovative and sustainable products, to address the many challenges farmers and customers face today. ADAMA serves customers in dozens of countries globally, with direct presence in all top 20 markets. For more information, visit us at [www.ADAMA.com](http://www.ADAMA.com) and follow us on X at @ADAMAAgri.

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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

<i>Adjusted<sup>2</sup></i>	<b>Q4 2024 USD (m)</b>	<b>Q4 2023 USD (m)</b>	<b>Q4 2024 RMB (m)</b>	<b>Q4 2023 RMB (m)</b>
<b>Revenues</b>	<b>1,113</b>	<b>1,136</b>	<b>7,965</b>	<b>8,119</b>
Cost of Sales	806	882	5,768	6,304
Other costs	27	9	193	67
<b>Gross profit</b>	<b>280</b>	<b>245</b>	<b>2,003</b>	<b>1,748</b>
<i>% of revenue</i>	<i>25.2%</i>	<i>21.5%</i>	<i>25.2%</i>	<i>21.5%</i>
Selling & Distribution expenses	153	160	1,092	1,145
General & Administrative expenses	40	40	284	283
Research & Development expenses	13	15	96	110
Other operating expenses	(1)	5	(6)	35
Total operating expenses	205	220	1,466	1,574
<i>% of revenue</i>	<i>18.4%</i>	<i>19.4%</i>	<i>18.4%</i>	<i>19.4%</i>
<b>Operating income (EBIT)</b>	<b>75</b>	<b>24</b>	<b>537</b>	<b>174</b>
<i>% of revenue</i>	<i>6.7%</i>	<i>2.1%</i>	<i>6.7%</i>	<i>2.1%</i>
Financial expenses	61	89	439	636
<b>Income (loss) before taxes</b>	<b>14</b>	<b>(65)</b>	<b>98</b>	<b>(462)</b>
Taxes on Income	71	36	510	260
<b>Net loss</b>	<b>(58)</b>	<b>(101)</b>	<b>(412)</b>	<b>(722)</b>
<i>% of revenue</i>	<i>(5.2%)</i>	<i>(8.9%)</i>	<i>(5.2%)</i>	<i>(8.9%)</i>
Adjustments	91	(22)	653	(159)
<b>Reported net loss</b>	<b>(149)</b>	<b>(79)</b>	<b>(1,065)</b>	<b>(563)</b>
<i>% of revenue</i>	<i>(13.4%)</i>	<i>(6.9%)</i>	<i>(13.4%)</i>	<i>(6.9%)</i>
<b>Adjusted EBITDA</b>	<b>137</b>	<b>95</b>	<b>982</b>	<b>676</b>
<i>% of revenue</i>	<i>12.3%</i>	<i>8.3%</i>	<i>12.3%</i>	<i>8.3%</i>
<b>Adjusted EPS<sup>3</sup></b>				
– Basic	(0.0247)	(0.0434)	(0.1767)	(0.3099)
– Diluted	(0.0247)	(0.0434)	(0.1767)	(0.3099)
<b>Reported EPS<sup>5</sup></b>				
– Basic	(0.0639)	(0.0338)	(0.4572)	(0.2418)
– Diluted	(0.0639)	(0.0338)	(0.4572)	(0.2418)

<sup>2</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>3</sup> The number of shares used to calculate both basic and diluted earnings per share in both Q4 2024 and 2023 is 2,329.8 million shares.



## Abridged Consolidated Income Statement for the Full Year

<i>Adjusted<sup>4</sup></i>	FY 2024 USD (m)	FY 2023 USD (m)	FY 2024 RMB (m)	FY 2023 RMB (m)
<b>Revenues</b>	<b>4,141</b>	<b>4,661</b>	<b>29,488</b>	<b>32,779</b>
Cost of Sales	3,044	3,549	21,677	24,977
Other costs	35	52	252	366
<b>Gross profit</b>	<b>1,061</b>	<b>1,060</b>	<b>7,558</b>	<b>7,436</b>
<i>% of revenue</i>	<i>25.6%</i>	<i>22.7%</i>	<i>25.6%</i>	<i>22.7%</i>
<i>Selling &amp; Distribution expenses</i>	652	700	4,643	4,928
<i>General &amp; Administrative expenses</i>	141	145	1,006	1,018
<i>Research &amp; Development expenses</i>	58	69	416	483
<i>Other operating expenses</i>	(2)	5	(15)	35
Total operating expenses	850	918	6,051	6,464
<i>% of revenue</i>	<i>20.5%</i>	<i>19.7%</i>	<i>20.5%</i>	<i>19.7%</i>
<b>Operating income (EBIT)</b>	<b>212</b>	<b>141</b>	<b>1,507</b>	<b>973</b>
<i>% of revenue</i>	<i>5.1%</i>	<i>3.0%</i>	<i>5.1%</i>	<i>3.0%</i>
Financial expenses	285	348	2,029	2,451
<b>Loss before taxes</b>	<b>(74)</b>	<b>(207)</b>	<b>(522)</b>	<b>(1,479)</b>
Taxes on Income	133	30	946	213
<b>Net loss</b>	<b>(206)</b>	<b>(236)</b>	<b>(1,468)</b>	<b>(1,691)</b>
<i>% of revenue</i>	<i>(5.0%)</i>	<i>(5.1%)</i>	<i>(5.0%)</i>	<i>(5.2%)</i>
Adjustments	201	(11)	1,435	(85)
<b>Reported net loss</b>	<b>(407)</b>	<b>(225)</b>	<b>(2,903)</b>	<b>(1,606)</b>
<i>% of revenue</i>	<i>(9.8%)</i>	<i>(4.8%)</i>	<i>(9.8%)</i>	<i>(4.9%)</i>
<b>Adjusted EBITDA</b>	<b>469</b>	<b>407</b>	<b>3,340</b>	<b>2,844</b>
<i>% of revenue</i>	<i>11.3%</i>	<i>8.7%</i>	<i>11.3%</i>	<i>8.7%</i>
<b>Adjusted EPS<sup>5</sup></b>				
– Basic	(0.0885)	(0.1013)	(0.6302)	(0.7260)
– Diluted	(0.0885)	(0.1013)	(0.6302)	(0.7260)
<b>Reported EPS<sup>7</sup></b>				
– Basic	(0.1749)	(0.0964)	(1.2461)	(0.6893)
– Diluted	(0.1749)	(0.0964)	(1.2461)	(0.6893)

<sup>4</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>5</sup> The number of shares used to calculate both basic and diluted earnings per share in FY 2024 and 2023 is 2,329.8 million shares.



## Abridged Consolidated Balance Sheet

	December 31 2024 USD (m)	December 31 2023 USD (m)	December 31 2024 RMB (m)	December 31 2023 RMB (m)
<b>Assets</b>				
<b>Current assets:</b>				
Cash at bank and on hand	505	689	3,631	4,881
Bills and accounts receivable	1,283	1,306	9,223	9,251
Inventories	1,553	1,848	11,165	13,089
Other current assets, receivables and prepaid expenses	264	339	1,899	2,401
<b>Total current assets</b>	<b>3,605</b>	<b>4,182</b>	<b>25,917</b>	<b>29,622</b>
<b>Non-current assets:</b>				
Fixed assets, net	1,636	1,772	11,760	12,547
Rights of use assets	78	88	557	625
Intangible assets, net	1,373	1,457	9,871	10,320
Deferred tax assets	180	226	1,292	1,602
Other non-current assets	92	97	663	690
<b>Total non-current assets</b>	<b>3,359</b>	<b>3,640</b>	<b>24,142</b>	<b>25,784</b>
<b>Total assets</b>	<b>6,964</b>	<b>7,823</b>	<b>50,060</b>	<b>55,406</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Loans and credit from banks and other lenders	971	1,134	6,979	8,031
Bills and accounts payable	748	743	5,374	5,263
Other current liabilities	787	791	5,660	5,600
<b>Total current liabilities</b>	<b>2,506</b>	<b>2,668</b>	<b>18,013</b>	<b>18,894</b>
<b>Long-term liabilities:</b>				
Loans and credit from banks and other lenders	301	407	2,167	2,886
Debentures	879	977	6,320	6,919
Deferred tax liabilities	39	42	283	297
Employee benefits	76	95	544	672
Other long-term liabilities	520	538	3,742	3,813
<b>Total long-term liabilities</b>	<b>1,816</b>	<b>2,060</b>	<b>13,056</b>	<b>14,587</b>
<b>Total liabilities</b>	<b>4,322</b>	<b>4,727</b>	<b>31,069</b>	<b>33,481</b>
<b>Equity</b>				
<b>Total equity</b>	<b>2,642</b>	<b>3,096</b>	<b>18,991</b>	<b>21,924</b>
<b>Total liabilities and equity</b>	<b>6,964</b>	<b>7,823</b>	<b>50,060</b>	<b>55,406</b>



## Abridged Consolidated Cash Flow Statement for the Fourth Quarter

	Q4 2024 USD (m)	Q4 2023 USD (m)	Q4 2024 RMB (m)	Q4 2023 RMB (m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	126	293	898	2,092
<b>Cash flow from operating activities</b>	<b>126</b>	<b>293</b>	<b>898</b>	<b>2,092</b>
<b>Investing activities:</b>				
Acquisitions of fixed and intangible assets	(49)	(93)	(349)	(663)
Net cash received from disposal of fixed assets, intangible assets and others	4	0	30	3
Other investing activities	4	(16)	31	(115)
<b>Cash flow used for investing activities</b>	<b>(40)</b>	<b>(108)</b>	<b>(288)</b>	<b>(775)</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	56	203	399	1,473
Repayment of loans from banks and other lenders	(174)	(308)	(1,245)	(2,202)
Interest payment and other	(47)	(55)	(338)	(392)
Other financing activities	(10)	(76)	(72)	(541)
<b>Cash flow used for financing activities</b>	<b>(176)</b>	<b>(235)</b>	<b>(1,256)</b>	<b>(1,662)</b>
Effects of exchange rate movement on cash and cash equivalents	0	1	100	(79)
<b>Net change in cash and cash equivalents</b>	<b>(91)</b>	<b>(50)</b>	<b>(545)</b>	<b>(423)</b>
Cash and cash equivalents at the beginning of the period	589	736	4,129	5,281
<b>Cash and cash equivalents at the end of the period</b>	<b>499</b>	<b>686</b>	<b>3,584</b>	<b>4,857</b>
<b>Free Cash Flow</b>	<b>38</b>	<b>130</b>	<b>272</b>	<b>989</b>





## Abridged Consolidated Cash Flow Statement for the Full Year

	FY 2024 USD (m)	FY 2023 USD (m)	FY 2024 RMB (m)	FY 2023 RMB (m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	528	356	3,761	2,618
<b>Cash flow from operating activities</b>	<b>528</b>	<b>356</b>	<b>3,761</b>	<b>2,618</b>
<b>Investing activities:</b>				
Acquisitions of fixed and intangible assets	(200)	(337)	(1,424)	(2,370)
Net cash received from disposal of fixed assets, intangible assets and others	38	6	273	40
Acquisition of subsidiaries	0	(22)	-	(148)
Other investing activities	0	13	(3)	90
<b>Cash flow used for investing activities</b>	<b>(162)</b>	<b>(339)</b>	<b>(1,154)</b>	<b>(2,388)</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	290	1,004	2,066	7,030
Repayment of loans from banks and other lenders	(679)	(589)	(4,834)	(4,176)
Interest payment and other	(158)	(176)	(1,127)	(1,244)
Dividends to shareholders	-	(9)	-	(63)
Other financing activities	(9)	(167)	(64)	(1,173)
<b>Cash flow used for financing activities</b>	<b>(556)</b>	<b>63</b>	<b>(3,959)</b>	<b>374</b>
Effects of exchange rate movement on cash and cash equivalents	3	0	79	28
<b>Net change in cash and cash equivalents</b>	<b>(187)</b>	<b>79</b>	<b>(1,273)</b>	<b>632</b>
Cash and cash equivalents at the beginning of the period	686	607	4,857	4,225
<b>Cash and cash equivalents at the end of the period</b>	<b>499</b>	<b>686</b>	<b>3,584</b>	<b>4,857</b>
<b>Free Cash Flow</b>	<b>217</b>	<b>(147)</b>	<b>1,549</b>	<b>(923)</b>



## 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, 2024 and 2023 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”).

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 certain transportation costs have been reclassified from COGS to Operating Expenses.
- “Financial expenses” includes net financing expenses and gains/losses from changes in fair value.

#### 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



## Income Statement Adjustments

	Q4 2024 USD (m)	Q4 2023 USD (m)	Q4 2024 RMB (m)	Q4 2023 RMB (m)
<b>Reported Net Loss</b>	<b>(149)</b>	<b>(79)</b>	<b>(1,065)</b>	<b>(563)</b>
<b><u>Adjustments to COGS &amp; Operating Expenses:</u></b>				
1. Amortization of acquisition-related PPA and other acquisition related costs	4	4	26	28
2. Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	5	5	38	35
3. Accelerated depreciation	1	1	10	6
4. Incentive plans	-	(1)	-	(4)
5. ASBEs classifications COGS impact	(3)	(22)	(20)	(158)
6. ASBEs classifications OPEX impact	3	22	20	158
7. Restructuring and advisory costs	19	9	134	66
8. Fixed assets impairment	90	33	644	237
9. Soil and water cleanup and remediation	1	-	10	-
<b>Total Adjustments to Operating Income (EBIT)</b>	<b>120</b>	<b>51</b>	<b>861</b>	<b>367</b>
<b>Total Adjustments to EBITDA</b>	<b>20</b>	<b>9</b>	<b>142</b>	<b>63</b>
<b><u>Adjustments to Financing Expenses:</u></b>				
12. Non-cash adjustment related to put option revaluations and release of holdback	(10)	(72)	(71)	(518)
13. Other financing expenses	(1)	(2)	(10)	(11)
<b><u>Adjustments to Taxes:</u></b>				
Taxes impact	(18)	-	(126)	3
<b>Total adjustments to Net loss</b>	<b>91</b>	<b>(22)</b>	<b>653</b>	<b>(159)</b>
<b>Adjusted Net Loss</b>	<b>(58)</b>	<b>(101)</b>	<b>(412)</b>	<b>(722)</b>



	FY 2024 USD (m)	FY 2023 USD (m)	FY 2024 RMB (m)	FY 2023 RMB (m)
<b>Reported Net loss</b>	<b>(407)</b>	<b>(225)</b>	<b>(2,903)</b>	<b>(1,606)</b>
<b><u>Adjustments to COGS &amp; Operating Expenses:</u></b>				
1. Amortization of acquisition-related PPA and other acquisition related costs	15	17	106	116
2. Amortization of Transfer assets received and written-up due to 2017 ChemChina-Syngenta transaction (non-cash)	21	20	147	143
3. Accelerated depreciation	4	3	32	22
4. Incentive plans	-	(3)	-	(21)
5. ASBEs classifications COGS impact	(90)	(87)	(637)	(610)
6. ASBEs classifications OPEX impact	90	87	637	610
7. Restructuring and advisory costs	44	9	315	66
8. Fixed assets impairment	90	33	644	237
9. Soil and water cleanup and remediation	18	-	131	-
10. Expenses related to legal claims	36	-	255	-
11. Registration impairment and update of registration depreciation	28	-	196	-
<b>Total Adjustments to Operating Income (EBIT)</b>	<b>256</b>	<b>79</b>	<b>1,826</b>	<b>562</b>
<b>Total Adjustments to EBITDA</b>	<b>100</b>	<b>7</b>	<b>712</b>	<b>53</b>
<b><u>Adjustments to Financing Expenses:</u></b>				
12. Non-cash adjustment related to put options revaluation and release of holdback	(40)	(83)	(283)	(594)
13. Other financing expenses	8	(6)	59	(42)
<b><u>Adjustments to Taxes:</u></b>				
Taxes impact	(23)	(2)	(167)	(12)
<b>Total adjustments to Net loss</b>	<b>201</b>	<b>(11)</b>	<b>1,435</b>	<b>(85)</b>
<b>Adjusted Net loss</b>	<b>(206)</b>	<b>(236)</b>	<b>(1,468)</b>	<b>(1,691)</b>

**Notes:**

- Amortization of acquisition-related PPA and other acquisition related costs:**
  - Amortization of Legacy PPA of 2011 acquisition of Solutions (non-cash):** Under ASBE, since the third 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 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.
- 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.
- Accelerated depreciation:** These charges relate to accelerated depreciation attributed to the upgrade & relocation programs in China and Israel, in which production assets located in the old production sites in Huai'An and Beer-Sheva are in relocation process to new sites. Since some older production assets may not be able to be relocated, or are not operational, these are depreciated over a shorter period.
- Incentive plans:** ADAMA granted certain of its employees, a long-term incentive (LTI) in the form of 'phantom' awards linked to the Company's share price. As such, the Company records an expense, or recognizes income, depending on the fluctuation in the Company's share price, regardless of award exercises. 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 awards, 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.

5. & 6. **ASBEs classifications COGS impact:** according to the ASBE guidelines [IAS 37], certain items (specifically certain transportation costs) are classified under COGS.
7. **Restructuring and advisory costs:** The Company initiated its Fight Forward transformation plan in early 2024. Part of the plan includes restructuring its organizational structure, workforce and managerial processes, and as a result thereof, the Company recorded restructuring and advisory costs.
8. **Fixed assets impairment:** As part of the Company's strategic direction to enhance operational efficiency, the Company decided to focus on high-performing facilities. Consequently, after evaluating their net book value and recoverable amount, the Company recorded impairments related to certain facilities. In 2023, the impairment was recorded for a subsidiary's facilities due to changes in the markets and upgrade in technology.
9. **Soil and water cleanup and remediation:** a wholly-owned indirect subsidiary of the Company filed with Israel's Ministry of Environmental Protection a remediation plan regarding its plant in Be'er Sheva in Q2 2024. During Q3 and Q4 2024 additional expenses were recorded regarding the Company's sites in Israel and Brazil.
10. **Expenses related to legal claims:** Legal claims related to product liabilities was settled in 2024 and incurred expenses.
11. **Registration impairment and update of registration depreciation:** This is mainly related to the management's strategic decision to increase focus on products in line with the optimization of the Company's portfolio, and hence to focus on the quality of business to achieve a better sales mix of higher margin products.
12. Non-cash, non-recurring income due to revaluation of put options attributed to minority stake in subsidiaries in both 2024 and 2023 and release of holdback related to the original acquisition in 2023.
13. Other financing expenses: Expenses mainly deriving from tax claims surcharges and inflation.



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

	December 31			Q4 Average			FY Average		
	2024	2023	Change	2024	2023	Change	2024	2023	Change
EUR/USD	1.041	1.106	(5.9%)	1.067	1.076	(0.8%)	1.082	1.081	0.0%
USD/BRL	6.192	4.841	(27.9%)	5.843	4.953	(18.0%)	5.390	4.995	(7.9%)
USD/PLN	4.101	3.935	(4.2%)	4.037	4.107	1.7%	3.981	4.204	5.3%
USD/ZAR	18.762	18.563	(1.1%)	17.858	18.744	4.7%	18.326	18.446	0.7%
AUD/USD	0.621	0.682	(9.0%)	0.652	0.651	0.3%	0.660	0.664	(0.7%)
GBP/USD	1.254	1.274	(1.6%)	1.282	1.240	3.3%	1.278	1.243	2.8%
USD/ILS	3.647	3.627	(0.6%)	3.698	3.819	3.2%	3.701	3.687	(0.4%)
USD S 3M	4.31%	5.33%		4.50%	5.38%	0.87 bp	5.06%	5.38%	

	December 31			Q4 Average			FY Average		
	2024	2023	Change	2024	2023	Change	2024	2023	Change
USD/RMB	7.483	7.083	5.7%	7.632	7.146	6.8%	7.702	7.042	9.4%
EUR/RMB	7.188	7.834	(8.2%)	7.156	7.686	(6.9%)	7.120	7.614	(6.5%)
RMB/BRL	0.861	0.684	(26.0%)	0.817	0.693	(17.8%)	0.757	0.709	(6.7%)
RMB/PLN	0.571	0.556	(2.7%)	0.564	0.575	1.8%	0.559	0.597	6.3%
RMB/ZAR	2.610	2.621	0.4%	2.496	2.623	4.9%	2.574	0.597	1.9%
AUD/RMB	4.463	4.834	(7.7%)	4.669	4.650	0.4%	4.697	4.677	0.4%
GBP/RMB	9.016	9.024	(0.1%)	9.172	8.864	3.5%	9.098	8.752	4.0%
RMB/ILS	0.507	0.512	0.9%	0.517	0.534	3.3%	0.520	0.524	0.7%
RMB L 3M	1.69%	2.53%	(33.4%)	1.81%	2.46%	(26.2%)	1.99%	2.32%	(14.2%)